

16205

# ANNUAL STATEMENT

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OFFICE OF RISK  
ASSESSMENT

OF THE

## Sequent Midwest Business Health Fund

Of

Columbus

in the state of OH

to the Insurance Department

of the state of

For the Year Ended

December 31, 2018

2018

HEALTH



# ANNUAL STATEMENT

For the Year Ended December 31, 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)

614-436-5880

(Area Code) (Telephone Number)

Main Administrative Office

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

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)

614-436-5880

(Area Code) (Telephone Number)

Primary Location of Books and Records

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

614-436-5880

(Area Code) (Telephone Number)

Internet Web Site Address

www.quent.biz

614-410-6045

Statutory Statement Contact

Paula Ann Reed

614-410-3715

(Name)

preed@resourcingedge.com

(Fax Number)

(E-Mail Address)

### OFFICERS

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

### OTHER

### DIRECTORS OR TRUSTEES

Jeffrey Saunders Smith  
Michael Peter Stinziano

Justin Chadwell Eddy

Isabell H Toth

Jonathan Alexander Allison

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)

Dwight William Seeley

1. (Printed Name)

Vice President

(Title)

  
(Signature)

2. (Printed Name)

(Title)

  
(Signature)

3. (Printed Name)

(Title)

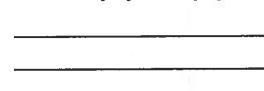
Subscribed and sworn to before me  
This 28th day of March 2019

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 Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds (Schedule D).....			0	
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
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 (\$....3,718,840, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	3,718,840		3,718,840	2,715,275
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	3,718,840	0	3,718,840	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.....	472,250		472,250	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.....			0	169,179
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	4,191,090	0	4,191,090	3,208,229
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	4,191,090	0	4,191,090	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 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....			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 through 2503 plus 2598) (Line 25 above).....	0	0	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).....	1,676,307		1,676,307	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 reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	8,164		8,164	14,110
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital 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.....	151		151	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 \$.....0 certified 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).....	1,684,622	0	1,684,622	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	2,166,468	862,124
32. Less treasury stock at cost:				
32.1 ....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 ....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	2,506,468	1,202,124
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	4,191,090	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 through 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

**Sequent Midwest Business Health Fund**  
**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	97,065	100,279
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	13,022,237	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
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	13,022,237	12,573,950
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....		7,089,640	8,510,500
10. Other professional services.....		1,176,395	1,256,078
11. Outside referrals.....			
12. Emergency room and out-of-area.....		790,492	778,255
13. Prescription drugs.....		2,341,800	2,357,944
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	0	11,398,327	12,902,777
<b>Less:</b>			
17. Net reinsurance recoveries.....		1,179,888	1,966,111
18. Total hospital and medical (Lines 16 minus 17).....	0	10,218,439	10,936,666
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$....170,227 cost containment expenses.....		170,227	224,590
21. General administrative expenses.....		1,335,789	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	11,724,455	12,896,581
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	1,297,782	(322,631)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....			
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....			
27. Net investment gains or (losses) (Lines 25 plus 26).....	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
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.....	1,297,782	(322,631)
31. Federal and foreign income taxes incurred.....	XXX.....		
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	1,297,782	(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
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX.....	0	0
0701.....	XXX.....		
0702.....	XXX.....		
0703.....	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX.....	0	0
1401.....			
1402.....			
1403.....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	0
2901.....			
2902.....			
2903.....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	0

**Sequent Midwest Business Health Fund**  
**STATEMENT OF REVENUE AND EXPENSES (Continued)**

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	1,202,124	1,191,320
34. Net income or (loss) from Line 32.....	1,297,782	(322,631)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (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.....	6,563	(6,563)
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		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.....	(1)	(2)
48. Net change in capital and surplus (Lines 34 to 47).....	1,304,344	10,804
49. Capital and surplus end of reporting period (Line 33 plus 48).....	2,506,468	1,202,124

**DETAILS OF WRITE-INS**

4701. Prior year adjustment.....		
4702. Current year roundings.....	(1)	(2)
4703. .....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	(1)	(2)

Statement as of December 31, 2018 of the **Sequent Midwest Business Health Fund**  
**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	13,022,237	12,573,950
2. Net investment income.....	.....	.....
3. Miscellaneous income.....	.....	.....
4. Total (Lines 1 through 3).....	13,022,237	12,573,950
5. Benefit and loss related payments.....	10,682,453	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.....	1,511,962	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).....	12,194,415	12,813,319
11. Net cash from operations (Line 4 minus Line 10).....	827,822	(239,369)
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:	.....	.....
12.1 Bonds.....	.....	.....
12.2 Stocks.....	.....	.....
12.3 Mortgage loans.....	.....	.....
12.4 Real estate.....	.....	.....
12.5 Other invested assets.....	.....	.....
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	.....	.....
12.7 Miscellaneous proceeds.....	.....	.....
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	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
14. Net increase (decrease) in contract loans and premium notes.....	.....	.....
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	0	0
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
16. Cash provided (applied):	.....	.....
16.1 Surplus notes, capital notes.....	.....	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).....	175,743	(171,196)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	175,743	168,804
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	1,003,565	(70,565)
19. Cash, cash equivalents and short-term investments:	.....	.....
19.1 Beginning of year.....	2,715,275	2,785,840
19.2 End of year (Line 18 plus Line 19.1).....	3,718,840	2,715,275

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

20.0001 .....	.....	.....
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Line	Source	1	2	Net	3	4	
No.	Description	Page / ID / Line / Col., Col.	Increase	Decrease	Amount	Adjustment	Total
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 amortization of premium and accrual of discount from the Net Investment Income Exhibit.							
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:							
Page 2, Assets, Lines 1-4.3, 8, 13, 18.2 and 27; (the cash effect of line 1-4.3 and 8 are picked up from their respective investment schedules in this wkpr.)							
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 4 lines 44.1 and 45.1. Page 4, Statement of Rev. and Exp. - Lines 1, 3, 22, 26, 35-43, 44.2, 44.3, 45.2 and 45.3.							
Formula lines are not picked up from pages 2, 3 and 4 except for Agg. Write-in lines and line 18 on page 4 because it contains all the hospital and medical benefits.							
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.							
<b>CASH FROM OPERATIONS</b>							
<b>1</b>	<b>Premiums Collected Net of Reinsurance:</b>						
101	Net Premium Income.....	H04 REVEX1 02 02	.....13,022,237				
101.1	ACA Risk Adjustment.....	H03 LIAB 04 03, 04 (in part)	.....				
102	Premiums Received in Advance.....	H03 LIAB 08 03, 04	.....				
103	Ceded Reinsurance Premiums Payable.....	H03 LIAB 11 03, 04	.....				
104	Uncoll. Prem. and Agents' Bal. in Course of Collection.....	H02 ASSETS 15.1 01PY, 01CY	.....				
105	Deferred Premiums, Agents' Balances & Installments ... .....	H02 ASSETS 15.2 01PY, 01CY	.....				
106	Accrued Retrospective Premiums.....	H02 ASSETS 15.3 01PY, 01CY	.....				
199		Adjusting Entry					
		<b>Totals for Line 1</b>	.....13,022,237	.....0	.....13,022,237	.....0	.....13,022,237
<b>Note:</b> - 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.							
- The NAIC Instr. pick up lines 4, 5 and 6 from page 3 as well as line 35 from page 5. 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.							
<b>2</b>	<b>Net Investment Income:</b>						
201	Net Investment Income Earned.....	H04 REVEX1 25 02	.....				
202	Interest on Indebtedness (inset).....	H03 LIABI 14 02	.....				
203	Interest on Indebtedness (inset).....	PY H03 LIABI 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 Discount.....	H15 EXNETINVT F0000001 01	.....				
209	Amortization of Bond Premium.....	H15 EXNETINVT F0000001 02	.....				
210	Accrual of Preferred Stock Discount.....	H15 EXNETINVT F0000002 01	.....				
211	Amortization of Preferred Stock Premium.....	H15 EXNETINVT F0000002 02	.....				
212	Accrual of Mortgage Loan Discount.....	H15 EXNETINVT F0000003 01	.....				
213	Amortization of Mortgage Loan Premium.....	H15 EXNETINVT F0000003 02	.....				
214	Accrual of Derivative Instruments Discount.....	H15 EXNETINVT F0000006 01	.....				
215	Amortization of Derivative Instruments Premium.....	H15 EXNETINVT F0000006 02	.....				
216	Depreciation on Real Estate and Other Inv. Assets.....	H15 EXNETINVT 14 02	.....				
217	Accrual of Discount on Other Invested Assets.....	SI03 SCBAVER 04 02	.....				
218	Amortization of Premium on Other Invested Assets.....	See NOTE Below	.....				
299		Adjusting Entry					
		<b>Totals for Line 2</b>	.....0	.....0	.....0	.....0	.....0
<b>Note:</b> - 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.							
NOTE: SI103 SCBAVER 08 02 - P15 EXNETINVT F0000009 02 = Amortization on Other Invested Assets							
- 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 line 9 (in part) of page 3, here.							
- 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)							
<b>3</b>	<b>Miscellaneous Income:</b>						
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 Care Revenue.....	H04 REVEX1 07 02	.....				
399		Adjusting Entry					
		<b>Totals for Line 3</b>	.....0	.....0	.....0	.....0	.....0
<b>Note:</b> - 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.							
- The NAIC instructions pick up line 24 (in part) from page 2. This wkpr. picks up line 24 in line 16.6 below.							
- Make sure that the amounts for Page 4 lines 6 and 7, Agg. Write-ins for ... are cash only. Back out any changes in accruals that may be in these numbers using the adjustment column.							
4	Total (Lines 1 through 3)						.....13,022,237

Line No.	Description	Source Page / ID / Line / Col., Col.	1 Increase	2 Decrease	Net Amount	3 Adjustment	4 Total
5	<b>Benefits and Loss Related Payments:</b>						
501	Total Hospital and Medical.....	H04 REVEX1 18 02	.....10,218,439				
502	Non-Health Claims.....	H04 REVEX1 19 02					
503	Claims Unpaid.....	H03 LIAB 01 04, 03	.....1,991,846	.....1,676,307			
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	.....472,250	.....323,775			
507	Funds Held By or Deposited With Reinsured Companies.....	H02 ASSETS 16.2 01CY, 01PY					
508	Other Amounts Receivable Under Rein. Contracts.....	H02 ASSETS 16.3 01CY, 01PY					
509	Health Care and Other Amounts Receivable.....	H02 ASSETS 24 01CY, 01PY					
599		Adjusting Entry					
		<b>Totals for Line 5</b>	.....12,682,535	.....2,000,082	.....10,682,453	.....0	.....10,682,453

**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 it 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.

- 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 lines 16.2 and 16.3, to another line.

