12326201520100103 2015 Document Code: 201

# QUARTERLY STATEMENT

## AS OF SEPTEMBER 30, 2015

OF THE CONDITION AND AFFAIRS OF THE

# TOTAL HEALTH CARE USA, INC.

NAIC Group Code 1238 (Current Period), 1238 (Prior Period) NAIC Company Code 12326 Employer's ID Number 38-3240485

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[ ] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]
Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[X]
Other[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]

Incorporated/Organized 02/18/1994 Commenced Business 02/18/1994

Statutory Home Office 3011 W. GRAND BLVD., SUITE 1600 (Street and Number), DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)

Main Administrative Office 3011 W. GRAND BLVD., SUITE 1600 (Street and Number)
DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code) (313)871-2000 (Area Code) (Telephone Number)

Mail Address 3011 W. GRAND BLVD., SUITE 1600 (Street and Number or P.O. Box), DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 3011 W. GRAND BLVD., SUITE 1600 (Street and Number)
DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code) (313)871-2000 (Area Code) (Telephone Number)

Internet Web Site Address THCMI.COM

Statutory Statement Contact NICOLE ROUSH, CFO (Name) (313)871-6402 (Area Code)(Telephone Number)(Extension)
NROUSH@THCMI.COM (E-Mail Address) (313)871-4762 (Fax Number)

## OFFICERS

| Name | Title |
|---|---|
| RANDY NAROWITZ | EXECUTIVE DIRECTOR |
| GERTRUDE HELEN MINKIEWICZ | V-CHAIRPERSON/SECRETARY |
| DOUGLAS PAUL BAKER | CHAIRPERSON/TREASURER |
| ROBYN JAMES ARRINGTON JR., M.D. | MEDICAL DIRECTOR |

## OTHERS

## DIRECTORS OR TRUSTEES

DOUGLAS PAUL BAKER
GERTRUDE HELEN MINKIEWICZ
RUBY OCTAVIA COLE

State of Michigan
County of WAYNE ss

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

| (Signature) | (Signature) | (Signature) |
|---|---|---|
| RANDY NAROWITZ | NICOLE ROUSH | DOUGLAS PAUL BAKER |
| (Printed Name) | (Printed Name) | (Printed Name) |
| 1. | 2. | 3. |
| EXECUTIVE DIRECTOR | CHIEF FINANCIAL OFFICER | CHAIRPERSON/TREASURER |
| (Title) | (Title) | (Title) |

Subscribed and sworn to before me this
_____ day of _____, 2015

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

(Notary Public Signature)

# ASSETS

| | Current Statement Date 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | 4 December 31 Prior Year Net Admitted Assets |
|---|---|---|---|---|
| 1. Bonds | 998,879 | | 998,879 | 998,579 |
| 2. Stocks: | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common stocks | | | | |
| 3. Mortgage loans on real estate: | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate: | | | | |
| 4.1 Properties occupied by the company (less $.....0 encumbrances) | | | | |
| 4.2 Properties held for the production of income (less $.....0 encumbrances) | | | | |
| 4.3 Properties held for sale (less $.....0 encumbrances) | | | | |
| 5. Cash ($.....45,426,310), cash equivalents ($.....0) and short-term investments ($.....310,403) | 45,736,713 | | 45,736,713 | 40,209,260 |
| 6. Contract loans (including $.....0 premium notes) | | | | |
| 7. Derivatives | | | | |
| 8. Other invested assets | | | | |
| 9. Receivables for securities | | | | |
| 10. Securities lending reinvested collateral assets | | | | |
| 11. Aggregate write-ins for invested assets | | | | |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 46,735,592 | | 46,735,592 | 41,207,839 |
| 13. Title plants less $.....0 charged off (for Title insurers only) | | | | |
| 14. Investment income due and accrued | 19,113 | | 19,113 | 32,706 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 878,060 | 1,429 | 876,631 | 1,194,514 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums) | | | | |
| 15.3 Accrued retrospective premiums | | | | |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | 1,448,908 | | 1,448,908 | 1,635,694 |
| 16.2 Funds held by or deposited with reinsured companies | | | | |
| 16.3 Other amounts receivable under reinsurance contracts | | | | |
| 17. Amounts receivable relating to uninsured plans | | | | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 18.2 Net deferred tax asset | | | | |
| 19. Guaranty funds receivable or on deposit | | | | |
| 20. Electronic data processing equipment and software | | | | |
| 21. Furniture and equipment, including health care delivery assets ($.....0) | | | | |
| 22. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 23. Receivables from parent, subsidiaries and affiliates | | | | 20,986 |
| 24. Health care ($.....1,315,236) and other amounts receivable | 1,888,279 | 573,043 | 1,315,236 | 919,715 |
| 25. Aggregate write-ins for other than invested assets | 445,803 | 413,104 | 32,699 | 6,306 |
| 26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) | 51,415,755 | 987,576 | 50,428,179 | 45,017,760 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 28. TOTAL (Lines 26 and 27) | 51,415,755 | 987,576 | 50,428,179 | 45,017,760 |
| **DETAILS OF WRITE-INS** | | | | |
| 1101. | | | | |
| 1102. | | | | |
| 1103. | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | |
| 2501. Prepaid | 413,104 | 413,104 | | |
| 2502. AR - Other | 32,699 | | 32,699 | 6,306 |
| 2503. | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 445,803 | 413,104 | 32,699 | 6,306 |

# LIABILITIES, CAPITAL AND SURPLUS

| | | Current Period | | | Prior Year |
|---|---|---|---|---|---|
| | | 1<br>Covered | 2<br>Uncovered | 3<br>Total | 4<br>Total |
| 1. | Claims unpaid (less $.....0 reinsurance ceded) | 20,125,560 | | 20,125,560 | 16,946,295 |
| 2. | Accrued medical incentive pool and bonus amounts | 739,587 | | 739,587 | 420,048 |
| 3. | Unpaid claims adjustment expenses | 422,219 | | 422,219 | 379,623 |
| 4. | Aggregate health policy reserves, including the liability of $.....0 for medical loss ratio rebate per the Public Health Service Act | 2,849,634 | | 2,849,634 | 3,102,110 |
| 5. | Aggregate life policy reserves | | | | |
| 6. | Property/casualty unearned premium reserve | | | | |
| 7. | Aggregate health claim reserves | | | | |
| 8. | Premiums received in advance | 4,366,606 | | 4,366,606 | 4,961,624 |
| 9. | General expenses due or accrued | 2,144,206 | | 2,144,206 | 962,089 |
| 10.1 | Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses)) | | | | |
| 10.2 | Net deferred tax liability | | | | |
| 11. | Ceded reinsurance premiums payable | | | | |
| 12. | Amounts withheld or retained for the account of others | | | | |
| 13. | Remittances and items not allocated | 612,111 | | 612,111 | 646,903 |
| 14. | Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current) | | | | |
| 15. | Amounts due to parent, subsidiaries and affiliates | | | | |
| 16. | Derivatives | | | | |
| 17. | Payable for securities | | | | |
| 18. | Payable for securities lending | | | | |
| 19. | Funds held under reinsurance treaties with ($.....0 authorized reinsurers, $.....0 unauthorized reinsurers and $.....0 certified reinsurers) | | | | |
| 20. | Reinsurance in unauthorized and certified ($.....0) companies | | | | |
| 21. | Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 22. | Liability for amounts held under uninsured plans | | | | |
| 23. | Aggregate write-ins for other liabilities (including $.....0 current) | | | | |
| 24. | Total liabilities (Lines 1 to 23) | 31,259,923 | | 31,259,923 | 27,418,692 |
| 25. | Aggregate write-ins for special surplus funds | XXX | XXX | 981,800 | 1,312,525 |
| 26. | Common capital stock | XXX | XXX | | |
| 27. | Preferred capital stock | XXX | XXX | | |
| 28. | Gross paid in and contributed surplus | XXX | XXX | 6,273,089 | 6,273,089 |
| 29. | Surplus notes | XXX | XXX | | |
| 30. | Aggregate write-ins for other than special surplus funds | XXX | XXX | | |
| 31. | Unassigned funds (surplus) | XXX | XXX | 11,913,367 | 10,013,454 |
| 32. | Less treasury stock, at cost: | | | | |
| | 32.1 .....0 shares common (value included in Line 26 $.....0) | XXX | XXX | | |
| | 32.2 .....0 shares preferred (value included in Line 27 $.....0) | XXX | XXX | | |
| 33. | Total capital and surplus (Lines 25 to 31 minus Line 32) | XXX | XXX | 19,168,256 | 17,599,068 |
| 34. | Total Liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 50,428,179 | 45,017,760 |
| **DETAILS OF WRITE-INS** | | | | | |
| 2301. | | | | | |
| 2302. | | | | | |
| 2303. | | | | | |
| 2398. | Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. | TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | | | | |
| 2501. | 2014 ACA Fee Assessment payable in 2015 | XXX | XXX | | 1,312,525 |
| 2502. | 2015 ACA Fee Assessment payable in 2016 | XXX | XXX | 981,800 | |
| 2503. | | XXX | XXX | | |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | XXX | XXX | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | XXX | XXX | 981,800 | 1,312,525 |
| 3001. | | XXX | XXX | | |
| 3002. | | XXX | XXX | | |
| 3003. | | XXX | XXX | | |
| 3098. | Summary of remaining write-ins for Line 30 from overflow page | XXX | XXX | | |
| 3099. | TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) | XXX | XXX | | |

