



# QUARTERLY STATEMENT

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

## CareSource

NAIC Group Code	3683 (Current Period)	3683 (Prior Period)	NAIC Company Code	95201	Employer's ID Number	31-1143265
Organized under the Laws of Ohio			State of Domicile or Port of Entry			Ohio
Country of Domicile United States						
Licensed as business type:	Life, Accident & Health [ ] Dental Service Corporation [ ] Other [ ]	Property/Casualty [ ] Vision Service Corporation [ ]	Hospital, Medical & Dental Service or Indemnity [ ] Health Maintenance Organization [ X ] Is HMO Federally Qualified? Yes [ ] No [ X ]			
Incorporated/Organized	06/12/1985	Commenced Business			10/01/1988	
Statutory Home Office	230 North Main Street (Street and Number)			Dayton, OH, US 45402 (City or Town, State, County and Zip Code)		
Main Administrative Office	230 North Main Street (Street and Number)			Dayton, OH, US 45402 (City or Town, State, County and Zip Code)	937-531-3300 (Area Code) (Telephone Number)	
Mail Address	PO Box 8738 (Street and Number or P.O. Box)			Dayton, OH, US 45401-8738 (City or Town, State, County and Zip Code)	937-487-5047 (Area Code) (Telephone Number)	
Primary Location of Books and Records	230 North Main Street (Street and Number)			Dayton, OH, US 45402 (City or Town, State, County and Zip Code)	937-531-2159 (Area Code) (Telephone Number)	
Internet Web Site Address	www.caresource.com					
Statutory Statement Contact	Jeremy Heimgartner (Name) jeremy.heimgartner@caresource.com (E-Mail Address)			937-487-5047 (Area Code) (Telephone Number) (Extension) 937-396-3438 (FAX Number)		

## OFFICERS

Name	Title	Name	Title
Pamela B. Morris	President & Chief Executive Officer	L. Tarlton Thomas III	EVP, Operations and Chief Financial Officer
Stephen L. Ringel	President, Ohio Market	Daniel J. McCabe	Chief Administrative Officer

## OTHER OFFICERS

_____	_____	_____	_____
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## DIRECTORS OR TRUSTEES

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

State of ..... Ohio .....

ss

County of ..... Montgomery .....

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.

Daniel J. McCabe  
Chief Administrative Officer

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

Stephen L. Ringel  
President, Ohio Market

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

b. If no:

1. State the amendment number

2. Date filed

3. Number of pages attached

Subscribed and sworn to before me this  
day of \_\_\_\_\_,

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	642,000,170		642,000,170	610,827,995
2. Stocks:				0
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	167,596,001		167,596,001	139,185,426
3. Mortgage loans on real estate:				0
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				0
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ 409,585,980 ), cash equivalents (\$ 85,647,762 ) and short-term investments (\$ 3,806,635 ) .....	499,040,377		499,040,377	510,308,682
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....	0		0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	142,015	142,015	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,308,778,563	142,015	1,308,636,548	1,260,322,103
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	5,266,513		5,266,513	5,181,066
15. Premiums and considerations:				0
15.1 Uncollected premiums and agents' balances in the course of collection .....	167,459,908	802,661	166,657,247	177,091,368
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... ) .....	3,975,761		3,975,761	3,574,848
16. Reinsurance:				0
16.1 Amounts recoverable from reinsurers .....	1,355,670		1,355,670	7,814,874
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	54,612,494		54,612,494	34,280,048
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	2,220,391
18.2 Net deferred tax asset .....			0	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	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	0
23. Receivables from parent, subsidiaries and affiliates .....			0	0
24. Health care (\$ ..... ) and other amounts receivable .....	170,782,839	18,831,161	151,951,678	118,212,739
25. Aggregate write-ins for other-than-invested assets .....	108,008	108,008	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,712,339,756	19,883,845	1,692,455,911	1,608,697,438
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	1,712,339,756	19,883,845	1,692,455,911	1,608,697,438
<b>DETAILS OF WRITE-INS</b>				
1101. Investment in CareSource Foundation .....	142,015	142,015	0	0
1102. .....			0	0
1103. .....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	142,015	142,015	0	0
2501. Prepaid Assets .....	108,008	108,008	0	0
2502. .....			0	0
2503. .....			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	108,008	108,008	0	0

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 18,614,281 reinsurance ceded)	699,433,175		699,433,175	553,708,369
2. Accrued medical incentive pool and bonus amounts	7,318,193		7,318,193	0
3. Unpaid claims adjustment expenses	16,755,838		16,755,838	13,532,687
4. Aggregate health policy reserves including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	517,818		517,818	32,803,520
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	92,709,753		92,709,753	100,670,331
9. General expenses due or accrued	130,356,592		130,356,592	145,361,070
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	12,954,012		12,954,012	18,051,449
16. Derivatives		0	0	0
17. Payable for securities			0	499,116
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)			0	0
20. Reinsurance in unauthorized and certified (\$ ) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	6,615,443		6,615,443	3,134,975
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	966,660,824		966,660,824	867,761,517
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX		0
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	17,200,000	17,200,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	708,595,091	723,735,921
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$ )	XXX	XXX		0
32.2 shares preferred (value included in Line 27 \$ )	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	725,795,091	740,935,921
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	1,692,455,915	1,608,697,438
<b>DETAILS OF WRITE-INS</b>				
2301.			0	0
2302.			0	0
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX		0
2502.	XXX	XXX		0
2503.	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001. Contributed Surplus (Land)	XXX	XXX		0
3002.	XXX	XXX		0
3003.	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**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	12,713,107	12,261,069	16,371,227
2. Net premium income (including \$ non-health premium income)	XXX	5,835,421,955	5,201,487,008	6,988,681,694
3. Change in unearned premium reserves and reserve for rate credits	XXX	2,055,536	(83,689)	(274,573)
4. Fee-for-service (net of \$ medical expenses)	XXX		0	0
5. Risk revenue	XXX		0	0
6. Aggregate write-ins for other health care related revenues	XXX	31,626,423	29,533,699	42,304,577
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	5,869,103,914	5,230,937,018	7,030,711,698
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits.....		3,640,188,635	3,271,744,108	4,415,981,939
10. Other professional services.....		26,748,306	24,457,241	34,017,785
11. Outside referrals.....			0	0
12. Emergency room and out-of-area.....		254,153,695	246,005,952	337,133,900
13. Prescription drugs.....		1,212,053,105	1,086,280,237	1,456,771,007
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		16,666,434	8,305,598	12,453,227
16. Subtotal (Lines 9 to 15).....	0	5,149,810,175	4,636,793,136	6,256,357,858
<b>Less:</b>				
17. Net reinsurance recoveries.....		15,070,442	13,686,686	19,308,282
18. Total hospital and medical (Lines 16 minus 17).....	0	5,134,739,733	4,623,106,450	6,237,049,576
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ cost containment expenses.....		106,926,197	89,232,958	135,863,383
21. General administrative expenses.....		682,119,721	646,506,071	870,020,180
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	5,923,785,651	5,358,845,479	7,242,933,139
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(54,681,737)	(127,908,461)	(212,221,441)
25. Net investment income earned.....		15,301,925	17,123,291	25,074,635
26. Net realized capital gains (losses) less capital gains tax of \$.....		(485,579)	(120,717)	275,148
27. Net investment gains (losses) (Lines 25 plus 26).....	0	14,816,346	17,002,574	25,349,783
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )].....			0	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	(39,865,391)	(110,905,887)	(186,871,659)
31. Federal and foreign income taxes incurred.....	XXX		1,096,099	(714,087)
32. Net income (loss) (Lines 30 minus 31).....	XXX	(39,865,391)	(112,001,986)	(186,157,572)
<b>DETAILS OF WRITE-INS</b>				
0601. Pay for Performance Revenue (P4P).....	XXX	31,626,423	29,533,699	42,304,577
0602. ....	XXX		0	0
0603. ....	XXX		0	0
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	31,626,423	29,533,699	42,304,577
0701. ....	XXX		0	0
0702. ....	XXX		0	0
0703. ....	XXX		0	0
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0	0
1401. ....			0	0
1402. ....			0	0
1403. ....			0	0
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0	0
2901. ....			0	0
2902. ....			0	0
2903. ....			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	0	0

