

102

QUARTERLY STATEMENT

OF THE

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OFFICE OF RISK
ASSESSMENT

**CLEVELAND AUTOMOBILE DEALERS
ASSOCIATION GROUP HEALTH PLAN**

OF

BRECKSVILLE, OHIO

TO THE

INSURANCE DEPARTMENT

OF THE STATE OF

OHIO

FOR THE PERIOD ENDED
SEPTEMBER 30, 2017

2017

HEALTH

2017



QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2017
OF THE CONDITION AND AFFAIRS OF THE

Cleveland Automobile Dealers Association Group Health Plan

NAIC Group Code 0001 , 0001 NAIC Company Code 00001 Employer's ID Number 34-1820838
(Current Period) (Prior Period)

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

Country of Domicile US

Licensed as business type:

Life, Accident and Health [] Property/Casualty [] Hospital, Medical and Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Other [X]
Health Maintenance Organization [] Is HMO Federally Qualified? Yes () No ()

Incorporated/Organized January 11, 1979 Commenced Business January 1, 1979

Statutory Home Office 10100 Brecksville Road, Brecksville, Ohio 44141

Main Administrative Office: 10100 Brecksville Road, Brecksville, Ohio, US, 44141 | 1-800-222-1818

(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10100 Brecksville Road, Brecksville, Ohio, US 44141

1-440-745-1500 www.1-440.com info@1-440.com

Internet Website Address: www.reads.com

Statement: Statement, Contact, Job References

OFFICERS

Richard Marcellino (Trustee)
Kirt Frye (Trustee)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Kirt Frye
Richard Marcellino
Robert Gillingham
Jay Park
Joseph Fornai
Christopher O'Donnell
Paul Hnchar, Jr.

State of OH }
County of CUYAHOGA } 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.

Subscribed and sworn to before me this
day of

NICHOLAS A. HANNA Is this an original filing?

Yes (X) No ()

**Attorney At Law b. If no: 1. State the amendment number
NOTARY PUBLIC
STATE OF OHIO
My Commission Has
No Expiration Date
Section 147.03 O.R.C.**



STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Cleveland Automobile Dealers Association Group Health Plan

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
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 \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 8,238,634), cash equivalents (\$) and short-term investments (\$)	8,238,634		8,238,634	7,042,624
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	8,238,634		8,238,634	7,042,624
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	229,025		229,025	293,644
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	8,467,659		8,467,659	7,336,268
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	8,467,659		8,467,659	7,336,268
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)				

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Cleveland Automobile Dealers Association Group Health Plan

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)		1,690,000		1,641,000
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses		250,000		225,000
4. Aggregate health policy reserves, including the liability of \$ 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		4,144		7,561
9. General expenses due or accrued		20,724		19,645
10. 1 Current federal and foreign income tax payable and interest thereon (including \$ realized gains (losses)) on				
10. 2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$) 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 \$ 429,664 current)		429,664		469,093
24. Total liabilities (Line 1 to Line 23)		2,394,532		2,394,532
25. Aggregate write-ins for special surplus funds		XXX	XXX	
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	
30. Aggregate write-ins for other-than-special surplus funds		XXX	XXX	
31. Unassigned funds (surplus)		XXX	XXX	6,073,127
32. Less treasury stock, at cost:				4,973,969
32.1 shares common (value included in Line 26 \$)		XXX	XXX	
32.2 shares preferred (value included in Line 27 \$)		XXX	XXX	
33. Total capital and surplus (Line 25 to Line 31 minus Line 32)		XXX	XXX	6,073,127
34. Total Liabilities, capital and surplus (Line 24 and Line 33)		XXX	XXX	8,467,659
DETAILS OF WRITE-INS				
2301. Invoices payable to carriers		354,973		394,402
2302. ATRF payable		74,691		74,691
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)		429,664		469,093
2501.		XXX	XXX	
2502.		XXX	XXX	
2503.		XXX	XXX	
2598. Summary of remaining write-ins for Line 25 from overflow page		XXX	XXX	
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)		XXX	XXX	
3001.		XXX	XXX	
3002.		XXX	XXX	
3003.		XXX	XXX	
3098. Summary of remaining write-ins for Line 30 from overflow page		XXX	XXX	
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)		XXX	XXX	

