



**QUARTERLY STATEMENT  
AS OF MARCH 31, 2019  
OF THE CONDITION AND AFFAIRS OF THE  
TOTAL HEALTH CARE, INC.**

NAIC Group Code 1238 , 1238 NAIC Company Code 95644 Employer's ID Number 38-2018957  
(Current Period) (Prior Period)

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

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[X] No[ ] N/A[ ]

Incorporated/Organized 07/01/1973 Commenced Business 05/01/1976

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

Main Administrative Office 3011 W. GRAND BLVD. SUITE 1600  
(Street and Number)

DETROIT, MI, US 48202 (313)871-2000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 3011 W. GRAND BLVD. SUITE 1600 , DETROIT, MI, US 48202  
(Street and Number or P.O. Box) (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 (313)871-2000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address THCMI.COM

Statutory Statement Contact NICOLE ROUSH, CFO (313)871-6402  
(Name) (Area Code)(Telephone Number)(Extension)

NROUSH@THCMI.COM (313)871-4762  
(E-Mail Address) (Fax Number)

**OFFICERS**

Name	Title
RANDY NAROWITZ	EXECUTIVE DIRECTOR
JEANETTE ABBOTT	TREASURER
ROBYN JAMES ARRINGTON JR.,M.D.	MEDICAL DIRECTOR
DOUGLAS PAUL BAKER	CHAIRPERSON
RUBY OCTAVIA COLE	V-CHAIRPERSON/SECRETARY

**OTHERS**

**DIRECTORS OR TRUSTEES**

JEANETTE ABBOTT DOUGLAS PAUL BAKER  
 RUBY OCTAVIA COLE ELIZABETH PRATCHER  
 DOREEN CARTER

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 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) RANDY NAROWITZ _____ (Printed Name) 1. EXECUTIVE DIRECTOR _____ (Title)	_____ (Signature) NICOLE ROUSH _____ (Printed Name) 2. CHIEF FINANCIAL OFFICER _____ (Title)	_____ (Signature) DOUGLAS PAUL BAKER _____ (Printed Name) 3. CHAIRPERSON _____ (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2019

- a. Is this an original filing?  
 b. If no, 1. State the amendment number  
 2. Date filed  
 3. Number of pages attached

Yes[X] No[ ]

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 (Notary Public Signature)

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	998,230		998,230	994,043
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....	44,923,760		44,923,760	42,563,170
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 (\$.....34,789,126), cash equivalents (\$.....1,963,294) and short-term investments (\$.....0) .....	36,752,421		36,752,421	25,053,946
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) .....	82,674,411		82,674,411	68,611,159
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	62,213		62,213	70,906
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	841,004		841,004	2,102,511
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 (\$.....0) and contracts subject to redetermination (\$.....0) .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	1,752,088		1,752,088	1,869,523
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 .....	450,000		450,000	
24. Health care (\$.....3,242,282) and other amounts receivable .....	3,839,167	596,885	3,242,282	2,626,129
25. Aggregate write-ins for other-than-invested assets .....	9,718,759	19,079	9,699,680	9,699,680
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	99,337,642	615,964	98,721,678	84,979,908
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	99,337,642	615,964	98,721,678	84,979,908
<b>DETAILS OF WRITE-INS</b>				
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 Expenses .....	19,079	19,079		
2502. Insurance Provider Assessment Payable .....	9,699,680		9,699,680	9,699,680
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	9,718,759	19,079	9,699,680	9,699,680