6	<b>Net Transfers to Separate, Segregated Accounts and Protected Cells Accounts:</b>						
699		Adjusting Entry					
		<b>Totals for Line 6</b>				.....0	.....0
7	<b>Commissions, Expenses Paid and Aggregate Write-ins for Deductions:</b>						
701	Claims Adjustment Expenses.....	H04 REVEX1 20 02	.....170,227				
702	General Administrative Expenses.....	H04 REVEX1 21 02	.....1,335,789				
703	Net Gain or Loss from Agent's Prem. Bal. Chged. Off.....	H04 REVEX1 28 02 x - 1					
704	Agg. Write-ins for Other Income and Expense.....	H04 REVEX1 29 02 x - 1					
705	Unpaid Claims Adjustment Expenses.....	H03 LIAB 03 04, 03					
706	General Expenses Due or Accrued.....	H03 LIAB 09 04, 03	.....14,110	.....8,164			
707	Investment Income General Expense Accrual.....	H14 EXEXP 27 4: 28 4					
708	Liability for Amounts Held Under Uninsured Plans.....	H03 LIAB 22 04, 03					
709	Aggregate Write-ins for Other Liabilities.....	H03 LIAB 23 04, 03					
710	Amounts Receivable Relating to Uninsured Plans.....	H02 ASSETS 17 01CY, 01PY					
711	Guaranty Funds Receivable or on Deposit.....	H02 ASSETS 19 01CY, 01PY					
799		Adjusting Entry					
		<b>Totals for Line 7</b>	.....1,520,126	.....8,164	.....1,511,962	.....0	.....1,511,962

**Note:** - The Investment expense accrual from page 14 is reclassified to line 2 for Net Investment Income.

- 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.

- 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.

- 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.

- Journal entries affecting the Guaranty Fund Assessment may not affect cash, and consequently may need to be reversed out of this line.

8	<b>Dividends Paid to Policyholders:</b>						
899		Adjusting Entry					
		<b>Totals for Line 8</b>				.....0	.....0
9	<b>Federal and Foreign Income Taxes Paid (Recovered):</b>						
901	Federal and Foreign Income Taxes Incurred.....	H04 REVEX1 31 02					
902	Capital Gains Tax on Realized Capital Gains (Inset).....	H04 REVEX1 26 01					
903	Current Federal Income Taxes Payable.....	H03 LIAB 10.1 04, 03					
904	Current Federal & Foreign Income Taxes Recoverable .....	H02 ASSETS 18.1 01CY, 01PY					
999		Adjusting Entry					
		<b>Totals for Line 9</b>	.....0	.....0	.....0	.....0	.....0

**Note:** - The NAIC Instructions indicate picking up and tax amounts from lines 36 and 37 (in part) of page 5, the workpaper does not.

If lines 36 and 37 do include tax amounts affecting cash, you will need to pick up the tax amounts included in these lines.

- 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 noncash and are recorded on a separate line on page 5 and therefore do not need to be picked up in this wkpr.

9 inset	\$.....net of tax on capital gains (losses).....	Company Records					
10	<b>Total (Lines 5 through 9)</b>						.....12,194,415
11	<b>Net Cash From Operations (Line 4 minus Line 10)</b>						.....827,822

Line No.	Description	Source Page / ID / Line / Col. / Col.	1 Increase	2 Decrease	Net Amount	3 Adjustment	4 Total
<b>CASH FROM INVESTMENTS</b>							
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.							
<b>12</b>	<b>Proceeds From Investments Sold, Matured Or Repaid</b>						
<b>12.1</b>	<b>Bonds:</b>						
12.101	Bonds.....	E14 SCDPT4 8399999 07	.....	.....	.....	.....	.....
12.102	Non-Cash Exchange - Bonds.....	E14 SCDPT4 0000001 4	.....	.....	.....	.....	.....
12.103	Prepayment Penalty & Acceleration Fees.....	H26 NINVEST 5R(2) 1	.....	.....	.....	.....	.....
12.199		Adjusting Entry	.....	.....	.....	.....	.....
		<b>Totals for Line 12.1</b>	.....0	.....0	.....0	.....0	.....0
<b>12.2</b>	<b>Stocks:</b>						
12.201	Stocks.....	E14 SCDPT4 9899999 07	.....	.....	.....	.....	.....
12.202	Non-Cash Exchange - Stocks.....	E14 SCDPT4 0000002 4	.....	.....	.....	.....	.....
12.299		Adjusting Entry	.....	.....	.....	.....	.....
		<b>Totals for Line 12.2</b>	.....0	.....0	.....0	.....0	.....0
<b>12.3</b>	<b>Mortgage Loans:</b>						
12.301	Amounts Received on Disposals.....	SI02 SCBVER 07 02	.....	.....	.....	.....	.....
12.302	Mortgages Transferred to Real Estate.....	E06 SCBPT3 0499999 15	.....	.....	.....	.....	.....
12.399		Adjusting Entry	.....	.....	.....	.....	.....
		<b>Totals for Line 12.3</b>	.....0	.....0	.....0	.....0	.....0
<b>12.4</b>	<b>Real Estate:</b>						
12.401	Amounts Received on Disposals.....	SI02 SCAVER 05 02	.....	.....	.....	.....	.....
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	.....	.....	.....	.....	.....
12.499		Adjusting Entry	.....	.....	.....	.....	.....
		<b>Totals for Line 12.4</b>	.....0	.....0	.....0	.....0	.....0
Note: For line 12.402 and 03, see Schedule A Pt. 1 footnotes for details. See line 13.4 of this workpaper as well.							
<b>12.5</b>	<b>Other Invested Assets:</b>						
12.501	Amounts Received on Disposals.....	SI03 SCBAVER 07 02	.....	.....	.....	.....	.....
12.599		Adjusting Entry	.....	.....	.....	.....	.....
		<b>Totals for Line 12.5</b>	.....0	.....0	.....0	.....0	.....0
Note: The Change in Securities Lending Assets will be reflected in line 13.5 if it is an increase and in line 12.5 if the change is a decrease.							
<b>12.6</b>	<b>Net Gains or (Losses) on Cash, Cash Equivalents and Short-Term Investments:</b>						
12.601	Realized Gain (Loss) - Cash, Cash Equiv. & ST Inv. ....	H15 EXCAPGLOSS 06 01	.....	.....	.....	.....	.....
12.602	Realized Gain (Loss) - Cash, Cash Equiv. & ST Inv. ....	H15 EXCAPGLOSS 06 04	.....	.....	.....	.....	.....
12.699		Adjusting Entry	.....	.....	.....	.....	.....
		<b>Totals for Line 12.6</b>	.....0	.....0	.....0	.....0	.....0
Note: - Amounts from EXCAPGLOSS 06 02 may need to be adjusted for non cash items.							
<b>12.7</b>	<b>Miscellaneous Proceeds: (See Line 13.6)</b>						
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 Collateral Assets (Dec. only)...	H02 ASSETS 10 01PY, 01CY	.....	.....	0	.....	.....
12.705	Write-ins for Invested Assets (Dec. only).....	H02 ASSETS 11 01PY, 01CY	.....	.....	0	.....	.....
12.799		Adjusting Entry	.....	.....	.....	.....	.....
		<b>Totals for Line 12.7</b>	.....0	.....0	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.							
<b>12.8</b>	<b>Total Investment Proceeds (Lines 12.1 to 12.7)</b>						.....0

Line No.	Description	Source Page / ID / Line / Col., Col.	1 Increase	2 Decrease	Net Amount	3 Adjustment	4 Total
13	<b>Cost of Investments Acquired (Long-Term Only):</b>						
13.1	<b>Bonds:</b>						
13.101	Bonds.....	E13 SCDPT3 8399999 07	.....	.....	.....	.....	.....
13.102	Non-Cash Exchange - Bonds.....	E14 SCDPT3 0000001 1	.....	.....	.....	.....	.....
	Adjusting Entry						
13.199		Totals for Line 13.1	.....0	.....0	.....0	.....0	.....0
13.2	<b>Stocks:</b>						
13.201	Stocks.....	E13 SCDPT3 9899999 07	.....	.....	.....	.....	.....
13.202	Non-Cash Exchange - Stocks.....	E14 SCDPT3 0000002 1	.....	.....	.....	.....	.....
	Adjusting Entry						
13.299		Totals for Line 13.2	.....0	.....0	.....0	.....0	.....0
13.3	<b>Mortgage Loans:</b>						
13.301	Actual Cost At Time of Acquisitions.....	SI02 SCBVER 02.1 01	.....	.....	.....	.....	.....
13.302	Additional Investment Made After Acquisitions.....	SI02 SCBVER 02.2 01	.....	.....	.....	.....	.....
	Adjusting Entry						
13.399		Totals for Line 13.3	.....0	.....0	.....0	.....0	.....0
13.4	<b>Real Estate:</b>						
13.401	Actual Cost At Time of Acquisitions.....	SI02 SCAVER 02.1 01	.....	.....	.....	.....	.....
13.402	Additional Investment Made After Acquisitions.....	SI02 SCAVER 02.2 01	.....	.....	.....	.....	.....
13.403	Mortgages Transferred to Real Estate.....	E06 SCBPT3 0499999 15	.....	.....	.....	.....	.....
13.404	CY Change In Encumbrance (pos. amts. from col. 13).....	E01 SCAPT1 F0000002 1	.....	.....	.....	.....	.....
13.405	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
<b>Note:</b> For line 13.404 and 05, see Schedule A Pt. 1 footnotes for details. See line 12.4 of this workpaper as well.							
13.5	<b>Other Invested Assets:</b>						
13.501	Actual Cost At Time of Acquisitions.....	SI03 SCBAVER 02.1 01	.....	.....	.....	.....	.....
13.502	Additional Investment Made After Acquisitions.....	SI03 SCBAVER 02.2 01	.....	.....	.....	.....	.....
	Adjusting Entry						
13.599		Totals for Line 13.5	.....0	.....0	.....0	.....0	.....0
<b>Note:</b> The Change in Securities Lending Assets will be reflected in line 13.5 if it is an increase and in line 12.5 if the change is a decrease.							
13.6	<b>Miscellaneous Applications: (See Line 12.7)</b>						
13.601	Payable for Securities (Dec. only).....	H03 LIAB 17 03, 04	.....	.....	.....0	.....	.....
13.602	Derivatives (Inc. only).....	H02 ASSETS 07 10PY, 01CY	.....	.....	.....0	.....	.....
13.603	Receivable for Securities (Inc. only).....	H02 ASSETS 09 01PY, 01CY	.....	.....	.....0	.....	.....
13.604	Securities Lending Reinvested Collateral Assets (Inc. only).....	H02 ASSETS 10 01PY, 01CY	.....	.....	.....0	.....	.....
13.605	Write-Ins for Inv. Assets (Inc. only).....	H02 ASSETS 11 01PY, 01CY	.....	.....	.....0	.....	.....
	Adjusting Entry						
13.699		Totals for Line 13.6	.....0	.....0	.....0	.....0	.....0
<b>Note:</b> - 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.							
13.7	<b>Total Investments Acquired (Lines 13.1 to 13.6)</b>						.....0
14	<b>Net Increase (Decrease) in Contract Loans and Premium Notes:</b>						
1401	Contract Loans.....	H02 ASSETS 06 01CY, 01PY	.....	.....	.....	.....	.....
	Adjusting Entry						
1499		Totals for Line 14	.....0	.....0	.....0	.....0	.....0
15	<b>Net Cash From Investments (Line 12.8 Minus Lines 13.7 and 14)</b>						.....0

