



LIFE AND ACCIDENT AND HEALTH COMPANIES - ASSOCIATION EDITION

QUARTERLY STATEMENT

AS OF JUNE 30, 2018

OF THE CONDITION AND AFFAIRS OF THE

Medical Benefits Mutual Life Insurance Co.

NAIC Group Code00000000NAIC Company Code74322Employer's ID Number31-4210910

Organized under the Laws ofOhio, State of Domicile or Port of EntryOH

Country of DomicileUnited States of America

Incorporated/Organized05/06/1938Commenced Business04/04/1938

Statutory Home Office1975 Tamarack RoadNewark, OH, US 43055

Main Administrative Office1975 Tamarack RoadNewark, OH, US 43055800-423-3151

Mail Address1975 Tamarack RoadNewark, OH, US 43055

Primary Location of Books and Records1975 Tamarack RoadNewark, OH, US 43055800-423-3151

Internet Website Addresswww.medben.com

Statutory Statement ContactJohn Edward Nydegger, Jr.800-423-3151

OFFICERS

Executive ChairmanDouglas James FreemanVice President of Finance, Controller, & TreasurerJohn Edward Nydegger Jr.

President & CEOKurt Jeffrey Harden

OTHER

Caroline Fischer Rouse Fraker, VP, Compliance & Chief Privacy Officer

Lori Sue Kane, Vice President

Rose Gribble McEntire, Vice President & Chief Security Officer

DIRECTORS OR TRUSTEES

Jeffrey Scott CantleyCharles Daniel DelawderDouglas James Freeman

Kurt Jeffrey HardenAndrew Stevens Dix

State ofOhioSS:

County ofLicking

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.

Douglas James FreemanKurt Jeffrey HardenJohn Edward Nydegger, Jr.

Executive ChairmanPresident & CEOVice President of Finance, Controller, & Treasurer

Subscribed and sworn to before me this15 day ofAugust 2018

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

b. If no,

1. State the amendment number.....

2. Date filed08/15/2018

3. Number of pages attached.....

Bethany Painter
Notary Public
8/10/2020

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	4,754,039		4,754,039	4,984,770
2. Stocks:				
2.1 Preferred stocks	500		500	500
2.2 Common stocks	6,368,856	2,086	6,366,770	6,114,836
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens.....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	1,245,238		1,245,238	1,368,835
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 (\$30,504), cash equivalents (\$734,390) and short-term investments (\$50,000)	814,894	0	814,894	662,619
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets			0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	130,916	0	130,916	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	13,314,443	2,086	13,312,357	13,131,560
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	20,601		20,601	15,408
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	284		284	2,894
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 (\$)			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	22,219	22,219	0	(1)
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			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	1,014,000	640,000	374,000	374,000
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	204,311	88,889	115,422	0
21. Furniture and equipment, including health care delivery assets (\$)	12,108	12,108	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	414,223		414,223	346,094
24. Health care (\$) and other amounts receivable	16,590		16,590	11,900
25. Aggregate write-ins for other than invested assets	1,102,060	203,139	898,921	857,179
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	16,120,839	968,441	15,152,398	14,739,034
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	16,120,839	968,441	15,152,398	14,739,034
DETAILS OF WRITE-INS				
1101. WIP – Projects	130,916		130,916	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)	130,916	0	130,916	0
2501. Cash Surrender Value of Officers Life Insurance	898,921		898,921	857,179
2502. Prepaid Expenses and Deposits	203,139	203,139	0	0
2503. IMR			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)	1,102,060	203,139	898,921	857,179

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Statement Date	2 December 31 Prior Year
1. Aggregate reserve for life contracts \$ less \$ included in Line 6.3 (including \$ Modco Reserve)		0
2. Aggregate reserve for accident and health contracts (including \$ Modco Reserve)		0
3. Liability for deposit-type contracts (including \$ Modco Reserve)		
4. Contract claims:		
4.1 Life	58,763	58,763
4.2 Accident and health	65,361	65,361
5. Policyholders' dividends \$ and coupons \$ due and unpaid		0
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$ Modco)		
6.2 Dividends not yet apportioned (including \$ Modco)		
6.3 Coupons and similar benefits (including \$ Modco)		
7. Amount provisionally held for deferred dividend policies not included in Line 6		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$ discount; including \$ accident and health premiums	67,219	38,525
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts		
9.2 Provision for experience rating refunds, including the liability of \$ accident and health experience rating refunds of which \$0 is for medical loss ratio rebate per the Public Health Service Act		
9.3 Other amounts payable on reinsurance, including \$ assumed and \$ ceded	0	0
9.4 Interest Maintenance Reserve	13	0
10. Commissions to agents due or accrued-life and annuity contracts \$, accident and health \$ and deposit-type contract funds \$	5,535	3,535
11. Commissions and expense allowances payable on reinsurance assumed		
12. General expenses due or accrued	2,653,021	2,549,883
13. Transfers to Separate Accounts due or accrued (net) (including \$ accrued for expense allowances recognized in reserves, net of reinsured allowances)		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes	23,372	45,927
15.1 Current federal and foreign income taxes, including \$ on realized capital gains (losses)		
15.2 Net deferred tax liability		
16. Unearned investment income		
17. Amounts withheld or retained by company as agent or trustee		0
18. Amounts held for agents' account, including \$ agents' credit balances		
19. Remittances and items not allocated		
20. Net adjustment in assets and liabilities due to foreign exchange rates		
21. Liability for benefits for employees and agents if not included above		
22. Borrowed money \$ and interest thereon \$		
23. Dividends to stockholders declared and unpaid		
24. Miscellaneous liabilities:		
24.01 Asset valuation reserve	1,059,558	1,022,426
24.02 Reinsurance in unauthorized and certified (\$) companies		0
24.03 Funds held under reinsurance treaties with unauthorized and certified (\$) reinsurers		
24.04 Payable to parent, subsidiaries and affiliates	300,000	365,187
24.05 Drafts outstanding		
24.06 Liability for amounts held under uninsured plans		
24.07 Funds held under coinsurance		
24.08 Derivatives	0	0
24.09 Payable for securities		
24.10 Payable for securities lending		
24.11 Capital notes \$ and interest thereon \$		
25. Aggregate write-ins for liabilities	10,000	10,000
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25)	4,242,842	4,159,607
27. From Separate Accounts Statement		
28. Total liabilities (Lines 26 and 27)	4,242,842	4,159,607
29. Common capital stock		
30. Preferred capital stock		
31. Aggregate write-ins for other than special surplus funds	0	0
32. Surplus notes		
33. Gross paid in and contributed surplus		
34. Aggregate write-ins for special surplus funds	0	6
35. Unassigned funds (surplus)	10,909,556	10,579,421
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 29 \$)		
36.2 shares preferred (value included in Line 30 \$)		
37. Surplus (Total Lines 31+32+33+34+35-36) (including \$ in Separate Accounts Statement)	10,909,556	10,579,427
38. Totals of Lines 29, 30 and 37	10,909,556	10,579,427
39. Totals of Lines 28 and 38 (Page 2, Line 28, Col. 3)	15,152,398	14,739,034
DETAILS OF WRITE-INS		
2501. Claims Adjustment Liability	10,000	10,000
2502.		
2503.		
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	10,000	10,000
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page	0	0
3199. Totals (Lines 3101 through 3103 plus 3198)(Line 31 above)	0	0
3401. Misc		6
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page	0	0
3499. Totals (Lines 3401 through 3403 plus 3498)(Line 34 above)	0	6