# STATEMENT OF REVENUE AND EXPENSES

| | | Current Year To Date | | Prior Year To Date | Prior Year Ended December 31 |
|---|---|---|---|---|---|
| | | 1<br>Uncovered | 2<br>Total | 3<br>Total | 4<br>Total |
| 1. | Member Months | XXX | 390,538 | 413,316 | 550,309 |
| 2. | Net premium income (including $.....0 non-health premium income) | XXX | 122,020,504 | 122,828,318 | 163,047,230 |
| 3. | Change in unearned premium reserves and reserves for rate credits | XXX | | | |
| 4. | Fee-for-service (net of $.....0 medical expenses) | XXX | | | |
| 5. | Risk revenue | XXX | (2,658,052) | | (2,516,500) |
| 6. | Aggregate write-ins for other health care related revenues | XXX | | | |
| 7. | Aggregate write-ins for other non-health revenues | XXX | | | |
| 8. | Total revenues (Lines 2 to 7) | XXX | 119,362,452 | 122,828,318 | 160,530,730 |
| **Hospital and Medical:** | | | | | |
| 9. | Hospital/medical benefits | | 62,620,075 | 68,716,776 | 88,139,689 |
| 10. | Other professional services | | 6,221,397 | 6,565,095 | 8,600,872 |
| 11. | Outside referrals | | | | |
| 12. | Emergency room and out-of-area | | 11,071,308 | 10,568,145 | 14,332,874 |
| 13. | Prescription drugs | | 16,636,427 | 15,648,027 | 20,903,340 |
| 14. | Aggregate write-ins for other hospital and medical | | | | |
| 15. | Incentive pool, withhold adjustments and bonus amounts | | 44,472 | 85,517 | 211,515 |
| 16. | Subtotal (Lines 9 to 15) | | 96,593,679 | 101,583,560 | 132,188,290 |
| **Less:** | | | | | |
| 17. | Net reinsurance recoveries | | 1,599,483 | 1,052,203 | 2,159,951 |
| 18. | Total hospital and medical (Lines 16 minus 17) | | 94,994,196 | 100,531,357 | 130,028,339 |
| 19. | Non-health claims (net) | | | | |
| 20. | Claims adjustment expenses, including $.....0 cost containment expenses | | 296,532 | 278,338 | 346,511 |
| 21. | General administrative expenses | | 22,528,435 | 21,958,639 | 27,959,122 |
| 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) | | 117,819,163 | 122,768,334 | 158,333,972 |
| 24. | Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 1,543,289 | 59,984 | 2,196,758 |
| 25. | Net investment income earned | | 64,529 | 55,206 | 75,790 |
| 26. | Net realized capital gains (losses) less capital gains tax of $.....0 | | | | |
| 27. | Net investment gains or (losses) (Lines 25 plus 26) | | 64,529 | 55,206 | 75,790 |
| 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 | | | | |
| 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 | 1,607,818 | 115,190 | 2,272,548 |
| 31. | Federal and foreign income taxes incurred | XXX | | | |
| 32. | Net income (loss) (Lines 30 minus 31) | XXX | 1,607,818 | 115,190 | 2,272,548 |
| **DETAILS OF WRITE-INS** | | | | | |
| 0601. | | XXX | | | |
| 0602. | | XXX | | | |
| 0603. | | XXX | | | |
| 0698. | Summary of remaining write-ins for Line 6 from overflow page | XXX | | | |
| 0699. | TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | XXX | | | |
| 0701. | | XXX | | | |
| 0702. | | XXX | | | |
| 0703. | | XXX | | | |
| 0798. | Summary of remaining write-ins for Line 7 from overflow page | XXX | | | |
| 0799. | TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) | XXX | | | |
| 1401. | Other Expense | | | | |
| 1402. | | | | | |
| 1403. | | | | | |
| 1498. | Summary of remaining write-ins for Line 14 from overflow page | | | | |
| 1499. | TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | | | |
| 2901. | | | | | |
| 2902. | | | | | |
| 2903. | | | | | |
| 2998. | Summary of remaining write-ins for Line 29 from overflow page | | | | |
| 2999. | TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) | | | | |

# STATEMENT OF REVENUE AND EXPENSES (Continued)

| | | 1<br>Current Year<br>To Date | 2<br>Prior Year<br>To Date | 3<br>Prior Year<br>Ended<br>December 31 |
|---|---|---|---|---|
| | **CAPITAL & SURPLUS ACCOUNT** | | | |
| 33. | Capital and surplus prior reporting year | 17,599,068 | 15,460,607 | 15,460,607 |
| 34. | Net income or (loss) from Line 32 | 1,607,818 | 115,190 | 2,272,548 |
| 35. | Change in valuation basis of aggregate policy and claim reserves | | | |
| 36. | Change in net unrealized capital gains (losses) less capital gains tax of $.....0 | | | |
| 37. | Change in net unrealized foreign exchange capital gain or (loss) | | | |
| 38. | Change in net deferred income tax | | | |
| 39. | Change in nonadmitted assets | (38,630) | (53,966) | (134,087) |
| 40. | Change in unauthorized and certified reinsurance | | | |
| 41. | Change in treasury stock | | | |
| 42. | Change in surplus notes | | | |
| 43. | Cumulative effect of changes in accounting principles | | | |
| 44. | Capital Changes: | | | |
| | 44.1 Paid in | | | |
| | 44.2 Transferred from surplus (Stock Dividend) | | | |
| | 44.3 Transferred to surplus | | | |
| 45. | Surplus adjustments: | | | |
| | 45.1 Paid in | | | |
| | 45.2 Transferred to capital (Stock Dividend) | | | |
| | 45.3 Transferred from capital | | | |
| 46. | Dividends to stockholders | | | |
| 47. | Aggregate write-ins for gains or (losses) in surplus | | | |
| 48. | Net change in capital and surplus (Lines 34 to 47) | 1,569,188 | 61,224 | 2,138,461 |
| 49. | Capital and surplus end of reporting period (Line 33 plus 48) | 19,168,256 | 15,521,831 | 17,599,068 |
| **DETAILS OF WRITE-INS** | | | | |
| 4701. | | | | |
| 4702. | | | | |
| 4703. | | | | |
| 4798. | Summary of remaining write-ins for Line 47 from overflow page | | | |
| 4799. | TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | | | |

# CASH FLOW

| | | 1<br>Current<br>Year<br>To Date | 2<br>Prior<br>Year<br>To Date | 3<br>Prior<br>Year Ended<br>December 31 |
|---|---|---|---|---|
| | **Cash from Operations** | | | |
| 1. | Premiums collected net of reinsurance | 121,535,528 | 125,413,079 | 168,955,449 |
| 2. | Net investment income | 78,122 | 63,846 | 71,766 |
| 3. | Miscellaneous income | (2,779,980) | (963,693) | (3,417,878) |
| 4. | TOTAL (Lines 1 to 3) | 118,833,670 | 124,513,232 | 165,609,337 |
| 5. | Benefit and loss related payments | 91,308,606 | 92,470,718 | 124,114,954 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 21,600,254 | 22,098,539 | 28,048,886 |
| 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) | 112,908,860 | 114,569,257 | 152,163,840 |
| 11. | Net cash from operations (Line 4 minus Line 10) | 5,924,810 | 9,943,975 | 13,445,497 |
| | **Cash from Investments** | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | | |
| | 12.1 Bonds | | | |
| | 12.2 Stocks | | | |
| | 12.3 Mortgage loans | | | |
| | 12.4 Real estate | | | |
| | 12.5 Other invested assets | | | |
| | 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | | | |
| | 12.7 Miscellaneous proceeds | | | |
| | 12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) | | | |
| 13. | Cost of investments acquired (long-term only): | | | |
| | 13.1 Bonds | | 249,000 | 249,000 |
| | 13.2 Stocks | | | |
| | 13.3 Mortgage loans | | | |
| | 13.4 Real estate | | | |
| | 13.5 Other invested assets | | | |
| | 13.6 Miscellaneous applications | 300 | 2,188 | 2,029 |
| | 13.7 TOTAL investments acquired (Lines 13.1 to 13.6) | 300 | 251,188 | 251,029 |
| 14. | Net increase (or decrease) in contract loans and premium notes | | | |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) | (300) | (251,188) | (251,029) |
| | **Cash from Financing and Miscellaneous Sources** | | | |
| 16. | Cash provided (applied): | | | |
| | 16.1 Surplus notes, capital notes | | | |
| | 16.2 Capital and paid in surplus, less treasury stock | | | |
| | 16.3 Borrowed funds | | | |
| | 16.4 Net deposits on deposit-type contracts and other insurance liabilities | | | |
| | 16.5 Dividends to stockholders | | | |
| | 16.6 Other cash provided (applied) | (397,057) | 2,337,995 | 524,520 |
| 17. | Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | (397,057) | 2,337,995 | 524,520 |
| | **RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS** | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | 5,527,453 | 12,030,782 | 13,718,988 |
| 19. | Cash, cash equivalents and short-term investments: | | | |
| | 19.1 Beginning of year | 40,209,260 | 26,490,272 | 26,490,272 |
| | 19.2 End of period (Line 18 plus Line 19.1) | 45,736,713 | 38,521,054 | 40,209,260 |

**Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:**

| | | | | |
|---|---|---|---|---|
| 20.0001 | | | | |
| 20.0002 | | | | |

# EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

| | 1 | Comprehensive (Hospital & Medical) | | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 2 | 3 | | | | | | | |
| | Total | Individual | Group | Medicare Supplement | Vision Only | Dental Only | Federal Employees Health Benefit Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| Total Members at end of: | | | | | | | | | | |
| 1. Prior Year | 46,245 | 13,505 | 32,740 | | | | | | | |
| 2. First Quarter | 45,319 | 13,423 | 31,896 | | | | | | | |
| 3. Second Quarter | 43,705 | 12,128 | 31,577 | | | | | | | |
| 4. Third Quarter | 41,432 | 10,252 | 31,180 | | | | | | | |
| 5. Current Year | | | | | | | | | | |
| 6. Current Year Member Months | 390,538 | 106,280 | 284,258 | | | | | | | |
| Total Member Ambulatory Encounters for Period: | | | | | | | | | | |
| 7. Physician | 201,063 | 59,337 | 141,726 | | | | | | | |
| 8. Non-Physician | 66,739 | 18,813 | 47,926 | | | | | | | |
| 9. Total | 267,802 | 78,150 | 189,652 | | | | | | | |
| 10. Hospital Patient Days Incurred | 10,417 | 2,713 | 7,704 | | | | | | | |
| 11. Number of Inpatient Admissions | 2,239 | 553 | 1,686 | | | | | | | |
| 12. Health Premiums Written (a) | 122,577,565 | 28,009,135 | 94,568,430 | | | | | | | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 122,577,565 | 28,009,135 | 94,568,430 | | | | | | | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 91,495,392 | 20,466,133 | 71,029,259 | | | | | | | |
| 18. Amount Incurred for Provision of Health Care Services | 96,593,679 | 22,910,926 | 73,682,753 | | | | | | | |