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	28,316,250		28,316,250	15,346,466
2. Accrued medical incentive pool and bonus amounts .....	2,175,730		2,175,730	1,995,473
3. Unpaid claims adjustment expenses .....	644,063		644,063	799,004
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	3,660,000		3,660,000	5,490,000
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....	12,651		12,651	42,979
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 .....	222,191		222,191	26,120
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	20,707		20,707	20,707
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 .....	926,287		926,287	1,179,786
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....	9,699,680		9,699,680	9,699,680
24. Total liabilities (Lines 1 to 23) .....	45,677,559		45,677,559	34,600,215
25. Aggregate write-ins for special surplus funds .....	X X X	X X X		
26. Common capital stock .....	X X X	X X X		
27. Preferred capital stock .....	X X X	X X X		
28. Gross paid in and contributed surplus .....	X X X	X X X		
29. Surplus notes .....	X X X	X X X		
30. Aggregate write-ins for other-than-special surplus funds .....	X X X	X X X		
31. Unassigned funds (surplus) .....	X X X	X X X	53,044,119	50,379,693
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	53,044,119	50,379,693
34. Total Liabilities, capital and surplus (Lines 24 and 33) .....	X X X	X X X	98,721,678	84,979,908
<b>DETAILS OF WRITE-INS</b>				
2301. Insurance Provider Assessment Payable .....	9,699,680		9,699,680	9,699,680
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) .....	9,699,680		9,699,680	9,699,680
2501. ....	X X X	X X X		
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001. ....	X X X	X X X		
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	X X X	154,111	152,443	619,607
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	46,216,211	60,704,381	183,424,560
3. Change in unearned premium reserves and reserves for rate credits .....	X X X			
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X			
5. Risk revenue .....	X X X			
6. Aggregate write-ins for other health care related revenues .....	X X X			
7. Aggregate write-ins for other non-health revenues .....	X X X	9,699,680		9,699,680
8. Total revenues (Lines 2 to 7) .....	X X X	55,915,891	60,704,381	193,124,240
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		28,184,775	39,478,345	101,520,346
10. Other professional services .....		2,520,067	2,724,355	11,463,431
11. Outside referrals .....				
12. Emergency room and out-of-area .....		4,556,152	5,235,605	20,367,396
13. Prescription drugs .....		7,485,974	9,289,866	36,109,281
14. Aggregate write-ins for other hospital and medical .....		13,989	298,023	27,990
15. Incentive pool, withhold adjustments and bonus amounts .....		(385,732)	(251,124)	173,177
16. Subtotal (Lines 9 to 15) .....		42,375,225	56,775,070	169,661,621
<b>Less:</b>				
17. Net reinsurance recoveries .....		150,000	(7,123)	1,999,198
18. Total hospital and medical (Lines 16 minus 17) .....		42,225,225	56,782,193	167,662,423
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....0 cost containment expenses .....		118,145	121,858	477,429
21. General administrative expenses .....		15,562,577	6,619,903	35,739,028
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....		(1,830,000)	(2,827,335)	(2,992,000)
23. Total underwriting deductions (Lines 18 through 22) .....		56,075,947	60,696,619	200,886,880
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	(160,056)	7,762	(7,762,640)
25. Net investment income earned .....		165,199	87,536	14,461,164
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....				
27. Net investment gains or (losses) (Lines 25 plus 26) .....		165,199	87,536	14,461,164
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) .....	X X X	5,143	95,298	6,698,524
31. Federal and foreign income taxes incurred .....	X X X			
32. Net income (loss) (Lines 30 minus 31) .....	X X X	5,143	95,298	6,698,524
<b>DETAILS OF WRITE-INS</b>				
0601. ....	X X X			
0602. ....	X X X			
0603. ....	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X			
0701. Insurance Providers Assessment Tax .....	X X X	9,699,680		9,699,680
0702. ....	X X X			
0703. ....	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X	9,699,680		9,699,680
1401. Child Adolescent Outreach .....			224,344	
1402. Clinical Incentive .....		13,989		27,990
1403. SIM PCMH .....			73,679	
1498. Summary of remaining write-ins for Line 14 from overflow page .....				
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		13,989	298,023	27,990
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	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	50,379,693	47,175,685	47,175,685
34. Net income or (loss) from Line 32 .....	5,143	95,298	6,698,524
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	2,360,590	606,103	(3,276,780)
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....			
39. Change in nonadmitted assets .....	298,694	(164,959)	(217,736)
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) .....	2,664,427	536,442	3,204,008
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	53,044,120	47,712,127	50,379,693
<b>DETAILS OF WRITE-INS</b>			
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 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance .....	47,477,717	66,487,686	178,509,361
2. Net investment income .....	173,892	81,094	14,435,800
3. Miscellaneous income .....	9,324,996	(1,014,969)	(1,385,695)
4. TOTAL (Lines 1 to 3) .....	56,976,605	65,553,811	191,559,466
5. Benefit and loss related payments .....	28,957,748	58,832,016	166,087,153
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
7. Commissions, expenses paid and aggregate write-ins for deductions .....	16,119,491	6,778,754	17,223,487
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) .....	45,077,239	65,610,770	183,310,640
11. Net cash from operations (Line 4 minus Line 10) .....	11,899,366	(56,959)	8,248,826
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....			
12.2 Stocks .....			
12.3 Mortgage loans .....			
12.4 Real estate .....			
12.5 Other invested assets .....			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....			
12.7 Miscellaneous proceeds .....		4,230	1,808
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7) .....		4,230	1,808
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....			
13.2 Stocks .....			
13.3 Mortgage loans .....			
13.4 Real estate .....			
13.5 Other invested assets .....			
13.6 Miscellaneous applications .....	4,187		
13.7 TOTAL investments acquired (Lines 13.1 to 13.6) .....	4,187		
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) .....	(4,187)	4,230	1,808
<b>Cash from Financing and Miscellaneous Sources</b>			
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) .....	(196,704)	22,857	(9,678,573)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(196,704)	22,857	(9,678,573)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	11,698,475	(29,872)	(1,427,940)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year .....	25,053,946	26,481,886	26,481,886
19.2 End of period (Line 18 plus Line 19.1) .....	36,752,421	26,452,014	25,053,946

