

QUARTERLY STATEMENT

OF THE

10205
RECEIVED

NOV 14 2018

OFFICE OF RISK
ASSESSMENT

Sequent Midwest Business Health Fund

Of

Columbus

in the state of OH

to the Insurance Department

of the State of

For the Period Ended

September 30, 2018

2018



HEALTH QUARTERLY STATEMENT

As of September 30, 2018
of the Condition and Affairs of the

Sequent Midwest Business Health Fund

NAIC Group Code.....6371, 6371 (Current Period) (Prior Period) NAIC Company Code..... 121 Employer's ID Number..... 311732659

Organized under the Laws of OH State of Domicile or Port of Entry OH Country of Domicile US

Licensed as Business Type Other Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized..... October 7, 2015 Commenced Business..... October 7, 2015

Statutory Home Office 8415 Pulsar Place Suite 200 .. Columbus .. OH .. USA .. 43240
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 8415 Pulsar Place Suite 200 .. Columbus .. OH .. USA .. 43240 614-436-5880
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 8415 Pulsar Place Suite 200 .. Columbus .. OH .. USA .. 43240
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 8415 Pulsar Place Suite 200 .. Columbus .. OH .. USA .. 43240 614-436-5880
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.sequent.biz

Statutory Statement Contact Paula Ann Reed 614-410-6045
(Name) (Area Code) (Telephone Number) (Extension)
preed@resourcingedge.com 614-410-3715
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Dwight William Seeley	Vice President	2.	
3.		4.	

OTHER

DIRECTORS OR TRUSTEES

Jeffrey Saunders Smith Justin Chadwell Eddy Isabell H Toth Jonathan Alexander Allison
Michael Peter Stinziano

State of..... OHIO
County of..... DELAWARE

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

	_____	_____
(Signature)	(Signature)	(Signature)
Dwight William Seeley	_____	_____
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
Vice President	_____	_____
(Title)	(Title)	(Title)

Subscribed and sworn to before me, This 13th day of November

a. Is this an original filing? Yes [X] No []
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____



KIM FREEMAN
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration Date
Section 147.03 O.R.C.

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....			0	
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....3,996,350), cash equivalents (\$.....0) and short-term investments (\$.....0).....	3,996,350		3,996,350	2,715,275
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives.....			0	
8. Other invested assets.....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets.....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	3,996,350	0	3,996,350	2,715,275
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....			0	
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	323,775
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	327,892		327,892	169,179
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	656	656	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	4,324,898	656	4,324,242	3,208,229
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. Total (Lines 26 and 27).....	4,324,898	656	4,324,242	3,208,229

DETAILS OF WRITE-INS

1101.			0	
1102.			0	
1103.			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....	656	656	0	
2502.			0	
2503.			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	656	656	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	1,838,497		1,838,497	1,991,846
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....			0	
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	6,457		6,457	14,110
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....			0	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	148
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and certified \$.....0 reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....			0	
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	1,844,954	0	1,844,954	2,006,104
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX		
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX	340,000	340,000
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	2,139,288	862,124
32. Less treasury stock, at cost:				
32.10.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.20.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	2,479,288	1,202,124
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	4,324,242	3,208,228

DETAILS OF WRITE-INS

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

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member months.....	XXX	23,837	74,816	100,279
2. Net premium income (including \$.....0 non-health premium income).....	XXX	10,060,398	9,395,875	12,573,950
3. Change in unearned premium reserves and reserve for rate credits.....	XXX			
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX			
5. Risk revenue.....	XXX			
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0	0
8. Total revenues (Lines 2 to 7).....	XXX	10,060,398	9,395,875	12,573,950
Hospital and Medical:				
9. Hospital/medical benefits.....		4,428,943	5,261,225	8,510,500
10. Other professional services.....		1,570,921	870,140	1,256,078
11. Outside referrals.....				
12. Emergency room and out-of-area.....		567,300	556,302	778,255
13. Prescription drugs.....		1,833,080	1,695,607	2,357,944
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....				
16. Subtotal (Lines 9 to 15).....	0	8,400,244	8,383,274	12,902,777
Less:				
17. Net reinsurance recoveries.....		766,257	516,610	1,966,111
18. Total hospital and medical (Lines 16 minus 17).....	0	7,633,987	7,866,664	10,936,666
19. Non-health claims (net).....				
20. Claims adjustment expenses, including \$.....139,071 cost containment expenses.....		139,071	162,151	224,590
21. General administrative expenses.....		1,016,083	1,276,113	1,735,325
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....				
23. Total underwriting deductions (Lines 18 through 22).....	0	8,789,141	9,304,928	12,896,581
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	1,271,257	90,947	(322,631)
25. Net investment income earned.....				
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....				
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	0	0	0
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....				
29. Aggregate write-ins for other income or expenses.....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	1,271,257	90,947	(322,631)
31. Federal and foreign income taxes incurred.....	XXX			
32. Net income (loss) (Lines 30 minus 31).....	XXX	1,271,257	90,947	(322,631)

DETAILS OF WRITE-INS

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

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year.....	1,202,124	1,191,323	1,191,320
34. Net income or (loss) from Line 32.....	1,271,257	90,947	(322,631)
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....			
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....			
39. Change in nonadmitted assets.....	5,907		(6,563)
40. Change in unauthorized and certified reinsurance.....			
41. Change in treasury stock.....			
42. Change in surplus notes.....		171,000	340,000
43. Cumulative effect of changes in accounting principles.....			
44. Capital changes:			
44.1 Paid in.....			
44.2 Transferred from surplus (Stock Dividend).....			
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....			
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....	0	(3)	(2)
48. Net change in capital and surplus (Lines 34 to 47).....	1,277,164	261,944	10,804
49. Capital and surplus end of reporting period (Line 33 plus 48).....	2,479,288	1,453,267	1,202,124