SUMMARY OF OPERATIONS

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Premiums and annuity considerations for life and accident and health contracts	520,311	561,175	1,148,334
2. Considerations for supplementary contracts with life contingencies			
3. Net investment income	80,219	(56,384)	161,277
4. Amortization of Interest Maintenance Reserve (IMR)	(13)	316	(362)
5. Separate Accounts net gain from operations excluding unrealized gains or losses			
6. Commissions and expense allowances on reinsurance ceded			
7. Reserve adjustments on reinsurance ceded			
8. Miscellaneous Income:			
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts			
8.2 Charges and fees for deposit-type contracts			
8.3 Aggregate write-ins for miscellaneous income	957,387	859,394	998,169
9. Totals (Lines 1 to 8.3)	1,557,904	1,364,501	2,307,418
10. Death benefits	48,303		57,271
11. Matured endowments (excluding guaranteed annual pure endowments)			0
12. Annuity benefits			0
13. Disability benefits and benefits under accident and health contracts	231,139	239,366	487,759
14. Coupons, guaranteed annual pure endowments and similar benefits			
15. Surrender benefits and withdrawals for life contracts			
16. Group conversions			
17. Interest and adjustments on contract or deposit-type contract funds			
18. Payments on supplementary contracts with life contingencies			
19. Increase in aggregate reserves for life and accident and health contracts			
20. Totals (Lines 10 to 19)	279,442	239,366	545,030
21. Commissions on premiums, annuity considerations, and deposit-type contract funds (direct business only)	14,158	11,157	38,503
22. Commissions and expense allowances on reinsurance assumed			
23. General insurance expenses	1,267,268	1,161,971	1,904,817
24. Insurance taxes, licenses and fees, excluding federal income taxes	21,767	17,519	24,866
25. Increase in loading on deferred and uncollected premiums			
26. Net transfers to or (from) Separate Accounts net of reinsurance			
27. Aggregate write-ins for deductions	0	0	(150,000)
28. Totals (Lines 20 to 27)	1,582,635	1,430,013	2,363,216
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28)	(24,731)	(65,512)	(55,798)
30. Dividends to policyholders			0
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30)	(24,731)	(65,512)	(55,798)
32. Federal and foreign income taxes incurred (excluding tax on capital gains)			(43,000)
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32)	(24,731)	(65,512)	(12,798)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$	39,601	55,303	53,329
35. Net income (Line 33 plus Line 34)	14,870	(10,209)	40,531
CAPITAL AND SURPLUS ACCOUNT			
36. Capital and surplus, December 31, prior year	10,579,426	10,698,567	10,698,567
37. Net income (Line 35)	14,870	(10,209)	40,531
38. Change in net unrealized capital gains (losses) less capital gains tax of \$	236,705	274,875	69,973
39. Change in net unrealized foreign exchange capital gain (loss)			
40. Change in net deferred income tax			(680,000)
41. Change in nonadmitted assets	115,688	(53,210)	605,047
42. Change in liability for reinsurance in unauthorized and certified companies			
43. Change in reserve on account of change in valuation basis, (increase) or decrease			0
44. Change in asset valuation reserve	(37,133)	81,894	(7,692)
45. Change in treasury stock			0
46. Surplus (contributed to) withdrawn from Separate Accounts during period			
47. Other changes in surplus in Separate Accounts Statement			
48. Change in surplus notes			
49. Cumulative effect of changes in accounting principles			
50. Capital changes:			
50.1 Paid in			
50.2 Transferred from surplus (Stock Dividend)			
50.3 Transferred to surplus			
51. Surplus adjustment:			
51.1 Paid in	0	0	0
51.2 Transferred to capital (Stock Dividend)			
51.3 Transferred from capital			
51.4 Change in surplus as a result of reinsurance			
52. Dividends to stockholders			
53. Aggregate write-ins for gains and losses in surplus	0	(58)	(147,000)
54. Net change in capital and surplus for the year (Lines 37 through 53)	330,130	293,292	(119,141)
55. Capital and surplus, as of statement date (Lines 36 + 54)	10,909,556	10,991,859	10,579,426
DETAILS OF WRITE-INS			
08.301. Speciality Services Income	525,031	719,622	1,185,810
08.302. Set-up and One Time Fees	25,154	9,504	18,956
08.303. Management Fee Income	613,736	130,268	170,531
08.398. Summary of remaining write-ins for Line 8.3 from overflow page	(206,534)	0	(377,128)
08.399. Totals (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above)	957,387	859,394	998,169
2701. ACA Risk Adjustment Expense			(150,000)
2702. IMR amortization adjustment			0
2703.			0
2798. Summary of remaining write-ins for Line 27 from overflow page	0	0	0
2799. Totals (Lines 2701 through 2703 plus 2798)(Line 27 above)	0	0	(150,000)
5301. Adjusted to non-admitted asset to tie to TB (Change in nonadmitted asset Ln 41)			0
5302. Misc		(58)	0
5303. Corporate Tax Rate Adj to PY			(147,000)
5398. Summary of remaining write-ins for Line 53 from overflow page	0	0	0
5399. Totals (Lines 5301 through 5303 plus 5398)(Line 53 above)	0	(58)	(147,000)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	551,615	571,894	1,130,401
2. Net investment income	81,139	(44,621)	180,692
3. Miscellaneous income	957,387	859,394	998,169
4. Total (Lines 1 to 3)	1,590,141	1,386,667	2,309,262
5. Benefit and loss related payments	279,444	280,172	581,163
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	1,158,380	1,051,654	2,259,606
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	57,000	(1,047,000)	(43,000)
10. Total (Lines 5 through 9)	1,494,824	284,826	2,797,769
11. Net cash from operations (Line 4 minus Line 10)	95,317	1,101,841	(488,507)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	1,456,993	889,379	2,186,789
12.2 Stocks	171,566	156,746	524,984
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	0	84	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	1,628,559	1,046,209	2,711,773
13. Cost of investments acquired (long-term only):			
13.1 Bonds	1,232,340	1,113,021	2,188,732
13.2 Stocks	147,139	170,819	302,659
13.3 Mortgage loans	0	0	0
13.4 Real estate	(63,139)	295,000	297,805
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	130,916	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	1,447,256	1,578,840	2,789,196
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)	181,303	(532,631)	(77,423)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
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)	(124,344)	(837,541)	28,530
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(124,344)	(837,541)	28,530
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) ..	152,276	(268,331)	(537,400)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	662,618	1,200,018	1,200,018
19.2 End of period (Line 18 plus Line 19.1)	814,894	931,687	662,618

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

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EXHIBIT 1

DIRECT PREMIUMS AND DEPOSIT-TYPE CONTRACTS			
	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
1. Industrial life			0
2. Ordinary life insurance			0
3. Ordinary individual annuities			0
4. Credit life (group and individual)			0
5. Group life insurance	101,700	106,641	207,072
6. Group annuities			0
7. A & H - group	441,689	477,287	940,875
8. A & H - credit (group and individual)			0
9. A & H - other			0
10. Aggregate of all other lines of business	0	0	0
11. Subtotal	543,389	583,928	1,147,947
12. Deposit-type contracts	0		0
13. Total	543,389	583,928	1,147,947
DETAILS OF WRITE-INS			
1001.			
1002.			
1003.			
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)	0	0	0

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

Medical Benefits Mutual Life Insurance Co. is owned by its policyholders and provides life, dental, vision, and other insurance products for its policyholders and customers throughout Ohio, Indiana, Kentucky, Michigan, Pennsylvania, West Virginia, and several other states.

Medical Benefits Mutual Life Insurance Co., the parent organization, provides life, dental, vision, and other insurance products to its policyholders. Medical Benefits Administrators, Inc. (MBA), a wholly owned subsidiary of the Company, is a third party administrator for health and health related employee benefit plans. VisionPlus of America, Inc. (VPA), a wholly owned subsidiary of the Company, is a third party administrator for vision benefit claims. MedBen Marketing Services, Inc. (MMS), a wholly owned subsidiary of the Company, is an insurance agency that markets various life, medical, and other insurance products. MedBen Analytics, LLC, a majority owned subsidiary of Medical Benefits Administrators, Inc., is an administrator of bundled payments for existing health systems participating in the Centers for Medicare and Medicaid Services Bundled Payments for Care Improvement Initiative.

A summary of the major accounting policies followed by the Company in the preparation of the statutory financial statement is set forth below:

A. Accounting Practices

The financial statements of Medical Benefits Mutual Life Insurance Co. are presented on the basis Statutory Accounting Principles method as prescribed by the National Association of Insurance Commissioners (NAIC) and completed in accordance with the Accounting Practices and Procedures Manual.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Ohio Insurance Law. The NAIC Accounting Practices and Procedures Manual (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The State has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. However, the Company has elected not to adopt any of these permitted practices.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below:

	Description	SSAP #	F/S Page	F/S Line #	2018	2017
Net Income - Ohio Basis					\$ 14,870	\$ 40,531
State Prescribed Practices	None	None	None	None	\$ -	\$ -
State Permitted Practices	None	None	None	None	\$ -	\$ -
Net Income - NAIC SAP					\$ 14,870	\$ 40,531
Statutory Surplus - Ohio Basis					\$ 10,909,556	\$ 10,579,426
State Prescribed Practices	None	None	None	None	\$ -	\$ -
State Permitted Practices	None	None	None	None	\$ -	\$ -
Statutory Surplus - NAIC SAP					\$ 10,909,556	\$ 10,579,426

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions could change in the near future as more information becomes known and could have a material impact on the amounts reported.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the period and judgment as to the appropriate level of statutory surplus to be retained by the Company. There were no policyholder dividends for 2018 or 2017.

Real estate investments are classified in the balance sheet as properties occupied by the company, properties held for the production of income, and properties held for sale. Properties occupied by the company are carried at depreciated cost less encumbrances. The Company currently does not hold any properties for the production of income or for sale. Fair values of the properties occupied by the company will be measured only if circumstances indicate that the financial condition of the Company is in question.

In addition, the company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the interest method.
3. Common stocks are stated at market value. Common stock of three wholly owned non-insurance subsidiaries are valued under Statutory Accounting Principles, with adjustments for statutory valuation rules as prescribed by these principles.
4. Preferred stocks are stated at cost.
5. The Company does not have any mortgage loans on real estate to report in 2018 or 2017.
6. Mortgage-backed securities are stated at amortized cost.
7. The Company reports its three wholly owned subsidiaries, MBA, VPA, and MMS at statutory surplus. One of these companies, VPA, a non-insurance company, is reported at audited GAAP (Generally Accepted Accounting Principles) equity and is adjusted, where applicable, in accordance with statutory invested asset valuation rules. The two other companies, MMS and MBA, are reported at GAAP equity, with no adjustments for statutory investment valuation rules.
8. The Company has no interest in joint ventures.
9. The Company does not have any derivatives in 2018 or 2017.
10. The Company does not calculate for premium deficiency reserves.
11. Liabilities for losses and loss claim adjustment expenses for life, accident and health contracts are estimated by the Company's valuation actuary using statistical claim development models to develop best estimates for liabilities for medical expense businesses and using tabular reserves employing mortality/morbidity tables and discount rates specified by regulatory authorities for life and disability income business.
12. The Company has not modified its capitalization policy from the prior period.
13. Pharmaceutical Rebates Receivable – Not applicable.

D. Going Concern - None

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Not applicable

NOTE 3 – BUSINESS COMBINATIONS AND GOODWILL

Not applicable

NOTE 4 – DISCONTINUED OPERATIONS

Not applicable

NOTE 5 – INVESTMENTS

A. Mortgage Loans

The Company does not have any mortgage loans.

B. Debt Restructuring

The Company has no invested assets that are restructured debt.

C. Reverse Mortgages

The Company has no investment in reverse mortgages.

D. Loan Backed Securities

1. Prepayment assumptions for single class and multi-class mortgages-backed/asset-backed securities were obtained from broker dealer statement values.