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

20.0001	.....	.....	.....	.....
20.0002	.....	.....	.....	.....

## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	51,300							234	51,066	
2. First Quarter .....	51,925							226	51,699	
3. Second Quarter .....										
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	154,111							687	153,424	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	70,680								70,680	
8. Non-Physician .....	46,213								46,213	
9. Total .....	116,893								116,893	
10. Hospital Patient Days Incurred .....	7,210								7,210	
11. Number of Inpatient Admissions .....	1,700								1,700	
12. Health Premiums Written (a) .....	46,448,866							104,477	46,344,389	
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	46,448,866							104,477	46,344,389	
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	29,075,185								29,075,185	
18. Amount Incurred for Provision of Health Care Services .....	42,375,225							(384,174)	42,759,399	

(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 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
<b>Claims unpaid (Reported)</b>						
Envision .....	1,261,978					1,261,978
0199999 Individually Listed Claims Unpaid .....	1,261,978					1,261,978
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	5,582,362					5,582,362
0499999 Subtotals .....	6,844,340					6,844,340
0599999 Unreported claims and other claim reserves .....						21,471,910
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						28,316,250
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						2,175,730



## UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....						
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....		76,889				
7. Title XIX - Medicaid .....	11,681,445	17,882,839	3,481,770	24,834,480	15,163,215	15,346,466
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	11,681,445	17,959,728	3,481,770	24,834,480	15,163,215	15,346,466
10. Healthcare receivables (a) .....						
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....	286,262	(852,252)	1,709,211	466,518	1,995,473	1,995,473
13. Totals (Lines 9 - 10 + 11 + 12) .....	11,967,707	17,107,476	5,190,981	25,300,998	17,158,688	17,341,939

(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, Inc. (the "Company"), a not-for-profit corporation, operates as a state-licensed health maintenance organization (HMO). The Company provides medical services to persons primarily in southeastern Michigan who subscribe as recipients of federal and state health benefits or as individuals.

Total Health Care, Inc., and its wholly owned subsidiary, Total Health Care USA, Inc., have common officers on their respective governing boards.