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year	740,935,920	929,203,035	929,203,035
34. Net income or (loss) from Line 32	(39,865,391)	(112,001,986)	(186,157,572)
35. Change in valuation basis of aggregate policy and claim reserves	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	19,724,192	7,574,758	7,014,726
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0	0
38. Change in net deferred income tax	0	0	0
39. Change in nonadmitted assets	6,374,521	(3,170,607)	(6,109,619)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles	0	0	0
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0	0
44.3 Transferred to surplus	0	0	0
45. Surplus adjustments:			
45.1 Paid in	0	0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital	(1,374,152)	(2,349,089)	(3,014,650)
46. Dividends to stockholders	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(15,140,830)	(109,946,924)	(188,267,114)
49. Capital and surplus end of reporting period (Line 33 plus 48)	725,795,090	819,256,111	740,935,920
<b>DETAILS OF WRITE-INS</b>			
4701. Dividend In Kind to Parent Company	0	0	0
4702.	0	0	0
4703.	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**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.....	5,807,493,907	5,213,815,879	7,039,436,468
2. Net investment income.....	18,234,002	22,483,045	33,154,191
3. Miscellaneous income.....	32,064,376	12,122,760	40,493,753
4. Total (Lines 1 to 3).....	5,857,792,285	5,248,421,684	7,113,084,412
5. Benefit and loss related payments.....	5,003,633,468	4,602,645,969	6,298,378,342
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	821,813,945	777,922,450	1,020,875,635
8. Dividends paid to policyholders.....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	(2,220,391)	2,220,391	2,220,391
10. Total (Lines 5 through 9).....	5,823,227,022	5,382,788,810	7,321,474,368
11. Net cash from operations (Line 4 minus Line 10).....	34,565,263	(134,367,126)	(208,389,956)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....	134,887,070	151,483,457	253,131,347
12.2 Stocks.....	70,893,277	24,916,546	62,785,666
12.3 Mortgage loans.....	0	0	0
12.4 Real estate.....	0	0	0
12.5 Other invested assets.....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(181,653)	(45,729)	(45,729)
12.7 Miscellaneous proceeds.....	1	0	499,116
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	205,598,695	176,354,274	316,370,400
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....	169,152,107	111,070,589	119,570,589
13.2 Stocks.....	79,808,247	40,555,098	86,220,302
13.3 Mortgage loans.....	0	0	0
13.4 Real estate.....	0	0	0
13.5 Other invested assets.....	0	0	0
13.6 Miscellaneous applications.....	499,116	1,048	1,049
13.7 Total investments acquired (Lines 13.1 to 13.6).....	249,459,471	151,626,735	205,791,940
14. Net increase (or decrease) in contract loans and premium notes.....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	(43,860,776)	24,727,539	110,578,460
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(2,000,000)	(2,000,000)	(2,000,000)
16.3 Borrowed funds.....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0	0
16.5 Dividends to stockholders.....	0	0	0
16.6 Other cash provided (applied).....	27,212	187,230	244,275
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6).....	(1,972,788)	(1,812,770)	(1,755,725)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(11,268,302)	(111,452,357)	(99,567,221)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	510,308,684	609,875,905	609,875,905
19.2 End of period (Line 18 plus Line 19.1).....	499,040,382	498,423,548	510,308,684

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION**

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group							
Total Members at end of:										
1. Prior Year .....	1,378,453	51,818	.0	0	0	.0	0	18,212	1,308,423	.0
2. First Quarter .....	1,421,180	69,160	.0	0	0	.0	0	8,079	1,343,941	.0
3. Second Quarter .....	1,426,413	64,777	.0	0	0	.0	0	8,337	1,353,299	.0
4. Third Quarter .....	1,378,711	60,654						8,322	1,309,735	
5. Current Year .....	0									
6. Current Year Member Months	12,713,107	588,115						74,067	12,050,925	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	7,165,350	251,758						310,848	6,602,744	
8. Non-Physician .....	6,608,030	179,265						1,380,624	5,048,141	
9. Total .....	13,773,380	431,023	0	0	0	0	0	1,691,472	11,650,885	0
10. Hospital Patient Days Incurred	580,899	12,176						45,249	523,474	
11. Number of Inpatient Admissions	132,021	3,016						7,950	121,055	
12. Health Premiums Written (a) .....	5,854,025,672	196,719,429						258,250,323	5,399,055,920	
13. Life Premiums Direct .....	0									
14. Property/Casualty Premiums Written .....	0									
15. Health Premiums Earned .....	5,856,081,208	196,719,429						260,305,859	5,399,055,920	
16. Property/Casualty Premiums Earned .....	0									
17. Amount Paid for Provision of Health Care Services .....	5,115,313,161	181,657,882						253,351,785	4,680,303,494	
18. Amount Incurred for Provision of Health Care Services	5,149,810,177	173,718,166						237,691,071	4,738,400,940	

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

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

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

### Aging Analysis of Unpaid Claim

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims unpaid (Reported)						
CVS.....	72,487,787					72,487,787
0199999 Individually listed claims unpaid.....	72,487,787	0	0	0	0	72,487,787
0299999 Aggregate accounts not individually listed-uncovered.....						
0399999 Aggregate accounts not individually listed-covered.....	95,089.500	15,622,864	9,115,202	4,890,857	21,174,389	145,892,812
0499999 Subtotals.....	167,577,287	15,622,864	9,115,202	4,890,857	21,174,389	218,380,599
0599999 Unreported claims and other claim reserves.....	XXX	XXX	XXX	XXX	XXX	499,666,857
0699999 Total amounts withheld.....	XXX	XXX	XXX	XXX	XXX	
0799999 Total claims unpaid.....	XXX	XXX	XXX	XXX	XXX	718,047,456
0899999 Accrued medical incentive pool and bonus amounts.....	XXX	XXX	XXX	XXX	XXX	7,318,193

## STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

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

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6 Estimated Claim Reserve and Claim Liability Dec. 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 Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	14,734,749	160,278,210	1,366,211	28,280,030	16,100,960	24,591,573
2. Medicare Supplement .....					0	0
3. Dental only .....					0	0
4. Vision only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....	30,952,293	221,241,027	(4,784)	39,373,208	30,947,509	33,438,309
7. Title XIX - Medicaid .....	455,413,780	4,203,543,533	4,937,726	625,480,783	460,351,506	495,678,487
8. Other health .....					0	0
9. Health subtotal (Lines 1 to 8).....	501,100,822	4,585,062,770	6,299,153	693,134,021	507,399,975	553,708,369
10. Health care receivables (a).....	69,987,097	33,980,709	33,148,503	88,654,289	103,135,600	111,955,497
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	8,759,189	589,052	2,942,034	4,376,160	11,701,223	0
13. Totals (Lines 9-10+11+12)	439,872,914	4,551,671,113	(23,907,316)	608,855,892	415,965,598	441,752,872

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

## NOTES TO FINANCIAL STATEMENTS

### 1A. Summary of Significant Accounting Policies

**Basis of Presentation** – CareSource (CS's) statutory-basis financial statements are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (ODI). The ODI requires that insurance companies domiciled in the State of Ohio prepare their statutory financial statements in accordance with the National Association of Insurance Commissioners *Accounting Practices and Procedures Manual* (NAIC AP&P) subject to any deviation prescribed or permitted by the ODI.

Accounting practices and procedures of the NAIC, as prescribed or permitted by the insurance department of the applicable states of domicile, comprise a comprehensive basis of accounting other than accounting principles generally accepted in the United States (GAAP). The more significant differences are as follows:

**Non-admitted Assets:** Certain assets designated as “non-admitted,” principally prepaid assets, investments in CareSource Foundation, past due healthcare receivables, uncollectable member receivables, furniture and equipment, and other assets not specifically identified as an admitted asset within the NAIC AP&P are excluded from the accompanying balance sheets and are charged directly to unassigned surplus. In accordance with GAAP, such assets are included in the balance sheet to the extent that those assets are not impaired.

**Reinsurance:** Unpaid claims liabilities and premiums received in advance ceded to reinsurers have been reported as reductions of the related balances rather than as assets as would be required in accordance with GAAP.