2. Recognized OTTI, intent to sell or inability to hold.

None

3. Recognized OTTI securities, present value of cash flows less than amortized cost.

None

4. Impaired securities for which an OTTI has not been recognized.

None

5. Management evaluates securities for other-than-temporary impairment at least on a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to (1) length of time and the extent to which the fair value has been less than cost, (2) the financial condition and near-term prospects of the issuer, and (3) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Based on the Company's evaluation and the intent and ability to hold these investments for a reasonable period sufficient for a forecasted recovery of fair value, the Company does not consider these investments to be other-than-temporarily impaired at June 30, 2018 and December 31, 2017.

E. Repurchase Agreements and/or Securities Lending Transactions

1. Repurchase agreements are included in cash and short-term investments. The open period-end balances are \$143,474 and \$400,264 as of June 30, 2018 and December 31, 2017, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – INVESTMENTS (continued)

- 2. The Company’s repurchase agreements are fully collateralized by their underlying securities.
- 3. There was no collateral received at quarter end.
- 4. The Company has no securities lending agreements at period end; therefore, it has not reported any assets on Page 2, Line 10 – Securities Lending Reinvested Collateral Assets.
- 5. The underlying securities of the repurchase agreements are \$143,474 and \$400,264 as of June 30, 2018 and December 31, 2017, respectively. The Company does not have any Securities Lending Agreements.

F. Real Estate

- 1. No impairment losses were recorded on real estate investments during the period presented.
- 2. No real estate was held for sale or sold in the years 2018 and 2017.
- 3. There were no changes during the period in the Company’s plans to sell investment real estate.
- 4. The Company does not engage in retail land sales operations.
- 5. The Company holds no real estate investments with participating loan features.

G. Low-Income Housing

The Company has no investment in Low-Income Housing.

H. Repurchase Agreement

The Company has no repurchase agreements.

I. Working Capital Finance Investments

The Company has no investment in Working Capital Finance Investments.

J. Offsetting and Netting of Assets and Liabilities

The Company has no offsetting and netting of assets and liabilities.

K. Structured Notes - The Company has no investment in structured notes.

L. Restricted Assets

		General Account	Total Separate Account (S/A) Restricted Assets	Total	Total Prior Year	Inc/(Dec)	Total Current Year Admitted	Gross Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
a	Subject to contractual obligation			-		-	-	0.00%	0.00%
b	Collateral held under security lending			-		-	-	0.00%	0.00%
c	Subject to repurchase agreements			-		-	-	0.00%	0.00%
d	Subject to reverse repurchase agreements			-		-	-	0.00%	0.00%
e	Subject to dollar repurchase agreements			-		-	-	0.00%	0.00%
f	Subject to dollar reverse repurchase agreements			-		-	-	0.00%	0.00%
g	Placed under option contracts			-		-	-	0.00%	0.00%
h	Securities restricted as to sale - excluding FHLB			-		-	-	0.00%	0.00%
i	FHLB capital stock			-		-	-	0.00%	0.00%
j	On deposit with states	2,717,979		2,717,979	2,620,653	97,326	2,717,979	16.86%	17.94%
k	On deposit with other regulatory bodies			-		-	-	0.00%	0.00%
l	Pledged collateral to FHLB			-		-	-	0.00%	0.00%
m	Pledged as collateral not captured in other			-		-	-	0.00%	0.00%
n	Other restricted assets			-		-	-	0.00%	0.00%
	Total Restricted Assets	2,717,979	-	2,717,979	2,620,653	97,326	2,717,979		

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Company has no investments in joint ventures, partnerships, or limited liability companies.

NOTE 7 - INVESTMENT INCOME

A. Due and accrued income was excluded from surplus on the following bases:

Investment income is recognized on an as earned basis. Amounts earned but not yet received are recorded as a receivable on the balance sheet. Investment income earned and uncollected that is more than 90 days old is classified as non-admitted. As of June 30, 2018 and December 31, 2017, investment income earned and not yet collected was \$0 and \$0, respectively. There were no amounts older than 90 days for both periods.

B. The total amount excluded was \$0.

NOTE 8 – DERIVATIVE INSTRUMENTS

Not applicable

NOTE 9 – INCOME TAXES

A. The components of the net deferred tax asset/ (liability) at June 30, 2018 are as follows:

1.

	6/30/2018			12/31/2017			Change		
	1	2	3	1	2	3	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 1+2) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
09A01									
a. Gross Deferred Tax Assets	1,685,000	-	1,685,000	1,685,000	-	1,685,000	-	-	-
b. Statutory Valuation Allowance Adjustment	-	-	-	-	-	-	-	-	-
c. Adjusted Gross Deferred Tax Assets (1a-1b)	1,685,000	-	1,685,000	1,685,000	-	1,685,000	-	-	-
d. Deferred Tax Assets Nonadmitted	583,000	-	583,000	583,000	-	583,000	-	-	-
e. Subtotal net Admitted Deferred Tax Assets (1c-1d)	1,102,000	-	1,102,000	1,102,000	-	1,102,000	-	-	-
f. Deferred Tax Liabilities	728,000	-	728,000	728,000	-	728,000	-	-	-
g. Net Admitted Deferred Tax Assets/(Net Deferred Liability) (1e-1f)	374,000	-	374,000	374,000	-	374,000	-	-	-

2.

	6/30/2018			12/31/2017			Change		
	1	2	3	1	2	3	7	8	9
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 1+2) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
09A02									
a. Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks		-	-	-	-	-	-	-	-
b. Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets from 2(a) above) After Application of the Threshold Limitation (The Lesser of 2(b) 1 and 2(b) 2 Below)	374,000	-	374,000	374,000	-	374,000	-	-	-
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	374,000	-	374,000	374,000	-	374,000	-	-	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets from 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	728,000	-	728,000	728,000	-	728,000	-	-	-
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101 Total (2a+2b+2c)	1,102,000	-	1,102,000	1,102,000	-	1,102,000	-	-	-

3.

	2017	2016
a. Ratio Percentage used to determine Recovery Period and Threshold Limitation Amount	2341%	1142%
b. Amount of Adjusted Capital and Surplus used to determine Recovery period and Threshold Limitation in 2(b) 2 above	11,969,114	11,713,242

4.

	6/30/2018			12/31/2017			Change		
	1	2	3	1	2	3	7	8	9
	Ordinary percent	Capital Percent	(Col 1+2) Total Percent	Ordinary percent	Capital Percent	(Col 1+2) Total Percent	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
Impact of Tax Planning Strategies									
a. Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%
b. Net Admitted Adjusted Gross DTAs (% of Total net Admitted Adjusted Gross DTAs)	0%	0%	0%	0%	0%	0%	0%	0%	0%

c. Does the Company’s tax planning strategies include the use of reinsurance?

Yes

No

X

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – INCOME TAXES (continued)

B. Regarding deferred tax liabilities that are not recognized - NONE

C. Current and deferred income taxes consist of the following major components:

Note 9C - 1

	1	2	3
	6/30/2018	12/31/2017	(Col 1-2) Change
CURRENT INCOME TAX			
a. Federal	(16,000)	(16,000)	-
b. Foreign			-
c. Subtotal	(16,000)	(16,000)	-
d. Federal income tax on net capital gains	(27,000)	(27,000)	-
e. Utilization of capital loss carry-forwards		-	-
f. Other		-	-
g. Federal and foreign income taxes incurred	(43,000)	(43,000)	-

Note 9C - 2

	1	1	3
	6/30/2018	12/31/2017	(Col 1-2) Change
DEFERRED TAX ASSETS			
a. Ordinary:			
1. Discounting of unpaid losses	1,000	1,000	-
2. Unearned premium reserve	2,000	2,000	-
3. Policyholder reserves			-
4. Investments	190,000	190,000	-
5. Deferred acquisition costs	2,000	2,000	-
6. Policyholder dividends accrual			-
7. Fixed assets			-
8. Compensation and benefits accrual	502,000	502,000	-
9. Pension accrual			-
10. Receivables - non admitted	5,000	5,000	-
11. Net operating loss carry-forward	874,000	874,000	-
12. Tax credit carry-forward			-
13. Other (including items <5% of total ordinary tax assets)	109,000	109,000	-
14. Other assets - nonadmitted			-
99. Subtotal	1,685,000	1,685,000	-
b. Statutory valuation allowance adjustment		-	-
c. Nonadmitted	583,000	583,000	-
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	1,102,000	1,102,000	-
e. Capital:			
1. Investments	-	-	-
2. Net capital loss carry-forward	-	-	-
3. Real estate	-	-	-
4. Other (including items <5% of total cpaital tax assets)	-	-	-
99. Subtotal	-	-	-
f. Statutory valuation allowance adjustment	-	-	-
g. Non admitted	-	-	-
h. Admitted capital deferred tax assets (2e99-2f-2g)	-	-	-
i. Admitted deferred tax assets (2d+2h)	1,102,000	1,102,000	-

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – INCOME TAXES (continued)

Note 9C - 3

	1	2	3
	6/30/2018	12/31/2017	(Col 1-2) Change
DEFERRED TAX LIABILITIES			
a. Ordinary:			
1. Investments	680,000	680,000	-
2. Fixed assets	46,000	46,000	-
3. Deferred and uncollected premium			-
4. Policyholder reserves			-
5. Other (including items <5% of total ordinary tax assets)	2,000	2,000	-
99. Subtotal	728,000	728,000	-
b. Capital			
1. Investments	-	-	-
2. Real estate	-	-	-
3. Other (including items <5% of total capital tax assets)	-	-	-
99. Subtotal	-	-	-
c. Deferred tax liabilities (3a99+3b99)	728,000	728,000	-

Note 9C - 4

Net Deferred Tax Assets/Liabilities (2i-3c)	374,000	374,000	-
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D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
Among the more significant book to tax adjustments were the following:

	12/31/2017	
	Amounts	Effective Tax Rate (%)
Provisions computed at statutory rate	8,447	34.0
Tax exempt interest deduction	(7,734)	(1.0)
Dividends received deduction	(21,665)	(2.0)
Disallowed travel and entertainment	2,331	2.0
Other tax differences	21,483	9.0
Realized capital gains (losses) tax	(27,000)	(2.0)
Officer Life Insurance-net	(18,862)	(1.0)
Change in net deferred income taxes	-	-
Total statutory income taxes	(43,000)	39.0
	2017	2016
Standard Federal income tax rate	34.0%	34.0%
Various Differences	5.0%	1.6%
	39.0%	35.6%

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – INCOME TAXES (continued)

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- 1. Net operating loss carryovers that are available for offsetting future net taxable income, amount to:

Year	Amount
2017	279,000
2016	297,000
2015	-
2014	-
2013	3,586,000

- 2. The Company does not have any tax credit carryforwards available for use.
- 3. The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

- 1. The Company’s federal income tax return is consolidated with the following entities:

Medical Benefits Administrators, Inc.
VisionPlus of America, Inc.
MedBen Marketing Services, Inc.
- 1. A written tax sharing consolidation agreement is approved by management. Allocation is based upon separate return calculations and the consolidated tax return calculation.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

- A. B. and C. The Company is the parent corporation of three wholly owned non-insurance subsidiaries which shares the same management. MBA and VPA are third party administrators (TPA’s) that administer claims in the medical and vision fields. MMS is an insurance agency that markets various life, medical, and other insurance products. No dividend income was reported in 2018 or 2017. MedBen Analytics, LLC, a majority owned subsidiary of Medical Benefits Administrators, Inc., is an administrator of bundled payments for existing health systems participating in the Centers for Medicare and Medicaid Services Bundled Payments for Care Improvement Initiative.
- D. At June 30, 2018, the Company reported \$414,223 as accounts and notes receivable from affiliates. The Company reported \$300,000 as accounts and notes payable to affiliates.
- E. On April 1, 2015, the Company entered into a management agreement between the Parent Corporation and subsidiaries. The management agreement remains in affect.
- F. There are no material management or service contracts and cost-sharing arrangements involving the Company and any related party.
- G. The Company is privately held and has no issued or outstanding shares. MBA, VPA, and MMS issued and outstanding shares are owned by the company. The valuation of these affiliates was determined under GAAP, with adjustments for statutory valuation rules, as prescribed by Statutory Accounting Principles.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 – INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES (continued)

- H. Not applicable.
- I. The Company’s investment in its three subsidiaries is less than 10% of its admitted assets.
- J. The Company did not recognize any impairment write-down for its investments in subsidiary companies during this statement period.
- K. The Company has no investments in foreign insurance subsidiaries.
- L. The Company has no investments in downstream noninsurance holding companies.
- M. SCA Investments

Balance Sheet Value (Admitted and NonAdmitted)											
	SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Resubmission Required Y/N	Code **
10M1C01	MedBen Marketing Services, Inc.	100%	396,032	396,032	-						
10M1C02	Medical Benefits Administrators, Inc.	100%	2,061,384	2,061,384	-						
10M1C03	VisionPlus of America, Inc.	100%	229,130	229,130	2,086						
10M1C99	Total SSAP No. 97 8b(iii) Entities		2,686,546	2,686,546	2,086						
NAIC Filing Response Information											
10M2C01	MedBen Marketing Services, Inc.					S2	6/27/18	265,015	N	N	
10M2C02	Medical Benefits Administrators, Inc.					S2	6/27/18	1,888,454	N	N	
10M2C03	VisionPlus of America, Inc.					S2	6/27/18	211,003	N	N	
	Total SSAP No. 97 8b(iii) Entities							2,364,472			

NOTE 11 – DEBT

- A. The Company has no debentures outstanding.

The Company has a line-of-credit with a maximum amount of \$1,000,000 and an interest rate equal to prime (currently 4%). This line-of-credit is collateralized by a first mortgage on real estate owned by the Company. There was an outstanding balance of \$663,139 and \$600,000 at June 30, 2018 and December 31, 2017, respectively.

The Company has a \$1,000,000 unsecured revolving credit line with a bank that was unused at June 30, 2018 and December 31, 2017. The agreement provides for interest at a rate equal to prime (currently 4.0%).

The Company, through one of its subsidiaries (VPA), also has a line of credit with a maximum amount of \$200,000 with an interest rate equal to prime (currently 4.0%). This line is unsecured, but is guaranteed by the parent. There was no outstanding balance at June 30, 2018 and December 31, 2017.

The Company does not have any reverse repurchase agreements.

- B. The Company does not have any FHLB agreements.

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT PLANS

- A. Defined Benefit Plan - NONE
- B. Defined Contribution Plans

NOTES TO FINANCIAL STATEMENTS

NOTE 12 – RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT PLANS (continued)

The Company currently has deferred compensation plans for specified key employees and for Board members. Effective January 1, 2013, the Board of Directors made a determination to indefinitely suspend the grant of further units and appreciation in the equity of the Company.

The Equity Participation Plan for key employees is a discretionary plan that rewards key employees with long term service to the Company. The plan shares the appreciation of equity of the Company, through December 31, 2012, with certain employees. The employee's share of the compensation vests over a ten year period, and is payable upon normal retirement, which is usually age 65. In the event that an employee terminates employment, either voluntarily or non-voluntarily, before age 65, the employee shall not be entitled to any payments at the time of termination, and forfeits his/her right to any future benefits under the plan.

The Company has estimated the present value of this liability to be \$1,916,166 and \$1,879,230 at June 30, 2018 and December 31, 2017, respectively.

The Equity Participation Plan for the Directors is similar to the one for key employees, in terms of vesting, normal retirement age, and termination of directorship. The Company has estimated the

present value of this liability to be \$146,087 and 142,427 at June 30, 2018 and December 31, 2017, respectively.

The liabilities for the deferred compensation plans have been included in accrued liabilities, "salaries and wages," on the consolidated balance sheets.

The Company has a profit-sharing plan with a 401(k) feature. The plan covers all employees meeting minimum eligibility requirements. Profit-sharing contributions are determined by the Board of Directors and were 1% of eligible compensation for 2017. The Company may match up to 50% of the first 6% salary deferral elected by each employee. The Company's discretionary and matching contributions charged to operations for the periods ended June 30, 2018 and December 31, 2017, \$88,022 and \$122,966, respectively.

C. The Company does not participate in a multi employee plan.

D. Consolidated/Holding Company Plans

The Company has no legal obligation for benefits under these plans. Employees of subsidiary companies participate in the plans sponsored by the Company.

E. The Company has an arrangement whereby it provides deferred compensation and post-retirement health coverage to retired board members. Benefits are payable over a period not to exceed five years. The Company estimates the present value of the liability to be \$319,251 and \$369,592 at June 30, 2018 and December 31, 2017, respectively.

F. The Medicare Modernization Act has no impact on the Company's post-retirement benefits.

NOTE 13 – CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

1. The Company does not have any common stock issued or outstanding.
2. The Company does not have any preferred stock issued or outstanding.
2. The amount of dividends to be paid to policyholders is determined annually by the Company's Board of Directors. The aggregate amount of policyholders' dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 – CAPITAL AND SURPLUS, SHAREHOLDERS’ DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS (continued)

- 4. No dividends were paid in 2018.
- 5. Within the limitations of dividends as stated above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 6. Total unassigned surplus as of June 30, 2018, is \$10,909,556. This amount is held for the benefit of participating policyholders.
- 7. There were no advances to surplus in 2018 or 2017.
- 8. There was no stock held by the company, including stock of affiliated companies, held for special purposes.
- 9. There was no change in the balance of special surplus funds from the prior year.
- 10. The portion of unassigned funds surplus represented or (reduced) by each item below is as follows:
Unrealized gains and losses \$236,705
- 11. The Company has not issued any surplus notes or debentures or similar obligations.
- 12. and 13. There has been no restatement of surplus due to quasi-reorganizations.

NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS

A. Contingent Commitments

Not applicable

B. Assessments

- 1. The Company has estimated that it will be assessed by various state assessment funds for their share of insurance company insolvencies in states in which the Company conducts business.
- 2. The reserve is \$50,000 for both periods ending June 30, 2018 and December 31, 2017, respectfully.

C. Gain Contingencies

Not applicable

D. The Company is partially self-insured with regards to employee health insurance. The Company is liable for a maximum of \$100,000 per covered employee per year. The Company’s aggregate annual loss limitation is based on a formula that considers, among other things, the total number of employees and their family status. For the periods ended June 30, 2018 and December 31, 2017, the Company paid \$653,467 and \$1,433,825, respectively under this arrangement.

E. Joint and Several Liabilities.

As of June 30, 2018, the Company had the following outstanding net accounts receivable and net accounts payable balances with its wholly-owned subsidiaries:

Accounts Receivable:			
Medical Benefits Administrators, Inc.	\$391,549	100%	wholly-owned Subsidiary
VisionPlus of America, Inc	\$ 2,552	100%	wholly-owned Subsidiary
MedBen Marketing Services, Inc.	\$ 0	100%	wholly-owned Subsidiary

NOTES TO FINANCIAL STATEMENTS

NOTE 14 – LIABILITIES, CONTINGENCIES AND ASSESSMENTS (continued)

Accounts Payable:		
Medical Benefits Administrators, Inc.	\$ 0	100% wholly-owned Subsidiary
VisionPlus of America, Inc.	\$ 0	100% wholly-owned Subsidiary
MedBen Marketing Services, Inc.	\$ 279,878	100% wholly-owned Subsidiary

- F. The Company is involved in various lawsuits and subject to certain contingencies in the normal course of business. Management believes that the outcome of these matters will not have a material impact on the Company’s financial position.

NOTE 15 – LEASES

A. Lessee Leasing Arrangements

The Company leases computer equipment and vehicles under operating lease agreements expiring by 2019. Future minimum lease rentals are as follows at June 30, 2018:

	<u>Amount</u>
2018	1,494
2019	2,873
2020	1,608
2021	<u>1,608</u>
	<u>\$ 7,583</u>

The Company has no sublease or sale-leaseback transactions.