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

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

**Aging Analysis of Unpaid Claims**

| 1<br>Account | 2<br>1 - 30 Days | 3<br>31 - 60 Days | 4<br>61 - 90 Days | 5<br>91 - 120 days | 6<br>Over 120 Days | 7<br>Total |
|---|---|---|---|---|---|---|
| **Claims unpaid (Reported)** | | | | | | |
| Envision Rx | 1,955,527 | | | | | 1,955,527 |
| 0199999 Individually Listed Claims Unpaid | 1,955,527 | | | | | 1,955,527 |
| 0299999 Aggregate Accounts Not Individually Listed - Uncovered | | | | | | |
| 0399999 Aggregate Accounts Not Individually Listed - Covered | 5,305,322 | | | | | 5,305,322 |
| 0499999 Subtotals | 7,260,849 | | | | | 7,260,849 |
| 0599999 Unreported claims and other claim reserves | | | | | | 12,864,711 |
| 0699999 Total Amounts Withheld | | | | | | |
| 0799999 Total Claims Unpaid | | | | | | 20,125,560 |
| 0899999 Accrued Medical Incentive Pool And Bonus Amounts | | | | | | 739,587 |

# UNDERWRITING AND INVESTMENT EXHIBIT

## ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

| Line of Business | Claims Paid Year to Date | | Liability End of Current Quarter | | 5 | 6 |
|---|---|---|---|---|---|---|
| | 1<br>On Claims Incurred Prior to January 1 of Current Year | 2<br>On Claims Incurred During the Year | 3<br>On Claims Unpaid Dec 31 of Prior Year | 4<br>On Claims Incurred During the Year | Claims Incurred in Prior Years (Columns 1+3) | Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year |
| 1. Comprehensive (hospital & medical) | 14,661,953 | 77,108,506 | 458,465 | 19,667,095 | 15,120,418 | 16,946,295 |
| 2. Medicare Supplement | | | | | | |
| 3. Dental only | | | | | | |
| 4. Vision only | | | | | | |
| 5. Federal Employees Health Benefits Plan | | | | | | |
| 6. Title XVIII - Medicare | | | | | | |
| 7. Title XIX - Medicaid | | | | | | |
| 8. Other health | | | | | | |
| 9. Health subtotal (Lines 1 to 8) | 14,661,953 | 77,108,506 | 458,465 | 19,667,095 | 15,120,418 | 16,946,295 |
| 10. Healthcare receivables (a) | | | | | | |
| 11. Other non-health | | | | | | |
| 12. Medical incentive pools and bonus amounts | 111,399 | (386,466) | 308,020 | 431,567 | 419,419 | 420,048 |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 14,773,352 | 76,722,040 | 766,485 | 20,098,662 | 15,539,837 | 17,366,343 |

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

# Notes to Financial Statement

## 1. Nature of Business and Summary of Significant Accounting Policies

Total Health Care USA, Inc. (the "Company"), a not-for-profit corporation and wholly owned subsidiary of Total Health Care, Inc., operates as a state-licensed health maintenance organization (HMO). The Company provides medical services to persons primarily in southeastern Michigan who subscribe as part of an employer group or as individuals.

### a. Accounting Practices

The accompanying financial statements of Total Health Care USA, Inc. (the "Company" or "THC") have been prepared in conformity with statutory accounting practices prescribed or permitted by Section 1007 of the Michigan statutes of the state of Michigan for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Michigan Insurance law. The National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual, ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the state of Michigan.

Statutory accounting principles differ from generally accepted accounting principles (GAAP) in their definition of assets and liabilities. Specifically, certain assets (such as certain receivables from affiliates) are excluded from the statutory-basis balance sheet. GAAP net assets exceed statutory net assets by approximately $988,000 and $949,000 at September 30, 2015 and December 31, 2014, respectively. There are no significant differences between statutory accounting principles prescribed by NAIC and the State of Michigan accounting requirements that are applicable to the Company.

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

| | | 2015 | 2014 |
|---|---|---|---|
| (1) | Net Income Michigan state basis | 1,607,818 | 2,272,548 |
| (2) | State Prescribed Practices (Income): | - | - |
| (3) | State Permitted Practices (Income): | - | - |
| (4) | Net Income, NAIC SAP | 1,607,818 | 2,272,548 |
| (5) | Statutory Surplus Michigan basis | 19,168,256 | 17,599,068 |
| (6) | State Prescribed Practices (Surplus): | - | - |
| (7) | State Permitted Practices (Surplus): | - | - |
| (8) | Statutory Surplus, NAIC SAP | 19,168,256 | 17,599,068 |

### b. Use of Estimates in the Preparation of the Financial Statements.

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Certain significant estimates exist relating to unpaid claims. It is at least reasonably possible that these estimates will be materially revised in the near term.

### c. Accounting Policy

**Cash and Short-term Investments** - The Company considers all highly liquid investments purchased with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date are considered cash under statutory accounting principles. Short-term investments are stated at amortized cost.

**In addition, t**he Company uses the following accounting policies:

(1) Short-term investments and long-term certificates of deposit are recorded at amortized cost, which approximates fair market value. Long-term certificates of deposit are classified as bonds on the balance

# Notes to Financial Statement

sheet per statutory guidance. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net investment income on the statement of operations. Changes in unrealized gains and losses on investments are included as a direct adjustment to capital and surplus.

(2) Bonds are not backed by other loans and are stated at amortized cost using the interest method.

(3) The Company had no common stock.

(4) The Company had no preferred stock.

(5) The Company had no mortgage loans.

(6) The Company had no loan-backed securities.

(7) The Company had no subsidiaries, controlled or affiliated investments.

(8) The Company had no joint ventures of limited partnerships.

(9) The Company had no derivatives.

(10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company has not modified its capitalization policy from the prior period.

(13) The Company's pharmaceutical rebate receivables are estimated based prior period actual receipts.

**Revenue Recognition and Accounts Receivable** - Subscriber premiums are recognized in the period that members are entitled to related health care services. A substantial portion of health premiums due and unpaid is due from third-party payors for subscribers located within southeastern Michigan. Health premiums due and unpaid are stated at invoice amounts. No allowance for doubtful accounts is recorded at September 30, 2015 and December 31, 2014, respectively. Unpaid invoices greater than 90 days old are treated as non-admitted for statutory accounting purposes. Approximately $1,000 and $46,000 of receivables greater than 90 days old were non-admitted at September 30, 2015 and December 31, 2014, respectively.

**Recognition of Medical and Hospital Expenses** - Medical and hospital expenses and the related liabilities are recorded when eligible medical and hospital services are authorized or performed. Claims unpaid represent management's estimate of the ultimate cost to settle all claims incurred prior to year-end. Capitation retained for the settlement of risk-sharing is included in the accrued medical incentive pool liability at September 30, 2015 and December 31, 2014, respectively.

**Physician Group Contracts** - The Company contracts with physician groups for the provision of medical care and compensates the groups on a capitation basis. These contracts have a specialty claims incentive and pay-for-performance incentive. If the providers meet the incentives, they share in the savings and a payable is recorded. If the providers do not meet the incentives, they share in the excess costs and a health care receivable is recorded if deemed collectible by management. During 2015 and 2014, health care receivables and payables have been recorded from/to providers.

**Hospital Group Contracts -** The Company contracts with several hospitals and other groups. These contracts are paid under a capitation fee or various other charge arrangements.

**Malpractice Claims** - The Company has a claims-made policy for malpractice insurance. The Company's policy is to accrue for estimated costs of claims and incidents during the term of the claims-made policy.

# Notes to Financial Statement

**Employee Staffing and Purchased Services Agreement** - The Company has an employee staffing and purchased services agreement with Total Health Care, Inc., its parent company, which is responsible for payment of most of the management, operational, and administrative expenses. Ultimate operational control rests with the board of directors of Total Health Care USA, Inc.

**Income Taxes** - Total Health Care USA, Inc. has received federal income tax exemption under Internal Revenue Code Section 501(c)(4). The Company is also exempt from state and local income taxes.

**2. Accounting Changes and Corrections of Errors**

None

**3. Business Combinations and Goodwill**

**a. Statutory Purchase Method-** None

**b. Statutory Merger -** None

**c. Assumption Reinsurance –** None

**d. Impairment Loss –** None

**4. Discontinued Operations**

None

**5. Investments**

a. Mortgage Loans, including Mezzanine Real Estate Loans – None

b. Debt Restructuring – None

c. Reverse Mortgages – None

d. Loan-Backed Securities – None

e. Repurchase Agreements and/or Securities Lending Transactions – None

f. Real Estate – None

g. Low-income housing tax credits (LIHTC) – None

h. (1) Restricted Assets (Including Pledged)

| Restricted Asset Category | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|
| | Total Gross Restricted from Current Year | Total Gross Restricted from Prior Year | Increase/(Decrease) (1 minus 2) | Total Current Year Admitted Assets | Percentage Gross Restricted to Total Assets | Percentage Admitted Restricted to Total Assets |
| a. Subject to contractual obligation for which liability is not shown | $ | $ | $ | $ | % | % |
| b. Collateral held under security lending agreements | | | | | | |
| c. Subject to repurchase agreements | | | | | | |
| e. Subject to reverse repurchase agreements | | | | | | |
| e. Subject to dollar repurchase agreements | | | | | | |
| f. Subject to dollar reverse repurchase agreements | | | | | | |

# Notes to Financial Statement

| | | | | | | |
|---|---|---|---|---|---|---|
| g. Placed under option contracts | | | | | | |
| h. Letter stock or securities restricted as to sale | | | | | | |
| i..FHLB capital stock | | | | | | |
| j. On deposit with states | 1,004,115 | 1,010,717 | (6,602) | 1,004,115 | 1.95% | 1.99% |
| k. On deposit with other regulatory bodies | | | | | | |
| l. Pledged as collateral to FHLB(including assets backing funding agreements) | | | | | | |
| m. Pledged as collateral not captured in other categories | | | | | | |
| n. Other restricted assets | | | | | | |
| o. Total Restricted Assets | $ 1,004,115 | $ 1,010,717 | $ (6,602) | $ 1,004,115 | 1.95% | 1.99% |

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

(3) Detail of Other Restricted Assets – None

i. Working Capital Finance Investments - None

j. Offsetting and Netting of Assets and Liabilities - None

k. Structured Notes – Notes

**6. Joint Ventures, Partnerships and Limited Liability Companies**

A. The Company does not have any Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets.

B. The Company does not have any impaired Joint Ventures, Partnerships and Limited Liability Companies.

**7. Investment Income**

a. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.

b. The Company had no investment income due and accrued excluded from surplus.