**Statements of Cash Flows:** Cash, cash equivalents, and short-term investments in the statements of cash flows represent cash balances and investments with initial maturities of one year or less. In accordance with GAAP, the corresponding caption of cash and cash equivalents includes cash balances and investments with initial maturities of three months or less.

The effects of the foregoing variances from GAAP on the accompanying statutory-basis financial statements are \$22,583,906.

No significant differences exist between prescribed or permitted practices by the State of Ohio and NAIC SAP which materially affect the statutory basis net income or capital and surplus, as illustrated in the table below.

<u>NET INCOME/(LOSS)</u>	<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>
1) CS Ohio state basis (Page 4, Line 32, Columns 2 & 4)	N/A	4	32	\$ (39,844,451)	\$ (186,157,572)
2) State Prescribed Practices that are an increase/(decrease) NAIC SAP:				-	-
3) State Permitted Practices that are an increase/(decrease) NAIC SAP:				-	-
4) NAIC SAP (1-2-3=4)	N/A	4	32	\$ (39,844,451)	\$ (186,157,572)
<b><u>SURPLUS</u></b>					
1) CS Ohio state basis (Page 3, Line 33, Columns 3 & 4)	N/A	3	33	\$ 725,932,657	\$ 740,935,921
2) State Prescribed Practices that are an increase/(decrease) NAIC SAP:				-	-
3) State Permitted Practices that are an increase/(decrease) NAIC SAP				-	-
4) NAIC SAP (5-6-7=8)	N/A	3	33	\$ 725,932,657	\$ 740,935,921

### 1B. Use of Estimates – No change

### 1C. Accounting Policy – No change

#### **Reinsurance**

Certain premiums and benefits are ceded to another insurance company under a reinsurance agreement. The ceded reinsurance agreement provides CS with increased capacity to write larger risks and maintain its exposure to loss within its capital resources. CS remains obligated for amounts ceded in the event that the reinsurer does not meet their obligations.

## NOTES TO FINANCIAL STATEMENTS

	<u>September 30, 2017</u>	<u>September 30, 2016</u>
	<u>Written &amp; Earned Premiums</u>	<u>Written &amp; Earned Premiums</u>
Direct premiums	\$5,854,025,672	\$5,219,711,528
Ceded premiums		
Non-affiliates	(18,603,717)	(18,224,520)
Affiliates	(0)	(0)
Net premiums	\$5,835,421,955	\$5,201,487,008

CS does not, directly or indirectly, control any reinsurer with whom CS conducts business. CS does not have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel the agreement.

### **Significant Provider**

CS has an agreement with Children's Hospital and Physicians' Healthcare Networks dba Partners for Kids (PFK), for PFK to provide medical services to CS members. In connection with this contract, CS pays medical claims billed by non-PFK providers for CS members whom are less than 19 years old in the Central and Southeast Regions, and is later reimbursed by PFK. CS has recorded a liability for the incurred but not reported (IBNR) medical claims for these non-PFK provided services, and a related receivable which was secured by an irrevocable letter of credit from PFK's financial institution to CS in the amount of the IBNR accrual. Reinsurance for CS members for which PFK is providing the medical services are delegated to PFK with approval of the State of Ohio.

As of September 30, 2017, PFK was paid \$334,288,821 for services rendered, prior to chargebacks of \$148,685,020. Chargebacks resulted from CS directly paying certain non-PFK providers under the contract. The CS membership capitated by the provider constituted approximately 12% and 13% of total CS membership in 2017 and 2016.

At September 30, 2017, CS recorded a capitation chargeback receivable from PFK for \$35,364,535.

- 1D. Going Concern – Management has determined that there is no doubt about the entity's ability to continue as a going concern.
2. Accounting Changes and Correction of Errors – None
3. Business Combinations and Goodwill – None
4. Discontinued Operations – None

### **5. Investments**

- A. Mortgage Loans - None
- B. Debt Restructuring - None
- C. Reverse Mortgage - None
- D. Loan-Backed Securities:
  - (1) Prepayment Assumptions - None
  - (2) Securities with a recognized OTTI – None
  - (3) Securities by CUSIP with a recognized OTTI - None
  - (4) Impaired Securities without recognized OTTI – None
  - (5) Additional information –

Management regularly reviews the value of CS's investments. If the value of any investment falls below its cost basis, the decline in value is analyzed to determine whether it is other-than-temporary impairment. The decision to record an impairment loss incorporates both quantitative criteria and qualitative information. The Company considers a number of factors including, but not limited to: (a) the length of time and the extent to which the fair value has been less than book value, (b) the financial condition and near term prospects of the issuer, (c.i.) for non-interest-related declines in corporate and government bonds, the intent and ability of CS to retain its investment for a period of time sufficient to allow for any anticipated recovery in value, (c.ii.) for interest related declines in corporate and government bonds, the intent of CS to sell the investment at the reporting date, (c.iii.) for mortgage-backed securities, whether CS expects to recover the entire amortized cost basis of the security and whether CS has the intent to sell or intent and ability to hold the investments for a period of time sufficient to allow for any anticipated recovery in value, (d) whether the debtor is current on interest and principal payments, and (e) general market conditions and industry or sector specific factors. As of September 30, 2017 the Company holds \$89.3M of mortgage or other loan backed securities, none of which meet the criteria for impairment.

CS does not hold any investments as of September 30, 2017 that are subject to redemption restrictions or penalties therefore all holdings can be liquidated immediately upon request, without penalty.

- E. Repurchase Agreements – None
- F. Real estate
  - (1) Impairment Losses – None
  - (2) Sale of Real Estate – None
  - (3) Change of Plans – None
  - (4) Retail Land Sales – None
  - (5) Real Estate with Mortgage Loans – None
- G. Low income housing – None

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**NOTES TO FINANCIAL STATEMENTS**

H. Restricted assets (Including Pledged).

	1	2	3	4	5	6	7
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted From Prior Year	Increase/Decrease (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
b. Collateral held under security lending agreements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
c. Subject to repurchase agreements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
d. Subject to reverse repurchase agreements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
e. Subject to dollar repurchase agreements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
f. Subject to dollar reverse repurchase agreements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
g. Placed under option contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
i. FHLB capital stock	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
j. On deposit with states	\$3,500,000.00	\$3,500,000.00	\$0.00	\$0.00	\$3,500,000.00	0.20%	0.20%
k. On deposit with other regulatory bodies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
l. Pledged as collateral to FHLB (including assets backing funding agreements)	\$98,316,141.00	\$0.00	\$98,316,141.00	\$0.00	\$98,316,141.00	5.70%	5.80%
m. Pledged as collateral not captured in other categories	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
n. Other restricted assets	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%
o. Total Restricted Assets	\$101,816,141.00	\$3,500,000.00	\$98,316,141.00	\$0.00	\$101,816,141.00	5.90%	6.00%