Line No.	Description	Source Page / ID / Line / Col., Col.	1 Increase	2 Decrease	Net Amount	3 Adjustment	4 Total
<b>Cash from Financing and Miscellaneous Sources</b>							
<b>16 Cash Provided (Applied)</b>							
<b>16.1 Surplus Notes, Capital Notes:</b>							
16.101 Surplus Notes.....	H03 LIAB 29 03, 04	.....340,000	.....340,000				
	Adjusting Entry						
16.199	<b>Totals for Line 16.1</b>	.....340,000	.....340,000	.....0	.....0	.....0	.....0
<b>16.2 Capital and Paid In Surplus, Less Treasury Stock:</b>							
16.201 Capital Paid In.....	H05 REVEX2 44.1 01	.....					
16.202 Surplus Paid In.....	H05 REVEX2 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	.....					
	Adjusting Entry						
16.299	<b>Totals for Line 16.2</b>	.....0	.....0	.....0	.....0	.....0	.....0
<b>Note:</b> - The NAIC Instructions pick up the change in capital from page 3 line 26 and 27 and the change in Surplus Paid In from line 28. This wkpr. picks up the change in capital and surplus from page 5 lines 44.1 and 45.1, respectively. This is done to avoid picking up increases in capital that may be due to stock dividends.							
<b>16.3 Borrowed Funds Received:</b>							
16.301 Borrowed Money.....	H03 LIAB 14 03, 04	.....					
16.302 Interest on Indebtedness (inset).....	H03 LIABI 14 02	.....					
16.303 Interest on Indebtedness (inset).....	PY H03 LIABI 14 02	.....					
	Adjusting Entry						
16.399	<b>Totals for Line 16.3</b>	.....0	.....0	.....0	.....0	.....0	.....0
<b>Note:</b> - Interest on Indebtedness is backed off the change in Borrowed Money so only the actual cash received is pick up here. The NAIC instructions do not pick up the change in this accrual. - Also, the change in interest on borrowed money, is backed off here because interest expense is deducted from Inv. Inc. Earned in the Net Inv. Inc. Exhibit. (See line 2 above.)							
<b>16.4 Net Deposits on Deposit-Type Contracts and Other Insurance Liabilities:</b>							
16.499	Adjusting Entry						
	<b>Totals for Line 16.3</b>				.....0	.....0	
<b>16.5 Dividends To Stockholders:</b>							
16.501 Dividends To Stockholders (sign reversed).....	H05 REVEX2 46 01	.....					
	Adjusting Entry						
16.599	<b>Totals for Line 16.5</b>	.....0	.....0	.....0	.....0	.....0	.....0
<b>Note:</b> - 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.							
<b>16.6 Other Cash Provided (Applied):</b>							
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 Parents, Subsidiaries and Affiliates.....	H03 LIAB 15 03, 04	.....151	.....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	.....				
16.612 Aggregate Write-ins For Other Than Invested Assets.....	H02 ASSETS 25 01PY, 01CY	.....6,563	.....				
	Adjusting Entry						
16.699	<b>Totals for Line 16.6</b>	.....175,893	.....148	.....175,745	.....(2)	.....(2)	.....175,743
<b>Note:</b> - 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. - Noncash entries for derivatives will need to be reversed out using the adjustments column.							
<b>17 Net Cash From Financing and Miscellaneous Sources (Line 16.1 to 16.4 minus Line 16.5 plus Line 16.6)</b>							.....175,743
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>							
<b>18 Net Change In Cash, Cash Equivalents and Short Term Investments (Line 11 Plus Line 15 Plus Line 17)</b>							.....1,003,565
<b>19 Cash, Cash Equivalents and Short-Term Investments:</b>							
<b>19.1 Beginning of Year</b>	H02 ASSETS 05 01PY	.....2,715,275				Difference	
<b>19.2 End of Period (Line 18 Plus Line 19.1):</b>	H02 ASSETS 05 01CY	.....3,718,840		.....1,003,565	.....0	(19.1-19.2=18)	



**Sequent Midwest Business Health Fund**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

	1 Line of Business	2 Direct Business	3 Reinsurance Assumed	4 Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....	14,568,149	1,674,416			12,893,733
2. Medicare supplement.....	0				0
3. Dental only.....	926,167	843,778			82,389
4. Vision only.....	144,065	116,167			27,898
5. Federal employees health benefits plan.....	0				0
6. Title XVIII - Medicare.....	0				0
7. Title XIX - Medicaid.....	0				0
8. Other health.....	0				0
9. Health subtotal (lines 1 through 8).....	15,638,381	2,634,361			13,004,020
10. Life.....	184,015	165,798			18,217
11. Property/casualty.....	0				0
12. Totals (Lines 9 to 11).....	15,822,396	0	2,800,159		13,022,237

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
<b>1. Payments during the year:</b>										
1.1 Direct.....	12,186,116	12,186,116								
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	1,179,888	1,179,888								
1.4 Net.....	11,006,228	11,006,228	0	0	0	0	0	0	0	0
<b>2. Paid medical incentive pools and bonuses.....</b>	<b>0</b>									
<b>3. Claim liability December 31, current year from Part 2A:</b>										
3.1 Direct.....	1,676,307	1,676,307								
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	1,676,307	1,676,307	0	0	0	0	0	0	0	0
<b>4. Claim reserve December 31, current year from Part 2D:</b>										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0					0	0	0	0	0
<b>5. Accrued medical incentive pools and bonuses, current year.....</b>	<b>0</b>									
<b>6. Net healthcare receivables (a).....</b>	<b>0</b>									
<b>7. Amounts recoverable from reinsurers December 31, current year.....</b>	<b>0</b>									
<b>8. Claim liability December 31, prior year from Part 2A:</b>										
8.1 Direct.....	1,991,846	1,991,846								
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	1,991,846	1,991,846	0	0	0	0	0	0	0	0
<b>9. Claim reserve December 31, prior year from Part 2D:</b>										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0					0	0	0	0	0
<b>10. Accrued medical incentive pools and bonuses, prior year.....</b>	<b>0</b>									
<b>11. Amounts recoverable from reinsurers December 31, prior year.....</b>	<b>0</b>									
<b>12. Incurred benefits:</b>										
12.1 Direct.....	11,398,327	11,398,327								
12.2 Reinsurance assumed.....	0									
12.3 Reinsurance ceded.....	1,179,888	1,179,888	0							
12.4 Net.....	10,218,439	10,218,439	0							
<b>13. Incurred medical incentive pools and bonuses.....</b>	<b>0</b>									

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

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1 Total	2 Comprehensive (Medical and Hospital)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
<b>1. Reported in process of adjustment:</b>										
1.1 Direct.....	463,955	463,955								
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
<b>1.4 Net.....</b>	<b>463,955</b>	<b>463,955</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Incurred but unreported:</b>										
2.1 Direct.....	1,212,352	1,212,352								
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
<b>2.4 Net.....</b>	<b>1,212,352</b>	<b>1,212,352</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. Amounts withheld from paid claims and capitations:</b>										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
<b>3.4 Net.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4. Totals:</b>										
4.1 Direct.....	1,676,307	1,676,307								
4.2 Reinsurance assumed.....	0	0								
4.3 Reinsurance ceded.....	0	0								
<b>4.4 Net.....</b>	<b>1,676,307</b>	<b>1,676,307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year			Claim Reserve and Claim Liability December 31 of Current Year		Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	5 Claims Incurred in Prior Years (Columns 1 + 3)	
1. Comprehensive (hospital and medical).....	1,057,962	9,476,016	3,952	1,672,355	1,061,914	1,991,846
2. Medicare supplement.....	0	0	0	0	0	0
3. Dental only.....	0	0	0	0	0	0
4. Vision only.....	0	0	0	0	0	0
5. Federal employees health benefits plan.....	0	0	0	0	0	0
6. Title XVIII - Medicare.....	0	0	0	0	0	0
7. Title XIX - Medicaid.....	0	0	0	0	0	0
8. Other health.....	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8).....	1,057,962	9,476,016	3,952	1,672,355	1,061,914	1,991,846
10. Healthcare receivables (a).....	0	0	0	0	0	0
11. Other non-health.....	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts.....	0	0	0	0	0	0
13. Totals (Lines 9 - 10 + 11 + 12).....	1,057,962	9,476,016	3,952	1,672,355	1,061,914	1,991,846

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

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

## SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred		1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....						
2. 2014.....			712	708	708	708
3. 2015.....	XXX		1,495	2,573	2,570	2,569
4. 2016.....	XXX		XXX	8,351	9,373	9,372
5. 2017.....	XXX		XXX	XXX	9,512	10,050
6. 2018.....	XXX		XXX	XXX	XXX	9,476

## SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred		1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....						
2. 2014.....				909	708	708
3. 2015.....	XXX			2,508	2,591	2,570
4. 2016.....	XXX		XXX	XXX	9,918	9,400
5. 2017.....	XXX		XXX	XXX	XXX	11,476
6. 2018.....	XXX		XXX	XXX	XXX	11,148

## SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014.....		708		0.0	708	0.0			708	0.0
2. 2015.....	2,246	2,569	47	1.8	2,616		116.5	2,616	116.5	
3. 2016.....	10,953	9,372	204	2.2	9,576		87.4	9,576	87.4	
4. 2017.....	12,446	1,060	225	21.2	1,285		10.3	4	1,289	10.4
5. 2018.....	12,894	9,476	170	1.8	9,646		74.8	1,672	11,318	87.8

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL**

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid			
		1 2014	2 2015	3 2016	4 2017
1. Prior.....					
2. 2014.....		712	708	708	708
3. 2015.....	XXX	1,495	2,573	2,570	2,569
4. 2016.....	XXX	XXX	8,351	9,373	9,372
5. 2017.....	XXX	XXX	XXX	9,512	1,060
6. 2018.....	XXX	XXX	XXX	XXX	9,476

**SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL**

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year			
		1 2014	2 2015	3 2016	4 2017
1. Prior.....					
2. 2014.....			909	708	708
3. 2015.....	XXX		2,508	2,591	2,570
4. 2016.....	XXX	XXX	9,918	9,400	9,372
5. 2017.....	XXX	XXX	XXX	11,476	1,064
6. 2018.....	XXX	XXX	XXX	XXX	11,148

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL**

	Years in Which Premiums were Earned and Claims were Incurred	Incurred Year Health Claim and Claim Adjustment Expense Ratio - Hospital and Medical			
		1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)
1. 2014.....		708	0.0	708	0.0
2. 2015.....	2,246	2,569	47	1.8	2,616
3. 2016.....	10,953	9,372	204	2.2	9,576
4. 2017.....	12,446	1,060	225	21.2	1,285
5. 2018.....	12,894	9,476	170	1.8	9,646

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT**

	Year in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....						
2. 2014.....						
3. 2015.....	XXX					
4. 2016.....	XXX					
5. 2017.....	XXX					
6. 2018.....	XXX					

**SECTION B - INCURRED HEALTH CLAIMS - MEDICARE SUPPLEMENT**

	Year in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....						
2. 2014.....						
3. 2015.....	XXX					
4. 2016.....	XXX					
5. 2017.....	XXX					
6. 2018.....	XXX					

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014.....	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. 2015.....	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. 2016.....	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. 2017.....	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5. 2018.....	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**  
(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY**

	Year in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....						
2. 2014.....						
3. 2015.....						
4. 2016.....	XXX.....					
5. 2017.....	XXX.....	XXX.....				
6. 2018.....	XXX.....	XXX.....	XXX.....			

**SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY**

	Year in Which Losses Were Incurred	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....						
2. 2014.....						
3. 2015.....						
4. 2016.....	XXX.....					
5. 2017.....	XXX.....	XXX.....				
6. 2018.....	XXX.....	XXX.....	XXX.....			

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2014.....		0		0.0	0	0.0			0	0.0
2. 2015.....		0		0.0	0	0.0			0	0.0
3. 2016.....		0		0.0	0	0.0			0	0.0
4. 2017.....		0		0.0	0	0.0			0	0.0
5. 2018.....		0		0.0	0	0.0			0	0.0

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(\$000 Omitted)

## SECTION A - PAID HEALTH CLAIMS - VISION ONLY

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior						
2. 2014						
3. 2015						
4. 2016						
5. 2017						
6. 2018						

## SECTION B - INCURRED HEALTH CLAIMS - VISION ONLY

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior						
2. 2014						
3. 2015						
4. 2016						
5. 2017						
6. 2018						

## SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

	Years in Which Premiums were Earned and Claims were Incurred	SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY				
		1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)
1. 2014					0.0	0.0
2. 2015					0.0	0.0
3. 2016					0.0	0.0
4. 2017					0.0	0.0
5. 2018					0.0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM**

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid			
		1 2014	2 2015	3 2016	4 2017
1. Prior					
2. 2014					
3. 2015					
4. 2016					
5. 2017					
6. 2018					

**SECTION B - INCURRED HEALTH CLAIMS - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM**

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year			
		1 2014	2 2015	3 2016	4 2017
1. Prior					
2. 2014					
3. 2015					
4. 2016					
5. 2017					
6. 2018					

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM**

	Years in Which Premiums were Earned and Claims were Incurred	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)			
		1 2014	2 2015	3 2016	4 2017
1. 2014					
2. 2015					
3. 2016					
4. 2017					
5. 2018					

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE**

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid			
		1 2014	2 2015	3 2016	4 2017
1. Prior.....					
2. 2014.....					
3. 2015.....	XXX.....				
4. 2016.....	XXX.....	XXX.....			
5. 2017.....	XXX.....	XXX.....	XXX.....		
6. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	

**SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE**

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year			
		1 2014	2 2015	3 2016	4 2017
1. Prior.....					
2. 2014.....					
3. 2015.....	XXX.....				
4. 2016.....	XXX.....	XXX.....			
5. 2017.....	XXX.....	XXX.....	XXX.....		
6. 2018.....	XXX.....	XXX.....	XXX.....	XXX.....	

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE**

	Years in Which Premiums were Earned and Claims were Incurred	Claim and Claim Adjustment Expense Payments				Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
		1 2014	2 2015	3 2016	4 2017		
1. 2014.....		0	0.0	0.0	0.0	0.0	0.0
2. 2015.....		0	0.0	0.0	0.0	0.0	0.0
3. 2016.....		0	0.0	0.0	0.0	0.0	0.0
4. 2017.....		0	0.0	0.0	0.0	0.0	0.0
5. 2018.....		0	0.0	0.0	0.0	0.0	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**  
(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID**

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid			
		1 2014	2 2015	3 2016	4 2017
1. Prior.....					
2. 2014.....					
3. 2015.....					
4. 2016.....	XXX				
5. 2017.....	XXX	XXX			
6. 2018.....	XXX	XXX	XXX		

**SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID**

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year			
		1 2014	2 2015	3 2016	4 2017
1. Prior.....					
2. 2014.....					
3. 2015.....					
4. 2016.....	XXX				
5. 2017.....	XXX	XXX			
6. 2018.....	XXX	XXX	XXX		

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID**

	Years in Which Premiums were Earned and Claims were Incurred	Claim and Claim Adjustment Expense Payments				Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
		1 2014	2 2015	3 2016	4 2017		
1. 2014.....							
2. 2015.....							
3. 2016.....							
4. 2017.....							
5. 2018.....							

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(\$000 Omitted)

**SECTION A - PAID HEALTH CLAIMS - OTHER**

	Year in Which Losses Were Incurred		Cumulative Net Amounts Paid		
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....					
2. 2014.....					
3. 2015.....					
4. 2016.....					
5. 2017.....					
6. 2018.....					

**SECTION B - INCURRED HEALTH CLAIMS - OTHER**

	Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year		
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior.....					
2. 2014.....					
3. 2015.....					
4. 2016.....					
5. 2017.....					
6. 2018.....					

**SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER**

	1		2		3		4		5		6		7		8		9		10	
	Years in Which Premiums Earned	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expenses Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expenses	Percent (Col. 5 + 7 + 8)	Total Claims and Claims Adjustment Expense	Percent (Col. 9/1)	Claims Unpaid	Unpaid Claim Adjustment Expenses	Percent (Col. 5 + 7 + 8)	Total Claims and Claims Adjustment Expense	Percent (Col. 9/1)			
1. 2014.....																				
2. 2015.....																				
3. 2016.....																				
4. 2017.....																				
5. 2018.....																				

## UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	0								
2. Additional policy reserves (a).....	0								
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$ 0 for investment income).....	0								
5. Aggregate write-ins for other policy reserves.....	0		0	0	0	0	0	0	0
6. Totals (gross).....	0		0	0	0	0	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0		0	0	0	0	0	0	0
12. Totals (gross).....	0		0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

## DETAILS OF WRITE-INS

0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0								
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5, above).....	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

(a) Includes \$ 0 premium deficiency reserve.

**Sequent Midwest Business Health Fund**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)			173		173
2. Salaries, wages and other benefits.....			456,290		456,290
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....					0
4. Legal fees and expenses.....			142,339		142,339
5. Certifications and accreditation fees.....			1,309		1,309
6. Auditing, actuarial and other consulting services.....			201,861		201,861
7. Traveling expenses.....			945		945
8. Marketing and advertising.....					0
9. Postage, express and telephone.....			3,056		3,056
10. Printing and office supplies.....			5,000		5,000
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....			5,923		5,923
14. Outsourced services including EDP, claims, and other services.....	170,227		415,752		585,979
15. Boards, bureaus and association fees.....			1,566		1,566
16. Insurance, except on real estate.....			14,438		14,438
17. Collection and bank service charges.....					0
18. Group service and administration fees.....			238		238
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....			14,000		14,000
23.4 Payroll taxes.....			29,524		29,524
23.5 Other (excluding federal income and real estate taxes).....			13,375		13,375
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	30,000	0	30,000
26. Total expenses incurred (Lines 1 to 25).....	170,227	0	1,335,789	0	(a).....1,506,016
27. Less expenses unpaid December 31, current year.....			8,164		8,164
28. Add expenses unpaid December 31, prior year.....			14,110		14,110
29. Amounts receivable relating to uninsured plans, prior year.....					0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	170,227	0	1,341,735	0	1,511,962

**DETAILS OF WRITE-INS**

2501. Board Fees.....			30,000		30,000
2502. .....					0
2503. .....					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0	30,000	0	30,000

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

**Sequent Midwest Business Health Fund**  
**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....	.....
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....	.....
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....	.....
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	0	0
10. Total gross investment income.....	0	0
11. Investment expenses.....	(g).....	.....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	(g).....	.....
13. Interest expense.....	(h).....	.....
14. Depreciation on real estate and other invested assets.....	(i).....	0
15. Aggregate write-ins for deductions from investment income.....	.....	0
16. Total deductions (Lines 11 through 15).....	.....	0
17. Net investment income (Line 10 minus Line 16).....	.....	0

**DETAILS OF WRITE-INS**

0901. ....	.....	.....
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	0
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	0

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....	.....	0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	0	.....	.....
1.2 Other bonds (unaffiliated).....	.....	.....	0	.....	.....
1.3 Bonds of affiliates.....	.....	.....	0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	0	.....	.....
2.2 Common stocks (unaffiliated).....	.....	.....	0	.....	.....
2.21 Common stocks of affiliates.....	.....	.....	0	.....	.....
3. Mortgage loans.....	.....	.....	0	.....	.....
4. Real estate.....	.....	.....	0	.....	.....
5. Contract loans.....	.....	.....	0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	0	.....	.....
7. Derivative instruments.....	.....	.....	0	.....	.....
8. Other invested assets.....	.....	.....	0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	0	0	0	0	0

**DETAILS OF WRITE-INS**

0901. ....	.....	.....	0	.....	.....
0902. ....	.....	.....	0	.....	.....
0903. ....	.....	.....	0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

**Sequent Midwest Business Health Fund**  
**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (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.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	.0	.6,563	.6,563
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.0	.6,563	.6,563
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	.0	.6,563	.6,563

**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
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	.0	.0		.0
2501. Prepaid Expenses.....			.6,563	.6,563
2502. ....				0
2503. ....				0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0		.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	.0	.6,563		.6,563

## EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of			6 Current Year Member Months
		1 Prior Year	2 First Quarter	3 Second Quarter	
1. Health maintenance organizations.....					
2. Provider service organizations.....					
3. Preferred provider organizations.....	2,900	2,904	2,752	2,633	32,774
4. Point of service.....					
5. Indemnity only.....	5,540	5,719	5,369	5,116	64,291
6. Aggregate write-ins for other lines of business.....	8,440	8,623	8,121	7,749	97,065
7. Total.....					