#### a. Accounting Practices

The accompanying financial statements of Total Health Care, 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 intangible assets and receivables greater than 90 days) are excluded from the statutory-basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$616,000 and \$915,000 March 31, 2019 and December 31, 2018, 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:

NET INCOME	SSAP#	F/S Page	F/S Line #	2019	2018
(1) Total Health Care state basis(Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	5,143	(6,698,524)
(2) State Prescribed Practices that increase (decrease) NAIC SAP:	N/A	N/A	N/A	-	-
(3) State Permitted Practices that increase (decrease) NAIC SAP:	N/A	N/A	N/A	-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	5,143	(6,698,524)
<b>SURPLUS</b>					
(5) Total Health Care state basis (Page3, Line 33, Columns 3 & 4 )	XXX	XXX	XXX	53,044,199	50,379,693
(6) State Prescribed Practices that increase (decrease) NAIC SAP:	N/A	N/A	N/A	-	-
(7) State Permitted Practices that increase (decrease) NAIC SAP:	N/A	N/A	N/A	-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	53,044,199	50,379,693

#### 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

## Notes to Financial Statement

**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, the 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 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 not backed by other loans are stated at amortized cost using the interest method.
- (3) The Company had no common stocks except items noted in (7) below.
- (4) The Company had no preferred stocks.
- (5) The Company had no mortgage loans.
- (6) The Company had no loan-backed securities.
- (7) The Company had investments in health care subsidiaries which are reported at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet.
- (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 recorded when received as amounts are not estimable.

**Revenue Recognition and Accounts Receivable** – Capitation revenue and subscriber premiums are recognized in the period that members are entitled to related health care services. A portion of the health care receivable is due from third-party payors for subscribers located within southeastern Michigan. No allowance for doubtful accounts is recorded at March 31, 2019 and December 31, 2018, respectively. Receivables greater than 90 days old are treated as non-admitted for statutory accounting purposes. Approximately \$597,000 and \$838,000 of receivables greater than 90 days old were non-admitted at March 31, 2018 and December 31, 2018, 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.

**Physician Group Contracts** - The Company contracts with certain physician groups for the provision of medical care and compensates the groups on a capitation basis. These contracts have a 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 2019 and 2018, health care receivables and payables have been recorded from/to providers.

## Notes to Financial Statement

**Hospital and Other Group Contracts** - The Company contracts with several hospitals and other groups. These contracts are paid under capitated fees 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.

**Employee Staffing and Purchased Services Agreement** - The Company has an employee staffing and purchased services agreement with a limited liability 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, Inc.

**Income Taxes** - Total Health Care, 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

During 2018, at the direction the Michigan Department of Insurance and Financial Services, the Company changed its method of accounting for the managed care Medicaid pass-through payments, which consist of the Specialty Network Access Fee (SNAF), Graduate Medical Education (GME), and the Hospital Rate Adjustment (HRA). Previously, pass-through payments received from the Michigan Department of Health & Human Services (MDHHS) and related payments to providers were reported within net premiums earned and claims incurred, respectively.

### 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. Dollar Repurchase Agreements and/or Securities Lending Transactions – None

f. Repurchase Agreements Transactions Accounted for as Secured Borrowing –None

g. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing –None

h. Repurchase Agreements Transactions Accounted for as a Sale – None

i. Reverse Repurchase Agreements Transactions Accounted for as a Sale – None

j. Real Estate – None

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

l. Restricted Assets

(1) Restricted Assets (Including Pledged)

## Notes to Financial Statement

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						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale						
i. FHLB capital stock						
j. On deposit with states	1,028,845	1,021,427	7,418	98,721,678	1.04%	1.04%
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	\$ 1,028,845	\$ 1,021,427	\$ 7,418	\$ 98,721,678	1.04%	1.04%

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

(3) Detail of Other Restricted Assets – None

(4) Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

- None

m. Working Capital Finance Investments - None

n. Offsetting and Netting of Assets and Liabilities - None

o. Structured Notes – None

p. 5\* Securities – None

q. Short Sales –None

r. Prepayment Penalty and Acceleration Fees --None

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

## Notes to Financial Statement

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 investment in Joint Ventures, Partnerships or 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, Affiliates and Other Related Parties

#### a, b, & c

The Company owns 100 percent of a subsidiary: Total Health Care USA, Inc., whose carrying value is equal to or exceeds 10% of the total admitted assets of the company. The Company carries Total Health Care USA, Inc. at the statutory net worth value of the subsidiary under the equity method and are reported as common stocks on the balance sheet.