There are no lease agreements that have been terminated early or for which the Company is no longer using the leased property.

Rental expense was \$16,155 and \$12,981 for the periods ended June 30, 2018 and December 31, 2017, respectively.

B. Lessor Leases – NONE

NOTE 16 – INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable

NOTE 17 – SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable

NOTE 18 – GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

A. ASO Plans

Not applicable

B. ASC Plans

Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – Not applicable

No amounts related to these plans have been written-off as of June 30, 2018.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 – DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS OR THIRD PARTY ADMINISTRATORS

Not applicable

NOTE 20 – FAIR VALUE MEASUREMENTS

A.

1. Fair Value Measurements at Reporting Date

1	2	3	4	5
Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Bonds				
Industrial and Misc	-	-	-	-
Total Bonds	-	-	-	-
Common stock				
Industrial and Misc	2,673,518	-	-	2,673,518
Mutual Funds	1,008,792	-	-	1,008,792
Total Common Stocks	3,682,310			3,682,310
Total assets at fair value	3,682,310	-	-	3,682,310
b. Liabilities at fair value				
None	-	-	-	-
Total liabilities at fair value	-	-	-	-

The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs to the respective valuation technique. The following summarizes the type of assets and liabilities included within the three-level fair value hierarchy presented in the table above.

Level 1 – This category currently only includes common stock and mutual funds that can be readily sold. As of June 30, 2018, no bonds were moved into the classification of short-term, so they were not classified in this hierarchy. The Company does not have any Call or Put Options placed on their securities.

Level 2 – The Company has no Level 2 assets or liabilities.

Level 3 – The Company has no Level 3 assets or liabilities.

The asset or liability’s fair value measurement level within fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

3. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy – NONE

1	2	3	4	5	6	7	8	9	10	11
	Balance at 12/31/2017	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in surplus	Purchases	Issuances	Sales	Settlements	Balance at 6/30/18
RMBS										
CMBS										
.....										
.....										
.....										
Total										

NOTES TO FINANCIAL STATEMENTS

NOTE 20 – FAIR VALUE MEASUREMENTS (continued)

3. Policy on Transfers into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into our out of Level 3. During the current year, no transfers into or out of Level 3 were required.

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 2 or the Level 3 category.

5. Derivative Fair Values – NONE

B. Other Fair Value Disclosures

Not applicable

C. Fair Values for All Financial Instruments by Levels 1, 2, and 3

The table below reflects the fair values and admitted values of all admitted assets and liabilities that are financial instruments excluding those accounted for under the equity method (subsidiaries). The fair values are also categorized into the three-level fair value hierarchy as described in Note 20A.

1	2	3	4	5	6	7
Type of Financial Instrument	Fair Value	Admitted Value	Level 1	Level 2	Level 3	Not Practical (Carrying Value)
Financial instruments - assets						
Bonds	4,689,324	4,754,039	4,754,039	-	-	-
Preferred stocks	500	500	500	-	-	-
Common stocks	6,368,856	6,366,770	6,366,770	-	-	-
Short-term investments	784,390	784,390	784,390	-	-	-
Total assets	11,843,069	11,905,700	11,905,700	-	-	-
Financial instruments - liabilities						
None	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-

D. Reasons Not Practical to Estimate Fair Value – NONE

NOTE 21 – OTHER ITEMS

A. Extraordinary Items – Not applicable.

B. Troubled Debt Restructuring – Not applicable.

C. Other Disclosures and Unusual Items

Assets in the amount of \$2,717,979 and \$2,620,653 on June 30, 2018 and December 31, 2017, respectively were on deposit with government authorities or trustees as required by law.

At June 30, 2018 and December 31, 2017, the Company had admitted assets of \$284 and \$2,894, respectively, in accounts receivable for uninsured plans. The Company does not have any amounts due from agents. The Company routinely assesses the collectability of these receivables. Based upon Company experience, less than 1% of the balance may become

NOTES TO FINANCIAL STATEMENTS

NOTE 21 – OTHER ITEMS (continued)

uncollectible, and the potential loss is not material to the Company’s financial condition. No amounts have been written off in 2018 or 2017.

- D. The Company had no business interruption insurance recoveries.
- E. The Company has no investments in State Transferable Tax Credits.
- F. The Company has no exposure to subprime mortgage risk.
- G. The Company has no Retained Asset accounts.

NOTE 22 – EVENTS SUBSEQUENT

Type I – Recognized Subsequent Events – As of June 30, 2018, the Company has no subsequent events.

Type II – Non-recognized Subsequent Events – As of June 30, 2018, the Company has no subsequent events.

The Company stopped writing health insurance October 1, 2016 and conducted no health insurance business in 2017 or 2018 subject to the annual Health Insurance Providers Fee under the Affordable Care Act Provision 9010.

		6/30/2018	12/31/2017
A	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?		Yes
B	ACA fee assessment payable for the upcoming year	\$0	
C	ACA fee assessment paid	\$0	
D	Premium written subject to ACA 9010 assessment	442,475	\$940,875
E	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 30)	\$11,969,114	\$11,601,853
F	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 30 minus 22B above)	\$11,969,114	
G	Authorized Control Level (Five-Year Historical Line 31)	\$511,245	
H	Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)?		No

NOTE 23 – REINSURANCE

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, but the company or by any representative, officer, trustee, or director of the company? Yes () No (X)
- Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) which is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (X)

NOTES TO FINANCIAL STATEMENTS

NOTE 23 – REINSURANCE (continued)

Section 2 – Ceded Reinsurance Report – Part A

1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (X)
2. Does the company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? Yes () No (X)

B. Uncollectible Reinsurance

The Company has not written off any uncollectible reinsurance during the period.

C. Commutation of Reinsurance Reflected in Income and Expenses

The Company has not commuted any ceded reinsurance during the period.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

The reinsurer used by the Company has not been downgraded or subject to revocation.

NOTE 24 – RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

- A. The Company does not have any retrospective premium adjustments.
- B. Not applicable.
- C. The amount of premium written by the Company as of June 30, 2018, subject to the medical loss ratio rebate was \$0.
- D. The Company has no paid or payable medical loss ratio rebates.
- E. Risk Sharing Provisions of the Affordable Care Act
 - 1) In 2018 the company did not write accident and health insurance premium subject to the ACA risk sharing provisions.
 - 2) Impact of Risk Sharing Provisions
 - Permanent ACA Risk Adjustment Program – As of June 30, 2018, the company booked \$0 in liabilities for contributions payable due to ACA Risk Adjustment Program. The company was decommissioned as of December 31, 2016 from the Edger Server Operations Risk Adjustment Program because the company no longer wrote large or small medical insurance in any state. The company is no longer subject to the risk adjustment fees and has not booked a receivable or expects to receive any recovery for federal funding to offset this risk sharing program.
 - Transitional ACA Reinsurance Program – As of June 30, 2018, the company booked \$0 in liabilities for contributions payable due to ACA Reinsurance. The company has not booked a receivable or expects to receive any recovery for federal funding to offset this risk sharing program.
 - Temporary ACA Risk Corridors Program – the company has no obligations under this program as the company does not write any individual policies and thus will not be eligible for reimbursements.

NOTES TO FINANCIAL STATEMENTS

NOTE 25 – CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

Reserves on accident and health contracts for incurred losses and loss adjustment expenses attributable to insured events of prior years occurred as anticipated during 2017. See Schedule H – Part 3 and the Five Year Historical Data in the annual statement.

Original estimates are increased or decreased as additional information becomes known regarding individual claims. However, the change in incurred losses from December 31, 2017, to June 30, 2018, coincided with the change in the Company’s block of business. No other significant trends or unanticipated events have been noted in 2018. None of the Company’s accident and health contracts are subject to retrospective rating or experience refunds.

NOTE 26 – INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

NOTE 27 – STRUCTURED SETTLEMENTS

The Company has not purchased any structured settlements to fulfill obligations of claimants.

NOTE 28 – HEALTH CARE RECEIVABLES

A. Pharmaceutical Rebate Receivables – NONE

B. Risk Sharing Receivables - NONE

NOTE 29 – PARTICIPATING POLICIES

Not applicable

NOTE 30 – PREMIUM DEFICIENCY RESERVES

- | | |
|---|---------------|
| 1. Liability carried for premium deficiency reserves | \$0 |
| 2. Date of the most recent evaluation of this liability | March 1, 2015 |
| 3. Was anticipated investment income utilized in the calculation? | No |

NOTE 31 – RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS

1. The Company waives deduction of deferred fractional premiums upon death of insured and returns any portion of the final premium beyond the date of death. Surrender values are not promised in excess of the legally computed reserves.
2. The Company had no substandard policies; therefore no methods for valuation were employed.
3. As of June 30, 2018, the Company had \$0 of insurance in force for which the gross premiums are less than the net premiums according to the standard valuation set by the State of Ohio. No reserves to cover the above insurance were necessary.
4. The Company does not compute The Tabular Interest, the Tabular Less Actual Reserve Released, and the Tabular Cost.

NOTE 31 – RESERVES FOR LIFE CONTRACTS AND ANNUITY CONTRACTS (continued)

5. The Company does not compute Tabular Interest on funds not involving life contingencies.
6. The Company does not have any products that would qualify as “deposit type” contracts, therefore there are no reserve changes for life or annuity contracts under a Deposit Type Contract.

NOTES TO FINANCIAL STATEMENTS

NOTE 32 – ANALYSIS OF ANNUITY ACTUARIAL RESERVES AND DEPOSIT TYPE LIABILITIES BY WITHDRAWAL CHARACTERISTICS

Not applicable

NOTE 33 – PREMIUM AND ANNUITY CONSIDERATIONS DEFERRED AND UNCOLLECTED

The Company has no deferred and uncollected life insurance premiums and annuity considerations as of June 30, 2018.