## DETAILS OF WRITE-INS

0601. Vision.....	1,350	1,451	1,360	1,274	1,204
0602. Dental.....	1,483	1,603	1,496	1,406	1,324
0603. Life.....	2,707	2,665	2,513	2,436	2,397
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	5,540	5,719	5,369	5,116	64,291

**EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted

**EXHIBIT 3 - HEALTH CARE RECEIVABLES**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted

## EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Health Care Receivables Accrued as of December 31 of Current Year		Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year		
1. Pharmaceutical rebate receivables.....	.....	.....	.....	.....	0	0
2. Claim overpayment receivables.....	.....	.....	.....	.....	0	0
3. Loans and advances to providers.....	.....	.....	.....	.....	0	0
4. Capitation arrangement receivables.....	.....	.....	.....	.....	0	0
5. Risk sharing receivables.....	.....	.....	.....	.....	0	0
6. Other health care receivables.....	.....	.....	.....	.....	0	0
7. Totals (Lines 1 through 6).....	0	0	0	0	0	0

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

Claims Unpaid (Reported)	Account	Aging Analysis of Unpaid Claims					Total
		1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	
0399999. Aggregate accounts not individually listed - covered.			463,955				463,955
0499999. Subtotals			463,955			0	463,955
0599999. Unreported claim and other claim reserves.				0			1,212,332
0799999. Total claims unpaid.							1,676,307

**EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES**

Name of Affiliate	1	2	3	4	5	6	7	Admitted	8
	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current	Non-Current	

**EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES**

1	2	3	4	5
Amounts Due To Parent, Subsidiaries and Affiliates	Affiliate	Description	Amount	Current Non-Current
0299999. Payables not individually listed.....				
0399999. Total gross payables.....				
			151	151
			151	151
			0	0

**EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS**

Capitation Payments:	Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
1. Medical groups.....		0	0.0	0.0			
2. Intermediaries.....		0	0.0	0.0			
3. All other providers.....		0	0.0	0.0			
4. Total capitation payments.....		0	0.0	0.0			0
Other Payments:							
5. Fee-for-service.....		0	0.0	0.0	XXX	XXX	9,844,316
6. Contractual fee payments.....				100.0	XXX	XXX	
7. Bonus/withhold arrangements - fee-for-service.....		0	0.0	0.0	XXX	XXX	
8. Bonus/withhold arrangements - contractual fee payments.....		0	0.0	0.0	XXX	XXX	
9. Non-contingent salaries.....		0	0.0	0.0	XXX	XXX	
10. Aggregate cost arrangements.....		0	0.0	0.0	XXX	XXX	
11. All other payments.....		0	0.0	0.0	XXX	XXX	
12. Total other payments.....				100.0	XXX	XXX	0
13. Total (Line 4 plus Line 12).....		9,844,316	100.0	100.0	XXX	XXX	9,844,316

**EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES**

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
				03/28/2019 8:38:09 AM	

## EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	Description	1	2	3	4	5	6
		Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1.	Administrative furniture and equipment.....	.....	.....	.....	.....	.....	0
2.	Medical furniture, equipment and fixtures.....	.....	.....	.....	.....	.....	0
3.	Pharmaceuticals and surgical supplies.....	.....	.....	.....	.....	.....	0
4.	Durable medical equipment.....	.....	.....	.....	.....	.....	0
5.	Other property and equipment.....	.....	.....	.....	.....	.....	0
6.	Total.....	0	0	0	0	0	0

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
<b>Open Depositories</b>						
JP Morgan Chase Bank N/A.....	100 E. Broad St., 10th Floor. Columbus, OH 43215-0170.....				3,545,840	XXX
BMO Harris Bank.....	111 W. Monroe St., Chicago, IL 60603.....				173,000	XXX
0199999. Total - Open Depositories.....		XXX	XXX	0	0	3,718,840
0399999. Total Cash on Deposit.....		XXX	XXX	0	0	3,718,840
0599999. Total Cash.....		XXX	XXX	0	0	3,718,840

**TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR**

1. January.....	2,615,624	4. April.....	3,311,766	7. July.....	3,888,374	10. October.....	4,074,536
2. February.....	2,948,109	5. May.....	3,628,762	8. August.....	3,763,200	11. November.....	4,046,259
3. March.....	3,277,550	6. June.....	3,868,794	9. September.....	3,966,350	12. December.....	3,718,840

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

## A. Accounting Practices

	SSAP #	F/S Page	F/S Line #	2018	2017
<b>NET INCOME</b>					
(1) Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 1,297,782	\$ (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	\$ 1,297,782	\$ (322,631)
<b>SURPLUS</b>					
(5) Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 2,506,468	\$ 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	\$ 2,506,468	\$ 1,202,124

## B. Use of Estimates in the Preparation of the Financial Statement

The preparation of financial statements in conformity with the accounting principles prescribed or permitted by the Insurance Department of the State of Ohio requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## 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 December 31, 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 reported as of December 31, 2018 were \$1,212,352

## D. Going Concern

None

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

No significant changes

**Note 3 – Business Combinations and Goodwill**

## A. Statutory Purchase Method

None

## B. Statutory Merger

None

## C. Assumption Reinsurance

None

## D. Impairment Loss

None

**Note 4 – Discontinued Operations**

None

**Note 5 – Investments**

None

**NOTES TO FINANCIAL STATEMENTS****Note 6 – Joint Ventures, Partnerships and Limited Liability Companies**

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies that Exceed 10% of Ownership  
None

B. Investments in Impaired Joint Ventures, Partnerships and Limited Liability Companies  
None

**Note 7 – Investment Income**

A. The bases, by category of investment income, for excluding (nonadmitting) any investment income due and accrued:  
None

B. The total amount excluded:  
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) (9) of the Internal Revenue Code. 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 Internal Revenue Code (IRC). The Plan administrator and the Plan's tax counsel believe 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**

A. Nature of the Relationship Involved  
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 December 31, 2018, the Plan had an accounts receivable due from Sequent, Inc. of \$0.00. At December 31, 2018, the Plan had an accounts payable due to Sequent, Inc. of \$151.00 for expenses paid on behalf of the Plan.

B. Transactions  
At December 31, 2018, the Plan had an accounts receivable due from Sequent, Inc. of \$0.00. At December 31, 2018, the Plan had an accounts payable due to Sequent, Inc. of \$151.00 for expenses paid on behalf of the Plan.

C. Dollar Amounts of Transactions  
At December 31, 2018, the Plan had an accounts receivable due from Sequent, Inc. of \$0.00. At December 31, 2018, the Plan had an accounts payable due to Sequent, Inc. of \$151.00 for expenses paid on behalf of the Plan.

D. Amounts Due From or To Related Parties  
At December 31, 2018, the Plan had an accounts receivable due from Sequent, Inc. of \$0.00. At December 31, 2018, the Plan had an accounts payable due to Sequent, Inc. of \$151.00 for expenses paid on behalf of the Plan. The Plan paid Sequent, Inc. \$151.00 on January 11, 2019.

**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**

Date Issued	Interest Rate	Amount
7/31/2017	0%	\$ 57,000
8/30/2017	0%	\$ 57,000
9/29/2017	0%	\$ 57,000
12/31/2017	0%	\$ 169,000

The surplus notes, in the amount of \$340,000 were issued to Sequent Midwest Business Health Fund pursuant to Rule 144A under the Securities Act of 1933 from Sequent, Inc.

The Company has an outstanding liability for borrowed money in the amount of \$340,000 due to Sequent, Inc. on January 1, 2019.

All payments under the surplus note agreement may only be made with the prior approval of the Superintendent of the Ohio Department of Insurance and only to the extent the company has sufficient surplus earnings to make such payment at the termination of the plan.

**NOTES TO FINANCIAL STATEMENTS****Note 14 – Liabilities, Contingencies and Assessments**

None

**Note 15 – Leases**

## A. Lessee Operating Lease

- (1) Lessee's Leasing Arrangements
  - a. Rental Expense  
173
  - b. Basis on Which Contingent Rental Payments are Determined  
None
  - c. Existence and Terms of Renewal or Purchase Options and Escalation Clauses  
None
  - d. Restrictions Imposed by Lease Agreements  
None
  - e. Identification of Lease Agreements that have been Terminated Early  
None

- (2) Leases with Initial or Remaining Noncancelable Lease Terms in Excess of One Year  
None

## B. Lessor 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 Uninsured 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**

None

**Note 22 – Events Subsequent**

Subsequent events have been considered through for these statutory financial statements which are to be issued on .

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 [ ] No [ X ]

		2018	2017
B.	ACA fee assessment payable for the upcoming year	\$	\$
C.	ACA fee assessment paid	\$	\$
D.	Premium written subject to ACA 9010 assessment	\$	\$
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$ 2,506,468	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 2,506,468	
G.	Authorized control level (Five-Year Historical Line 15)	\$ 674,815	
H.	Would reporting the ACA assessment as of December 31, 2018 have triggered an RBC action level (YES/NO)?		Yes [ ] No [ ]

**NOTES TO FINANCIAL STATEMENTS****Note 23 – Reinsurance**

A. Ceded Reinsurance Report

**Section1 – General Interrogatories**

(1) Are any of the reinsurers listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? Yes [ ] No [X]  
If yes, give full details.