DETAILS OF WRITE-INS

4701. Prior year adjustment.....		(3)	
4702. Current year roundings.....			(2)
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	(3)	(2)

Sequent Midwest Business Health Fund 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.....	10,060,398	9,395,875	12,573,950
2. Net investment income.....			
3. Miscellaneous income.....			
4. Total (Lines 1 through 3).....	10,060,398	9,395,875	12,573,950
5. Benefit and loss related payments.....	7,463,561	7,802,698	10,797,715
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			
7. Commissions, expenses paid and aggregate write-ins for deductions.....	1,162,807	1,495,679	2,015,604
8. Dividends paid to policyholders.....			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....			
10. Total (Lines 5 through 9).....	8,626,368	9,298,377	12,813,319
11. Net cash from operations (Line 4 minus Line 10).....	1,434,030	97,498	(239,369)
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds.....			
12.2 Stocks.....			
12.3 Mortgage loans.....			
12.4 Real estate.....			
12.5 Other invested assets.....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....			
12.7 Miscellaneous proceeds.....			
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds.....			
13.2 Stocks.....			
13.3 Mortgage loans.....			
13.4 Real estate.....			
13.5 Other invested assets.....			
13.6 Miscellaneous applications.....			
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0	0
14. Net increase or (decrease) in contract loans and premium notes.....			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	0	0	0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes.....		171,000	340,000
16.2 Capital and paid in surplus, less treasury stock.....			
16.3 Borrowed funds.....			
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....			
16.5 Dividends to stockholders.....			
16.6 Other cash provided (applied).....	(152,954)	4,473	(171,196)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6).....	(152,954)	175,473	168,804
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,281,076	272,971	(70,565)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	2,715,275	2,785,840	2,785,840
19.2 End of period (Line 18 plus Line 19.1).....	3,996,351	3,058,811	2,715,275

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

20.0001			
---------	--	--	--

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1		2		3	4	5	6	7	8	9	10
	Total	Individual	Comprehensive (Hospital & Medical)	Group								
Total Members at End of:												
1. Prior Year.....	8,440			2,900			1,350	1,483				2,707
2. First Quarter.....	8,623			2,904			1,451	1,603				2,665
3. Second Quarter.....	8,121			2,752			1,360	1,496				2,513
4. Third Quarter.....	7,749			2,633			1,274	1,406				2,436
5. Current Year.....	0											
6. Current Year Member Months.....	23,937			8,115			3,941	4,333				7,448
Total Member Ambulatory Encounters for Period:												
7. Physician.....	206			206								
8. Non-Physician.....	12,835			12,835								
9. Total.....	13,041	0	0	13,041	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred.....	727			727								
11. Number of Inpatient Admissions.....	157			157								
12. Health Premiums Written (a).....	12,222,144			11,255,458			111,566	714,510				140,610
13. Life Premiums Direct.....	0											
14. Property/Casualty Premiums Written.....	0											
15. Health Premiums Earned.....	12,222,144			11,255,458			111,566	714,510				140,610
16. Property/Casualty Premiums Earned.....	0											
17. Amount Paid for Provision of Health Care Services.....	6,720,513			6,720,513								
18. Amount Incurred for Provision of Health Care Services.....	8,400,244			8,400,244								

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

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

Aging Analysis of Unpaid Claims

1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
Claims Unpaid (Reported)						
0599999. Unreported Claims and Other Claim Reserves						1,838,497
0799999. Total Claims Unpaid						1,838,497

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Liability End of Current Quarter					
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	1,044,595	6,742,741	14,429	1,824,068	1,059,024	1,991,846
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare					0	
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	1,044,595	6,742,741	14,429	1,824,068	1,059,024	1,991,846
10. Healthcare receivables (a)					0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9-10+11+12)	1,044,595	6,742,741	14,429	1,824,068	1,059,024	1,991,846

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

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

	SSAP #	F/S Page	F/S Line #	Current Year to Date	2017
NET INCOME					
(1) Sequent Midwest Business Health Fund Company state basis (Page 4, Line 32, Columns 2 & 4)	XXX	XXX	XXX	\$ 1,271,257	\$ (322,631)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(4) NAIC SAP (1 – 2 – 3 = 4)	XXX	XXX	XXX	\$ 1,271,257	\$ (322,631)
SURPLUS					
(5) Sequent Midwest Business Health Fund Company state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 2,479,288	\$ 1,202,124
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP				\$	\$
(8) NAIC SAP (5 – 6 – 7 = 8)	XXX	XXX	XXX	\$ 2,479,288	\$ 1,202,124

C. Accounting Policy

The financial statements are prepared using accounting principles prescribed or permitted by the Insurance Department of the State of Ohio. Under this method, the Fund does not recognize income on unbilled exit assessments. Claim payments are recorded when paid by the third-party claims processor. Amounts due to claims processors that have yet to be reimbursed by the Plan are recorded as payable to claims administrators in the accompanying statements. Plan obligations at September 30, 2018 for health claims incurred but not reported are estimated by the Plan's actuary in accordance with accepted actuarial principles based on claims data provided by the Plan's third-party claims administrators. These amounts are paid by the plan only if claims are submitted and approved for payment. The total health claims incurred but not yet reported as of September 30, 2018 were \$1,342,966