Total Health Care USA, Inc. has a statutory statement value of \$44,923,760 and \$42,563,171 at March 31, 2019 and December 31, 2018, respectively. The value of investments in Total Health Care USA, Inc. has been reduced by non-admitted assets totaling \$178,404 and \$286,429 at March 31, 2018 and December 31, 2018, respectively.

Total Health Care USA, Inc.'s (Total USA) net income was \$2,252,565 and \$10,593,368 at March 31, 2019 and December 31, 2018, respectively.

During the year ended December 31, 2018, the Company received dividends of \$14 million from USA, all of which were approved by the Michigan Department of Insurance and Financial Services.

**d. Amounts Due from or (to) Related Parties** – At March 31, 2019 and December 31, 2018, the Company had amounts due to subsidiaries of \$429,293 and (\$20,707), respectively, resulting from costs paid by the Company on behalf of subsidiaries for operating expenses.

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

**f. Material Employee, Office Space and Equipment Leasing Agreement** – The Company has an employee, office space, and equipment leasing agreement with Total Health Care USA, Inc. (USA). The agreement calls for the Company to provide personnel, office space, and supplies necessary to USA in order for USA to carry out its HMO business operations. The agreement calls for USA to pay the Company 12 to 13 percent of USA's gross revenue from the second preceding month after certain deductions. During 2019 and 2018, the proceeds from this arrangement totaled \$6,067,629 and \$23,388,940 respectively.

**g. Common Control** - Total Health Care, Inc., and its wholly owned subsidiary, Total Health Care USA, Inc., have common officers on their respective governing boards. Total Health Care, Inc., the Parent Company, is 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

## Notes to Financial Statement

**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

**m. All SCA Investments** – N/A, exception for 8bi entity

**n. Investment in Insurance SCAs** – There are no departures from the NAIC statutory accounting practices and procedures (e.g., permitted or prescribed practices) relative to our investment in the above mentioned insurance SCA.

**o. SCA Loss Tracking** – None. The SCA is not in a loss position.

### 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 Michigan Department of Insurance and Financial Services, as long as the Company meets or exceeds minimum surplus requirements.

(4) During 2019 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.

(8) The Company held no stock.

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

(10) The portion of unassigned surplus represented unrealized gains is \$36,290,081 and \$39,566,861 at March 31, 2019 and December 31, 2018, respectively.

Unassigned surplus has been reduced by non-admitted assets totaling \$615,964 and \$914,658 at March 31, 2019 and December 31, 2018, respectively.

## Notes to Financial Statement

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

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

### 14. Liabilities, Contingencies and Assessments

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

#### A. Lessee Operating Lease

(1) The Company leases office space and computer software services under various non-cancelable operating lease agreements that expire through July 31, 2022. Rent payments are the responsibility of the management company and are included in the monthly payment under the employee staffing and purchased services agreement. Rent expense for 2018 and 2017 was approximately \$243,000 and \$921,000, respectively.

(2) The future minimum rental payments under the operating lease as of December 31, 2018 are as follows:

Year Ending December 31	Operating Leases
2020	\$ 138,452
2021	138,452
2022	80,746
Total	<u>\$ 357,650</u>

(3) The company is not involved in any material sales – leaseback transactions.

#### B. Lessor 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



## Notes to Financial Statement

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

Medicaid pass-through payments (GME, HRA, SNAF, etc) received and paid on behalf of the Michigan Department of Health & Human Services (MDHHS) to the hospitals and health centers are being disclosed under ASO Plans as directed by the Michigan Department of Insurance & Financial Services. These payments were previously included in Net Premium Income and Hospital/Medical Benefits on the Statement of Revenue and Expenses and will now be netted and the remaining reimbursement of expenses to process these payments will be reflected as a reduction of General Administrative Expenses. The net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses was (\$15,508) and (\$777,272) for the period ended March 31, 2019 and December 31, 2018, respectively.