(2) 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) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? Yes [ ] No [X]  
If yes, give full details.

**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]
 

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$
- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? Not applicable

(2) Does the reporting entity 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 that, 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]  
If yes, give full details.

**Section 3 – Ceded Reinsurance Report – Part B**

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. Not applicable

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? Yes [ ] No [X]  
If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$

B. Uncollectible Reinsurance

None

C. Commutation of Ceded Reinsurance

None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

None

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

None

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

A. Change in Incurred Losses and Loss Adjustment Expenses

During 2018 incurred amounts related to prior years experienced favorable development of \$300,075

B. Information about Significant Changes in Methodologies and Assumptions

None

**Note 26 – Intercompany Pooling Arrangements**

None

**Note 27 – Structured Settlements**

Not Applicable for Health Entities

**Note 28 – Health Care Receivables**

None

**Note 29 – Participating Policies**

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## **NOTES TO FINANCIAL STATEMENTS**

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None

**Note 30 – Premium Deficiency Reserves**

None

**Note 31 – Anticipated Salvage and Subrogation**

None

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

## GENERAL

1.1	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, 1A and 2.	Yes [ ]	No [X]			
1.2	If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?	Yes [ ]	No [ ]			
1.3	State regulating? <u>OHIO</u>	N/A [X]				
1.4	Is the reporting entity publicly traded or a member of publicly traded group?	Yes [ ]	No [X]			
1.5	If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.					
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	State as of what date the latest financial examination of the reporting entity was made or is being made.	08/31/2015				
3.2	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				
3.3	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				
3.4	By what department or departments? <u>Ohio Department of Insurance</u>					
3.5	Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?	Yes [ ]	No [ ]			
3.6	Have all of the recommendations within the latest financial examination report been complied with?	Yes [ ]	No [ ]			
4.1	During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:					
4.11	sales of new business?	Yes [ ]	No [X]			
4.12	renewals?	Yes [ ]	No [X]			
4.2	During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:					
4.21	sales of new business?	Yes [ ]	No [X]			
4.22	renewals?	Yes [ ]	No [X]			
5.1	Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? If the answer is YES, complete and file the merger history data file with the NAIC.	Yes [ ]	No [X]			
5.2	If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.					
	1 Name of Entity	2 NAIC Company Code	3 State of Domicile			
6.1	Has the 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]			
6.2	If yes, give full information:					
7.1	Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?	Yes [ ]	No [X]			
7.2	If yes,					
7.21	State the percentage of foreign control	%				
7.22	State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).					
	1 Nationality	2 Type of Entity				
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 locations (city and state of the main office) of any affiliates regulated by a federal financial 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.	What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? <u>Plante &amp; Moran, PLLC Suite 600 65 E. State St., Columbus, OH 43215</u>					
10.1	Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?	Yes [ ]	No [X]			
10.2	If the response to 10.1 is yes, provide information related to this exemption:					
10.3	Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?	Yes [ ]	No [X]			
10.4	If the response to 10.3 is yes, provide information related to this exemption:					
10.5	Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?	Yes [ ]	No [ ]			
			N/A [X]			

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

10.6	If the response to 10.5 is no or n/a, please explain: Audit Committee is not required by the State of Ohio. Audits are completed by a third party and reported to the ODI according to ODI requirements										
11.	What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Milliman 1120 S. 101st Street Suite 400 Omaha, NE 68124-1088 (Hiro Misawa)										
12.1	Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?	Yes [ ]	No [X]								
12.11	Name of real estate holding company										
12.12	Number of parcels involved	0									
12.13	Total book/adjusted carrying value	\$ 0									
12.2	If yes, provide explanation										
13.	<b>FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:</b>										
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?										
13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?	Yes [ ]	No [ ]								
13.3	Have there been any changes made to any of the trust indentures during the year?	Yes [ ]	No [ ]								
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?	Yes [ ]	No [ ] N/A [ ]								
14.1	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 [ ]								
14.11	(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.										
14.11	If the response to 14.1 is no, please explain:										
14.2	Has the code of ethics for senior managers been amended?	Yes [ ]	No [X]								
14.21	If the response to 14.2 is yes, provide information related to amendment(s).										
14.3	Have any provisions of the code of ethics been waived for any of the specified officers?	Yes [ ]	No [X]								
14.31	If the response to 14.3 is yes, provide the nature of any waiver(s).										
15.1	Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?	Yes [ ]	No [X]								
15.2	If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.										
	<table border="1"> <thead> <tr> <th>1 American Bankers Association (ABA) Routing Number</th> <th>2 Issuing or Confirming Bank Name</th> <th>3 Circumstances That Can Trigger the Letter of Credit</th> <th>4 Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td>\$ 0</td> </tr> </tbody> </table>	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount				\$ 0		
1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount								
			\$ 0								
	<b>BOARD OF DIRECTORS</b>										
16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?	Yes [X]	No [ ]								
17.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?	Yes [X]	No [ ]								
18.	Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?	Yes [X]	No [ ]								
	<b>FINANCIAL</b>										
19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?	Yes [ ]	No [X]								
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):										
20.11	To directors or other officers	\$	0								
20.12	To stockholders not officers	\$	0								
20.13	Trustees, supreme or grand (Fraternal only)	\$	0								
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):										
20.21	To directors or other officers	\$	0								
20.22	To stockholders not officers	\$	0								
20.23	Trustees, supreme or grand (Fraternal only)	\$	0								
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?	Yes [ ]	No [X]								
21.2	If yes, state the amount thereof at December 31 of the current year:										
21.21	Rented from others	\$	0								
21.22	Borrowed from others	\$	0								
21.23	Leased from others	\$	0								
21.24	Other	\$	0								
22.1	Does this statement include payments for assessments as described in the <i>Annual Statement Instructions</i> other than guaranty fund or guaranty association assessments?	Yes [ ]	No [X]								
22.2	If answer is yes:										
22.21	Amount paid as losses or risk adjustment	\$	0								
22.22	Amount paid as expenses	\$	0								
22.23	Other amounts paid	\$	0								
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?	Yes [ ]	No [X]								
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount:	\$	0								

# Sequent Midwest Business Health Fund

## GENERAL INTERROGATORIES

### PART 1 - COMMON INTERROGATORIES

#### INVESTMENT

24.01	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?	Yes <input type="checkbox"/> No <input type="checkbox"/>								
24.02	If no, give full and complete information, relating thereto:									
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).									
24.04	Does the company's security lending program meet the requirements for a conforming program as outlined in the <i>Risk-Based Capital Instructions</i> ?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>								
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$ <u>0</u>								
24.06	If answer to 24.04 is no, report amount of collateral for other programs	\$ <u>0</u>								
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>								
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>								
24.09.	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>								
24.10	For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:									
24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ <u>0</u>								
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:	\$ <u>0</u>								
24.103	Total payable for securities lending reported on the liability page:	\$ <u>0</u>								
25.1	Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>								
25.2	If yes, state the amount thereof at December 31 of the current year:									
25.21	Subject to repurchase agreements	\$ <u>0</u>								
25.22	Subject to reverse repurchase agreements	\$ <u>0</u>								
25.23	Subject to dollar repurchase agreements	\$ <u>0</u>								
25.24	Subject to reverse dollar repurchase agreements	\$ <u>0</u>								
25.25	Placed under option agreements	\$ <u>0</u>								
25.26	Letter stock or securities restricted as sale – excluding FHLB Capital Stock	\$ <u>0</u>								
25.27	FHLB Capital Stock	\$ <u>0</u>								
25.28	On deposit with states	\$ <u>0</u>								
25.29	On deposit with other regulatory bodies	\$ <u>0</u>								
25.30	Pledged as collateral – excluding collateral pledged to an FHLB	\$ <u>0</u>								
25.31	Pledged as collateral to FHLB – including assets backing funding agreements	\$ <u>0</u>								
25.32	Other	\$ <u>0</u>								
25.3	For category (25.26) provide the following:									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33.33%;">1 Nature of Restriction</th> <th style="width: 33.33%;">2 Description</th> <th style="width: 33.33%;">3 Amount</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td style="text-align: right;">\$ <u>0</u></td> </tr> </tbody> </table>	1 Nature of Restriction	2 Description	3 Amount			\$ <u>0</u>			
1 Nature of Restriction	2 Description	3 Amount								
		\$ <u>0</u>								
26.1	Does the reporting entity have any hedging transactions reported on Schedule DB?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>								
26.2	If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement.	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>								
27.1	Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>								
27.2	If yes, state the amount thereof at December 31 of the current year:	\$ <u>0</u>								
28.	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 <i>Financial Condition Examiners Handbook</i> ?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>								
28.01	For agreements that comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , complete the following:									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">1 Name of Custodian(s)</th> <th style="width: 40%;">2 Custodian's Address</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	1 Name of Custodian(s)	2 Custodian's Address							
1 Name of Custodian(s)	2 Custodian's Address									
28.02	For all agreements that do not comply with the requirements of the NAIC <i>Financial Condition Examiners Handbook</i> , provide the name, location and a complete explanation									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33.33%;">1 Name(s)</th> <th style="width: 33.33%;">2 Location(s)</th> <th style="width: 33.33%;">3 Complete Explanation(s)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>	1 Name(s)	2 Location(s)	3 Complete Explanation(s)						
1 Name(s)	2 Location(s)	3 Complete Explanation(s)								
28.03	Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>								
28.04	If yes, give full and complete information relating thereto:									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">1 Old Custodian</th> <th style="width: 25%;">2 New Custodian</th> <th style="width: 25%;">3 Date of Change</th> <th style="width: 25%;">4 Reason</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason					
1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason							
28.05	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".									
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">1 Name of Firm or Individual</th> <th style="width: 50%;">2 Affiliation</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	1 Name of Firm or Individual	2 Affiliation							
1 Name of Firm or Individual	2 Affiliation									

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [ ] No [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [ ] No [X]

28.06 For those firms or individuals listed in the table for 28.05 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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
		\$
29.2999 TOTAL		\$

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
		\$	

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	\$ 0	\$ 0	\$ 0
30.2	Preferred Stocks	\$ 0	\$ 0	\$ 0
30.3	Totals	\$ 0	\$ 0	\$ 0

30.4 Describe the sources or methods utilized in determining the fair values:

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [ ] No [ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No [ ]

32.2 If no, list exceptions:

33. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designation 5GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Yes [ ] No [X]

Has the reporting entity self-designated 5GI securities?