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
	XXX	21,768	20,944	28,170
1. Member Months	XXX	21,768	20,944	28,170
2. Net premium income (including \$ 10,648 non-health premium income)	XXX	15,680,100	14,127,951	19,300,838
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of \$ medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	9,069	91,998	128,861
7. Aggregate write-ins for other non-health revenues	XXX			
8. Total revenues (Line 2 to Line 7)	XXX	15,689,169	14,219,949	19,429,699
Hospital and Medical:				
9. Hospital/medical benefits		9,787,301	8,916,974	12,340,176
10. Other professional services		670,168	692,495	898,595
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs		3,301,589	2,872,523	3,795,966
14. Aggregate write-ins for other hospital and medical		9,528	149,053	195,637
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Line 9 to Line 15)		13,768,586	12,631,045	17,230,374
Less:				
17. Net reinsurance recoveries		398,556	416,374	850,152
18. Total hospital and medical (Line 16 minus Line 17)		13,370,030	12,214,671	16,380,222
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ cost containment expenses		967,964	893,349	1,202,422
21. General administrative expenses		186,520	159,126	201,022
22. Increase in reserves for life and accident and health contracts (including \$ reserves for life only)		74,000	(46,000)	(95,000)
23. Total underwriting deductions (Line 18 through Line 22)		14,598,514	13,221,146	17,688,666
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	XXX	1,090,655	998,803	1,741,033
25. Net investment income earned		8,503	5,043	7,199
26. Net realized capital gains (losses) less capital gains tax of \$				
27. Net investment gains (losses) (Line 25 plus Line 26)		8,503	5,043	7,199
28. Net gain or (loss) from agents' or premium balances charged off ((amount recovered \$ (amount charged off \$)))				
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 (Line 24 plus Line 27 plus Line 28 plus Line 29)	XXX	1,099,158	1,003,846	1,748,232
31. Federal and foreign income taxes incurred	XXX			
32. Net income (loss) (Line 30 minus Line 31)	XXX	1,099,158	1,003,846	1,748,232
DETAILS OF WRITE-INS				
0601. ATRF Pass-Through	XXX	9,069	91,998	128,861
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX			
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	XXX	9,069	91,998	128,861
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX			
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	XXX			
1401. ACA Fees (incl. ATRF and PCORI)			9,528	149,053
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)			9,528	149,053
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)				

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Cleveland Automobile Dealers Association Group Health Plan

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
33. Capital and surplus prior reporting year	4,973,969	3,224,077	3,224,077
34. Net income or (loss) from Line 32	1,099,158	1,003,846	1,748,232
35. Change in valuation basis of aggregate policy and claims reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets		1,660	1,660
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 (Line 34 to Line 47)	1,099,158	1,005,506	1,749,892
49. Capital and surplus end of reporting period (Line 33 plus Line 48)	6,073,127	4,229,583	4,973,969
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)			

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	15,741,302	14,347,985	19,290,334
2. Net investment income	8,503	5,043	7,199
3. Miscellaneous income	9,069	91,998	128,861
4. Total (Line 1 through Line 3)	15,758,874	14,445,026	19,426,394
5. Benefit and loss related payments	13,434,459	12,177,961	16,535,924
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	1,128,405	1,042,501	1,394,274
7. Commissions, expenses paid and aggregate write-ins for deductions			
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Line 5 through Line 9)	14,562,864	13,220,462	17,930,198
11. Net cash from operations (Line 4 minus Line 10)	1,196,010	1,224,564	1,496,196
Cash from Investments			
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			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Line 12.1 through Line 12.7)			
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
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 (Line 13.1 through Line 13.6)			
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)			
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
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)			
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)			
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	1,196,010	1,224,564	1,496,196
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	7,042,624	5,546,428	5,546,428
19.2 End of period (Line 18 plus Line 19.1)	8,238,634	6,770,992	7,042,624