(b) Going Concern
None**Note 2 – Accounting Changes and Corrections of Errors**

No significant changes

Note 3 – Business Combinations and Goodwill

None

Note 4 – Discontinued Operations

None

Note 5 – Investments

None

Note 6 – Joint Ventures, Partnerships and Limited Liability Companies

None

Note 7 – Investment Income

None

Note 8 – Derivative Instruments

None

Note 9 – Income Taxes

The VEBA Trust that was established to hold the Plan's assets is qualified pursuant to Section 501(c) of the Internal Revenue Code (IRC). The IRS has determined and informed the company by a letter dated January 16, 2002 that the Trust is designed in accordance with applicable sections of the IRC. The Plan administrator and the Plan's tax council believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believe that the Plan is qualified and the related Trust is tax-exempt.

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

Sequent, Inc. withholds participant contributions through payroll deductions and collects employer contributions on behalf of the Plan, which are then remitted to the Plan and held in the Trust. At September 30, 2018 the Plan had an accounts receivable due from Sequent, Inc of \$327,892 for amounts withheld from the employer and employees but, not yet remitted to the Plan.

NOTES TO FINANCIAL STATEMENTS

Note 11 – Debt

None

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

None: Employees of the MEWA participate in the Sequent Retirement Savings Plan.

Note 13 – Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations

No significant changes

Note 14 – Liabilities, Contingencies and Assessments

No significant changes

Note 15 – Leases

None

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

Concentration of Credit Risk: Cash is on deposit in one financial institution, which is insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. At times throughout the year, the cash balance may be in excess of the insured limits.

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

None

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

None

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

None

Note 20 – Fair Value Measurements

None

Note 21 – Other Items

No significant changes

Note 22 – Events Subsequent

Subsequent events have been considered through October 31, 2018 for these statutory financial statements which are to be issued on November 15, 2018. There were no events occurring subsequent to the end of the quarter that merited recognition or disclosure in these statements.

Note 23 – Reinsurance

No significant changes

Note 24 – Retrospectively Rated Contracts and Contracts Subject to Redetermination

None

Note 25 – Change in Incurred Losses and Loss Adjustment Expenses

Second Quarter 2018 incurred amounts related to prior years, experienced favorable development of \$302,965

Note 26 – Intercompany Pooling Arrangements

None

Note 27 – Structured Settlements

Not Applicable for Health Companies

Note 28 – Health Care Receivables

No significant changes

Note 29 – Participating Policies

No significant changes

Note 30 – Premium Deficiency Reserves

No significant changes

Note 31 – Anticipated Salvage and Subrogation

NOTES TO FINANCIAL STATEMENTS

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [] No [X]
- 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 [X]
- 4.2 If yes, provide name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 08/31/2015
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 08/31/2015
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/05/2015
- 6.4 By what department or departments?
Ohio Department of Insurance

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information: _____

- 8.1 Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. _____

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If the response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.

- 9.11 If the response to 9.1 is No, please explain: _____
- 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s). _____

- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s). _____

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 327,892

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
- 11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ 0
13. Amount of real estate and mortgages held in short-term investments: \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

- 14.21 Bonds
- 14.22 Preferred Stock
- 14.23 Common Stock
- 14.24 Short-Term Investments
- 14.25 Mortgage Loans on Real Estate
- 14.26 All Other
- 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)
- 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above

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

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

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2: \$ 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

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

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

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes No
- 17.4 If yes, give full and complete information relating thereto:

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

17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such ["...that have access to the investment accounts", "handle securities"].

1 Name of Firm or Individual	2 Affiliation

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

- 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:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 [X]

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1. Operating Percentages:		
1.1 A&H loss percent		<u>63.6 %</u>
1.2 A&H cost containment percent		<u>1.1 %</u>
1.3 A&H expense percent excluding cost containment expenses		<u>8.3 %</u>
2.1 Do you act as a custodian for health savings accounts?		Yes [] No [X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.		<u>0</u>
2.3 Do you act as an administrator for health savings accounts?		Yes [] No [X]
2.4 If yes, please provide the amount of funds administered as of the reporting date.		<u>0</u>
3. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?.....		Yes [] No [X]
3.1 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 [X]

Sequent Midwest Business Health Fund

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
JP Morgan Chase Bank..... 100 E. Broad St., 10th Floor Columbus, OH 43215-0170					3,715,374	3,590,200	3,823,350	XXX
BMO Harris Bank..... 111 W. Monroe St. Chicago, IL 60603					173,000	173,000	173,000	XXX
0100000. Total Open Depositories	XXX	XXX	0	0	3,888,374	3,763,200	3,996,350	XXX
0300000. Total Cash on Deposit	XXX	XXX	0	0	3,888,374	3,763,200	3,996,350	XXX
0500000. Total Cash	XXX	XXX	0	0	3,888,374	3,763,200	3,996,350	XXX

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
------------------------------	----------------	------------------------	------------------------	----------------------------------	--------------------------------------	---------------------------	---	--