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

The following table presents information about the Company's assets and liabilities measured at fair value at March 31, 2019, 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.

#### 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	-	1,028,845	-	1,028,845
Hybrid Securities	-	-	-	-
Parent, Subsidiaries and Affiliates	-	-	-	-
Total Bonds	\$ -	\$ 1,028,845	\$ -	\$ 1,028,845
Common Stock				
Industrial and Misc	\$ -	\$ -	\$ -	\$ -

## Notes to Financial Statement

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	\$ -	\$ 1,028,845	\$ -	\$ -	\$ 1,028,845
b. Liabilities at Fair Value					
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -	\$ -

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

(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	\$ 1,028,845	\$ 1,028,845	\$ -	\$ 1,028,845	\$ -	\$ -
Common Stock	-	-	-	-	-	-
Perpetual Preferred Stock	-	-	-	-	-	-
Mortgage Loans	-	-	-	-	-	-
Totals	\$ 1,028,845	\$ 1,021,428	\$ -	\$ 1,028,845	\$ -	\$ -

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

E. 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 used only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. These funds are classified according to the nature of the investment. At March 31, 2019 and December 31, 2018, the Company maintained \$1,028,845 and \$1,021,428, respectively, 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.

## Notes to Financial Statement

At March 31, 2019 and December 31, 2018, the Company had admitted assets of \$4,083,285 and \$4,728,638 respectively, in accounts receivable for amounts due from subscribers, governmental entities, and other health care providers. During 2019 and 2018, the Company routinely assessed the collectability of these receivables and directly wrote off any uncollectible receivables accordingly. Receivables not expected to be collected within 90 days were considered non-admitted.

d. Business Interruption Insurance Recoveries - None

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

f. Subprime Mortgage Related Risk Exposure – None, The Companies wholly-owned subsidiaries have no activity related to subprime related risk exposure.

g. Retained Assets – None

h. Insurance-Linked Securities (ILS) Contracts - None

### 22. Events Subsequent

Type I. – Recognized Subsequent Events –

Subsequent events have been considered through 02/27/2019 for the statutory statement issued on December 31, 2018.

None

Type II. – Non-recognized Subsequent Events –

Subsequent events have been considered through 02/27/2019 for the statutory statement issued on December 31, 2018.

The Company is not be subject to an annual fee under section 9010 of the Affordable care Act (ACA) because it qualifies as a nonprofit corporation meeting the requirements of Section 57.2(b)(2)(iv) of the Act. 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, 2018, the Company has written health insurance subject to the ACA assessment but qualifies as a nonprofit corporation meeting the requirements as noted above, expects to conduct health insurance business in 2019, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2019 to be \$0. This assessment is expected to impact risk based capital by 0%. Reporting the ACA assessment as of December 31, 2018 would not have triggered an RBC action level.

	<u>Current Year</u>	<u>Prior Year</u>
A. ACA fee assessment payable for the upcoming year	\$ -	\$ -
B. ACA fee assessment paid	\$ -	\$ -
C. Premium written subject to ACA 9010 assessment	\$ -	\$ -
D. Total Adjusted Capital before surplus adjustment	\$ 53,044,120	\$ 50,379,694
E. Authorized Control Level before surplus adjustment	\$ 12,130,377	\$ 12,130,377
F. Total Adjusted Capital after surplus adjustment	\$ 53,044,120	\$ 50,379,694
G. Authorized Control Level after surplus adjustment	\$ 12,130,377	\$ 12,130,377
H. Would reporting the ACA assessment as of Dec. 31, 2014 trigger an RBC action level? (YES/NO)	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?

## Notes to Financial Statement

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 \$1,752,088 and \$1,869,523 recorded at March 31, 2019 and December 31, 2018, respectively. The estimated reduction in surplus is zero.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( )                      No ( x )

### 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, 2018. The reinsurance policy provides the same coverage's on an annual per member basis after a \$300,000 (Medicaid CSHCS, Medicaid non-CSHCS, Dual eligible and 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 by both the Company and USA, or 2) the sum of 0.73 times the number of commercial members (of both the Company and USA), 0.59 times the number of Medicaid (non-CSHCS) and dual eligible members (of the Company), and 44.07 times the number of Medicaid (CSHCS) members (of the Company) during the policy period. The retained corridor will be calculated upon expiration of the policy and will be allocated to the Company based on its share of the policy recoveries.