I. Working Capital Finance Investments – None

J. Offsetting and Netting of Assets and Liabilities –None

## NOTES TO FINANCIAL STATEMENTS

K. As of September 30, 2017, CS has \$216 million in structured bonds.

CUSIP Identification	Actual Cost	Fair Value	Book/Adjusted Carrying Value	Mortgage-Referenced Security (Y/N)
06048WQW3	\$10,000,000.00	\$9,803,970.00	\$10,000,000.00	N
06366RLS2	5,000,000.00	4,516,800.00	5,000,000.00	N
064159CG9	10,000,000.00	9,927,200.00	10,000,000.00	N
22548Q7D1	10,000,000.00	10,000,000.00	10,000,000.00	N
33834FAA7	7,500,000.00	7,494,675.00	7,500,000.00	N
33834JAA9	5,000,000.00	5,000,000.00	5,000,000.00	N
33834JAA9	5,000,000.00	5,000,000.00	5,000,000.00	N
33834KAA6	5,000,000.00	5,000,000.00	5,000,000.00	N
33834PAB3	10,000,000.00	9,474,600.00	10,000,000.00	N
38147QSG2	5,000,000.00	4,881,450.00	5,000,000.00	N
38148TJR1	5,000,000.00	4,907,400.00	5,000,000.00	N
38148TJR1	5,000,000.00	4,897,040.00	5,000,000.00	N
38148TJR1	5,000,000.00	4,897,040.00	5,000,000.00	N
38148TMS5	10,000,000.00	9,612,520.00	10,000,000.00	N
38148TMU0	5,000,000.00	4,902,750.00	5,000,000.00	N
38150A2Q7	5,000,000.00	4,895,950.00	5,000,000.00	N
40432X7F2	5,000,000.00	5,162,770.00	5,000,000.00	N
40433UJ49	5,000,000.00	4,908,895.00	5,000,000.00	N
48126D5U9	5,000,000.00	4,983,650.00	5,000,000.00	N
48126D6L8	4,962,500.00	5,053,000.00	4,972,684.34	N
48126D6V6	4,925,000.00	5,061,500.00	4,940,133.47	N
48126DBT5	4,975,000.00	4,905,800.00	4,983,200.99	N
48126DLV9	5,000,000.00	4,787,000.00	5,000,000.00	N
48126NSY4	2,970,000.00	3,027,180.00	2,977,840.85	N
78008SLL8	5,000,000.00	4,752,550.00	5,000,000.00	N
78008SWB8	5,000,000.00	4,977,800.00	5,000,000.00	N
78010UCX3	5,000,000.00	4,981,450.00	5,000,000.00	N
78010UCZ8	4,975,000.00	4,879,150.00	4,979,897.33	N
78012KAH0	10,000,000.00	9,664,180.00	10,000,000.00	N
89233P6P6	2,985,000.00	2,974,980.00	2,990,032.86	N
89233P6R2	5,000,000.00	4,858,650.00	5,000,000.00	N
89233P7J9	4,417,500.00	4,838,150.00	4,540,541.44	N
89236TBK0	4,950,000.00	4,986,850.00	4,960,748.35	N
94986RHC8	3,000,000.00	2,988,273.00	3,000,000.00	N
94986RKV2	5,000,000.00	4,924,850.00	5,000,000.00	N
94986RNK3	5,000,000.00	4,865,150.00	5,000,000.00	N
94986RNZ0	5,000,000.00	4,942,850.00	5,000,000.00	N
94986RYA3	5,000,000.00	4,868,915.00	5,000,000.00	N
Total	\$215,660,000.00	\$212,604,988.00	\$215,845,079.63	

6. Joint Ventures, Partnerships and Limited Liability Companies – None

7. Investment Income – No change

8. Derivative Instruments – None

9. Income Taxes – No change

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties – No change

11. Debt – None.

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Post Retirement Benefit Plans – None

## NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations – No change
14. Contingencies – No change
15. Leases – No change
16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk  
– Not applicable
17. Sale, transfer and servicing of financial assets and extinguishments of liabilities
  - a. Transfers of receivables reported as sales - None
  - b. Transfer and servicing of financial assets - None
  - c. Wash sales - None
18. Gain or Loss to the reporting entity from uninsured plans and the uninsured portion of partially insured plans – No Change
19. Direct premium written/produced by managing general agents/third party administrators – Not applicable
20. Fair Value Measurements –

The Company uses fair value measurements to record the fair value of certain assets and to estimate the fair value of financial instruments not recorded at fair value but required to be disclosed at fair value.

Fair value is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three levels.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company's Level 1 assets and liabilities primarily include exchange-traded equity securities.

Level 2 – Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spreads, and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

The following discussion described the valuation methodologies utilized by the Company for assets measured or disclosed at fair value. Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial instrument, including discount rates, estimates of timing, amount of expected future cash flows, and the credit standing of the issuer.

### *Debt and Equity Securities*

The fair values of actively traded debt and equity securities are determined through the use of third-party pricing services utilizing market observable inputs. Certain mortgage-backed securities for which the Company does not receive public quotations or for which the Company believes market activity to reflect distressed sales are valued using current market-consistent rates applicable to yield, credit quality and maturity of each security. When available, market observable inputs are used to estimate the fair values of these securities.

### *Cash, Cash Equivalents, and Short-Term Investments*

The fair values of cash and cash equivalents are based on quoted market prices. Short term investments are stated at amortized cost, which approximates fair value.

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**NOTES TO FINANCIAL STATEMENTS**

**(1) Fair Value Measurements at Reporting Date**

<b>Fair Value Measurements at September 30, 2017</b>	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
U.S Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Hybrid Securities	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
<b>Total Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Common Stock				
Industrial and Misc	\$ 167,596,001	\$ -	\$ -	\$ 167,596,001
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
<b>Total Common Stocks</b>	<b>\$ 167,596,001</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 167,596,001</b>
<b>Total assets at fair value</b>	<b>\$ 167,596,001</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 167,596,001</b>

<b>Fair Value Measurements at December 31, 2016</b>	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
U.S Governments	\$ -	\$ -	\$ -	\$ -
Industrial and Misc	\$ -	\$ -	\$ -	\$ -
Hybrid Securities	\$ -	\$ -	\$ -	\$ -
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
<b>Total Bonds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Common Stock				
Industrial and Misc	\$ 139,185,426	\$ -	\$ -	\$ 139,185,426
Parent, Subsidiaries and Affiliates	\$ -	\$ -	\$ -	\$ -
<b>Total Common Stocks</b>	<b>\$ 139,185,426</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139,185,426</b>
<b>Total assets at fair value</b>	<b>\$ 139,185,426</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 139,185,426</b>

The Company did not have any significant assets or liabilities measured at fair value on a nonrecurring basis as of September 30, 2017 or December 31, 2016. There were no transfers between Level 1 and Level 2 securities for the period ended September 30, 2017.

- (2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy -- None
- (3) CareSource recognizes transfers between fair value levels at the end of each reporting period.
- (4) Level 2 securities – values determined through the use of third-party pricing services utilizing market observable inputs. CareSource does not have any investments with fair value measurements categorized within Level 3 as of September 30, 2017.
- (5) Derivative Assets/Liabilities – Not applicable

B) Other Fair Value Measurements – Not applicable

C) Aggregate Value of All Financial Instruments

September 30, 2017	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$641,377,475	\$642,000,170	\$641,377,475			
Common Stock	\$167,596,001	\$167,596,001	\$167,596,001			
Cash, Cash Equivalents, and Short-Term Investments	\$499,040,377	\$499,040,377	\$499,040,377			

## NOTES TO FINANCIAL STATEMENTS

December 31, 2016	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$609,855,613	\$610,827,995	\$609,855,613			
Common Stock	\$139,185,426	\$139,185,426	\$139,185,426			
Cash, Cash Equivalents, and Short-Term Investments	\$510,310,680	\$510,308,683	\$510,310,680			

D) Fair Value Not estimable- Not applicable

21. Other Items –

A.-G- None

22. Events subsequent - Subsequent events have been considered through November 15, 2017 for the statutory statements issued on that date.

A. Type I – Recognized Subsequent Events – None

Type II – Nonrecognized Subsequent Events - None

23. Reinsurance – No change

24. Retrospectively rated contracts & contracts subject to redetermination –

A.-D. – None

E. Risk-Sharing Provisions of the Affordable Care Act(ACA) –

- (1) Did the entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions?- Yes – The Company is not subject to the annual fee under section 9010 of the Affordable Care Act. CS is incorporated as a nonprofit in the state of Ohio and receives greater than 80% of gross revenues from government programs that target low-income, elderly or disabled populations.
- (2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

	AMOUNT
a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 352,178
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$236,876
3. Premium adjustments payable due to ACA Risk Adjustment	\$ -
Operations (Revenue & Expense)	
Reported as revenue in premium for accident and health contracts	
4. (written/collected) due to ACA Risk Adjustment	\$(3,543,902)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$88,217
b. Transitional ACA Reinsurance Program	
Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$1,355,670
Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra)	
2. Liability	\$ -
Amounts receivable relating to uninsured plans for contributions for ACA	
3. Reinsurance	\$ -
Liabilities	
Liabilities for contributions payable due to ACA Reinsurance - not reported	
4. as ceded premium	\$ -
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ -
Liabilities for amounts held under uninsured plans contributions for ACA	
6. Reinsurance	\$ -
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ -
Reinsurance recoveries (income statement) due to ACA Reinsurance	
8. payments or expected payments	\$ -
9. ACA Reinsurance contributions - not reported as ceded premium	\$ -
c. Temporary ACA Risk Corridors Program	

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**NOTES TO FINANCIAL STATEMENTS**

Assets	
1. Accrued retrospective premium due to ACA Risk Corridors	\$ -
Liabilities	
Reserve for rate credits or policy experience rating refunds due to ACA Risk	
2. Corridors	\$2,330,397
Operations (Revenue & Expense)	
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	\$ -

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**NOTES TO FINANCIAL STATEMENTS**

(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 balances.