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

1	Direct Business Only								
	2	3	4	5	6	7	8	9	
State, Etc.	Active Status (a)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1. Alabama.....AL	N							0	
2. Alaska.....AK	N							0	
3. Arizona.....AZ	N							0	
4. Arkansas.....AR	N							0	
5. California.....CA	N							0	
6. Colorado.....CO	N							0	
7. Connecticut.....CT	N							0	
8. Delaware.....DE	N							0	
9. District of Columbia.....DC	N							0	
10. Florida.....FL	N							0	
11. Georgia.....GA	N							0	
12. Hawaii.....HI	N							0	
13. Idaho.....ID	N							0	
14. Illinois.....IL	N							0	
15. Indiana.....IN	N							0	
16. Iowa.....IA	N							0	
17. Kansas.....KS	N							0	
18. Kentucky.....KY	N							0	
19. Louisiana.....LA	N							0	
20. Maine.....ME	N							0	
21. Maryland.....MD	N							0	
22. Massachusetts.....MA	N							0	
23. Michigan.....MI	N							0	
24. Minnesota.....MN	N							0	
25. Mississippi.....MS	N							0	
26. Missouri.....MO	N							0	
27. Montana.....MT	N							0	
28. Nebraska.....NE	N							0	
29. Nevada.....NV	N							0	
30. New Hampshire.....NH	N							0	
31. New Jersey.....NJ	N							0	
32. New Mexico.....NM	N							0	
33. New York.....NY	N							0	
34. North Carolina.....NC	N							0	
35. North Dakota.....ND	N							0	
36. Ohio.....OH	L	12,081,534				140,610		12,222,144	
37. Oklahoma.....OK	N							0	
38. Oregon.....OR	N							0	
39. Pennsylvania.....PA	N							0	
40. Rhode Island.....RI	N							0	
41. South Carolina.....SC	N							0	
42. South Dakota.....SD	N							0	
43. Tennessee.....TN	N							0	
44. Texas.....TX	N							0	
45. Utah.....UT	N							0	
46. Vermont.....VT	N							0	
47. Virginia.....VA	N							0	
48. Washington.....WA	N							0	
49. West Virginia.....WV	N							0	
50. Wisconsin.....WI	N							0	
51. Wyoming.....WY	N							0	
52. American Samoa.....AS	N							0	
53. Guam.....GU	N							0	
54. Puerto Rico.....PR	N							0	
55. U.S. Virgin Islands.....VI	N							0	
56. Northern Mariana Islands.....MP	N							0	
57. Canada.....CAN	N							0	
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		12,081,534	0	0	0	140,610	0	12,222,144	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX								0	
61. Total (Direct Business).....XXX		12,081,534	0	0	0	140,610	0	12,222,144	0

DETAILS OF WRITE-INS

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

(a) Active Status Count

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....	1	R - Registered - Non-domiciled RRGs.....	0
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....	0	Q - Qualified - Qualified or accredited reinsurer.....	0
		N - None of the above - Not allowed to write business in the state.....	56

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

Response

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

NO

Explanation:

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

Bar Code:



Line No.	Description	Source Page / ID / Line / Col., Col.	Increase	Decrease	Net Amount	Adjustment	Total
<p>The Cash Flow workpaper uses the earned and incurred numbers from page 4 as a starting point and then backs off any non-cash items, such as changes in accruals from pages 2 and 3 and the amortization of premium and accrual of discount for investment income.</p> <p>Items in <i>italics</i> listed in the Source column are references to last year's annual statement that must be input manually because the detail is not available in the quarterly statement.</p> <p>Not every line of pages 2, 3 and 4 are picked up by this workpaper because not every line has an impact on cash. Lines not picked up are as follows:</p> <p>Page 2, Assets, Lines 1-4.3, 8, 13, 18.2 and 27; (the cash affect of line 1-4.3 and 8 are picked up from their respective investment schedules in this wkpr.)</p> <p>Page 3, Liabilities - Lines 4, 5, 6, 7, 10.2, 20, 26, 27, 28 and 31. The cash effect for line 26, 27 and 28 are picked up from page 5 lines 44.1 and 45.1. Page 4 and 5, Statement of Rev. and Exp. - Lines 1, 3, 22, 26, 35-43, 44.2, 44.3, 45.2 and 45.3.</p> <p>Formula lines are not picked up from pages 2, 3 and 4 except for Agg. Write-in lines.</p> <p>The NAIC Instructions are not followed verbatim in this worksheet primarily because many items having no impact on cash are picked up in the NAIC Instructions and consequently it will be more difficult to get back to cash on a line-for-line basis and therefore reconcile back to Cash, line 5 of page 2.</p>							
CASH FROM OPERATIONS							
1	Premiums Collected Net of Reinsurance:						
101	Net Premium Income.....	H04 REVEX1 02 02	10,060,398				
102	ACA Risk Adjustment.....	H03 LIAB 04 03, 04 (in part)					
103	Premiums Received in Advance.....	H03 LIAB 08 03, 04					
104	Ceded Reinsurance Premiums Payable.....	H03 LIAB 11 03, 04					
105	Uncoll. Pems. and Agents' Bal. in Course of Collection.....	H02 ASSETS 15.1 01PY, 01CY					
106	Deferred Premiums, Agents' Balances & Installments ...	H02 ASSETS 15.2 01PY, 01CY					
107	Accrued Retrospective Premiums.....	H02 ASSETS 15.3 01PY, 01CY					
		Adjusting Entry					
199		Totals for Line 1	10,060,398	0	10,060,398	0	10,060,398
<p>Note: - The NAIC Inst. picks up line 16.2 and 16.3 (in part) of page 2 for amounts relating to earned premiums. All of line 16.2 and 16.3 are reflected in line 5 of this workpaper. If line 16.2 and 16.3 of page 2 contain amounts related to earned premiums, reclass them from line 5 below.</p> <p>- The NAIC Instr. pick up lines 4, 5 and 6 from page 3 as well as line 35 from page 4. These lines have no impact on cash and the change in the liabilities is recorded on separate lines on page 4 and 5, therefore these lines are not picked up in this wkpr.</p>							
2	Net Investment Income:						
201	Net Investment Income Earned.....	H04 REVEX1 25 02					
202	Interest on Indebtedness (inset 2).....	H03 LIAB1 14 02					
203	Interest on Indebtedness (inset 2).....	PY H03 LIAB1 14 02					
204	Net Adj. in assets and liabilities due to foreign exh. rates.....	H03 LIAB 21 03, 04					
205	Investment Income Due and Accrued.....	H02 ASSETS 14 01PY, 01CY					
206	Net Adj. in assets and liabilities due to foreign exh. rates.....	H02 ASSETS 22 01PY, 01CY					
207	Investment Income General Expense Accrual.....	H14 EXEXP 27 4: 28 4					
208	Accrual of Bond and Preferred Stock Discount.....	SI01 SCDVER 03 01					
209	Amortization of Bond and Preferred Stock Premium.....	SI01 SCDVER 07 01					
210	Accrual of Mortgage Loan Discount.....	SI01 SCBVER 04 01					
211	Amortization of Mortgage Loan Premium.....	SI01 SCBVER 08 01					
212	Accrual of Derivative Instruments Discount.....	H15 EXNETINVT F0000006 01					
213	Amortization of Derivative Instruments Premium.....	H15 EXNETINVT F0000006 02					
214	Depreciation on Real Estate and Other Inv. Assets.....	SI01 SCAVER 08 01					
215	Accrual of Discount on Other Invested Assets.....	SI01 SCBAVER 04 01					
216	Depr. and Amort. of Prem. on Other Invested Assets.....	SI01 SCBAVER 08 01					
		Adjusting Entry					
299		Totals for Line 2	0	0	0	0	0
<p>Note: - Amounts from page 2 line 22 and page 3 line 21, foreign exchange, are picked up here. If the change in the foreign exchange accrual affect lines other than investment income, reclass the appropriate amounts to the respective lines in this workpaper using the adjustment column.</p> <p>- Investment Expenses Accrued are picked up here from page 14 and are backed out of Other Expense Accrual in line 7 below. The NAIC Instructions pick up investment expense accrual from lines 9 (in part) of page 3, here.</p> <p>- The change in interest on borrowed money, is picked up here because interest expense is deducted from Inv. Inc. Earned in the Net Inv. Inc. Exhibit. (See line 16.3)</p>							
3	Miscellaneous Income:						
301	Fee-for-Service.....	H04 REVEX1 04 02					
302	Risk Revenue.....	H04 REVEX1 05 02					
303	Aggregate Write-Ins for Other Health Care Related Rev.	H04 REVEX1 06 02					
304	Agg. Write-Ins for Other Non-Health Revenue.....	H04 REVEX1 07 02					
		Adjusting Entry					
399		Totals for Line 3	0	0	0	0	0
<p>Note: - Page 2, Line 16.2 and 16.3 (in part) are picked up here by the NAIC Instructions, this workpaper picks them up in line 5.</p> <p>- The NAIC instructions pick up line 24 (in part) from page 2. This wkpr. picks up line 24 in line 16.6 below.</p> <p>- Make sure that the amount for Page 4 line 6 and 7, Agg. Write-ins for ... is cash only. Back out any changes in accruals that may be in these numbers using the adjustment column.</p>							
4	Total (Lines 1 through 3)						10,060,398