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 Healthy Michigan program based on the medical loss ratio of this program. These no longer applied as of January 1, 2016.

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

C. The amount of net premiums written by the Company at March 31, 2019 that are subject to retrospective rating features was \$0 that represented 0% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. At March 31, 2019, the Company had no medical loss ratio rebates required pursuant to the Public Health Service Act.

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

## Notes to Financial Statement

Affordable Care Act risk sharing provisions (YES/NO)?      NO

The Company has zero balances for the risk corridors program subject to the Affordable Care Act risk sharing provisions.

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year - None

a. <u>Permanent ACA Risk Adjustment Program</u>	<u>Amount</u>
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ -
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ -
3. Premium adjustments payable due to ACA Risk Adjustment	\$ -
Operations (Revenue & Expenses)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ -
5. Reported in expenses as ACA risk adjustment user fees (incurred/Paid)	\$ -
b. <u>Transitional ACA Reinsurance Program</u>	
Assets	
1. Amount recoverable for claims paid due to ACA Reinsurance	\$ -
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	\$ -
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ -
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ -
Operations (Revenue & Expenses)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ -
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ -
9. ACA Reinsurance contributions - not reported as ceded premium	\$ -
c. <u>Temporary ACA Risk Corridors Program</u>	
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)	\$ -
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$ -

(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. - None

	<u>Accrued During the Prior Year on Business Written Before December 31 of the Prior Year</u>		<u>Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year</u>		<u>Differences</u>		<u>Adjustments</u>		<u>Unsettled Balances as of the Reporting Date</u>	
	1 <u>Receivable</u>	2 <u>(Payable)</u>	3 <u>Receivable</u>	4 <u>(Payable)</u>	5 <u>Prior Year Accrued Less Payment</u>	6 <u>Prior Year Accrued Less Payment</u>	7 <u>To Prior Year Balances</u>	8 <u>To Prior Year Balances</u>	9 <u>Cummulative Balance from Prior years (Col1-3+7)</u>	10 <u>Cummulative Balance from Prior years (Col2-4+8)</u>
					(Col 1-3)	(Col 2-4)	Balances	Balances		
a. <u>Permanent ACA Risk Adjustment Program</u> 1. <u>Premium adjustments receivable</u>	-	-	-	-	-	-	-	-	A	-

### Notes to Financial Statement

2. Premium adjustments (payable)	-	-	-	-	-	-	-	-	B	-	-
3. Subtotal ACA Permanent Risk Adjustment Program	-	-	-	-	-	-	-	-		-	-
b. Transitional ACA Reinsurance Program	-	-	-	-	-	-	-	-		-	-
1. Amounts recoverable for claims	-	-	-	-	-	-	-	-		-	-
paid	-	-	-	-	-	-	-	-	C	-	-
2. Amounts recoverable for claims	-	-	-	-	-	-	-	-		-	-
unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	-
3. Amounts receivable relating to	-	-	-	-	-	-	-	-		-	-
uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable	-	-	-	-	-	-	-	-		-	-
due to ACA Reinsurance - not reported as ceded premiums	-	-	-	-	-	-	-	-	F	-	-
5. Ceded reinsurance premiums	-	-	-	-	-	-	-	-		-	-
payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held under	-	-	-	-	-	-	-	-		-	-
uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	-	-	-	-	-	-	-	-		-	-
c. Temporary ACA Risk Corridors Program	-	-	-	-	-	-	-	-		-	-
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-
3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-	-	-	K	-	-
d. Total for ACA Risk Sharing Provisions	-	-	-	-	-	-	-	-		-	-