NOTE 34 – SEPARATE ACCOUNTS

Not applicable

NOTE 35 – LOSS/CLAIM ADJUSTMENT EXPENSES

	Period Ended		
	June 30, 2018		December 31, 2017
Balance at beginning of period	\$ 10,000		\$ 10,000
Amount incurred:			
Current year	-		-
Prior years	-		-
	-		-
Less amount paid:			
Current year	-		-
Prior years	-		-
	-		-
Balance at end of period	\$ 10,000		\$ 10,000

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 ☒
- 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 ☒
- 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?
If yes, complete Schedule Y, Parts 1 and 1A.

Yes ☒ No ☐
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☐ No ☒
- 3.5

If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of the 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?
If yes, attach an explanation.

Yes ☐ No ☒ N/A ☐
- 6.1

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

12/31/2016
- 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.

05/30/2018
- 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).

06/22/2018
- 6.4

By what department or departments?
Ohio Department of Insurance
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ N/A ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 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 ☒
- 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 ☒
- 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

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

[

]

No

[

X

]

9.21

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

9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes

[

]

No

[

X

]

9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes

[

X

]

No

[

]

10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$

0

INVESTMENT

11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes

[

]

No

[

X

]

11.2

If yes, give full and complete information relating thereto:

12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$

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

[

X

]

No

[

]

14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$0	\$
14.22 Preferred Stock	\$500	\$500
14.23 Common Stock	\$2,376,470	\$2,686,546
14.24 Short-Term Investments	\$0	\$
14.25 Mortgage Loans on Real Estate	\$0	\$
14.26 All Other	\$0	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$2,376,970	\$2,687,046
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.

8.1

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 ☐ 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
Park National Bank	50 N Third St Newark Oh 43055
Merrill Lynch	4661 Sawmill Rd Columbus Oh 43220

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes ☐ No ☐
- 17.4 If yes, give full 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
Park National Bank 50 N Third St. Newark, OH 43055	U
Merrill Lynch 4661 Sawmill Rd Columbus, OH 43220	U
C. Daniel DeLawder	U
Andrew Dix	U
Douglas Freeman	I

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes ☐ No ☐

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes ☐ No ☐

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

1 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	Park National Bank Trust & Investment Services 50 N Third St Newark, OH 43055	N/A	N/A	DS
8862	Merrill Lynch, Pierce, Fenner & Smith 4661 Sawmill Rd Columbus, OH 43220	N/A	YES	DS

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes ☒ No ☐
- 18.2 If no, list exceptions:

19. By self-designating 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:
- a. Documentation necessary to permit a full credit analysis of the security does not exist.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
- Has the reporting entity self-designated 5*GI securities? Yes ☐ No ☐

GENERAL INTERROGATORIES

PART 2 - LIFE & HEALTH

1.

Report the statement value of mortgage loans at the end of this reporting period for the following categories:

1

Amount

1.1

Long-Term Mortgages In Good Standing

1.11

Farm Mortgages

\$

1.12

Residential Mortgages

\$

1.13

Commercial Mortgages

\$

1.14

Total Mortgages in Good Standing

\$

0

1.2

Long-Term Mortgages In Good Standing with Restructured Terms

1.21

Total Mortgages in Good Standing with Restructured Terms

\$

1.3

Long-Term Mortgage Loans Upon which Interest is Overdue more than Three Months

1.31

Farm Mortgages

\$

1.32

Residential Mortgages

\$

1.33

Commercial Mortgages

\$

1.34

Total Mortgages with Interest Overdue more than Three Months

\$

0

1.4

Long-Term Mortgage Loans in Process of Foreclosure

1.41

Farm Mortgages

\$

1.42

Residential Mortgages

\$

1.43

Commercial Mortgages

\$

1.44

Total Mortgages in Process of Foreclosure

\$

0

1.5

Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2)

\$

0

1.6

Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter

1.61

Farm Mortgages

\$

1.62

Residential Mortgages

\$

1.63

Commercial Mortgages

\$

1.64

Total Mortgages Foreclosed and Transferred to Real Estate

\$

0

2.

Operating Percentages:

2.1

A&H loss percent

46.220 %

2.2

A&H cost containment percent

10.680 %

2.3

A&H expense percent excluding cost containment expenses

72.650 %

3.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

3.2

If yes, please provide the amount of custodial funds held as of the reporting date

\$

3.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

3.4

If yes, please provide the balance of the funds administered as of the reporting date

\$

4.

Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

Yes [X] No []

4.1

If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?

Yes [] No []

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

States, Etc.		1	Direct Business Only					
			Life Contracts		4	5	6	7
			2	3				
		Active Status (a)	Life Insurance Premiums	Annuity Considerations	Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	Other Considerations	Total Columns 2 Through 5	Deposit-Type Contracts
1.	Alabama	AL	N				0	
2.	Alaska	AK	N				0	
3.	Arizona	AZ	N				0	
4.	Arkansas	AR	L				0	
5.	California	CA	N				0	
6.	Colorado	CO	N				0	
7.	Connecticut	CT	N				0	
8.	Delaware	DE	N				0	
9.	District of Columbia	DC	N				0	
10.	Florida	FL	N				0	
11.	Georgia	GA	N				0	
12.	Hawaii	HI	N				0	
13.	Idaho	ID	N				0	
14.	Illinois	IL	L				0	
15.	Indiana	IN	L	52,850		64,679	117,529	
16.	Iowa	IA	N				0	
17.	Kansas	KS	L				0	
18.	Kentucky	KY	L				0	
19.	Louisiana	LA	N				0	
20.	Maine	ME	N				0	
21.	Maryland	MD	N				0	
22.	Massachusetts	MA	N				0	
23.	Michigan	MI	L				0	
24.	Minnesota	MN	N				0	
25.	Mississippi	MS	N				0	
26.	Missouri	MO	L				0	
27.	Montana	MT	N				0	
28.	Nebraska	NE	N				0	
29.	Nevada	NV	N				0	
30.	New Hampshire	NH	N				0	
31.	New Jersey	NJ	N				0	
32.	New Mexico	NM	N				0	
33.	New York	NY	N				0	
34.	North Carolina	NC	L				0	
35.	North Dakota	ND	N				0	
36.	Ohio	OH	L	44,730		374,566	419,296	
37.	Oklahoma	OK	N				0	
38.	Oregon	OR	N				0	
39.	Pennsylvania	PA	N				0	
40.	Rhode Island	RI	N				0	
41.	South Carolina	SC	L				0	
42.	South Dakota	SD	N				0	
43.	Tennessee	TN	L				0	
44.	Texas	TX	N				0	
45.	Utah	UT	N				0	
46.	Vermont	VT	N				0	
47.	Virginia	VA	N				0	
48.	Washington	WA	N				0	
49.	West Virginia	WV	L	4,119		3,230	7,349	
50.	Wisconsin	WI	N				0	
51.	Wyoming	WY	N				0	
52.	American Samoa	AS	N				0	
53.	Guam	GU	N				0	
54.	Puerto Rico	PR	N				0	
55.	U.S. Virgin Islands	VI	N				0	
56.	Northern Mariana Islands	MP	N				0	
57.	Canada	CAN	N				0	
58.	Aggregate Other Aliens	XXX	0	0	0	0	0	0
59.	Subtotal	XXX	101,699	0	442,475	0	544,174	0
90.	Reporting entity contributions for employee benefits plans	XXX					0	
91.	Dividends or refunds applied to purchase paid-up additions and annuities.....	XXX					0	
92.	Dividends or refunds applied to shorten endowment or premium paying period.....	XXX					0	
93.	Premium or annuity considerations waived under disability or other contract provisions.....	XXX					0	
94.	Aggregate or other amounts not allocable by State.....	XXX	0	0	0	0	0	0
95.	Totals (Direct Business).....	XXX	101,699	0	442,475	0	544,174	0
96.	Plus Reinsurance Assumed.....	XXX					0	
97.	Totals (All Business).....	XXX	101,699	0	442,475	0	544,174	0
98.	Less Reinsurance Ceded.....	XXX	23,864		0		23,864	
99.	Totals (All Business) less Reinsurance Ceded	XXX	77,835	0	442,475	0	520,310	0
DETAILS OF WRITE-INS								
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
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0
9401.	.....	XXX						
9402.	.....	XXX						
9403.	.....	XXX						
9498.	Summary of remaining write-ins for Line 94 from overflow page	XXX	0	0	0	0	0	0
9499.	Totals (Lines 9401 through 9403 plus 9498)(Line 94 above)	XXX	0	0	0	0	0	0

(a) Active Status Counts:

L - Licensed or Chartered - Licensed Insurance carrier or domiciled RRG.....12

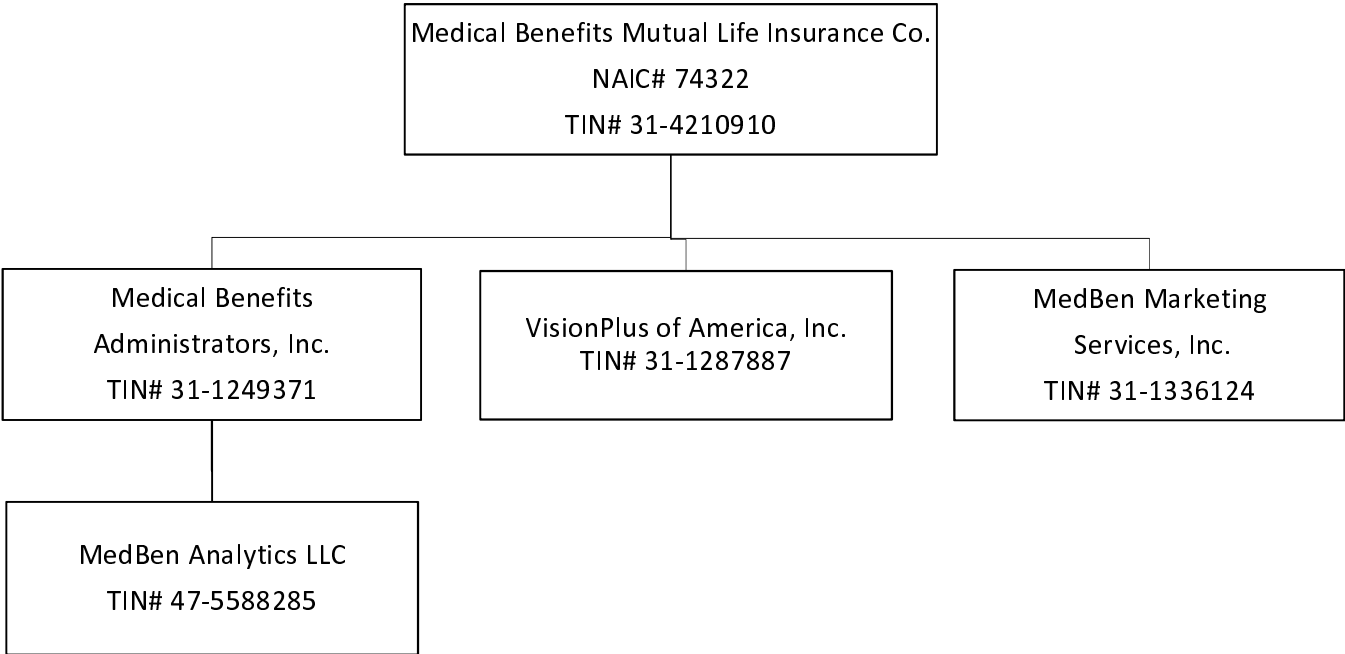
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0

N - None of the above - Not allowed to write business in the state.....45

R - Registered - Non-domiciled RRGs.....0

Q - Qualified - Qualified or accredited reinsurer.0

STATEMENT AS OF JUNE 30, 2018 OF THE Medical Benefits Mutual Life Insurance Co.



Medical Benefits Administrators, Inc.	TPA for single employer benefit plans; wholly-owned subsidiary of Medical Benefits Mutual Life Insurance Co.
VisionPlus of America, Inc.	TPA for group vision employer benefits plans; wholly-owned subsidiary of Medical Benefits Mutual Life Insurance Co.
MedBen Marketing Services, Inc.	Agency; wholly-owned subsidiary of Medical Benefits Mutual Life Insurance Co.
MedBen Analytics LLC	Medicare shared savings; majority-owned subsidiary of Medical Benefits Administrators, Inc.

STATEMENT AS OF JUNE 30, 2018 OF THE Medical Benefits Mutual Life Insurance Co.

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

[illegible]

NONE

Asterisk	Explanation

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.

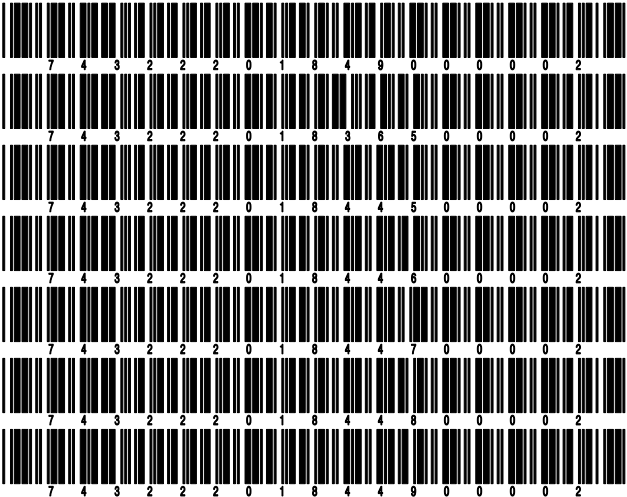
	Response
1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement?	NO
2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	NO
3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
4. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC?	NO
5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC?	NO
6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC?	NO
7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC?	NO

Explanation:

1.
2.
3.
4.
5.
6.
7.

Bar Code:

1. Trusteed Surplus Statement [Document Identifier 490]
2. Medicare Part D Coverage Supplement [Document Identifier 365]
3. Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 445]
4. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXV [Document Identifier 446]
5. Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI [Document Identifier 447]
6. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI [Document Identifier 448]
7. Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) [Document Identifier 449]



OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Summary of Operations Line 8.3

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
08.304. Intercompany Agreement Income for Investment Related Expenses	(206,534)		(377,128)
08.397. Summary of remaining write-ins for Line 8.3 from overflow page	(206,534)	0	(377,128)

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,368,834	1,191,883
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		2,159
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances	(63,139)	295,646
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation	60,458	120,854
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	1,245,237	1,368,834
10. Deduct total nonadmitted amounts		0
11. Statement value at end of current period (Line 9 minus Line 10)	1,245,237	1,368,834

SCHEDULE B - VERIFICATION

Mortgage Loans

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	11,102,283	11,178,734
2. Cost of bonds and stocks acquired	1,379,479	2,491,391
3. Accrual of discount	1,282	1,384
4. Unrealized valuation increase (decrease)	236,704	85,712
5. Total gain (loss) on disposals	39,601	79,050
6. Deduct consideration for bonds and stocks disposed of	1,628,559	2,711,773
7. Deduct amortization of premium	7,395	22,215
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	11,123,395	11,102,283
12. Deduct total nonadmitted amounts	2,086	2,176
13. Statement value at end of current period (Line 11 minus Line 12)	11,121,309	11,100,107

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
BONDS								
1. NAIC 1 (a)	5,024,900	609,502	827,710	(2,651)	5,024,900	4,804,041		5,034,771
2. NAIC 2 (a)	0				0	0		
3. NAIC 3 (a)	0				0	0		
4. NAIC 4 (a)	0				0	0		
5. NAIC 5 (a)	0				0	0		
6. NAIC 6 (a)	0				0	0		
7. Total Bonds	5,024,900	609,502	827,710	(2,651)	5,024,900	4,804,041	0	5,034,771
PREFERRED STOCK								
8. NAIC 1	0				0	0		
9. NAIC 2	0				0	0		0
10. NAIC 3	0				0	0		
11. NAIC 4	0				0	0		
12. NAIC 5	500	0	0	0	500	500		500
13. NAIC 6	0				0	0		
14. Total Preferred Stock	500	0	0	0	500	500	0	500
15. Total Bonds and Preferred Stock	5,025,400	609,502	827,710	(2,651)	5,025,400	4,804,541	0	5,035,271

(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 \$; NAIC 2 \$; NAIC 3 \$ NAIC 4 \$; NAIC 5 \$; NAIC 6 \$.....

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	50,000	XXX	50,000	0	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	50,000	1,111,519
2. Cost of short-term investments acquired		50,000
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals		1,111,519
7. Deduct amortization of premium		0
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)	50,000	50,000
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	50,000	50,000

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives

N O N E

SCHEDULE E - PART 2 - VERIFICATION
(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	496,333	0
2. Cost of cash equivalents acquired	325,349	791,005
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	87,292	294,672
7. Deduct amortization of premium		0
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)	734,390	496,333
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	734,390	496,333

STATEMENT AS OF JUNE 30, 2018 OF THE Medical Benefits Mutual Life Insurance Co.

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

[illegible]

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

[illegible]

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

SCHEDULE D - PART 3

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

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
912828-40-0	US Treasury Note 2.5000% 05/31/20		05/31/2018	JP Morgan		309,460	310,000	0	1
0599999	Subtotal - Bonds - U.S. Governments					309,460	310,000	0	XXX
3133EJ-SA-8	FFCB 2.7300% 6/21/21		06/21/2018	Park National Bank		300,042	300,000	0	1
3199999	Subtotal - Bonds - U.S. Special Revenues					300,042	300,000	0	XXX
8399997	Total - Bonds - Part 3					609,502	610,000	0	XXX
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX
8399999	Total - Bonds					609,502	610,000	0	XXX
8999997	Total - Preferred Stocks - Part 3					0	XXX	0	XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	XXX
03755L-10-4	Apergy Corp Reg SHS		05/11/2018	Merril Lynch	50,000	1,423		0	L
375558-10-3	Gilead Sciences Inc Com		05/22/2018	Merril Lynch	25,000	1,708		0	L
437076-10-2	Home Depot Inc		05/22/2018	Merril Lynch	25,000	4,693		0	L
700658-10-7	Park National Corporation		06/08/2018	Park National Bank	30,899	3,646		0	L
9099999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					11,469	XXX	0	XXX
922042-50-2	Vanguard - Europe Fund		06/06/2018	Park National Bank	476,718	15,000		0	L
922908-88-4	Vanguard Institutional Extended Market		06/06/2018	Park National Bank	538,387	47,000		0	L
922042-40-3	Vanguard Pacific Stock Index Fd		05/09/2018	Park National Bank	1,802,451	25,000		0	L
9299999	Subtotal - Common Stocks - Mutual Funds					87,000	XXX	0	XXX
9799997	Total - Common Stocks - Part 3					98,469	XXX	0	XXX
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX
9799999	Total - Common Stocks					98,469	XXX	0	XXX
9899999	Total - Preferred and Common Stocks					98,469	XXX	0	XXX
9999999	Totals					707,971	XXX	0	XXX

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

STATEMENT AS OF JUNE 30, 2018 OF THE Medical Benefits Mutual Life Insurance Co.