**8. Derivative Instruments**

None

**9. Income Taxes**

None

**10. Information Concerning Parent, Subsidiaries and Affiliates**

**a, b, & c**

The Company is a wholly owned subsidiary of Total Health Care, Inc., the parent company.

**d. Amounts Due for or to Related Parties –** At September 30, 2015 and December 31, 2014, the Company had amounts due from(to) parent of $0 and $20,986 respectively, resulting from costs paid for the Company on behalf of the parent for operating expenses.

# Notes to Financial Statement

**e. Guarantees –** The Company has no guarantees with any companies within its holding company structure.

**f. Material management contracts** – The Company has an employee, office space, and equipment leasing agreement with Total Health Care, Inc. The agreement calls for Total Health Care, Inc. to provide personnel, office space, and supplies necessary to the Company in order for the Company to carry out its HMO business operations. The agreement calls for the Company to pay Total Health Care, Inc. 12-13 percent of the Company's gross revenue from the second preceding month after certain deductions. During 2015 and 2014 the Company paid $14,826,609 and $17,325,541, respectively, related to this agreement.

**g. Common Control** – All outstanding shares of Total Health Care USA, Inc. are owned by the Parent Company, Total Health Care, Inc, an insurance holding company domiciled in the State of Michigan.

**h. Deductions in Value** - There have been no deductions in value between affiliated companies.

**i. SCA that exceed 10% of Admitted Assets** - None

**j. Impaired SCAs** - The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled, or Affiliated Companies during the statement period.

**k. Foreign Subsidiary** - None

**l. Downstream Noninsurance Holding Company** – None

**11. Debt**

None

**12. Retirement Plans, Deferred Compensation, Post-Employment Benefits, Compensated Absences and other Postretirement Benefit Plans.**

a.- d. Defined Benefit Plan – None

e. Defined Contribution Plans – None.

f. Multi-Employer Plan – None

g. Consolidated/Holding Company Plans – None

h. Post-Employment Benefits and Compensated Absences – None

i. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

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

(1) The Company has issued no capital stock.

(2) The Company has no preferred stock outstanding.

(3) Dividends are paid as determined by the Board of Directors with the approval of the Commissioner of the State of Michigan Office of Insurance Regulation, as long as the Company meets or exceeds minimum surplus requirements.

(4) During 2015 the Company did not pay dividends.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.

(7) The Company has no advances to surplus not repaid.

# Notes to Financial Statement

(8) The Company held no stock.

(9) There were no changes to the balances of any special surplus funds from the prior year.

(10) Portion of unassigned funds represented or reduced by unrealized gains or losses is $0. The portion of unassigned funds (surplus) represented or reduced by the change in non-admitted asset values is $(38,630) and $(134,087) at September 30, 2015 and December 31, 2014, respectively.

(11) The Company did not issue any surplus debentures or similar obligations.

(12) and (13) There have been no quasi-reorganizations.

**14. Contingencies**

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. No amounts have been accrued for losses as no losses are deemed probable or estimable. Estimated losses for claims-related matters are accrued as claims unpaid.

a. Contingent Commitments – None

b. Assessments – None

c. Gain Contingencies – None

d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits – None

e. Joint and Several Liabilities - None

f. All Other Contingencies – There are no balances of assets covered by SSAP No. 6, Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

**15. Leases**

None

**16. Information about Financial Instruments with off-balance sheet risk and financial instruments with concentrations of credit risk.**

None

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.**

a. Transfers of Receivables reported as Sales – None

b. Transfer and Servicing of Financial Assets – None

c. Wash Sales – None

**18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans.**

a. ASO Plans – None

b. ASC Plans – None.

c. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - None

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.**

None

**20. Fair Value Measurements**

# Notes to Financial Statement

The following table presents information about the Company's assets and liabilities measured at fair value at September 30, 2015, and the valuation techniques used by the Company to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based in the lowest level input that is significant to the valuation. The Company's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The fair value of bonds was determined primarily based on level 2 imputs. The Company obtains the fair value of these investments based on values determined and provided by the investment custodians.

A. (1) Fair Value Measurements at Reporting Date

| Description for each class of asset or liability | (Level 1) | (Level 2) | (Level 3) | Total |
|---|---|---|---|---|
| a. Assets at Fair Value | | | | |
| Perpetual Preferred Stock | | | | |
| Industrial and Misc | $ - | $ - | $ - | $ - |
| Parent, Subsidiaries and Affiliates | - | - | - | - |
| Total Perpetual Preferred Stocks | $ - | $ - | $ - | $ - |
| Bonds | | | | |
| U.S. Governments | $ - | $ - | $ - | $ - |
| Industrial and Misc | - | 998,879 | - | 998,879 |
| Hybrid Securities | - | - | - | - |
| Parent, Subsidiaries and Affiliates | - | - | - | - |
| Total Bonds | $ - | $ 998,879 | $ - | $ 998,879 |
| Common Stock | | | | |
| Industrial and Misc | $ - | $ - | $ - | $ - |
| Parent, Subsidiaries and Affiliates | - | - | - | - |
| Total Common Stocks | $ - | $ - | $ - | $ - |
| Derivative Assets | | | | |
| Interest Rate Contracts | $ - | $ - | $ - | $ - |
| Foreign Exchange Contracts | - | - | - | - |
| Credit Contracts | - | - | - | - |
| Commodity Futures Contracts | - | - | - | - |
| Commodity Forward Contracts | - | - | - | - |
| Total Derivatives | $ - | $ - | $ - | $ - |
| Separate Account Assets | $ - | $ - | $ - | $ - |
| Total Assets at Fair Value | $ - | $ 998,879 | $ - | $ 998,879 |
| b. Liabilities at Fair Value | | | | |
| Derivative Liabilities | $ - | $ - | $ - | $ - |
| Total Liabilities at Fair Value | $ - | $ - | $ - | $ - |

(2) Fair Value Measurements in (Level 3) of the Fair Value - None

# Notes to Financial Statement

(3) The Company's policy for determining when transfers between levels are recognized is determined at the end of the reporting period.

(4) The Company has not valued any securities at a Level 3.

(5) Derivative assets and liabilities- None

B. N/A

C. Aggregate Fair Value for all Financial Instruments

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | Level 1 | Level 2 | Level 3 | Not Practicable (Carrying Value) |
|---|---|---|---|---|---|---|
| Bonds | $ 998,879 | $ 998,879 | $ - | $ 998,879 | $ - | $ - |
| Cash | - | - | - | - | - | - |
| Short Term Certificates of Deposit | - | - | - | - | - | - |
| Money Market Funds | - | - | - | - | - | - |
| Totals | $ 998,879 | $ 998,879 | $ - | $ 998,879 | $ - | $ - |

D. Not Practicable to Estimate Fair Value – N/A

## 21. Other Items

a. Extraordinary Items – None

b. Troubled Debt Restructuring – None

c. Other Disclosures and Unusual Items – Funds Maintained Under Statutory Requirements - The Company maintains segregated funds under statutory requirements to protect members and health care providers in the event the Company is unable to meet its contractual obligations. These funds can be issued only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. At September 30, 2015 and December 31, 2014, $1,004,115 and $1,010,717, respectively were held in long-term certificates of deposit and money market funds to fulfill these requirements. Interest earned on these funds can be utilized by the Company.

At September 30, 2015 and December 31, 2014, respectively the Company had admitted assets of $2,191,867 and $2,114,229, respectively, in health premiums due and unpaid for amounts due from subscribers, governmental entities, and other health care providers. The Company routinely assessed the collectability of these receivables and directly wrote off any uncollectible receivables accordingly. Receivables greater than 90 days are considered non-admitted for statutory purposes.

d. Business Interruption Insurance Recoveries - None

e. State Transferable and Non-transferable Tax Credits - None

f. Subprime Mortgage Related Risk Exposure – None

g. Retained Assets – None

## 22. Events Subsequent

Type I. – Recognized Subsequent Events – No Change

Subsequent events have been considered through 02/23/2015 for the statutory statement issued on December 31, 2014.

None

Type II. – Non-recognized Subsequent Events – No Change

# Notes to Financial Statement

Subsequent events have been considered through 02/23/2015 for the statutory statement issued on December 31, 2014.