				Differences		Adjustments		Unsettled Balances as of the Reported Date	
				Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
1	2	3	4	5	6	7	8	9	10
Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)

a. Permanent ACA Risk Adjustment Program	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	
1. Premium adjustment receivable	\$-	\$-	\$-	\$34,109,342	\$-	\$3,931,597	\$-	\$3,931,597	\$-	
2. Premium adjustments (payable)	\$-	\$-	\$-	\$34,109,342	\$-	\$3,931,597	\$-	\$3,931,597	\$-	
3. Subtotal ACA Permanent Risk Adjustment Program				\$30,177,745						
b. Transitional ACA Reinsurance Program	\$6,805,260	\$-	\$6,675,939	\$-	\$129,320	\$-	\$1,226,349	\$-	\$1,355,670	
1. Amounts recoverable for claims paid	\$1,597,719	\$-	\$-	\$-	\$1,597,719	\$-	\$-	\$-	\$0	
2. Amounts recoverable for claims unpaid (contra liability)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	
3. Amounts receivable relating to uninsured plans	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	
Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	
5. Ceded reinsurance premiums payable	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	
6. Liability for amounts held under uninsured plans	\$8,402,979	\$-	\$6,675,939	\$-	\$1,727,040	\$-	\$371,370	\$-	\$1,355,670	
7. Subtotal ACA Transitional Reinsurance Program										
c. Temporary ACA Risk Corridors Program	\$-	\$-	\$-	\$-	\$-	\$-	\$-	I	\$-	
1. Accrued retrospective premium	\$-	\$-	\$-	\$-	\$-	\$-	\$-	J	\$-	
Reserve for rate credits or policy experience rating refunds	\$-	\$-	\$-	\$-	\$-	\$-	\$-		\$-	
3. Subtotal ACA Risk Corridors Program	\$-	\$-	\$-	\$-	\$-	\$-	\$-		\$-	
d. Total for ACA Risk Sharing Provisions	\$8,402,979	(32,508,142)	\$6,675,939	(\$34,109,342)	\$1,727,040	\$1,601,200	(\$371,370)	(\$3,931,597)	\$1,355,670	(\$2,330,397)

Explanation of Adjustments

A. \_\_\_\_\_

B. Made final payment to CMS for 2016 risk adjustment.

C. Received partial payment from CMS for transitional reinsurance..

D. \_\_\_\_\_

E. \_\_\_\_\_

F. \_\_\_\_\_

G. \_\_\_\_\_

H. \_\_\_\_\_

I. \_\_\_\_\_

J. \_\_\_\_\_

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**NOTES TO FINANCIAL STATEMENTS**

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

Risk Corridors Program Year	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments		Unsettled Balances as of the Reported Date	
					Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. 2014										
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	A \$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds	\$ -	\$ (2,330,397)	\$ -	\$ -	\$ -	\$ (2,330,397)	\$ -	\$ -	B \$ -	\$ (2,330,397)
b. 2015										
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	C \$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	D \$ -	\$ -
c. 2016										
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	E \$ -	\$ -
2. Reserve for rate credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	F \$ -	\$ -
d. Total for Risk Corridors	\$ -	\$ (2,330,397)	\$ -	\$ -	\$ -	\$ (2,330,397)	\$ -	\$ -	\$ -	\$ (2,330,397)

Explanation of Adjustments

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

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

Risk Corridors Program Year	1	2	3	4	5	6
	Estimated Amount to be Filed or Final Amount Filed with CMS	Non-Accrued Amounts for Impairment or Other Reasons	Amounts received from CMS	Asset Balance (Gross of Non-admissions) (1-2-3)	Non-admitted Amount	Net Admitted Asset (4-5)
a. 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. 2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. 2016	\$32,086,446	\$32,086,446	\$ -	\$ -	\$ -	\$ -
d. Total (a+b+c)	\$32,086,446	\$32,086,446	\$ -	\$ -	\$ -	\$ -
24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)						
25E(5)d (Column 6) should equal 24E(2)c1						
* Due to uncertainty related to the collectability of the Risk Corridors receivable for 2016, these amounts have been fully reserved for as of September 30, 2017.						

25. Change in Incurred Claims and Claims Adjustment Expenses

## NOTES TO FINANCIAL STATEMENTS

Reserves as of December 31, 2016 were \$441.8 million. As of September 30, 2017, \$439.9 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now (\$23.9) million, therefore, there has been a \$25.8 million favorable prior-year development since December 31, 2016 to September 30, 2017. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this increase, the Company experienced \$23.2 million of favorable prior year claim development and \$2.5 million in unfavorable experience of recoveries and healthcare receivables.

26. Intercompany Pooling Arrangements – None
27. Structured Settlements - Not applicable
28. Health Care Receivables – No change
29. Participating Policies - Not applicable
30. Premium Deficiency Reserves - Not deemed necessary
31. Anticipated Salvage and Subrogation – No change

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**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 [X] No [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? ..... Yes [ ] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

.....

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? ..... Yes [ ] No [X] NA [ ]

If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. ..... 12/31/2012

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2012

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). ..... 11/08/2013

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 [X] No [ ] NA [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]

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

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**GENERAL INTERROGATORIES**

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 [X]  No [ ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

We amended our Code of Conduct and had it approved by the Board's Audit Committee. The amendments are not substantive; rather, they were needed because CareSource hired a new compliance officer.

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]

10.2 If yes, indicate any 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 Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ .....	\$ .....

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....  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.

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**GENERAL INTERROGATORIES**

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

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0  
 16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$.....0  
 16.3 Total payable for securities lending reported on the liability page \$.....0

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

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
CareSource Internally Managed.....	I.....
Fifth Third Bank.....	U.....
Huntington National Bank.....	U.....
Wells Fargo Bank.....	U.....

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
N/A.....	CareSource Internally Managed.....	.....	.....	.....
628.....	Fifth Third Bank.....	.....	.....	DS.....
16986.....	Huntington National Bank.....	.....	.....	DS.....
126292.....	Wells Fargo Bank.....	.....	.....	DS.....

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**

1. Operating Percentages:	
1.1 A&H loss percent.....	88.0 %
1.2 A&H cost containment percent.....	0.0 %
1.3 A&H expense percent excluding cost containment expenses.....	0.0 %
2.1 Do you act as a custodian for health savings accounts?.....	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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 <input type="checkbox"/> No <input checked="" type="checkbox"/>
2.4 If yes, please provide the balance of the funds administered as of the reporting date.....	\$ _____