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

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital and Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefits Plan	Title XVII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year		2,384		2,384						
2. First Quarter		2,416		2,416						
3. Second Quarter		2,411		2,411						
4. Third Quarter		2,415		2,415						
5. Current Year										
6. Current Year Member Months		21,768		21,768						
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)		16,581,591		15,752,374				829,617		
13. Life Premiums Direct		43,628								43,628
14. Property/Casually Premiums Written										
15. Health Premiums Earned		16,581,591							829,617	
16. Property/Casually Premiums Earned										
17. Amount Paid for Provision of Health Care Services		13,759,058			13,088,890				670,168	
18. Amount Incurred for Provision of Health Care Services		13,808,158			13,150,890				657,168	

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

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

Aging Analysis of Unpaid Claims

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
0599999 - Unreported claims and other claim reserves						1,690,000
0799999 - Total claims unpaid						1,690,000

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	
1. Comprehensive (Hospital and medical)	1,362,366	11,327,968	12,000	1,623,000	1,374,306
2. Medicare Supplement					
3. Dental only	42,358	621,810	1,000	54,000	43,358
4. Vision only					
5. Federal Employees Health Benefits Plan					
6. Title XVIII - Medicare					
7. Title XIX - Medicaid					
8. Other health					
9. Health subtotal (Line 1 to Line 8)	1,404,724	11,955,778	13,000	1,677,900	1,417,724
10. Health care receivables (a)					
11. Other non Health					
12. Medicaid incentive pools and bonus amounts					
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12)	1,404,724	11,955,778	13,000	1,677,900	1,417,724

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Cleveland Automobile Dealers Association Group Health Plan
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies

DESCRIPTION OF PLAN

Nature of Operations: The Cleveland Automobile Dealers' Group Health Plan (the Plan) provides and maintains a program of group insurance for the benefit of members of the Greater Cleveland Automobile Dealers' Association. The Plan, as amended and restated by the Board of Trustees was adopted effective June 1, 1990. GCADA is the plan's sponsor.

Premiums: Contributions to the Trust are made by members of the Association in accordance with rates established for the insurance coverage provided.

Health Insurance Benefits: Group health insurance benefits are provided by direct payments of claims per agreements with Medical Mutual of Ohio.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The accompanying statutory financial statements have been prepared in conformity with accounting practices prescribed or permitted by the State of Ohio Department of Insurance. Prescribed statutory accounting practices include state laws, regulations and general administrative rules, as well as a variety of publications of the National Association of Insurance Commissioners (NAIC). Permitted statutory accounting practices encompass all accounting practices that are not prescribed; such practices may differ from state to state, may differ from company to company within a state and may change in the future. Statutory accounting practices used by the Plan vary from accounting principles generally accepted in the United States of America as follows:

Reinsurance: Reserves for losses and loss adjustment expenses and unearned premiums are reported net of reinsured amounts.

For the purpose of the annual and quarterly statements, the following policies have been treated as reinsurance.

- Specific and aggregate stop loss
- Fully-insured, no-risk life insurance

Reported premium income is generally net of reinsurance – it has been reduced by the cost of ceded reinsurance (the cost of stop loss premium and life insurance premium). Likewise, incurred claims and the reserve for incurred but unpaid claims do not include the cost of ceded reinsurance. Premium is reported gross of reinsurance on Exhibit of Premiums and Enrollment and Schedule T.

Vision premium and claims are included with dental.

Enrollment: Reported counts indicate number of contracts. In the first nine months of 2017 the ratio of members to contracts averaged 1.78 and ranged from 1.76 to 1.80. The ratio of members to contracts in 2016 averaged 1.80 and ranged from 1.79 to 1.83.

Nonadmitted Assets: Certain assets designated as "nonadmitted," including furniture and fixtures, automobiles and equipment, unrealized gain and loss on investments and intangible assets related to costs of insurance licenses, prepaid assets and deferred expenses, are excluded from the statements of admitted assets, liabilities and surplus statutory basis and are charged directly to unassigned surplus.

Statements of Cash Flows - Statutory Basis: The Plan reports cash flows in accordance with NAIC guidelines.

Valuation of Bonds and Mutual Funds: Bonds and mutual funds are valued in accordance with the laws of the State of Ohio or the valuations prescribed by the Committee on Valuation of Securities of the NAIC. Generally, bonds are stated at amortized cost and stocks (mutual funds) are valued based on market quotations.