On January 1, 2015, the Company will be subject to an annual fee under section 9010 of the Affordable care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2015 to be $1,312,525. This amount is reflected in special surplus. This assessment is expected to impact risk based capital by 7.46%. Reporting the ACA assessment as of December 31, 2014 would not have triggered an RBC action level.

| | Current Year | Prior Year |
|---|---|---|
| A. ACA fee assessment payable for the upcoming year | $ 1,312,525 | $ 648,000 |
| B. ACA fee assessment paid | $ 592,019 | $ - |
| C. Premium written subject to ACA 9010 assessment | $64,780,776 | $ 40,224,002 |
| D. Total Adjusted Capital before surplus adjustment | $17,599,068 | |
| E. Authorized Control Level before surplus adjustment | $ 5,334,856 | |
| F. Total Adjusted Capital after surplus adjustment | $16,286,543 | |
| G. Authorized Control Level after surplus adjustment | $ 5,334,856 | |
| H. Would reporting the ACA assessment as of Dec. 31, 2014 trigger an RBC action level? (YES/NO) | No | |

**23. Reinsurance**

A. Ceded Reinsurance Report

Section 1 – 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 )

(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 an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No ( x )

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 credit?

Yes ( ) No ( x )

a. Not Applicable

b. The Company had reinsurance recoverable receivables of $129,491 and $20,694 recorded at September 30, 2015 and December 31, 2014, respectively. In addition, the Company had $1,319,417 in ACA transitional reinsurance recoverable receivables recorded at September 30, 2015 for a total of $1,448,908 receivable at September 30, 2015.

(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

# Notes to Financial Statement

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 polices?

Yes ( ) No ( x )

Section 3 – Ceded Reinsurance Report – Part B

(1) The estimated reduction in surplus is zero.

(2) The Company has renewed an agreement with Star Line Group effective November 1, 2015. The reinsurance policy provides the same coverage's on an annual per member basis after a $220,000 (MiChild) to $300,000 (Commercial-Group) to $400,000 (Commercial-Individual) deductible is reached. The maximum lifetime reinsurance indemnity payable under each agreement is $2,000,000 per member. The reinsurance policy also provides for a supplemental corridor adjustment to reinsurance recoverable applied with the lower of: 1) 50% of reinsurance premiums paid, or 2) the amount by which reinsurance recoverable exceed 50% of the reinsurance premiums paid.

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

## 24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its group health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premiums written by the Company at September 30, 2015 that are subject to retrospective rating features was $120,270,849 that represented 98% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. At December 31, 2014, the Company had medical loss ratio rebates of $585,610 required pursuant to the Public Health Service Act. At September 30, 2015 the actual 2014 rebate amounts were determined to be zero. There are no anticipated rebates due for the period ending September 30, 2015.

| | Individual | Small Group Employer | Large Group Employer | Other Categories with Rebates | Total |
|---|---|---|---|---|---|
| Current Reporting Year-to-Date | | | | | |
| (1) Medical loss ratio rebates incurred | - | (585,610) | - | - | (585,610) |
| (2) Medical loss ratio rebates paid | - | - | - | - | - |
| (3) Medical loss ratio rebates unpaid | - | 0 | - | - | 0 |
| (4) Plus reinsurance assumed amounts | XXX | XXX | XXX | XXX | XXX |
| (5) Less reinsurance ceded amounts | XXX | XXX | XXX | XXX | XXX |
| (6) Rebates unpaid net of reinsurance | XXX | XXX | XXX | XXX | XXX |

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premiums which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? YES

The Company has recorded $436,000 due for the risk adjustment program estimate at December 31, 2014. The Company has recorded $2,080,500 due for the risk corridors program estimate at December 31, 2014. During the period ended September 30, 2015 the actual 2014 risk adjustment amount was determined to be $2,324,917 due and the actual 2014 risk corridor amount was determined to be zero due.

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and

# Notes to Financial Statement

Revenue for the Current Year

| | | Amount |
|---|---|---|
| a. | Permanent ACA Risk Adjustment Program | |
| | Assets | |
| | 1. Premium adjustments receivable due to ACA Risk Adjustment | $ - |
| | Liabilities | |
| | 2. Risk adjustment user fees payable for ACA Risk Adjustment | $ 12,022 |
| | 3. Premium adjustments payable due to ACA Risk Adjustment | $ 2,849,634 |
| | Operations (Revenue & Expenses) | |
| | 4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment | $ 4,738,552 |
| | 5. Reported in expenses as ACA risk adjustment user fees (incurred/Paid) | $ 11,150 |
| b. | Transitional ACA Reinsurance Program | |
| | Assets | |
| | 1. Amount recoverable for claims paid due to ACA Reinsurance | $ 1,319,417 |
| | 2. Amount recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) | $ - |
| | 3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance | $ - |
| | Liabilities | |
| | 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium | $ 1,119,813 |
| | 5. Ceded reinsurance premiums payable due to ACA Reinsurance | $ 233,052 |
| | 6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance | $ - |
| | Operations (Revenue & Expenses) | |
| | 7. Ceded reinsurance premiums due to ACA Reinsurance | $ 232,025 |
| | 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected paymments | $ 1,402,830 |
| | 9. ACA Reinsurance contributions - not reported as ceded premium | $ 1,116,018 |
| c. | Temporary ACA Risk Corridors Program | |
| | Assets | |
| | 1. Accrued retrospective premiums due to ACA Risk Corridors | $ - |
| | Liabilities | |
| | 2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors | $ - |
| | Operations (Revenue & Expenses) | |
| | 3. Effect of ACA Risk Corridors on net premium income (paid/received) | $ (2,080,500) |
| | 4. Effect of ACA Risk Corridors on change in reserves for rate credits | $ - |

# Notes to Financial Statement

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

| | Accrued During the Prior Year on Business Written Before December 31 of the Prior Year | | Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year | | Differences | | Adjustments | | | Unsettled Balances as of the Reporting Date | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Prior Year Accrued Less Payments (Col 1-3) | Prior Year Accrued Less Payments (Col 2-4) | To Prior Year Balances | To Prior Year Balances | | Cummulative Balance from Prior years (Col 1-3+7) | Cummulative Balance from Prior years (Col 2-4+8) |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Receivable | (Payable) | Ref | Receivable | (Payable) |
| a. Permanent ACA Risk Adjustment Program | | | | | | | | | | | |
| 1. Premium adjustments receivable | - | - | - | - | - | - | - | - | A | - | - |
| 2. Premium adjustments (payable) | - | 436,000 | - | 2,324,918 | - | (1,888,918) | - | 1,888,918 | B | - | 0 |
| 3. Subtotal ACA Permanent Risk Adjustment Program | - | 436,000 | - | 2,324,918 | - | (1,888,918) | - | 1,888,918 | | - | 0 |
| b. Transitional ACA Reinsurance Program | | | | | | | | | | | |
| 1. Amounts recoverable for claims paid | 1,615,000 | - | 2,025,796 | - | (410,796) | - | 410,796 | - | C | 0 | - |
| 2. Amounts recoverable for claimsunpaid (contra liability) | 179,500 | - | - | - | 179,500 | - | (179,500) | - | D | 0 | - |
| 3. Amounts receivable relating to uninsured plans | - | - | - | - | - | - | - | - | E | - | - |
| 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums | - | 2,226,883 | - | 2,222,061 | - | 4,822 | - | (4,822) | F | - | 0 |
| 5. Ceded reinsurance premiums payable | - | 539,480 | - | 539,480 | - | - | - | - | G | - | - |
| 6. Liability for amounts held uninsured plans | - | - | - | - | - | - | - | - | H | - | - |
| 7. Subtotal ACA Transitional Reinsurance Program | 1,794,500 | 2,766,363 | 2,025,796 | 2,761,541 | (231,296) | 4,822 | 231,296 | (4,822) | | 0 | 0 |
| c. Temporary ACA Risk Corridors Program | | | | | | | | | | | |
| 1. Accrued retrospective premium | - | - | - | - | - | - | - | - | I | - | - |
| 2. Reserve for rate credits or policy experience rating refunds | - | 2,080,500 | - | - | - | 2,080,500 | - | (2,080,500) | J | - | 0 |
| 3. Subtotal ACA Risk Corridors Program | - | 2,080,500 | - | - | - | 2,080,500 | - | (2,080,500) | | - | 0 |
| d. Total for ACA Risk Sharing Provisions | - | - | - | - | - | - | - | - | | - | - |
| | $ | $ | 2,025,796 | $ | $ | | $ | $ | | $ 0 | $ 0 |

# Notes to Financial Statement

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1,794,500 | 5,282,863 | | 5,086,459 | (231,296) | $196,404 | 231,296 | (196,404) | | | |

Explanations of Adjustments

A

B Adjustment underestimate of Risk Adjustment payable

C Adjustment underestimate of Transitional Reinsurance recoverable

D Adjustment overestimate of Transitional Reinsurance recoverable

E

F Adjustment over estimate of Transitional Reinsurance fees due

G

H

I

J Adjustment over estimate of Risk Corridors due

# Notes to Financial Statement

**25. Change in Incurred Claims and Claims Adjustment Expenses**

Reserves as of December 31, 2014 were $17,745,966. As of September 30, 2015, $14,773,352 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $766,485 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive Medical lines of business. Therefore, there has been a $2,206,129 favorable prior-year development since December 31, 2014 to September 30, 2015. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

Reserves as of December 31, 2013 were $10,451,319. As of December 31, 2014, $10,584,978 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $322,840 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive Medical lines of business. Therefore, there has been a ($456,498) unfavorable prior-year development since December 31, 2013 to December 31, 2014. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

**26. Intercompany Pooling Arrangements**

None

**27. Structured Settlements**

None

**28. Health Care Receivables**

The Company reports risk-sharing receivables and payables related to global capitation and specialty claims arrangements based upon the terms of its contracts.