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

## **SCHEDULE S - CEDED REINSURANCE**

Showing All New Reinsurance Treaties - Current Year to Date

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

**Current Year to Date - Allocated by States and Territories**

States, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama .....	AL							0	
2. Alaska .....	AK							0	
3. Arizona .....	AZ							0	
4. Arkansas .....	AR							0	
5. California .....	CA							0	
6. Colorado .....	CO							0	
7. Connecticut .....	CT							0	
8. Delaware .....	DE							0	
9. Dist. Columbia .....	DC							0	
10. Florida .....	FL							0	
11. Georgia .....	GA							0	
12. Hawaii .....	HI							0	
13. Idaho .....	ID							0	
14. Illinois .....	IL							0	
15. Indiana .....	IN							0	
16. Iowa .....	IA							0	
17. Kansas .....	KS							0	
18. Kentucky .....	KY							0	
19. Louisiana .....	LA							0	
20. Maine .....	ME							0	
21. Maryland .....	MD							0	
22. Massachusetts .....	MA							0	
23. Michigan .....	MI							0	
24. Minnesota .....	MN							0	
25. Mississippi .....	MS							0	
26. Missouri .....	MO							0	
27. Montana .....	MT							0	
28. Nebraska .....	NE							0	
29. Nevada .....	NV							0	
30. New Hampshire .....	NH							0	
31. New Jersey .....	NJ							0	
32. New Mexico .....	NM							0	
33. New York .....	NY							0	
34. North Carolina .....	NC							0	
35. North Dakota .....	ND							0	
36. Ohio .....	OH	196,719,429	258,250,323	5,399,055,920				5,854,025,672	
37. Oklahoma .....	OK							0	
38. Oregon .....	OR							0	
39. Pennsylvania .....	PA							0	
40. Rhode Island .....	RI							0	
41. South Carolina .....	SC							0	
42. South Dakota .....	SD							0	
43. Tennessee .....	TN							0	
44. Texas .....	TX							0	
45. Utah .....	UT							0	
46. Vermont .....	VT							0	
47. Virginia .....	VA							0	
48. Washington .....	WA							0	
49. West Virginia .....	WV							0	
50. Wisconsin .....	WI							0	
51. Wyoming .....	WY							0	
52. American Samoa .....	AS							0	
53. Guam .....	GU							0	
54. Puerto Rico .....	PR							0	
55. U.S. Virgin Islands .....	VI							0	
56. Northern Mariana Islands .....	MP							0	
57. Canada .....	CAN							0	
58. Aggregate other alien .....	OT	XXX	0	0	0	0	0	0	0
59. Subtotal .....		XXX	196,719,429	258,250,323	5,399,055,920	0	0	5,854,025,672	0
60. Reporting entity contributions for Employee Benefit Plans .....		XXX						0	
61. Total (Direct Business)	(a)	1	196,719,429	258,250,323	5,399,055,920	0	0	5,854,025,672	0
<b>DETAILS OF WRITE-INS</b>									
58001		XXX							
58002		XXX							
58003		XXX							
58998	Summary of remaining write-ins for Line 58 from overflow page.	XXX	0	0	0	0	0	0	0
58999	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX	0	0	0	0	0	0	0

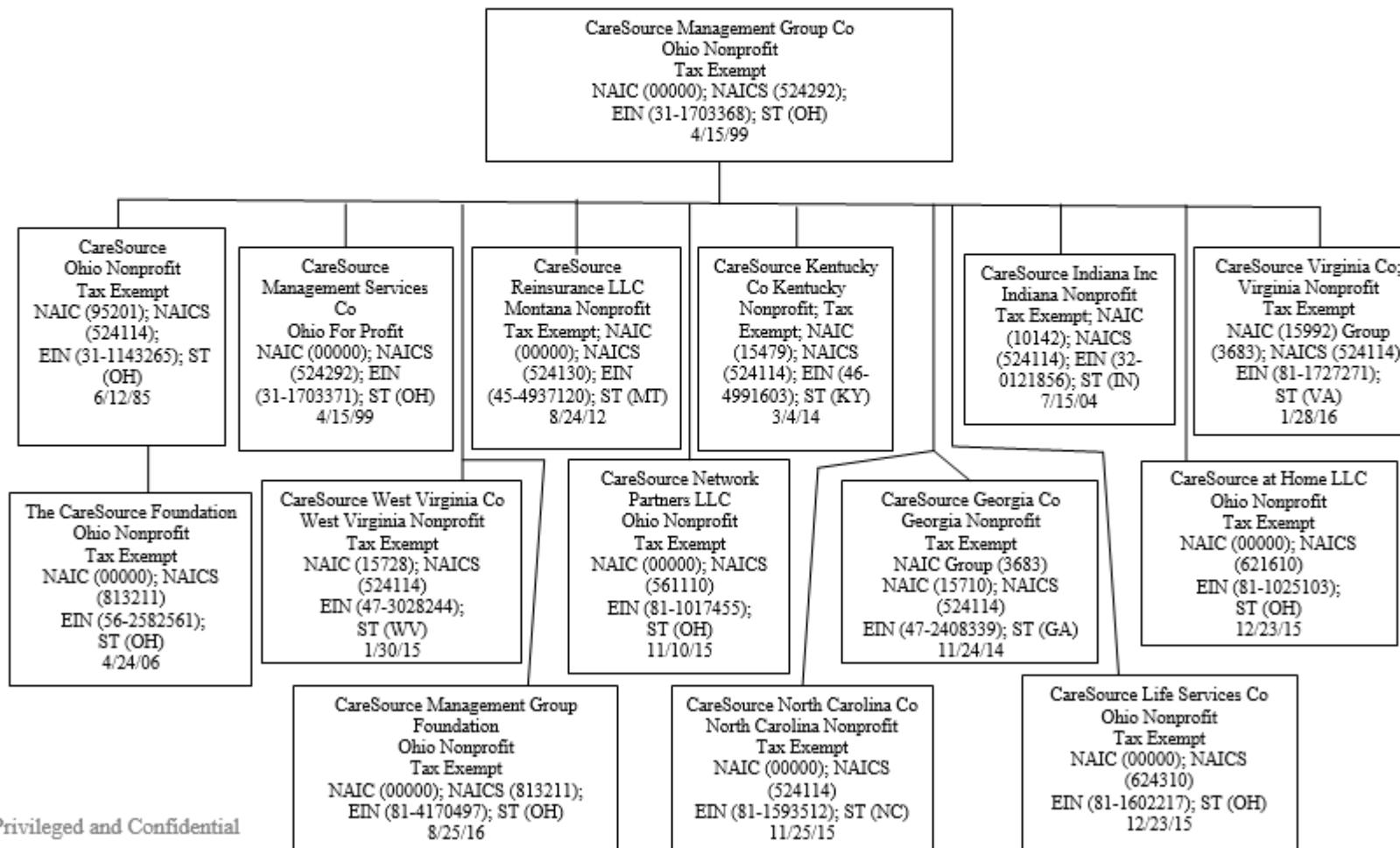
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART

### CareSource Family of Companies Corporate Structure



## STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

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

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

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

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

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

## 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.

**Bar Code:**

1.



**OVERFLOW PAGE FOR WRITE-INS**

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**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	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	0	0
2.2 Additional investment made after acquisition.....	0	0
3. Current year change in encumbrances.....	0	0
4. Total gain (loss) on disposals.....	0	0
5. Deduct amounts received on disposals.....	0	0
6. Total foreign exchange change in book/adjusted carrying value.....	0	0
7. Deduct current year's other-than-temporary impairment recognized.....	0	0
8. Deduct current year's depreciation.....	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....	0	0
10. Deduct total nonadmitted amounts.....	0	0
11. Statement value at end of current period (Line 9 minus Line 10).....	0	0

**NONE****SCHEDULE B – VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	0	0
2.2 Additional investment made after acquisition.....	0	0
3. Capitalized deferred interest and other.....	0	0
4. Accrual of discount.....	0	0
5. Unrealized valuation increase (decrease).....	0	0
6. Total gain (loss) on disposals.....	0	0
7. Deduct amounts received on disposals.....	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest.....	0	0
10. Deduct current year's other-than-temporary impairment recognized.....	0	0
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.....	0	0
13. Subtotal (Line 11 plus Line 12).....	0	0
14. Deduct total nonadmitted amounts.....	0	0
15. Statement value at end of current period (Line 13 minus Line 14).....	0	0

**NONE****SCHEDULE BA – VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition.....	0	0
2.2 Additional investment made after acquisition.....	0	0
3. Capitalized deferred interest and other.....	0	0
4. Accrual of discount.....	0	0
5. Unrealized valuation increase (decrease).....	0	0
6. Total gain (loss) on disposals.....	0	0
7. Deduct amounts received on disposals.....	0	0
8. Deduct amortization of premium and depreciation.....	0	0
9. Total foreign exchange change in book/adjusted carrying value.....	0	0
10. Deduct current year's other-than-temporary impairment recognized.....	0	0
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.....	0	0
13. Statement value at end of current period (Line 11 minus Line 12).....	0	0