Sequent Midwest Business Health Fund

2018 HEALTH Q/S CASHFLOW WORKPAPER

8:25 AM

11/13/2018

Line No.	Description	Source	Page / ID / Line / Col. Col.	Increase	Decrease	Net Amount	Adjustment	Total
501	Total Hospital and Medical	H04 REVE1 18 02		7,633,987				
502	Non-Health Claims	H04 REVE1 19 02		1,991,846	1,838,497			
503	Claims Unpaid	H03 LIAB 01 04, 03						
504	Accrued Medical Incentive Pool and Bonus Amounts	H03 LIAB 02 04, 03						
505	Aggregate Health Claim Reserves	H03 LIAB 07 04, 03						
506	Amounts Recoverable From Reinsurers	H02 ASSETS 16.1 01CY, 01PY		323,775				
507	Funds Held By or Deposited With Reinsured Companies	H02 ASSETS 16.2 01CY, 01PY						
508	Other Amounts Recoverable Under Reins. Contracts	H02 ASSETS 16.3 01CY, 01PY						
509	Health Care and Other Amounts Recoverable	H02 ASSETS 24 01CY, 01PY						
599	Totals for Line 5	Adjusting Entry		9,625,833	2,162,272	7,463,561	0	7,463,561
<p>Note: - The NAIC instructions pick up line 22 from page 4, which includes the change in aggregate reserves. Because the change in reserves does not impact cash and is recorded on a line by itself on page 4, it is not picked up on the workpaper. The same is true for line 35 of page 4.</p> <p>- The NAIC instructions pick up only line 16.1 from page 2 here, this workpaper picks up 16.1, 16.2 and 16.3 from page 2. Because Amounts Due From Reinsurers could be a combination of premiums, commissions and claims, etc, you may want to reclassify some of the change in line 16.1, 16.2 and 16.3, to another line.</p> <p>- The NAIC instructions pick up line 24 (in part) from page 2 here. This wkpr. picks up line 24, page 2 in line 16.6 below.</p> <p>- The NAIC instructions pick up line 7 from page 3, this workpaper does not, because this line represents changes in reserves which has no impact on Cash.</p>								
6	Net transfers to Separate Accounts, Segregated Accounts and Protected Call Accounts:	Adjusting Entry	Totals for Line 6					
7	Commissions, Expenses Paid and Aggregate Write-ins for Deductions:	H04 REVE1 20 02 H04 REVE1 21 02 H04 REVE1 28 02 x -1 H04 REVE1 29 02 x -1 H03 LIAB 03 04, 03 H03 LIAB 09 04, 03 H14 EXP 27 4, 28 4 H03 LIAB 22 04, 03 H03 LIAB 23 04, 03 H02 ASSETS 17 01CY, 01PY H02 ASSETS 19 01CY, 01PY	Totals for Line 7	139,071 1,016,083 14,110 6,457	6,457	1,162,807	0	1,162,807
<p>Note: - The investment expense accrual from page 14 is reclassified to line 2 for Net Investment Income.</p> <p>- Lines 28 and 29 from page 4 are multiplied by a negative 1 to change their sign. This allows their respective increase or decrease to be picked up correctly.</p> <p>- Amounts for page 4 line 29 may need to be allocated to line 3, Misc. Income, depending on whether the amounts represent income or expense amounts or both.</p> <p>- The NAIC instructions pick up line 16.3 (in part) from page 2 here. This wkpr. picks up line 16.3 of page 2 in line 5 above.</p> <p>- Journal entries affecting the Guaranty Fund Assessment may not affect cash, and consequently may need to be reversed out of this line.</p>								
8	Dividends Paid to Policyholders:	Adjusting Entry	Totals for Line 8					
9	Federal and Foreign Income Taxes Paid (recovered) \$.....Net Tax on Capital Gains (Losses):	H04 REVE1 31 02 H04 REVE1 26 01 H03 LIAB 10.1 04, 03 H02 ASSETS 18.1 01CY, 01PY	Totals for Line 9					
<p>Note: - The NAIC instructions indicate picking up and tax amounts from line 26, 36 and 37 (in part) of page 4 and 5, the workpaper does not. If line 37 does include tax amounts affecting cash, you will need to pick up the tax amount included in these lines.</p> <p>- The NAIC instructions indicate to pick up line 38 of page 4, Change in Deferred Income Tax, line 18.2 of page 2 (DTA) and 10.2 of page 3 (DTL). The changes in these amounts are non-cash and are recorded on a separate line on page 5 and therefore do not need to be picked up in this wkpr.</p>								
9 inset	\$.....net of tax on capital gains (losses).....	Company Records						
<p>Note: Enter the tax on capital gains (losses) here. This amount will be transferred from the workpaper to the Cash Flow Page. This will eliminate the need to enter this amount manually on the Cash Flow Page.</p>								
10	Total (Lines 5 through 9)					8,626,368		
11	Net Cash From Operations (Line 4 minus Line 10)							1,434,030
<p>CASH FROM INVESTMENTS</p> <p>Note: - For lines 12 and 13 below, regarding investments, the NAIC instructions provide a reconciliation for each investment class which includes some of the same sources as this worksheet. This worksheet is more direct in that it pulls amounts from the investment schedules instead of the Verification Between Years when the VBY has Bonds and Stocks on the same line.</p> <p>12 Proceeds From Investments Sold, Matured Or Repaid</p>								
12.1	Bonds:	E05 SCDP14 839999 07 5W CASHWKPR 12.199 01 E14 SCDP14 000001 4 H10 NINVEST 5R(2) 1 + 2 Adjusting Entry	Totals for Line 12.1					
12.101	Bonds (current quarter)							
12.102	Bonds (previous quarter) (used in 2nd - 4th qtrs. only)							
12.103	Non-Cash Exchange - Bonds							
12.104	Prepayment Penalty & Acceleration Fees							
12.199	Totals for Line 12.1							