No Change

**29. Participating Policies**

None

**30. Premium Deficiency Reserves – No Change**

| | |
|---|---|
| 1. Liability carried for premium deficiency reserves | $0 |
| 2. Date of the most recent evaluation of this liability | 02/23/2015 |
| 3. Was anticipated investment income utilized? | Yes ☐ No X |

**31. Anticipated Salvage and Subrogation**

Loss reserves have not been reduced for any salvage or subrogation. During 2015 and 2014, the Company received subrogation totaling $65,830 and $126,751, respectively.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
If yes, complete Schedule Y, Parts 1 and 1A.
3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[ ] No[X]
3.3 If the response to 3.2 is yes, provide a brief description of those changes:

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---|---|---|
| | | |

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2012
6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2012
6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/02/2014
6.4 By what department or departments?
Michigan Department of Insurance & Financial Services
6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[X] No[ ] N/A[ ]
6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
7.2 If yes, give full information

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB | 4<br>OCC | 5<br>FDIC | 6<br>SEC |
|---|---|---|---|---|---|
| | | Yes[ ] No[X] | Yes[ ] No[X] | Yes[ ] No[X] | Yes[ ] No[X] |

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.
9.11 If the response to 9.1 is No, please explain:
9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]
10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

### INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 0

13. Amount of real estate and mortgages held in short-term investments: $ 0

# GENERAL INTERROGATORIES (Continued)

## INVESTMENT

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[ ] No[X]
14.2 If yes, please complete the following:

| | | 1<br>Prior Year-End<br>Book/Adjusted<br>Carrying Value | 2<br>Current Quarter<br>Book/Adjusted<br>Carrying Value |
|---|---|---|---|
| 14.21 | Bonds | | |
| 14.22 | Preferred Stock | | |
| 14.23 | Common Stock | | |
| 14.24 | Short-Term Investments | | |
| 14.25 | Mortgages Loans on Real Estate | | |
| 14.26 | All Other | | |
| 14.27 | Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | | |
| 14.28 | Total Investment in Parent included in Lines 14.21 to 14.26 above | | |

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

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0
16.3 Total payable for securities lending reported on the liability page $ 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[ ]
17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

| 1<br>Name of Custodian(s) | 2<br>Custodian Address |
|---|---|
| COMERICA BANK - LYNN HUTZEL-VISEL | 611 WOODWARD AVE., DETROIT, MI 48226 |
| | |
| | |

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

| 1<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|---|---|---|
| | | |

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

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date<br>of Change | 4<br>Reason |
|---|---|---|---|
| | | | |

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1<br>Central Registration<br>Depository | 2<br>Name(s) | 3<br>Address |
|---|---|---|
| | | |

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[ ] No[X]
18.2 If no, list exceptions:
NOT REQUIRED BY STATE OF DOMICILE

# GENERAL INTERROGATORIES

## PART 2 - HEALTH

1. Operating Percentages:
   1.1 A&H loss percent ..... 79.040%
   1.2 A&H cost containment percent ..... 0.240%
   1.3 A&H expense percent excluding cost containment expenses ..... 18.380%

2.1 Do you act as a custodian for health savings accounts? Yes[ ] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date. $..... 0
2.3 Do you act as an administrator for health savings accounts? Yes[ ] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date. $..... 0

# SCHEDULE S - CEDED REINSURANCE

## Showing All New Reinsurance Treaties - Current Year to Date

| 1<br>NAIC<br>Company<br>Code | 2<br>ID<br>Number | 3<br>Effective<br>Date | 4<br>Name of Reinsurer | 5<br>Domiciliary<br>Jurisdiction | 6<br>Type of<br>Reinsurance<br>Ceded | 7<br>Type of<br>Reinsurer | 8<br>Certified<br>Reinsurer Rating<br>(1 through 6) | 9<br>Effective Date<br>of Certified<br>Reinsurer Rating |
|---|---|---|---|---|---|---|---|---|
| **Accident and Health - Affiliates** | | | | | | | | |
| 60739 | 74-0484030 | 11/01/2015 | AMERICAN NATL INS CO | TX | SSL/L/I | Authorized | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

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

| | | Direct Business Only | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| State, Etc. | Active Status | Accident and Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Program Premiums | Life and Annuity Premiums and Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |
| 1. Alabama (AL) | N | | | | | | | | |
| 2. Alaska (AK) | N | | | | | | | | |
| 3. Arizona (AZ) | N | | | | | | | | |
| 4. Arkansas (AR) | N | | | | | | | | |
| 5. California (CA) | N | | | | | | | | |
| 6. Colorado (CO) | N | | | | | | | | |
| 7. Connecticut (CT) | N | | | | | | | | |
| 8. Delaware (DE) | N | | | | | | | | |
| 9. District of Columbia (DC) | N | | | | | | | | |
| 10. Florida (FL) | N | | | | | | | | |
| 11. Georgia (GA) | N | | | | | | | | |
| 12. Hawaii (HI) | N | | | | | | | | |
| 13. Idaho (ID) | N | | | | | | | | |
| 14. Illinois (IL) | N | | | | | | | | |
| 15. Indiana (IN) | N | | | | | | | | |
| 16. Iowa (IA) | N | | | | | | | | |
| 17. Kansas (KS) | N | | | | | | | | |
| 18. Kentucky (KY) | N | | | | | | | | |
| 19. Louisiana (LA) | N | | | | | | | | |
| 20. Maine (ME) | N | | | | | | | | |
| 21. Maryland (MD) | N | | | | | | | | |
| 22. Massachusetts (MA) | N | | | | | | | | |
| 23. Michigan (MI) | L | 122,577,565 | | | | | | 122,577,565 | |
| 24. Minnesota (MN) | N | | | | | | | | |
| 25. Mississippi (MS) | N | | | | | | | | |
| 26. Missouri (MO) | N | | | | | | | | |
| 27. Montana (MT) | N | | | | | | | | |
| 28. Nebraska (NE) | N | | | | | | | | |
| 29. Nevada (NV) | N | | | | | | | | |
| 30. New Hampshire (NH) | N | | | | | | | | |
| 31. New Jersey (NJ) | N | | | | | | | | |
| 32. New Mexico (NM) | N | | | | | | | | |
| 33. New York (NY) | N | | | | | | | | |
| 34. North Carolina (NC) | N | | | | | | | | |
| 35. North Dakota (ND) | N | | | | | | | | |
| 36. Ohio (OH) | N | | | | | | | | |
| 37. Oklahoma (OK) | N | | | | | | | | |
| 38. Oregon (OR) | N | | | | | | | | |
| 39. Pennsylvania (PA) | N | | | | | | | | |
| 40. Rhode Island (RI) | N | | | | | | | | |
| 41. South Carolina (SC) | N | | | | | | | | |
| 42. South Dakota (SD) | N | | | | | | | | |
| 43. Tennessee (TN) | N | | | | | | | | |
| 44. Texas (TX) | N | | | | | | | | |
| 45. Utah (UT) | N | | | | | | | | |
| 46. Vermont (VT) | N | | | | | | | | |
| 47. Virginia (VA) | N | | | | | | | | |
| 48. Washington (WA) | N | | | | | | | | |
| 49. West Virginia (WV) | N | | | | | | | | |
| 50. Wisconsin (WI) | N | | | | | | | | |
| 51. Wyoming (WY) | N | | | | | | | | |
| 52. American Samoa (AS) | N | | | | | | | | |
| 53. Guam (GU) | N | | | | | | | | |
| 54. Puerto Rico (PR) | N | | | | | | | | |
| 55. U.S. Virgin Islands (VI) | N | | | | | | | | |
| 56. Northern Mariana Islands (MP) | N | | | | | | | | |
| 57. Canada (CAN) | N | | | | | | | | |
| 58. Aggregate other alien (OT) | XXX | | | | | | | | |
| 59. Subtotal | XXX | 122,577,565 | | | | | | 122,577,565 | |
| 60. Reporting entity contributions for Employee Benefit Plans | XXX | | | | | | | | |
| 61. Total (Direct Business) | (a) 1 | 122,577,565 | | | | | | 122,577,565 | |
| **DETAILS OF WRITE-INS** | | | | | | | | | |
| 58001. | XXX | | | | | | | | |
| 58002. | XXX | | | | | | | | |
| 58003. | XXX | | | | | | | | |
| 58998. Summary of remaining write-ins for Line 58 from overflow page | XXX | | | | | | | | |
| 58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above) | XXX | | | | | | | | |

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

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

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

## PART 1 - ORGANIZATIONAL CHART

TOTAL HEALTH CARE, INC. – PARENT
38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
383240485, NAIC #12326, STATE OF MICHIGAN

# SCHEDULE Y

## PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

| 1<br>Group Code | 2<br>Group Name | 3<br>NAIC Company Code | 4<br>ID Number | 5<br>FEDERAL RSSD | 6<br>CIK | 7<br>Name of Securities Exchange if Publicly Traded (U.S. or International) | 8<br>Names of Parent, Subsidiaries Or Affiliates | 9<br>Domiciliary Location | 10<br>Relationship to Reporting Entity | 11<br>Directly Controlled by (Name of Entity / Person) | 12<br>Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other) | 13<br>If Control is Ownership Provide Percentage | 14<br>Ultimate Controlling Entity(ies) / Person(s) | 15<br>* |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1238 | TOTAL HEALTH GROUP | 95644 | 38-2018957 | | | | TOTAL HEALTH CARE INC | MI | UDP | | | | | |
| 1238 | TOTAL HEALTH GROUP | 12326 | 38-3240485 | | | | TOTAL HEALTH CARE USA INC | MI | RE | TOTAL HEALTH CARE INC | Ownership | 100.0 | TOTAL HEALTH CARE INC | |

| Asterisk | Explanation |
|---|---|
| 0000001 | |

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

| | RESPONSE |
|---|---|
| 1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | No |

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement

12326201536500003 2015 Document Code: 365

## OVERFLOW PAGE FOR WRITE-INS

# ASSETS

| | Current Statement Date | | | 4 |
|---|---|---|---|---|
| | 1<br>Assets | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets (Cols. 1 - 2) | December 31 Prior Year Net Admitted Assets |
| 1197. Summary of remaining write-ins for Line 11 (Lines 1104 through 1196) | | | | |
| 2504. | | | | |
| 2597. Summary of remaining write-ins for Line 25 (Lines 2504 through 2596) | | | | |