**NONE****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.....	750,013,420	859,228,371
2. Cost of bonds and stocks acquired.....	262,406,968	205,790,891
3. Accrual of discount.....	172,269	259,733
4. Unrealized valuation increase (decrease).....	19,724,191	7,015,775
5. Total gain (loss) on disposals.....	(303,926)	320,877
6. Deduct consideration for bonds and stocks disposed of.....	219,226,961	315,917,013
7. Deduct amortization of premium.....	3,189,792	6,685,214
8. Total foreign exchange change in book/adjusted carrying value.....	0	0
9. Deduct current year's other-than-temporary impairment recognized.....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9).....	809,596,170	750,013,420
11. Deduct total nonadmitted amounts.....	0	0
12. Statement value at end of current period (Line 10 minus Line 11).....	809,596,170	750,013,420

## STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

## 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	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a).....	370,849,805	88,985,123	24,169,865	(10,125,685)	360,582,632	370,849,805	425,539,379	363,521,998
2. NAIC 2 (a).....	228,407,571	0	29,868,140	9,133,133	257,401,498	228,407,571	207,672,564	257,825,475
3. NAIC 3 (a).....	6,941,736	0	0	32,365	6,912,313	6,941,736	6,974,101	6,925,783
4. NAIC 4 (a).....	5,155,335	0	0	(12,074)	5,112,500	5,155,335	5,143,261	5,501,250
5. NAIC 5 (a).....	412,500	0	0	65,000	380,000	412,500	477,500	0
6. NAIC 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds	611,766,948	88,985,123	54,038,004	(907,261)	630,388,943	611,766,948	645,806,805	633,774,506
<b>PREFERRED STOCK</b>								
8. NAIC 1.....	0				0	0	0	0
9. NAIC 2.....	0				0	0	0	0
10. NAIC 3.....	0				0	0	0	0
11. NAIC 4.....	0				0	0	0	0
12. NAIC 5.....	0				0	0	0	0
13. NAIC 6.....	0				0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	611,766,948	88,985,123	54,038,004	(907,261)	630,388,943	611,766,948	645,806,805	633,774,506

(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 \$ 476,622 ; NAIC 2 \$ 3,330,013 ;

NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

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STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

**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	3,806,635	XXX	3,811,131	31,525	16,222

**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.....	22,946,511	90,510,403
2. Cost of short-term investments acquired .....	8,570,597	75,788,504
3. Accrual of discount .....		287,429
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals .....	(181,653)	(45,729)
6. Deduct consideration received on disposals .....	27,490,000	142,753,883
7. Deduct amortization of premium.....	38,820	840,213
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other-than-temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	3,806,635	22,946,511
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	3,806,635	22,946,511

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

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

Schedule DB - Part C - Section 1  
**NONE**

Schedule DB - Part C - Section 2  
**NONE**

Schedule DB - Verification  
**NONE**

**SCHEDULE E - VERIFICATION**

(Cash Equivalents)

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	25,833,524	73,973,715
2. Cost of cash equivalents acquired .....	85,647,762	25,833,525
3. Accrual of discount .....	0	0
4. Unrealized valuation increase (decrease) .....	0	0
5. Total gain (loss) on disposals.....	0	0
6. Deduct consideration received on disposals .....	73,973,715	0
7. Deduct amortization of premium .....	25,833,525	0
8. Total foreign exchange change in book/adjusted carrying value .....	0	0
9. Deduct current year's other than temporary impairment recognized .....	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	85,647,761	25,833,524
11. Deduct total nonadmitted amounts .....	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	85,647,761	25,833,524

Schedule A - Part 2  
**NONE**

Schedule A - Part 3  
**NONE**

Schedule B - Part 2  
**NONE**

Schedule B - Part 3  
**NONE**

Schedule BA - Part 2  
**NONE**

Schedule BA - Part 3  
**NONE**

## STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

## SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator <sup>(a)</sup>
<b>Bonds - U.S. Special Revenue</b>									
3128MJ-2C-3.....	FH G08770 - RMBS.....		.08/23/2017.....	VARIOUS.....		6,164,780.....	5,945,872.....	15,608.....	1.....
3128MJ-2G-4.....	FH G08774 - RMBS.....		.08/22/2017.....	VARIOUS.....		12,924,182.....	12,465,303.....	28,116.....	1.....
3128MJ-2M-1.....	FH G08779 - RMBS.....		.08/22/2017.....	VARIOUS.....		18,148,242.....	17,500,000.....	39,375.....	1.....
3128MJ-2S-8.....	FH G08784 - RMBS.....		.09/26/2017.....	DAVIDSON D.A. + COMPANY INC.....		31,101,563.....	30,000,000.....	75,833.....	1.....
31418C-PE-8.....	FN MA3120 - RMBS.....		.09/26/2017.....	DAVIDSON D.A. + COMPANY INC.....		20,645,363.....	19,926,905.....	50,371.....	1.....
000000-00-0.....									
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions							88,984,129.....	85,838,079.....	209,303.....
8399997 - Subtotals - Bonds - Part 3							88,984,129.....	85,838,079.....	209,303.....
8399999 - Subtotals - Bonds							88,984,129.....	85,838,079.....	209,303.....
<b>Common Stocks - Money Market Mutual Funds</b>									
008993-85-3.....	HUNTINGTON CONSERVATIVE DEPOSIT ACCOUNT.....		.09/29/2017.....	Direct.....	254,252.000.....	254,252.....		0.....	Y.....
993086-12-3.....	WFB INSTITUTIONAL BANK DEPOSIT.....		.09/28/2017.....	Direct.....	43,932,314.750.....	43,932,315.....		0.....	Y.....
9399999 - Common Stocks - Money Market Mutual Funds							44,186,567.....	XXX.....	0.....
9799997 - Subtotals - Common Stocks - Part 3							44,186,567.....	XXX.....	0.....
9799999 - Subtotals - Common Stocks							44,186,567.....	XXX.....	0.....
9899999 - Subtotals- Preferred and Common Stocks							44,186,567.....	XXX.....	0.....
9999999 Totals							133,170,696.....	XXX.....	209,303.....