2018 HEALTH Q/S CASHFLOW WORKPAPER

Line No.	Description	Source Page / ID / Line / Col. Col.	Increase	Decrease	Net Amount	Adjustment	Total
12.2	Stocks:						
12.201	Stocks (current quarter).....	E05 SCDPT4 9899999 07					
12.202	Stocks (previous quarter) (used in 2nd & 3rd qtrs. only).....	5W CASHWKPR 12.299 01					
12.203	Non-Cash Exchange - Stocks.....	E14 SCDPT4 0000002 4					
	Adjusting Entry						
12.299	Totals for Line 12.2		0	0	0	0	0
12.3	Mortgage Loans:						
12.301	Amounts Received on Disposals.....	SI01 SCBVER 07 01					
12.302	Mortgages Transferred.....	E02 SCBPT3 0499999 15					
12.303	Mort. Trans. to R/E (prev. qtr.) (2nd & 3rd qtrs. only).....	5W CASHWKPR 12.399 02					
	Adjusting Entry						
12.399	Totals for Line 12.3		0	0	0	0	0
12.4	Real Estate:						
12.401	Amounts Received on Disposals.....	SI01 SCAVER 05 01					
12.402	CY Change In Encum. (neg. amts. from col. 13 (x -1)).....	E01 SCAPT1 F0000001 1					
12.403	CY Change In Encum. (neg. amts. from col. 11 (x -1)).....	E03 SCAPT3 F0000001 1					
	Adjusting Entry						
12.499	Totals for Line 12.4		0	0	0	0	0
Note: For line 12.402 and 03, see Schedule A Pt. 1 and Pt. 3 footnotes for details. See line 13.4 of this workpaper as well.							
12.5	Other Invested Assets :						
12.501	Amounts Received on Disposals.....	SI01 SCBAVER 07 01					
	Adjusting Entry						
12.599	Totals for Line 12.5		0	0	0	0	0
12.6	Net Gains or (Losses) on Cash, Cash Equivalents and Short-Term Investments:						
12.601	Realized Gain (Loss) - Cash, Cash Equiv. & ST Inv.....	H15 EXCAPGLOSS 06 01					
12.602	Unrealized Gain (Loss) - Cash, Cash Equiv. & ST Inv.....	H15 EXCAPGLOSS 06 04					
	Adjusting Entry						
12.699	Totals for Line 12.6		0	0	0	0	0
Note: - Amounts from EXCAPGLOSS 06 02 are not picked up here because OTTI entries do not affect cash.							
12.7	Miscellaneous Proceeds: (See Lin 13.6)						
12.701	Payable for Securities (Inc. Only).....	H03 LIAB 17 03, 04			0		
12.702	Derivatives (Dec. Only).....	H02 ASSETS 07 01PY, 01CY			0		
12.703	Receivable for Securities (Dec. Only).....	H02 ASSETS 09 01PY, 01CY			0		
12.704	Securities Lending Reinvested Coll. Assets (Dec. only).....	H02 ASSETS 10 01PY, 01CY			0		
12.705	Agg. Write-ins for Inv. Assets (Dec. Only).....	H02 ASSETS 11 01PY, 01CY			0		
	Adjusting Entry						
12.799	Totals for Line 12.7				0	0	0
Note: - Line 12.7 and 13.6 are reciprocals of each other. Therefore the same lines from pages 2 and 3 are picked up in line 12.7 and 13.6 and the location of the change is determined depending on if the change is an increase or decrease. The formulas in the "Net Amount" column calculates the change. - The journal entries that make up both payable and receivable for securities may not affect cash and consequently, may need to be reversed out of this line. - Noncash entries for derivatives will need to be reversed out using the adjustments column.							
12.8	Total Investment Proceeds (Lines 12.1 to 12.7)						0
13	Cost of Investments Acquired (Long-Term Only):						
13.1	Bonds:						
13.101	Bonds (current quarter).....	E04 SCDPT3 8399999 07					
13.102	Bonds (previous quarter) (used in 2nd - 4th qtrs. only).....	5W CASHWKPR 13.199 01					
13.103	Non-Cash Exchange - Bonds.....	E14 SCDPT3 0000001 1					
	Adjusting Entry						
13.199	Totals for Line 13.1		0	0	0	0	0
13.2	Stocks:						
13.201	Stocks (current quarter).....	E04 SCDPT3 9899999 07					
13.202	Stocks (previous quarter) (used in 2nd & 3rd qtrs. only).....	5W CASHWKPR 13.299 01					
13.203	Non-Cash Exchange - Stocks.....	E14 SCDPT3 0000002 1					
	Adjusting Entry						
13.299	Totals for Line 13.2		0	0	0	0	0
13.3	Mortgage Loans:						
13.301	Actual Cost At Time of Acquisition.....	SI01 SCBVER 02.1 01					
13.302	Additional Investment Made After Acquisition.....	SI01 SCBVER 02.2 01					
	Adjusting Entry						
13.399	Totals for Line 13.3		0	0	0	0	0
13.4	Real Estate:						
13.401	Actual Cost at Time of Acquisitions.....	SI01 SCAVER 02.1 01					
13.402	Additional Investment Made After Acquisition.....	SI01 SCAVER 02.2 01					
13.403	Mortgages Transferred.....	E02 SCBPT3 0499999 15					
13.404	Mort. Trans. to R/E (prev. qtr.) (2nd & 3rd qtrs. only).....	5W CASHWKPR 13.499 02					
13.405	CY Change In Encumbrance (pos. amts. from col. 13).....	E01 SCAPT1 F0000002 1					
13.406	CY Change In Encumbrance (pos. amts. from col. 11).....	E03 SCAPT3 F0000002 1					
	Adjusting Entry						
13.499	Totals for Line 13.4		0	0	0	0	0
Note: For line 13.404 and 05, see Schedule A Pt. 1 and Pt. 3 footnotes for details. See line 12.4 of this workpaper as well.							