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- The security was purchased prior to January 1, 2018.
- The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Yes [ ] No [X]

Has the reporting entity self-designated PLGI securities?

35.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 0

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
	\$

36.1 Amount of payments for legal expenses, if any?

\$ 142,339

36.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Porterwright	\$ 102,987
Squire Patton Boggs LLP	\$ 39,352

**GENERAL INTERROGATORIES****PART 1 - COMMON INTERROGATORIES**

37.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 0

37.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$

## GENERAL INTERROGATORIES

## PART 2 – HEALTH INTERROGATORIES

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ ]	No [ X ]
1.2	If yes, indicate premium earned on U.S. business only.	\$	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31	Reason for excluding:		
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$	0
1.62	Total incurred claims	\$	0
1.63	Number of covered lives		0
	All years prior to most current three years:		
1.64	Total premium earned	\$	0
1.65	Total incurred claims	\$	0
1.66	Number of covered lives		0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$	0
1.72	Total incurred claims	\$	0
1.73	Number of covered lives		0
	All years prior to most current three years:		
1.74	Total premium earned	\$	0
1.75	Total incurred claims	\$	0
1.76	Number of covered lives		0
2.	Health Test:		
		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$ 13,004,020	\$ 12,555,834
2.2	Premium Denominator	\$ 13,022,237	\$ 12,573,950
2.3	Premium Ratio (2.1/2.2)	99.9%	99.9%
2.4	Reserve Numerator	\$ 1,672,355	\$ 1,191,846
2.5	Reserve Denominator	\$ 1,676,307	\$ 1,991,846
2.6	Reserve Ratio (2.4/2.5)	99.8%	59.8%
3.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?	Yes [ ]	No [ X ]
3.2	If yes, give particulars:		
4.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?	Yes [ X ]	No [ ]
4.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?	Yes [ ]	No [ X ]
5.1	Does the reporting entity have stop-loss reinsurance?	Yes [ X ]	No [ ]
5.2	If no, explain:		
5.3	Maximum retained risk (see instructions)		
5.31	Comprehensive Medical	\$ 200,000	
5.32	Medical Only	\$ 0	
5.33	Medicare Supplement	\$ 0	
5.34	Dental and Vision	\$ 0	
5.35	Other Limited Benefit Plan	\$ 0	
5.36	Other	\$ 0	
6.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:		

**GENERAL INTERROGATORIES****PART 2 – HEALTH INTERROGATORIES**

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year	0
8.2 Number of providers at end of reporting year	0

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees with rate guarantees between 15-36 months	\$ 0
9.22 Business with rate guarantees over 36 months	\$ 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ ] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses	0
10.22 Amount actually paid for year bonuses	0
10.23 Maximum amount payable withholds	0
10.24 Amount actually paid for year withholds	0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,	Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or,	Yes [ ] No [X]
11.14 A Mixed Model (combination of above)?	Yes [ ] No [X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.  
Ohio

11.4 If yes, show the amount required. \$ 500,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Ohio

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [ ] No [ ] N/A [X]

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
	0		\$	\$	\$	

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

15.1 Direct Premium Written	\$ 184,015
15.2 Total Incurred Claims	\$ 0
15.3 Number of Covered Lives	0

\*Ordinary Life Insurance Includes

Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

16. Is the reporting entity licensed or charted, registered, qualified, eligible or writing business in at least two states? Yes [ ] No [X]

16.1 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**  
**FIVE-YEAR HISTORICAL DATA**

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28).....	4,191,090	3,208,229	2,846,595	3,160,152	
2. Total liabilities (Page 3, Line 24).....	1,684,622	2,006,104	1,655,275	1,135,099	
3. Statutory minimum capital and surplus requirement.....	500,000	500,000	150,000		
4. Total capital and surplus (Page 3, Line 33).....	2,506,468	1,202,124	1,191,320	2,025,052	
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	13,022,237	12,573,950	11,068,417	2,306,476	
6. Total medical and hospital expenses (Line 18).....	10,218,439	10,936,666	9,997,708	2,165,524	
7. Claims adjustment expenses (Line 20).....	170,227	224,590	203,738	47,246	
8. Total administrative expenses (Line 21).....	1,335,789	1,735,325	1,700,702	509,241	
9. Net underwriting gain (loss) (Line 24).....	1,297,782	(322,631)	(833,731)	(415,535)	
10. Net investment gain (loss) (Line 27).....					
11. Total other income (Lines 28 plus 29).....					
12. Net income or (loss) (Line 32).....	1,297,782	(322,631)	(833,731)	(415,535)	
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	827,822	(239,369)	(369,591)	719,244	
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	2,506,468	1,202,124	1,191,320	2,025,052	
15. Authorized control level risk-based capital.....	674,815	701,972	641,768	177,385	
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	7,421	8,440	8,054	7,115	
17. Total member months (Column 6, Line 7).....	97,065	100,279	93,840	20,713	
<b>Operating Percentage (Page 4)</b> (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	78.5	87.0	90.3	93.9	
20. Cost containment expenses.....	1.3	1.8	1.8	2.0	
21. Other claims adjustment expenses.....					
22. Total underwriting deductions (Line 23).....	90.0	102.6	107.5	118.0	
23. Total underwriting gain (loss) (Line 24).....	10.0	(2.6)	(7.5)	(18.0)	
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13, Col. 5).....	1,061,914	1,046,317	1,092,919	908,705	
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	1,991,846	1,585,476	1,013,409	1,054,150	
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch. D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch. D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes  No

If no, please explain:



\* 1 2 1 2 0 1 8 4 3 0 5 9 1 0 0 \*

## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....Sequent Midwest Business Health Fund  
2. Columbus, OH

### BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR

NAIC Group Code....6371

		1		2		3		4		5		6		7		8		9		10		
		Total		Individual		Group		Medicare Supplement		Vision Only		Dental Only		Federal Employees Health Benefits Plan		Title XVIII Medicare		Title XIX Medicaid		Other		
<b>Total Members at end of:</b>																						
1.	Prior year.....	.....8,440				2,900																2,707
2.	First quarter.....	.....8,623				2,904																2,665
3.	Second quarter.....	.....8,121				2,752																2,513
4.	Third quarter.....	.....7,749				2,633																2,436
5.	Current year.....	.....7,421				2,496																2,397
6.	Current year member months.....	.....97,065				32,774																30,390
<b>Total Member Ambulatory Encounters for Year:</b>																						
7.	Physician.....	.....314				314																
8.	Non-physician.....	.....17,664				17,664																
9.	Totals.....	.....17,978			0	17,978																0
10.	Hospital patient days incurred.....	.....463				463																
11.	Number of inpatient admissions.....	.....104				104																
12.	Health premiums written (b).....	.....15,822,396				14,568,149																184,015
13.	Life premiums direct.....	.....0				0																
14.	Property/casually premiums written.....	.....0				0																
15.	Health premiums earned.....	.....15,822,396				14,568,149																
16.	Property/casually premiums earned.....	.....0				0																
17.	Amount paid for provision of health care services.....	.....9,844,316				9,844,316																
18.	Amount incurred for provision of health care services.....	.....11,398,327				11,398,327																

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.  
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0

**SCHEDULE S - PART 1 - SECTION 2**

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year												
1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsured	5 Type of Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Type of Business Assumed	8 Premiums	9 Premiums Unearned Premiums	10 Reserve Liability Other Than for Unearned Premiums	11 Reinsurance Payable on Paid and Unpaid Losses	12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance

**Sequent Midwest Business Health Fund****SCHEDULE S - PART 2**

Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Paid Losses	7 Unpaid Losses
<b>Accident and Health - Non-Affiliates - U.S. Non-Affiliates</b>						
79413.....	362739571.....	01/01/2015	BP-United Healthcare Insurance Company.....	CT.....	472,250	.....
1999999. Total - Accident and Health Non-Affiliates - U.S. Non-Affiliates.....					472,250	0
2199999. Total - Accident and Health Non-Affiliates.....					472,250	0
2299999. Total - Accident and Health.....					472,250	0
2399999. Total U.S.....					472,250	0
9999999. Total.....					472,250	0

**SCHEDULE S - PART 3 - SECTION 2**

## Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Company	5	6	7	8	9	10 Reserve Credit Taken Other Than for Unearned Premiums	11 Current Year	12 Prior Year	13 Modified Coinsurance Reserve	14 Funds Withheld Under Coinsurance
				Domiciliary Jurisdiction	Type of Reinsurance Ceded	Type of Business Ceded	Premiums	Unearned Premiums (Estimated)					
<b>General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates</b>													
54402.....	310665339.....	.01/01/2018	Delta Dental Plan of Ohio, Inc.....	OH.....	OTH/G.....	D.....			843,778				
79413.....	362739571.....	.01/01/2015	BP-United Healthcare Insurance Company.....	CT.....	ASU/G.....	SLEI.....			17,819				
12323.....	562451429.....	.01/01/2018	UnitedHealthcare Community Plan of Ohio.....	OH.....	OTH/G.....	OH.....			116,167				
79413.....	362739571.....	.01/01/2015	BP-United Healthcare Insurance Company.....	CT.....	SSU/G.....	SLEI.....			1,666,597				
0899999.....	Total - General Account - Authorized - Non-Affiliates - U.S. Non-Affiliates.....			OH.....	OTH/G.....	D.....							
1099999.....	Total - General Account - Authorized - Non-Affiliates.....			CT.....	ASU/G.....	SLEI.....							
1199999.....	Total - General Account - Authorized.....			OH.....	OTH/G.....	OH.....							
3499999.....	Total - General Account - Authorized, Unauthorized and Certified.....			CT.....	SSU/G.....	SLEI.....							
6899999.....	Total - U.S.....												
9899999.....	Total.....												