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

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22			
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	11	12	13	14	15	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)			
<b>Bonds - U.S. Governments</b>																								
36202F-C6-1...	G2 004593 - RMBS.....		09/01/2017..	Paydown.....			2,845	2,845	2,950	2,937	0	(93)	0	(93)	0	2,845	0	0	0	27	12/20/2039.....	1.....		
0599999 - Bonds - U.S. Governments							2,845	2,845	2,950	2,937	0	(93)	0	(93)	0	2,845	0	0	0	27	XXX	XXX		
<b>Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions</b>																								
3128KU-65-0...	FH A63820 - RMBS.....		09/01/2017..	Paydown.....			1,010	1,010	1,011	1,011	0	(1)	0	(1)	0	1,010	0	0	0	32	08/01/2037.....	1.....		
3128MJ-2C-3...	FH G08770 - RMBS.....		09/01/2017..	Paydown.....			28,370	28,370	29,415	29,415	0	0	(1,045)	0	(1,045)	0	28,370	0	0	0	0	07/01/2047.....	1.....	
3128MJ-26-4...	FH G08774 - RMBS.....		09/01/2017..	Paydown.....			70,617	70,617	73,217	73,217	0	0	(2,600)	0	(2,600)	0	70,617	0	0	0	0	08/01/2047.....	1.....	
3128MJ-2M-1...	FH G08779 - RMBS.....		09/01/2017..	Paydown.....			47,729	47,729	49,497	49,497	0	0	(1,769)	0	(1,769)	0	47,729	0	0	0	0	09/01/2047.....	1.....	
31335H-UN-1...	FH C90589 - RMBS.....		09/01/2017..	Paydown.....			6,172	6,172	6,264	6,220	0	0	(48)	0	(48)	0	6,172	0	0	0	222	11/01/2022.....	1.....	
31371K-KF-0...	FN 254193 - RMBS.....		09/01/2017..	Paydown.....			4,626	4,626	4,696	4,659	0	0	(33)	0	(33)	0	4,626	0	0	0	164	02/01/2022.....	1.....	
31371N-HZ-4...	FN 256849 - RMBS.....		09/01/2017..	Paydown.....			7,220	7,220	7,251	7,247	0	0	(27)	0	(27)	0	7,220	0	0	0	267	08/01/2037.....	1.....	
31411N-WW-3...	FN 912461 - RMBS.....		09/01/2017..	Paydown.....			346	346	346	345	0	0	2	0	2	0	346	0	0	0	12	03/01/2037.....	1.....	
31413T-LF-7...	FN 954926 - RMBS.....		09/01/2017..	Paydown.....			930	930	957	953	0	0	(23)	0	(23)	0	930	0	0	0	35	07/01/2037.....	1.....	
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions							167,020	167,020	172,654	20,434	0	(5,543)	0	(5,543)	0	167,020	0	0	0	733	XXX	XXX		
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																								
025816-AX-7...	AMERICAN EXPRESS CO.....		08/28/2017..	Maturity @ 100.0.....			3,000,000	3,000,000	3,193,712	3,095,925	0	(95,925)	0	(95,925)	0	3,000,000	0	0	0	184,500	08/28/2017.....	1FE.....		
032095-AD-3...	AMPHENOL CORP.....		09/15/2017..	Maturity @ 100.0.....			2,500,000	2,500,000	2,497,580	2,498,924	0	0	1,076	0	1,076	0	2,500,000	0	0	0	38,750	09/15/2017.....	2FE.....	
03523T-BN-7...	WORLDWIDE INC.....	C.	07/17/2017..	Maturity @ 100.0.....			1,500,000	1,500,000	1,495,995	1,498,623	0	0	1,377	0	1,377	0	1,500,000	0	0	0	20,625	07/15/2017.....	2FE.....	
046353-AB-4...	ASTRAZENECA PLC.....	C.	09/15/2017..	Maturity @ 100.0.....			5,393,000	5,393,000	5,753,953	5,574,764	0	0	(181,764)	0	(181,764)	0	5,393,000	0	0	0	318,187	09/15/2017.....	2FE.....	
14912L-3K-5...	CONOCOPHILLIPS.....		09/01/2017..	Maturity @ 100.0.....			2,000,000	2,000,000	2,088,510	2,007,840	0	0	(7,840)	0	(7,840)	0	2,000,000	0	0	0	177,000	09/01/2017.....	1FE.....	
20825C-AR-5...	COOPER US INC.....		08/01/2017..	Call @ 105.826.....			238,000	238,000	242,313	239,114	0	0	(299)	0	(299)	0	238,815	0	0	0	92,694	02/01/2019.....	2FE.....	
216871-AC-7...	EBAY INC.....	C.	07/03/2017..	Maturity @ 100.0.....			1,010,000	1,010,000	1,095,332	1,032,858	0	0	(22,858)	0	(22,858)	0	1,010,000	0	0	0	61,610	07/01/2017.....	2FE.....	
278642-AG-8...	INTERNATIONAL BUSINESS MACHINES CORP.....		07/17/2017..	Maturity @ 100.0.....			7,228,000	7,228,000	7,207,183	7,220,806	0	0	7,194	0	7,194	0	7,228,000	0	0	0	97,578	07/15/2017.....	2FE.....	
459200-GJ-4...	LABORATORY CORP OF AMERICA HLDG.....		09/14/2017..	Maturity @ 100.0.....			1,000,000	1,000,000	1,038,600	1,003,538	0	0	(3,538)	0	(3,538)	0	1,000,000	0	0	0	57,000	09/14/2017.....	1FE.....	
50540R-AK-8...	UNITEDHEALTH GROUP INC.....		08/23/2017..	Maturity @ 100.0.....			2,000,000	2,000,000	2,033,906	2,009,868	0	0	(9,868)	0	(9,868)	0	2,000,000	0	0	0	44,000	08/23/2017.....	2FE.....	
91324P-CK-6...	WESTPAC BANKING CORP.....	C.	07/17/2017..	Maturity @ 100.0.....			8,000,000	8,000,000	8,024,167	8,009,891	0	0	(9,891)	0	(9,891)	0	8,000,000	0	0	0	116,000	07/17/2017.....	1FE.....	
92857W-AY-6...	VODAFONE GROUP PLC.....	C.	08/14/2017..	Call @ 99.983.....			10,000,000	10,000,000	9,972,450	9,989,486	0	0	8,839	0	8,839	0	9,989,325	0	0	0	1,675	09/26/2017.....	2FE.....	
961214-BY-4...							10,000,000	10,000,000	10,108,230	10,051,692	0	0	(51,692)	0	(51,692)	0	10,000,000	0	0	0	200,000	08/14/2017.....	1FE.....	
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)							53,869,000	53,869,000	54,751,932	54,233,329	0	(365,189)	0	(365,189)	0	53,868,140	0	0	0	860	860	1,460,460		
8399997 - Subtotals - Bonds - Part 4							54,038,865	54,038,865	54,927,536	54,256,700	0	(370,825)	0	(370,825)	0	54,038,004	0	0	0	860	860	1,461,219		
8399999 - Subtotals - Bonds							54,038,865	54,038,865	54,927,536	54,256,700	0	(370,825)	0	(370,825)	0	54,038,004	0	0	0	860	860	1,461,219		
<b>Common Stocks - Money Market Mutual Funds</b>																								
608993-85-3...	HUNTINGTON CONSERVATIVE DEPOSIT ACCOUNT.....		09/29/2017..	Direct.....			199,735,190	199,735	199,735	199,735	0	0	0	0	0	199,735	0	0	0	0	3	XXX	V	
993066-12-3...	WEB INSTITUTIONAL BANK DEPOSIT.....		08/31/2017..	Direct.....			34,807,458,010	34,807,458	34,807,458	34,807,458	0	0	0	0	0	34,807,458	0	0	0	0	4,136	XXX	V	
9399999 - Common Stocks - Money Market Mutual Funds							35,007,193	XXX	35,007,193	0	0	0	0	0	0	35,007,193	0	0	0	0	4,139	XXX	XXX	
9799997 - Subtotals - Common Stocks - Part 4							35,007,193	XXX	35,007,193	0	0	0	0	0	0	35,007,193	0	0	0	0	4,139	XXX	XXX	
9799999 - Subtotals - Common Stocks							35,007,193	XXX	35,007,193	0	0	0	0	0	0	35,007,193	0	0	0	0	4,139	XXX	XXX	
9899999 - Subtotals - Preferred and Common Stocks							35,007,193	XXX	35,007,193	0	0	0	0	0	0	35,007,193	0	0	0	0	4,139	XXX	XXX	
9999999 Totals							89,046,058	XXX	89,934,729	54,256,700	0	(370,825)	0	(370,825)	0	89,045,198	0	0	0	860	860	1,465,358	XXX	XXX

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

Schedule DB - Part A - Section 1  
**NONE**

Schedule DB - Part B - Section 1  
**NONE**

Schedule DB - Part D - Section 1  
**NONE**

Schedule DB - Part D - Section 2  
**NONE**

Schedule DL - Part 1  
**NONE**

Schedule DL - Part 2  
**NONE**

**STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource**

**SCHEDULE E - PART 1 - CASH**

**Month End Depository Balances**

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
Fifth Third Bank )	Dayton, Ohio.....		128,464		264,262,637	131,422,498	243,345,222	XXX
Huntington Bank )	Dayton, Ohio.....		.49,809		81,697,461	81,705,760	79,206,571	XXX
Independent Bank )	Dayton, Ohio.....		0		665,565	2,490,026	5,000	XXX
US Bank )	Dayton, Ohio.....		138,841		20,850,309	181,905,651	27,631,290	XXX
Charter One Bank )	Dayton, Ohio.....		.22,160		64,895,607	80,588,410	59,134,474	XXX
BVVA )	Dayton, Ohio.....				0	0	263,423	XXX
FHLBB.....	Cincinnati, Ohio.....							
0199998 Deposits in ..... depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories	XXX	XXX						XXX
0199999 Total Open Depositories	XXX	XXX	339,274	0	432,371,579	478,112,345	409,585,980	XXX
0399999 Total Cash on Deposit	XXX	XXX	339,274	0	432,371,579	478,112,345	409,585,980	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
<b>0599999 Total</b>	<b>XXX</b>	<b>XXX</b>	<b>339,274</b>	<b>0</b>	<b>432,371,579</b>	<b>478,112,345</b>	<b>409,585,980</b>	<b>XXX</b>

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE CareSource

## **SCHEDULE E - PART 2 - CASH EQUIVALENTS**

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