Losses Payable: A liability for losses is provided based on: (1) case basis estimates for losses reported, (2) estimates of unreported losses based on past experience, (3) information received relating to assumed reinsurance, and (4) deduction of amounts for reinsurance placed with reinsurers.

Loss Adjustment Expenses Payable: A liability for loss adjustment expenses payable is provided by estimating future expenses to be incurred in settlement of the claims provided for in the liability for losses.

Recognition of Premium Revenues: Premiums are billed monthly. Revenue is recognized in the month billed.

Bonds: Includes all bonds with maturity dates, when purchased, greater than one year.

Short-term Investments: Includes all bonds with maturity dates, when purchased, of one year or less.

Cash Equivalents: Highly liquid, short-term investments with maturities of three months or less from acquisition date are considered cash equivalents. As of the statement date, there were no cash equivalents.

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Cleveland Automobile Dealers Association Group Health Plan
NOTES TO FINANCIAL STATEMENTS

The preparation of financial statements in conformity with the statutory basis of accounting for insurance companies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Liability for incurred but unpaid claims is a significant estimate that could change in the near term.

NOTE 2 - Accounting Changes and Corrections of Errors

Not Applicable

NOTE 3 - Business Combinations and Goodwill

Not Applicable

NOTE 4 - Discontinued Operations

Not Applicable

NOTE 5 - Investments

Not Applicable

NOTE 6 - Joint Ventures, Partnerships, and Limited Liability Companies

Not Applicable

NOTE 7 - Investment Income

Not Applicable

NOTE 8 - Derivative Instruments

Not Applicable

NOTE 9 - Income Taxes

Not Applicable – the Plan is exempt.

NOTE 10 - Information Concerning Parent, Subsidiaries and Affiliates

In the first nine months of 2016, management fees of \$98,775 were paid to GCADA to reimburse management's time in administration and promotion of the Plan. Management fees of \$61,875 were paid to GCADA in the first nine months of 2015.

NOTE 11 - Debt

None

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

Not Applicable

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

Not Applicable

NOTES TO FINANCIAL STATEMENTS**NOTE 14 - Contingencies**

- A. Contingent Commitments - None
- B. Assessments - None
- C. Gain Contingencies - None
- D. All Other Contingencies - None

NOTE 15 - Lenses

Not Applicable

NOTE 16 - Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentration 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 Uninsured Portion of Partially Insured Plans

Not Applicable

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

Not Applicable

NOTE 20 - September 11 Events

Not Applicable

NOTE 21 - Other Items

- A. Extraordinary Items - None
- B. Troubled Debt Restructuring - None
- C. Other Disclosures - None
- D. All Other Contingencies - None

NOTE 22 - Events Subsequent**Effect of the ACA - Transitional Reinsurance Program Fees (TRF)**

The TRF is a temporary program, in place 2014-2016, to provide funding to insurers that incur high claim costs for enrollees in the individual market. Insurers and self-insured plans are required to pay a per-capita fee determined by HHS. The Plan collects pass-through revenue and pays the fees. The annual per-member fee amounts for 2014 through 2016 are shown below. All employees and dependents covered under a medical plan, including COBRA but excluding Medifil, are included in the member counts.

2014	\$ 63 per member
2015	\$ 44 per member
2016	\$ 27 per member

The Plan also pays the PCORI fee in 2013-2019. The fee payable in 2017 is approximately \$2.26 per member (indexed going forward). In the first nine months of 2017 and 2016, revenue and expenses related to the ACA were:

	1/1/17-9/30/17	1/1/16-9/30/16
ATRF Pass-Through revenue (reported on page 4, line 6)	\$ 9,069	\$ 91,998
ACA fees, incl. ATRF & PCORI (reported on page 4, line 14)	9,528	149,053

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Cleveland Automobile Dealers Association Group Health Plan
NOTES TO FINANCIAL STATEMENTS

NOTE 23 - Reinsurance

A. Ceded Reinsurance

The following table shows the approximate amounts by which ceded reinsurance has reduced the indicated financial statement accounts in the first nine months of 2017 and 2016:

	<u>1/1/17 - 9/30/17</u>	<u>1/1/16 - 9/30/16</u>
Premium Income		
Cost of Stop Loss Insurance	\$ 912,539	\$ 802,743
Cost of Life Insurance	32,980	32,874
Total	945,519	835,617
Underwriting Deductions		
Stop Loss Reimbursements	\$ 398,556	\$ 416,374

B. Uncollectible Reinsurance - Not Applicable

C. Commutation of Ceded Reinsurance - Not Applicable

NOTE 24 - Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable

NOTE 25 - Change in Incurred Claims and Claim Adjustment Expenses

Not Applicable

NOTE 26 - Intercompany Pooling Arrangements

Not Applicable

NOTE 27 - Structured Settlements

Not Applicable

NOTE 28 - Health Care Receivables

Not Applicable

NOTE 29 - Participating Policies

Not Applicable

NOTE 30 - Premium Deficiency Reserves

Not Applicable

NOTE 31 - Anticipated Salvage and Subrogation

Not Applicable

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE Cleveland Automobile Dealers Association Group Health Plan
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 the response to 4.1 is 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 ()

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 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. 12/31/2015

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). 01/10/2017

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 (X) No () N/A ()

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes (X) 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 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
---------------------	-----------------------------	----------	----------	-----------	----------

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).

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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)

10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$

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: \$

13. Amount of real estate and mortgages held in short-term investments: \$

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 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 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26)	\$	\$
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above	\$	\$

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 \$

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 \$

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?

Yes (X) No ()

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address

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? Yes () No ()

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

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? Yes () No (X)

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)

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 ()

18.2 If no, list exceptions:

GENERAL INTERROGATORIES**PART 2 - HEALTH INTERROGATORIES**

1. Operating Percentages:

1.1 A&H loss percent 85.2 %

1.2 A&H cost containment percent %

1.3 A&H expense percent excluding cost containment expenses 7.4 %

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. \$

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. \$

Page 13
Schedule S - Ceded Reinsurance
NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only Year to Date						
		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 Column 2 Through Column 7
1. Alabama	AL N							
2. Alaska	AK N							
3. Arizona	AZ N							
4. Arkansas	AR N							
5. California	CA N							
6. Colorado	CO N							
7. Connecticut	CT N							
8. Delaware	DE N							
9. District of Columbia	DC N							
10. Florida	FL N							
11. Georgia	GA N							
12. Hawaii	HI N							
13. Idaho	ID N							
14. Illinois	IL N							
15. Indiana	IN N							
16. Iowa	IA N							
17. Kansas	KS N							
18. Kentucky	KY N							
19. Louisiana	LA N							
20. Maine	ME N							
21. Maryland	MD N							
22. Massachusetts	MA N							
23. Michigan	MI N							
24. Minnesota	MN N							
25. Mississippi	MS N							
26. Missouri	MO N							
27. Montana	MT N							
28. Nebraska	NE N							
29. Nevada	NV N							
30. New Hampshire	NH N							
31. New Jersey	NJ N							
32. New Mexico	NM N							
33. New York	NY N							
34. North Carolina	NC N							
35. North Dakota	ND N							
36. Ohio	OH L	16,581,991				43,628		16,625,619
37. Oklahoma	OK N							
38. Oregon	OR N							
39. Pennsylvania	PA N							
40. Rhode Island	RI N							
41. South Carolina	SC N							
42. South Dakota	SD N							
43. Tennessee	TN N							
44. Texas	TX N							
45. Utah	UT N							
46. Vermont	VT N							
47. Virginia	VA N							
48. Washington	WA N							
49. West Virginia	WV N							
50. Wisconsin	WI N							
51. Wyoming	WY N							
52. American Samoa	AS N							
53. Guam	GU N							
54. Puerto Rico	PR N							
55. U.S. Virgin Islands	VI N							
56. Northern Mariana Islands	MP N							
57. Canada	CAN N							
58. Aggregate Other Alien	OT XXX	16,581,991				43,628		16,625,619
59. Subtotal								
60. Reporting entity contributions for Employee Benefit Plans	XXX							
61. Total (Direct Business)	(a) 1	16,581,991				43,628		16,625,619

DETAILS OF WRITE-INS

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

Active Status Codes (Column 1):

- (L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG
- (R) Registered - Non-domiciled RRGs
- (O) 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.

**SCHEDEULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 - ORGANIZATIONAL CHART

NONE

Page 16
Schedule Y, Part 1A
NONE

Schedule Y, Part 1A, Explanation
NONE

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:	
N/A	
Bar Code:	
Document Identifier 365:	 0 0 0 0 1 2 0 1 7 3 6 5 0 0 0 0 3

Page SI01

Schedule A, Verification
NONE

Schedule B, Verification
NONE

Schedule BA, Verification
NONE

Schedule D, Verification
NONE

Page SI02

Schedule D, Part 1B
NONE

Page SI03

Schedule DA, Part 1
NONE

Schedule DA, Verification
NONE

Page SI04

Schedule DB, Part A, Verification
NONE

Schedule DB, Part B, Verification
NONE

Page SI05

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open
NONE

Page SI06

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open
NONE

Page SI07

Schedule DB, Verification
NONE

Page SI08

Schedule E, Verification (Cash Equivalents)
NONE

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Disposed
NONE

Page E02

Schedule B, Part 2, Mortgage Loans Acquired
NONE

Schedule B, Part 3, Mortgage Loans Disposed
NONE

Page E03

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed
NONE

Page E04

Schedule D, Part 3, Long-Term Bonds and Stocks Acquired
NONE

Page E05

Schedule D, Part 4, Long-Term Bonds and Stocks Disposed Of
NONE

Page E06

Schedule DB, Part A, Section 1
NONE

Description of Hedged Risk(s)
NONE

Financial or Economic Impact of the Hedge
NONE

Page E07

Schedule DB, Part B, Section 1
NONE

Schedule DB, Part B, Section 1, Broker Name
NONE

Schedule DB, Part B, Description of Hedged Risk(s)
NONE

Schedule DB, Part B, Financial or Economic Impact of the Hedge
NONE

Page E08

Schedule DB, Part D, Section 1
NONE

Page E09

Schedule DB, Part D, Section 2, By Reporting Entity
NONE

Schedule DB, Part D, Section 2, To Reporting Entity
NONE

Page E10

Schedule DL, Part 1
NONE

Page E11

Schedule DL, Part 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6 First Month	7 Second Month	8 Third Month	
Open Depositories									
PNC Bank - checking	Pennsylvania	varies		1,860		3,458,281	3,803,780	3,766,149	
PNC Bank - money market	Pennsylvania	varies		79		340,856	340,883	340,908	
First Merit Bank	Ohio	varies		418		1,106,740	1,106,881	1,107,017	
Fifth Third Bank	Ohio	varies		338		1,010,569	1,010,655	1,010,738	
Huntington National Bank	Ohio	varies		254		1,011,136	1,011,222	1,011,305	
Key Bank	Ohio	varies		198		1,002,386	1,002,453	1,002,517	
0199999 - TOTAL - Open Depositories				3,147		7,929,968	8,275,874	8,238,634	
0399999 - TOTAL Cash on Deposit				3,147		7,929,968	8,275,874	8,238,634	
0599999 - TOTALS				3,147		7,929,968	8,275,874	8,238,634	

Page E13
Schedule E, Part 2, Cash Equivalents
NONE



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2017 OF THE Cleveland Automobile Dealers Association Group Health Plan

MEDICARE PART D COVERAGE SUPPLEMENT
(Net of Reinsurance)

NAIC Group Code: 0001

NAIC Company Code: 00001

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected				XXX	XXX
2. Earned Premiums				XXX	XXX
3. Claims Paid				XXX	XXX
4. Claims Incurred				XXX	XXX
5. Reinsurance Coverage and Low Income Claims Paid Net of Reimbursements App					
6. Aggregate Policy Reserves - Change				XXX	XXX
7. Expenses Paid				XXX	XXX
8. Expenses Incurred				XXX	XXX
9. Underwriting Gain or Loss				XXX	XXX
10. Cash Flow Result				XXX	XXX

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

NONE