**SCHEDULE S - PART 4****Reinsurance Ceded To Unauthorized Companies**

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	Reinsurance Ceded To Unauthorized Companies					10 Issuing or Confirming Bank Reference Number (a)	11 Letters of Credit	12 Funds Deposited by and Withheld from Reinsurers	13 Trust Agreements	14 Other	15 Sum of Cols. 9 + 11 + 12 + 13 + 14 But Not in Excess of Col. 8 Miscellaneous Balances (Credit)	
				5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total (Cols. 5 + 6 + 7)								

**SCHEDULE S - PART 5****Reinsurance Ceded to Certified Reinsurers as of December 31, Current Year (\$000 Omitted)**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Collateral			23	24	25	26		
															Percent Collateral Required for Full Credit	Dollar Amount of Collateral Required for Full Credit (Col. 14 x Col. 8)	Total Recoverable Reserve	Net Obligation Subject to Collateral	Multiple Beneficiary	Trust	Funds Deposited by and Withheld from Reinsurers	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 8, not to Exceed 100%)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 22 / Col. 14)
NAIC Company Code	ID	Effective Date	Name of Reinsurer	Domestic Rating	Effective Date of Reinsurer	Certified Rating	Percent Collateral Required for Full Credit	Paid and Unpaid Losses	Recovered	Reserve Credit Taken (Col. 9 + 10 + 11)	Other Debits	Other Debits	Multiple Beneficiary Trust	Letters of Credit	Agreements	Trust Number (a)	Issuing or Confirming Bank Reference	Letters	Other	Percent of Collateral Provided for Net Obligation Subject to Collateral (Col. 14 x Col. 21)	Percent Credit Allowed on Net Obligation Subject to Collateral (Col. 23 / Col. 22 / Col. 14)	Amount of Credit Allowed for Net Obligation Subject to Collateral (Col. 14 x Col. 24)	Liability for Reinsurance with Certified Reinsurers Due to Collateral Deficiency (Col. 14 - Col. 25)

**Sequent Midwest Business Health Fund**  
**SCHEDULE S - PART 6**

Five-Year Exhibit of Reinsurance Ceded Business  
(000 Omitted)

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>A. OPERATIONS ITEMS</b>					
1. Premiums.....	2,634	2,668	2,305	456	
2. Title XVIII - Medicare.....					
3. Title XIX - Medicaid.....					
4. Commissions and reinsurance expense allowance.....					
5. Total hospital and medical expenses.....	1,180	1,966	1,159		
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable.....					
7. Claims payable.....					
8. Reinsurance recoverable on paid losses.....	472	324	56		
9. Experience rating refunds due or unpaid.....					
10. Commissions and reinsurance expense allowances due.....					
11. Unauthorized reinsurance offset.....					
12. Offset for reinsurance with certified reinsurers.....					
<b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
13. Funds deposited by and withheld from (F).....					
14. Letters of credit (L).....					
15. Trust agreements (T).....					
16. Other (O).....					
<b>D. REINSURANCE WITH CERTIFIED REINSURERS (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
17. Multiple beneficiary trust.....					
18. Funds deposited by and withheld from (F).....					
19. Letters of credit (L).....					
20. Trust agreements (T).....					
21. Other (O).....					

**SCHEDULE S - PART 7**

## Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

	1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 12).....	3,718,840		3,718,840
2. Accident and health premiums due and unpaid (Line 15).....			0
3. Amounts recoverable from reinsurers (Line 16.1).....	472,250		472,250
4. Net credit for ceded reinsurance.....	XXX		0
5. All other admitted assets (balance).....			0
6. Totals assets (Line 28).....	4,191,090	0	4,191,090
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1).....	1,676,307		1,676,307
8. Accrued medical incentive pool and bonus payments (Line 2).....			0
9. Premiums received in advance (Line 8).....			0
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19, first inset amount plus second inset amount).....			0
11. Reinsurance in unauthorized companies (Line 20 minus inset amount).....			0
12. Reinsurance with certified reinsurers (Line 20 inset amount).....			0
13. Funds held under reinsurance treaties with certified reinsurers (Line 19 third inset amount).....			0
14. All other liabilities (balance).....	8,315		8,315
15. Total liabilities (Line 24).....	1,684,622	0	1,684,622
16. Total capital and surplus (Line 33).....	2,506,468	XXX	2,506,468
17. Total liabilities, capital and surplus (Line 34).....	4,191,090	0	4,191,090
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
18. Claims unpaid.....	0		
19. Accrued medical incentive pool.....	0		
20. Premiums received in advance.....	0		
21. Reinsurance recoverable on paid losses.....	0		
22. Other ceded reinsurance recoverables.....	0		
23. Total ceded reinsurance recoverables.....	0		
24. Premiums receivable.....	0		
25. Funds held under reinsurance treaties with authorized and unauthorized reinsurers.....	0		
26. Unauthorized reinsurance.....	0		
27. Reinsurance with certified reinsurers.....	0		
28. Funds held under reinsurance treaties with certified reinsurers.....	0		
29. Other ceded reinsurance payables/offsets.....	0		
30. Total ceded reinsurance payables/offsets.....	0		
31. Total net credit for ceded reinsurance.....	0		

# Sequent Midwest Business Health Fund

## SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7	8 Property/Casualty Premiums	9 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.....	15,638,381			184,015			15,822,396
37. Oklahoma.....	.OK	N.....							0.....
38. Oregon.....	.OR	N.....							0.....
39. Pennsylvania.....	.PA	N.....							0.....
40. Rhode Island.....	.RI	N.....							0.....
41. South Carolina.....	.SC	N.....							0.....
42. South Dakota.....	.SD	N.....							0.....
43. Tennessee.....	.TN	N.....							0.....
44. Texas.....	.TX	N.....							0.....
45. Utah.....	.UT	N.....							0.....
46. Vermont.....	.VT	N.....							0.....
47. Virginia.....	.VA	N.....							0.....
48. Washington.....	.WA	N.....							0.....
49. West Virginia.....	.WV	N.....							0.....
50. Wisconsin.....	.WI	N.....							0.....
51. Wyoming.....	.WY	N.....							0.....
52. American Samoa.....	.AS	N.....							0.....
53. Guam.....	.GU	N.....							0.....
54. Puerto Rico.....	.PR	N.....							0.....
55. U.S. Virgin Islands.....	.VI	N.....							0.....
56. Northern Mariana Islands.....	.MP	N.....							0.....
57. Canada.....	.CAN	N.....							0.....
58. Aggregate Other alien.....	OT	XXX.....	0	0	0	0	0	0	0.....
59. Subtotal.....		XXX.....	15,638,381	0	0	184,015	0		15,822,396
60. Reporting entity contributions for Employee Benefit Plans.....		XXX.....							0.....
61. Total (Direct Business).....		XXX.....	15,638,381	0	0	0	184,015	0	15,822,396

## DETAILS OF WRITE-INS

58001.....									0.....
58002.....									0.....
58003.....									0.....
58998. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	0.....
58999. Total (Lines 58001 through 58003 + 58998).....		0	0	0	0	0	0	0	0.....

Explanation of basis of allocation by states, premiums by state, etc.

## (a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 1

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

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

Q - Qualified - Qualified or accredited reinsurer..... 0

N - None of the above - Not allowed to write business in the state..... 56

**INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN**

Allocated by States and Territories

States, Etc.	Direct Business Only					6 Totals
	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	
1. Alabama.....AL						0
2. Alaska.....AK						0
3. Arizona.....AZ						0
4. Arkansas.....AR						0
5. California.....CA						0
6. Colorado.....CO						0
7. Connecticut.....CT						0
8. Delaware.....DE						0
9. District of Columbia.....DC						0
10. Florida.....FL						0
11. Georgia.....GA						0
12. Hawaii.....HI						0
13. Idaho.....ID						0
14. Illinois.....IL						0
15. Indiana.....IN						0
16. Iowa.....IA						0
17. Kansas.....KS						0
18. Kentucky.....KY						0
19. Louisiana.....LA						0
20. Maine.....ME						0
21. Maryland.....MD						0
22. Massachusetts.....MA						0
23. Michigan.....MI						0
24. Minnesota.....MN						0
25. Mississippi.....MS						0
26. Missouri.....MO						0
27. Montana.....MT						0
28. Nebraska.....NE						0
29. Nevada.....NV						0
30. New Hampshire.....NH						0
31. New Jersey.....NJ						0
32. New Mexico.....NM						0
33. New York.....NY						0
34. North Carolina.....NC						0
35. North Dakota.....ND						0
36. Ohio.....OH						0
37. Oklahoma.....OK						0
38. Oregon.....OR						0
39. Pennsylvania.....PA						0
40. Rhode Island.....RI						0
41. South Carolina.....SC						0
42. South Dakota.....SD						0
43. Tennessee.....TN						0
44. Texas.....TX						0
45. Utah.....UT						0
46. Vermont.....VT						0
47. Virginia.....VA						0
48. Washington.....WA						0
49. West Virginia.....WV						0
50. Wisconsin.....WI						0
51. Wyoming.....WY						0
52. American Samoa.....AS						0
53. Guam.....GU						0
54. Puerto Rico.....PR						0
55. US Virgin Islands.....VI						0
56. Northern Mariana Islands.....MP						0
57. Canada.....CAN						0
58. Aggregate Other Alien.....OT						0
59. Totals.....	0	0	0	0	0	0

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
PART 1 – ORGANIZATIONAL CHART

**SCHEDULE Y**

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM										11	12	13	14	15	16
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	If Control is Ownership Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity/ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*

**SCHEDULE Y**

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES												
1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred under Reinsurance Agreements	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Totals	

# Sequent Midwest Business Health Fund

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

### MARCH FILING

1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?
2. Will an actuarial opinion be filed by March 1?
3. Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?
4. Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?

Responses
YES
YES
NO
YES

### APRIL FILING

5. Will the Management's Discussion and Analysis be filed by April 1?
6. Will the Supplemental Investment Risk Interrogatories be filed by April 1?
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?

WAIVED
WAIVED
WAIVED

### JUNE FILING

8. Will an audited financial report be filed by June 1?
9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?

YES
YES

### AUGUST FILING

10. Will the regulator-only (non-public) Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile and electronically with the NAIC (as a regulator-only non-public document) by August 1?

YES

The following supplemental reports are required to be filed as part of your statement filing **If your company is engaged in the type of business covered by the supplement. 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.

### MARCH FILING

11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?
12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?
13. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?
14. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?
15. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?
16. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?
17. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?
18. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?
19. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?

NO

### APRIL FILING

20. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?
21. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?
22. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?
23. Will the regulator-only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?
24. Will the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit be filed with the state of domicile and the NAIC by April 1?
25. Will the Adjustments to the Life, Health & Annuity Guaranty Association Model Act Assessment Base Reconciliation Exhibit (if required) be filed with state of domicile and the NAIC by April 1?

NO
WAIVED
WAIVED
WAIVED
NO
NO

### AUGUST FILING

26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?

YES

Statement as of December 31, 2018 of the **Sequent Midwest Business Health Fund**  
**SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES**

**EXPLANATIONS:**

**BAR CODE:**

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

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

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

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