# STATEMENT OF REVENUE AND EXPENSES (Continued)

| | 1<br>Current Year To Date | 2<br>Prior Year To Date | 3<br>Prior Year Ended December 31 |
|---|---|---|---|
| 4704. | | | |
| 4797. Summary of remaining write-ins for Line 47 (Lines 4704 through 4796) | | | |

# SCHEDULE A - VERIFICATION

**Real Estate**

| | | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | | |
| 2. | Cost of acquired | | |
| | 2.1 Actual cost at time of acquisition | | |
| | 2.2 Additional investment made after acquisition | | |
| 3. | Current year change in encumbrances | | |
| 4. | Total gain (loss) on disposals | | |
| 5. | Deduct amounts received on disposals | | |
| 6. | Total foreign exchange change in book/adjusted carrying va | | |
| 7. | Deduct current year's other than temporary impairment recognized | | |
| 8. | Deduct current year's depreciation | | |
| 9. | Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8 ) | | |
| 10. | Deduct total nonadmitted amounts | | |
| 11. | Statement value at end of current period (Line 9 minus Line 10) | | |

NONE

# SCHEDULE B - VERIFICATION

**Mortgage Loans**

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

NONE

# SCHEDULE BA - VERIFICATION

**Other Long-Term Invested Assets**

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

NONE

# SCHEDULE D - VERIFICATION

**Bonds and Stocks**

| | | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 998,579 | 747,550 |
| 2. | Cost of bonds and stocks acquired | | 249,000 |
| 3. | Accrual of discount | | |
| 4. | Unrealized valuation increase (decrease) | 300 | 2,029 |
| 5. | Total gain (loss) on disposals | | |
| 6. | Deduct consideration for bonds and stocks disposed of | | |
| 7. | Deduct amortization of premium | | |
| 8. | Total foreign exchange change in book/adjusted carrying value | | |
| 9. | Deduct current year's other than temporary impairment recognized | | |
| 10. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 998,879 | 998,579 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 998,879 | 998,579 |

# SCHEDULE D - PART 1B

## Showing the Acquisitions, Dispositions and Non-Trading Activity During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

| NAIC Designation | 1<br>Book/Adjusted Carrying Value Beginning of Current Quarter | 2<br>Acquisitions During Current Quarter | 3<br>Dispositions During Current Quarter | 4<br>Non-Trading Activity During Current Quarter | 5<br>Book/Adjusted Carrying Value End of First Quarter | 6<br>Book/Adjusted Carrying Value End of Second Quarter | 7<br>Book/Adjusted Carrying Value End of Third Quarter | 8<br>Book/Adjusted Carrying Value December 31 Prior Year |
|---|---|---|---|---|---|---|---|---|
| **BONDS** | | | | | | | | |
| 1. NAIC 1 (a) | 2,030,380 | 2,005,605 | 2,975,000 | (805) | 1,025,004 | 2,030,380 | 1,060,180 | 771,159 |
| 2. NAIC 2 (a) | 249,403 | | | (301) | 249,548 | 249,403 | 249,102 | 249,466 |
| 3. NAIC 3 (a) | | | | | | | | |
| 4. NAIC 4 (a) | | | | | | | | |
| 5. NAIC 5 (a) | | | | | | | | |
| 6. NAIC 6 (a) | | | | | | | | |
| 7. Total Bonds | 2,279,783 | 2,005,605 | 2,975,000 | (1,106) | 1,274,552 | 2,279,783 | 1,309,282 | 1,020,625 |
| **PREFERRED STOCK** | | | | | | | | |
| 8. NAIC 1 | | | | | | | | |
| 9. NAIC 2 | | | | | | | | |
| 10. NAIC 3 | | | | | | | | |
| 11. NAIC 4 | | | | | | | | |
| 12. NAIC 5 | | | | | | | | |
| 13. NAIC 6 | | | | | | | | |
| 14. Total Preferred Stock | | | | | | | | |
| 15. Total Bonds & Preferred Stock | 2,279,783 | 2,005,605 | 2,975,000 | (1,106) | 1,274,552 | 2,279,783 | 1,309,282 | 1,020,625 |

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0

# SCHEDULE DA - PART 1

**Short - Term Investments**

| | 1<br>Book/Adjusted Carrying Value | 2<br>Par Value | 3<br>Actual Cost | 4<br>Interest Collected Year To Date | 5<br>Paid for Accrued Interest Year To Date |
|---|---|---|---|---|---|
| 9199999. Totals | 310,403 | X X X | 310,403 | 384 | |

# SCHEDULE DA - Verification

**Short-Term Investments**

| | | 1<br>Year To Date | 2<br>Prior Year Ended December 31 |
|---|---|---|---|
| 1. | Book/adjusted carrying value, December 31 of prior year | 22,046 | 543,079 |
| 2. | Cost of short-term investments acquired | 3,275,554 | 4,716,967 |
| 3. | Accrual of discount | | |
| 4. | Unrealized valuation increase (decrease) | | |
| 5. | Total gain (loss) on disposals | | |
| 6. | Deduct consideration received on disposals | 2,987,197 | 5,238,000 |
| 7. | Deduct amortization of premium | | |
| 8. | Total foreign exchange change in book/adjusted carrying value | | |
| 9. | Deduct current year's other than temporary impairment recognized | | |
| 10. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 310,403 | 22,046 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 310,403 | 22,046 |

**SI04 Schedule DB - Part A Verification . . . . . NONE**

**SI04 Schedule DB - Part B Verification . . . . . NONE**

**SI05 Schedule DB Part C Section 1 . . . . . NONE**

**SI06 Schedule DB Part C Section 2 . . . . . NONE**

**SI07 Schedule DB - Verification . . . . . NONE**

**SI08 Schedule E - Verification (Cash Equivalents) . . . . . NONE**

E01 Schedule A Part 2 . . . . . NONE

E01 Schedule A Part 3 . . . . . NONE

E02 Schedule B Part 2 . . . . . NONE

E02 Schedule B Part 3 . . . . . NONE

E03 Schedule BA Part 2 . . . . . NONE

E03 Schedule BA Part 3 . . . . . NONE

E04 Schedule D Part 3 . . . . . NONE

E05 Schedule D Part 4 . . . . . NONE

E06 Schedule DB Part A Section 1 . . . . . NONE

E07 Schedule DB Part B Section 1 . . . . . NONE

E08 Schedule DB Part D Section 1 . . . . . NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity . . . . . NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity . . . . . NONE