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
										11	12	13	14	15							
CUSIP Identification	Description	For- eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consid- eration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization)/ Accretion	Current Year's Other Than Temporary Impairment Recog- nized	Total Change in Book/ Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book /Adjusted Carrying Value	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 Con- tractual Maturity Date	NAIC Desig- nation or Market In- dicator (a)
912828-09-4	US T NOTE .75% 4/30/18		04/30/2018	Maturity		310,000	310,000	309,915	309,996	.0	.4	.0	.4	.0	310,000	.0	.0	.0	1,163	04/30/2018	1
0599999	Subtotal - Bonds - U.S. Governments					310,000	310,000	309,915	309,996	0	4	0	4	0	310,000	0	0	0	1,163	XXX	XXX
67766W-PB-2	Ohio St WTR Dev Auth 4.00% 6/1/18		06/01/2018	Maturity		40,000	40,000	46,091	40,184	.0	(184)	.0	(184)	.0	40,000	.0	.0	.0	800	06/01/2018	1
67766W-GR-7	Ohio St WTR Dev Auth 5.250% 6/1/18		06/01/2018	Maturity		5,000	5,000	6,088	5,033	.0	(33)	.0	(33)	.0	5,000	.0	.0	.0	131	06/01/2018	1
677659-YH-1	Ohio St WTR Dev Auth Rev 5.00% 6/1/18		06/01/2018	Maturity		30,000	30,000	36,219	30,189	.0	(189)	.0	(189)	.0	30,000	.0	.0	.0	750	06/01/2018	1
67766W-QX-3	Ohio St Wtr Dev Auth Wtr 3.00% 6/1/18		06/01/2018	Maturity		25,000	25,000	27,720	25,081	.0	(81)	.0	(81)	.0	25,000	.0	.0	.0	375	06/01/2018	1
67766W-TT-9	Ohio St Wtr Dev Auth Wtr 5.00% 6/1/18		06/01/2018	Maturity		25,000	25,000	30,397	25,164	.0	(164)	.0	(164)	.0	25,000	.0	.0	.0	625	06/01/2018	1
67766W-SA-1	Ohio St Wtr Dev Auth Wtr 5.00% 6/1/18		06/01/2018	Maturity		15,000	15,000	18,053	15,092	.0	(92)	.0	(92)	.0	15,000	.0	.0	.0	375	06/01/2018	1
1799999	Subtotal - Bonds - U.S. States, Territories and Possessions					140,000	140,000	164,568	140,742	0	(742)	0	(742)	0	140,000	0	0	0	3,056	XXX	XXX
3133EC-L4-4	FFCB 1.00% 4/11/18		04/11/2018	Maturity		25,000	25,000	25,000	25,000	.0	.0	.0	.0	.0	25,000	.0	.0	.0	125	04/11/2018	1
3130A8-BD-4	FHLB .8750% 6/29/18		06/29/2018	Maturity		250,000	250,000	250,255	250,126	.0	(126)	.0	(126)	.0	250,000	.0	.0	.0	1,094	06/29/2018	1
3128MC-ID-3	FHLMC #G1-4044 3.00% 1/1/26		06/01/2018	Redemption		3,388	3,388	3,415	3,389	.0	(1)	.0	(1)	.0	3,388	.0	.0	.0	7	01/01/2026	1
3128MM-NM-1	FHLMC #G18395 3.00% 7/1/26		06/01/2018	Redemption		1,417	1,417	1,423	1,416	.0	1	.0	1	.0	1,417	.0	.0	.0	7	07/01/2026	1
3137B1-CD-2	FHLMC 4190 Grp 2 Cl DG 2.00% 4/15/28		06/15/2018	Redemption		34,689	34,689	34,538	34,686	.0	.4	.0	.4	.0	34,689	.0	.0	.0	121	04/15/2028	1
31416X-HY-9	FNMA #AB2046 3.00% 1/1/26		06/01/2018	Redemption		3,324	3,324	3,345	3,324	.0	.0	.0	.0	.0	3,324	.0	.0	.0	17	01/01/2026	1
31416Y-UW-6	FNMA #AB3296 3.00% 7/1/26		06/01/2018	Redemption		2,698	2,698	2,715	2,698	.0	.0	.0	.0	.0	2,698	.0	.0	.0	11	07/01/2026	1
31418A-NK-0	FNMA Pool #MA 1293 2.00% 12/1/27		06/01/2018	Redemption		7,194	7,194	7,426	7,197	.0	(3)	.0	(3)	.0	7,194	.0	.0	.0	28	12/01/2027	1
3199999	Subtotal - Bonds - U.S. Special Revenues					327,710	327,710	328,115	327,836	0	(126)	0	(126)	0	327,710	0	0	0	1,419	XXX	XXX
747525-AG-8	Qualcomm Inc 1.400% 5/18/18		05/18/2018	Maturity		25,000	25,000	25,000	25,000	.0	.0	.0	.0	.0	25,000	.0	.0	.0	173	05/18/2018	1
882508-AV-6	Texas Instruments Inc 1.00% 5/1/18		05/01/2018	Maturity		25,000	25,000	24,822	24,997	.0	.3	.0	.3	.0	25,000	.0	.0	.0	125	05/01/2018	1
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					50,000	50,000	49,822	49,997	0	3	0	3	0	50,000	0	0	0	298	XXX	XXX
8399997	Total - Bonds - Part 4					827,710	827,710	852,420	828,572	0	(862)	0	(862)	0	827,710	0	0	0	5,936	XXX	XXX
8399998	Total - Bonds - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Total - Bonds					827,710	827,710	852,420	828,572	0	(862)	0	(862)	0	827,710	0	0	0	5,936	XXX	XXX
8999997	Total - Preferred Stocks - Part 4					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999998	Total - Preferred Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999	Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
002824-10-0	Abbott Laboratories		06/06/2018	Park National Bank	250,000	15,019		9,268	14,980	(5,712)	.0	.0	(5,712)	.0	9,268	.0	5,751	5,751	22		
009158-10-6	Air Products & Chemicals Inc		06/06/2018	Park National Bank	20,000	3,271		1,403	3,181	(1,777)	.0	.0	(1,777)	.0	1,403	.0	1,868	1,868	22		
03755L-10-4	Apergy Corp Reg SHS		05/17/2018	Merrill Lynch	50,000	1,998		1,423	.0	.0	.0	.0	.0	.0	1,423	.0	575	575	.0		
00206R-10-2	AT&T Inc		05/09/2018	Park National Bank	100,000	3,202		3,895	3,565	330	.0	.0	330	.0	3,895	.0	(693)	(693)	50		
060505-10-4	Bank Of America Corp		05/09/2018	Park National Bank	350,000	10,368		5,212	10,497	(5,284)	.0	.0	(5,284)	.0	5,212	.0	5,155	5,155	42		
260003-10-8	Dover Corp		05/11/2018	Merrill Lynch	.0000	1,423		1,423	1,913	(491)	.0	.0	(491)	.0	1,423	.0	.0	.0	.0		
370334-10-4	General Mills Inc.		05/09/2018	Park National Bank	375,000	15,854		19,526	16,898	2,628	.0	.0	2,628	.0	19,526	.0	(3,672)	(3,672)	184		
478160-10-4	Johnson & Johnson		06/06/2018	Park National Bank	65,000	8,139		3,976	8,330	(4,353)	.0	.0	(4,353)	.0	3,976	.0	4,162	4,162	.0		
46625H-10-0	JP Morgan Chase & Company		05/09/2018	Park National Bank	100,000	10,924		4,422	10,997	(6,575)	.0	.0	(6,575)	.0	4,422	.0	6,501	6,501	56		
58933Y-10-5	Merck & Company Inc (New)		06/06/2018	Park National Bank	25,000	1,550		1,448	1,362	86	.0	.0	86	.0	1,448	.0	103	103	12		
780259-20-6	Royal Dutch Shell PLC		05/09/2018	Park National Bank	150,000	10,455		8,614	9,572	(957)	.0	.0	(957)	.0	8,614	.0	1,841	1,841	.0		
911312-10-6	United Parcel Service Inc Class B		06/06/2018	Park National Bank	50,000	5,856		5,824	5,233	591	.0	.0	591	.0	5,824	.0	32	32	.0		
902973-30-4	US Bancorp		06/06/2018	Park National Bank	325,000	16,418		13,129	16,413	(3,284)	.0	.0	(3,284)	.0	13,129	.0	3,290	3,290	98		
9099999	Subtotal - Common Stocks - Industrial and Miscellaneous (Unaffiliated)					104,476	XXX	79,562	102,938	(24,799)	0	0	(24,799)	0	79,562	0	24,914	24,914	485	XXX	XXX
922908-55-3	Vanguard REIT ETF		05/09/2018	Park National Bank	125,000	9,717		10,115	9,434	682	.0	.0	682	.0	10,115	.0	(398)	(398)	.0		
9299999	Subtotal - Common Stocks - Mutual Funds					9,717	XXX	10,115	9,434	682	0	0	682	0	10,115	0	(398)	(398)	0	XXX	XXX
9799997	Total - Common Stocks - Part 4					114,193	XXX	89,678	112,372	(24,117)	0	0	(24,117)	0	89,678	0	24,515	24,515	485	XXX	XXX
9799998	Total - Common Stocks - Part 5					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999	Total - Common Stocks					114,193	XXX	89,678	112,372	(24,117)	0	0	(24,117)	0	89,678	0	24,515	24,515	485	XXX	XXX
9899999	Total - Preferred and Common Stocks					114,193	XXX	89,678	112,372	(24,117)	0	0	(24,117)	0	89,678	0	24,515	24,515	485	XXX	XXX
9999999	Totals					941,903	XXX	942,098	940,944	(24,117)	(862)	0	(24,979)	0	917,388	0	24,515	24,515	6,421	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 - Options, Caps, Floors, Collars, Swaps and Forwards Open

N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open

N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

N O N E

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open

N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By

N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To

N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

N O N E

STATEMENT AS OF JUNE 30, 2018 OF THE Medical Benefits Mutual Life Insurance Co.

SCHEDULE E - PART 1 - CASH

[illegible]

STATEMENT AS OF JUNE 30, 2018 OF THE Medical Benefits Mutual Life Insurance Co.

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

[illegible]