Line No.	Description	Page / ID / Line / Col.	Source	Increase	Decrease	Net Amount	Adjustment	Total
13.5	Other Invested Assets:							
13.501	Actual Cost At Time of Acquisition		S101 SCBAVER 02.1 01					
13.502	Additional Investment Made After Acquisition		S101 SCBAVER 02.2 01					
13.599	Totals for Line 13.5		Adjusting Entry					
13.6	Miscellaneous Applications: (See Line 12.7)							
13.601	Payable for Securities (Dec. Only)		H03 LIAB 17 03, 04					
13.602	Derivatives (Inc. Only)		H02 ASSETS 07 01PY, 01CY					
13.603	Receivable for Securities (Inc. Only)		H02 ASSETS 09 01PY, 01CY					
13.604	Securities Lending Reinvested Coll. Assets (Inc. only)		H02 ASSETS 10 01PY, 01CY					
13.605	Agg. Writes for Inv. Assets (Inc. Only)		H02 ASSETS 11 01PY, 01CY					
13.699	Totals for Line 13.6		Adjusting Entry					
13.7	Total Investments Acquired (Lines 13.1 to 13.6)							
14	Net Increase (Decrease) in Contract Loans and Premium Notes:							
1401	Contract Loans		H02 ASSETS 06 01CY, 01PY					
1499	Totals for Line 14		Adjusting Entry					
15	Net Cash From Investments (Line 12.8 Minus Lines 13.7 and 14)							
Cash from Financing and Miscellaneous Sources								
16	Cash Provided (Applied)							
16.1	Surplus Notes, Capital Notes:							
16.101	Surplus Notes		H03 LIAB 29 03, 04	340,000	340,000			
16.199	Totals for Line 16.1		Adjusting Entry	340,000	340,000			
16.2	Capital and Paid in Surplus, Less Treasury Stock							
16.201	Capital Paid in		H05 REVE2 44.1 01					
16.202	Surplus Paid in		H05 REVE2 45.1 01					
16.203	Common Treasury Stock		H03 LIAB 32.1 04, 03					
16.204	Preferred Treasury Stock		H03 LIAB 32.2 04, 03					
16.299	Totals for Line 16.2		Adjusting Entry					
16.3	Borrowed Funds Received:							
16.301	Borrowed Money		H03 LIAB 14 03, 04					
16.302	Interest on Indebtedness (inset 2)		H03 LIAB 14 02					
16.303	Interest on Indebtedness (inset 2)		PY H03 LIAB 14 02					
16.399	Totals for Line 16.3		Adjusting Entry					
Note: - Interest on Indebtedness is backed off the change in Borrowed Money so only the actual cash received is picked up here. The NAIC instructions do not pick up the change in this accrual.								
- The change in interest on borrowed money, is backed off here because interest expense is deducted from Inv. Inc. Earned in the A/S Net Inv. Inc. Exhibit. (See line 2 above.)								
16.4	Net Deposits on Deposit-Type Contracts and Other Insurance Liabilities:							
16.499	Totals for Line 16.4		Adjusting Entry					
16.5	Dividends To Stockholders:							
16.501	Dividends To Stockholders		H05 REVE2 46 01 x -1					
16.599	Totals for Line 16.5		Adjusting Entry					
Note: - Be sure and reverse out and change in Dividends Payable that may be included in Write-in Line 23, of Page 3 for Other Liabilities. The whole of line 23 of page 3 is picked up in line 7 of this wkpr.								

2018 HEALTH Q/S CASHFLOW WORKPAPER

Line No.	Description	Source Page / ID / Line / Col., Col.	Increase	Decrease	Net Amount	Adjustment	Total
16.6	Other Cash Provided (Applied):						
16.601	Amounts Withheld or Retained for the Account of Others.....	H03 LIAB 12 03, 04					
16.602	Remittances and Items Not Allocated.....	H03 LIAB 13 03, 04					
16.603	Amounts Due to Parent, Subsidiaries and Affiliates.....	H03 LIAB 15 03, 04		148			
16.604	Derivatives.....	H03 LIAB 16 03, 04					
16.605	Payable for Securities Lending.....	H03 LIAB 18 03, 04					
16.606	Funds Held Under Reinsurance Treaties.....	H03 LIAB 19 03, 04					
16.607	Agg. Write-ins for Special Surplus Funds.....	H03 LIAB 25 03, 04					
16.608	Agg. Write-ins for Other Than Special Surplus Funds.....	H03 LIAB 30 03, 04					
16.609	EDP Equipment and Software.....	H02 ASSETS 20 01PY, 01CY					
16.610	Furniture and Equipment, Incl. Health Care Del. Assets.....	H02 ASSETS 21 01PY, 01CY					
16.611	Receivables from Parent, Subsidiaries or Affiliates.....	H02 ASSETS 23 01PY, 01CY	169,179	327,892			
16.612	Aggregate Write-ins For Other Than Invested Assets.....	H02 ASSETS 25 01PY, 01CY	6,563	656			
	Adjusting Entry						
16.699	Totals for Line 16.6		175,742	328,696	(152,954)	0	(152,954)

Note: - The NAIC Instructions pick up Page 5, Line 47, Agg. Write-ins for Gains and Losses to Surplus. This wkpr. does not pick up this line because it does not affect cash.
 - The NAIC Instructions pick up page 3 line 23 (in part) here, this wkpr. picks it up in line 7 above.
 - The NAIC Instructions pick up Page 2, Line 25 (in part), Agg. Write-ins for Other Than invested Assels in line 5 above, this workpaper picks up the change here.
 - The amounts brought in for Agg. Write-in Line 25 may include noncash items. If so, use the adjustment column to reverse them out.
 - Noncash entries for derivatives will need to be reversed out using the adjustments column.

17	Net Cash From Financing and Miscellaneous Sources (Line 16.1 to 16.4 minus Line 16.5 plus Line 16.6)						(152,954)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS							
18	Net Change in Cash, Cash Equivalents and Short Term Investments (Line 11 Plus Line 15 Plus Line 17)						1,281,076
19	Cash, Cash Equivalents and Short-Term Investments:						
19.1	Beginning of Year	H02 ASSETS 05 01PY		2,715,275			Difference
19.2	End of Period (Line 18 Plus Line 19.1):	H02 ASSETS 05 01CY	3,996,350	(19.1-19.2=18) >	1,281,075		(1)