E10 Schedule DL - Part 1 - Securities Lending Collateral Assets . . . . . NONE

E11 Schedule DL - Part 2 - Securities Lending Collateral Assets . . . . . NONE

# SCHEDULE E - PART 1 - CASH

**Month End Depository Balances**

| 1 | | | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 6 | 7 | 8 | |
| Depository | | | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | First Month | Second Month | Third Month | * |
| **open depositories** | | | | | | | | | | |
| FIRST INDEPENDENCE NAT'L BANK | FINB | | | | | | 1,000 | 1,000 | 1,000 | X X X |
| COMERICA BANK | Comerica Bank | | | 0.100 | 1,622 | 420 | 34,209,983 | 35,753,137 | 34,177,352 | X X X |
| Mutual of Omaha Bank | Mutual of Omaha Bk | | | | | | 118,644 | 224,687 | 326,740 | X X X |
| Armstrong Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 52 | 26,000 | 26,000 | 26,000 | X X X |
| Banco Popular de Puerto Rico - IBC | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Bank 7 | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Carver Federal Savings Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 53 | 243,500 | 243,500 | 243,500 | X X X |
| Central Bank of Lake of the Ozarks | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Citizens Savings Bank and Trust Co. | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Commerce Bank & Trust Company | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Crestmark Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| East West Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 150,941 | 150,942 | 150,942 | X X X |
| Eclipse Bank, Inc. | FINB - CDARS | 06/23/2016 | | 0.750 | | 304 | 56,500 | 56,500 | 56,500 | X X X |
| EverBank | FINB - CDARS | 06/23/2016 | | 0.750 | | 114 | 243,500 | 243,500 | 243,500 | X X X |
| First Community Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 184,676 | 184,676 | 184,676 | X X X |
| First Foundation Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 372 | 194,329 | 194,329 | 194,329 | X X X |
| First NBC Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 392 | 243,500 | 243,500 | 243,500 | X X X |
| First Capital Bank of Texas, N.A. | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 92,714 | 92,714 | 92,714 | X X X |
| Fremont Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 187 | 243,500 | 243,500 | 243,500 | X X X |
| Georgia Banking Company | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 6,500 | 6,500 | 6,500 | X X X |
| Guaranty State Bank and Trust Co | FINB - CDARS | 06/23/2016 | | 0.750 | | 13 | 243,500 | 243,500 | 243,500 | X X X |
| Hawthorn Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Howard Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Independence Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Lagacy Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Legacy Texas Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Northwest Community Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Premier Bank & Trust | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 6,500 | 6,500 | 6,500 | X X X |
| Republic Bank Ax, N.A. | FINB - CDARS | 06/23/2016 | | 0.750 | | 13 | 243,500 | 243,500 | 243,500 | X X X |
| Signature Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| State Bank of Florence | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Susquehanna Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 26,328 | 26,328 | 26,328 | X X X |
| The First Bank of Greenwich | FINB - CDARS | 06/23/2016 | | 0.750 | | 490 | 243,500 | 243,500 | 243,500 | X X X |
| The Private Bank & Trust Company | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| TriState Capital Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 490 | 243,500 | 243,500 | 243,500 | X X X |
| Valley National Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 225 | 111,511 | 111,511 | 111,511 | X X X |
| Western Alliance Bank | FINB - CDARS | 06/23/2016 | | 0.750 | | 491 | 243,500 | 243,500 | 243,500 | X X X |
| Bank of China .45% | Comerica Bank | 08/13/2015 | | 0.450 | 1,125 | | 250,018 | | | X X X |
| Comenity Cap Bk SaltLake City U .35% | Comerica Bank | 08/11/2015 | | 0.350 | 875 | | 250,007 | | | X X X |
| Merrick Bk South Jordan Utah .45% | Comerica Bank | 08/14/2015 | | 0.450 | 187 | | 249,018 | | | X X X |
| Oriental .50% | Comerica Bank | 08/21/2015 | | 0.500 | 206 | | 250,038 | | | X X X |
| Premier Bk of the South Cullman .35% | Comerica Bank | 08/18/2015 | | 0.350 | 146 | | 250,017 | | | X X X |
| Safra Natl Bk New York CTF .35% | Comerica Bank | 08/14/2015 | | 0.350 | 873 | | 250,012 | | | X X X |
| TCF National Bank .35% | Comerica Bank | 08/13/2015 | | 0.350 | 875 | | 250,010 | | | X X X |
| Firstbank P R Santurce .60% | Comerica Bank | 09/11/2015 | | 0.600 | 374 | | 250,100 | 250,023 | | X X X |
| Bank of Augusta .30% | Comerica Bank | 10/29/2015 | | 0.300 | 188 | 4 | 249,030 | 249,040 | 249,025 | X X X |
| Beal Bk USA Las Vegas Nev .35% | Comerica Bank | 10/21/2015 | | 0.350 | | 821 | 249,060 | 249,055 | 249,022 | X X X |
| Regal Bk & Tr Owings MLS MD .30% | Comerica Bank | 10/21/2015 | | 0.300 | | 706 | 249,035 | 249,037 | 249,017 | X X X |
| Welch St BK Okla .30% | Comerica Bank | 10/30/2015 | | 0.300 | 188 | 2 | 249,030 | 249,040 | 249,025 | X X X |
| GE Cap Bk Inc Retail Ctf Dep Pro .40% | Comerica Bank | 11/23/2015 | | 0.400 | | 361 | 250,082 | 250,090 | 250,070 | X X X |
| Banc Calif NA Irvine CA .30% | Comerica Bank | 03/28/2016 | | 0.300 | | 6 | | | 250,003 | X X X |
| Bank Baroda New York BRH .45% | Comerica Bank | 06/30/2016 | | 0.450 | | 3 | | | 250,000 | X X X |
| Beal Bk SSB Plano Tex .40% | Comerica Bank | 03/30/2016 | | 0.400 | | 3 | | | 249,988 | X X X |
| Capital Bk Miami N A Fla .40% | Comerica Bank | 06/27/2016 | | 0.400 | | 16 | | | 250,027 | X X X |
| Celtic Bk Salt Lake City Utah .45% | Comerica Bank | 06/30/2016 | | 0.450 | | 3 | | | 225,016 | X X X |
| Centennial Bk Centennial Co .40% | Comerica Bank | 06/28/2016 | | 0.400 | | | | | 249,988 | X X X |
| Essa Bk & TR Stroudsburg PA .40% | Comerica Bank | 06/30/2016 | | 0.400 | | 3 | | | 250,017 | X X X |
| Evergreen Bk Group Oak Brook ILL .35% | Comerica Bank | 05/27/2016 | | 0.350 | | 7 | | | 250,023 | X X X |
| First Niagara Bk Natl Assn Buffa .25% | Comerica Bank | 03/28/2016 | | 0.250 | | 10 | | | 249,990 | X X X |
| Merrick Bk South Jordan Utah .35% | Comerica Bank | 03/30/2016 | | 0.350 | | 2 | | | 249,987 | X X X |
| Patriot Natl Bk Stamford Conn .40% | Comerica Bank | 05/31/2016 | | 0.400 | | 3 | | | 250,015 | X X X |

# SCHEDULE E - PART 1 - CASH

**Month End Depository Balances**

| 1 | | | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | 6 | 7 | 8 | |
| Depository | | | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | First Month | Second Month | Third Month | * |
| S & T Bk Ind PA .35% | Comerica Bank | 03/24/2016 | | 0.350 | | | | | 250,005 | X X X |
| 0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - open depositories | | | X X X | X X X | | | | | | X X X |
| 0199999 Totals - Open Depositories | | | X X X | X X X | 6,659 | 15,877 | 44,275,083 | 44,175,109 | 45,426,310 | X X X |
| 0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (see Instructions) - suspended depositories | | | X X X | X X X | | | | | | X X X |
| 0299999 Totals - Suspended Depositories | | | X X X | X X X | | | | | | X X X |
| 0399999 Total Cash On Deposit | | | X X X | X X X | 6,659 | 15,877 | 44,275,083 | 44,175,109 | 45,426,310 | X X X |
| 0499999 Cash in Company's Office | | | X X X | X X X | X X X | X X X | | | | X X X |
| 0599999 Total Cash | | | X X X | X X X | 6,659 | 15,877 | 44,275,083 | 44,175,109 | 45,426,310 | X X X |

# SCHEDULE E - PART 2 - CASH EQUIVALENTS

**Show Investments Owned End of Current Quarter**

| 1<br>Description | 2<br>Code | 3<br>Date Acquired | 4<br>Rate of Interest | 5<br>Maturity Date | 6<br>Book/Adjusted Carrying Value | 7<br>Amount of Interest Due & Accrued | 8<br>Amount Received During Year |
|---|---|---|---|---|---|---|---|
| **NONE** | | | | | | | |
| 8699999 Total - Cash Equivalents | | | | | | | |

# INDEX TO HEALTH QUARTERLY STATEMENT

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11
Accounting Practices and Policies; Q5; Q10, Note 1
Admitted Assets; Q2
Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05
Bonuses; Q3; Q4; Q8; Q9
Borrowed Funds; Q3; Q6
Business Combinations and Goodwill; Q10, Note 3
Capital Gains (Losses)
  Realized; Q4
  Unrealized; Q4; Q5
Capital Stock; Q3; Q10, Note 13
Capital Notes; Q6; Q10, Note 11
Caps; QE06; QSI04
Cash; Q2; Q6; QE12
Cash Equivalents; Q2; Q6; QE13
Claims; Q3; Q4; Q8; Q9
Collars; QE06; QSI04
Commissions; Q6
Common Stock; Q2; Q3; Q6; Q11.1; Q11.2
Cost Containment Expenses; Q4
Contingencies; Q10, Note 14
Counterparty Exposure; Q10, Note 8; QE06; QE08
Debt; Q10, Note 11
Deferred Compensation; Q10, Note 12
Derivative Instruments; Q10, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08
Discontinued Operations; Q10, Note 4
Electronic Data Processing Equipment; Q2
Encumbrances; Q2; QSI01; QE01
Emergency Room; Q4
Expenses; Q3; Q4; Q6
Extinguishment of Liabilities; Q10, Note 17
Extraordinary Item; Q10, Note 21
Fair Value; Q7, Note 20
Fee for Service; Q4
Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05
Forwards; QE06; QSI04
Furniture, Equipment and Supplies; Q2
Guaranty Fund; Q2
Health Care Receivables; Q2; Q9; Q10, Note 28
Holding Company; Q16
Hospital/Medical Benefits; Q4
Incentive Pools; Q3; Q4; Q8; Q9
Income; Q4; Q5; Q6
Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9
Incurred Claims and Claim Adjustment Expenses; Q10, Note 25
Intercompany Pooling; Q10, Note 26
Investment Income; Q10, Note 7
  Accrued; Q2
  Earned; Q2; QSI03
  Received; Q6
Investments; Q10, Note 5; Q11.1; Q11.2; QE08
Joint Venture; Q10, Note 6
Leases; Q10, Note 15
Limited Liability Company (LLC); Q10, Note 6
Limited Partnership; Q10, Note 6
Long-Term Invested Assets; Q2; QE03
Managing General Agents; Q10, Note 19
Medicare Part D Coverage; QSupp1
Member Months; Q4; Q7
Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02
Nonadmitted Assets; Q2; Q5; QSI01; QSI03
Off-Balance Sheet Risk; Q10, Note 16
Options; QE06; QSI04
Organizational Chart; Q11; Q14
Out-of-Area; Q4
Outside Referrals; Q4
Parent, Subisidaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1
Participating Policies; Q10, Note 29
Pharmaceutical Rebates; Q10, Note 28
Policyholder Dividends; Q5; Q6
Postemployment Benefits; Q10, Note 12
Postretirement Benefits; Q10, Note 12
Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2

# INDEX TO HEALTH QUARTERLY STATEMENT

Premium Deficiency Reserves; Q10, Note 30
Premiums and Considerations
- Advance; Q3
- Collected; Q6
- Deferred; Q2
- Direct; Q7; Q13
- Earned; Q7
- Retrospective; Q2
- Uncollected; Q2
- Unearned; Q4
- Written; Q4; Q7

Prescription Drugs; Q4
Quasi Reorganizations; Q10, Note 13
Real Estate; Q2; Q6; QE01; QSI01
Redetermination, Contracts Subject to; Q10, Note 24
Reinsurance; Q9; Q10, Note 23
- Ceded; Q3; Q12
- Funds Held; Q2
- Payable; Q3
- Premiums; Q3
- Receivable; Q2; Q4
- Unauthorized; Q3; Q5

Reserves
- Accident and Health; Q3; Q4
- Claim; Q3; Q5; Q8
- Life; Q3

Retirement Plans; Q10, Note 12
Retrospectively Rated Policies; Q10, Note 24
Risk Revenue; Q4
Salvage and Subrogation; Q10, Note 31
Securities Lending; Q2; Q3; QE09; QE11
Servicing of Financial Assets; Q10, Note 17
Short-Term Investments; Q2; Q6; Q11.1; QSI03
Stockholder Dividends; Q5; Q6
Subsequent Events; Q10, Note 22
Surplus; Q3; Q5; Q6
Surplus Notes; Q3; Q5; Q6
Swaps; QE07; QSI04
Synthetic Assets; QSI04; QSI05
Third Party Administrator; Q10, Note 19
Treasury Stock; Q3; Q5
Uninsured Accident and Health; Q2; Q3; Q10, Note 18
Valuation Allowance; QSI01
Wash Sales; Q10, Note 17
Withholds; Q4; Q8