Explanations of Adjustments

- A \_\_\_\_\_
- B \_\_\_\_\_
- C \_\_\_\_\_
- D \_\_\_\_\_
- E \_\_\_\_\_
- F \_\_\_\_\_
- G \_\_\_\_\_
- H \_\_\_\_\_
- I \_\_\_\_\_
- J \_\_\_\_\_
- K \_\_\_\_\_

(4) Roll Forward of ACA Risk Corridor Asset and Liability Balances: - None

## Notes to Financial Statement

(5) ACA Risk Corridor Receivable: - None

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

Reserves as of December 31, 2018 were \$15,346,466. As of March 31, 2019, \$11,681,445 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$3,665,021 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 \$0 favorable prior-year development since December 31, 2018 to March 31, 2019. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$0 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

Reserves as of December 31, 2017 were \$36,945,706. As of December 31, 2018, \$34,387,949 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$698,276 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 \$1,859,481 favorable prior-year development since December 31, 2017 to December 31, 2018. The change is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$0 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

### 26. Intercompany Pooling Arrangements

None

### 27. Structured Settlements

None

### 28. Health Care Receivables

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

Pharmaceutical rebates receivable at March 31, 2019 and December 31, 2018 were \$0 and \$0, respectively. Rebates are netted with pharmacy expense. During 2019 and 2018, pharmacy rebates in the amount of \$33,808 and \$175,008, respectively, were collected.

Health care receivables include the following amounts related to Pharmaceutical rebates receivables.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/Confirmation
3/31/19	33,808	33,808	33,808	0	0
12/31/18	58,404	58,404	58,404	0	0
9/30/18	40,881	40,881	40,881	0	0
6/30/18	47,713	47,713	47,713	0	0
3/31/18	28,010	28,010	28,010	0	0
12/31/17	83,335	83,335	83,335	0	0

## Notes to Financial Statement

9/30/17	62,383	62,383	62,383	0	0
6/30/17	89,905	89,905	89,905	0	0
3/31/17	58,668	58,668	58,668	0	0
12/31/16	94,332	94,332	94,332	0	0
9/30/16	82,634	82,634	82,634	0	0
6/30/16	116,655	116,655	116,655	0	0
3/31/16	177,160	177,160	177,160	0	0

### 29. Participating Policies

None

### 30. Premium Deficiency Reserves – No Change

- |   |  |
|---|--|
| 1. Liability carried for premium deficiency reserves    | \$3,660,000  |
| 2. Date of the most recent evaluation of this liability | 02/27/2019   |
| 3. Was anticipated investment income utilized?          | Yes <input type="radio"/> No <input checked="" type="checkbox"/> |

### 31. Anticipated Salvage and Subrogation

Loss reserves have not been reduced for any salvage or subrogation. During 2019 and 2018, the Company received subrogation totaling \$62,865 and \$617,961, 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: Yes[ ] No[X]
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes[ ] No[X]
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. Yes[ ] No[X]
  
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]  
If yes, complete and file the merger history data file with the NAIC for the annual filing corresponding to this period.
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[ ] No[ ] 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. ..... 12/31/2015 .....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. ..... 12/31/2015 .....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). ..... 03/31/2017 .....
- 6.4 By what department or departments?  
MICHIGAN DEPARTMENT OF INSURANCE AND 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 Yes[ ] No[X]
  
- 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. Yes[ ] No[X]
- 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. Yes[ ] No[X]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
N/A .....	.....	..... No .....	..... No .....	..... No .....	..... No .....

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

### FINANCIAL

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

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto:
  
- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ ..... 0
- 13. Amount of real estate and mortgages held in short-term investments: \$ ..... 0
  
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[X] No[ ]

# GENERAL INTERROGATORIES (Continued)

## INVESTMENT

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....		
14.22 Preferred Stock .....		
14.23 Common Stock .....	42,563,170	44,923,760
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) .....	42,563,170	44,923,760
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 Name of Custodian(s)	2 Custodian Address
COMERICA BANK - Carol Morga .....	P.O. BOX 75000, DETROIT, MI 48275-3462 .....

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A .....		

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes[ ] No[X]

17.4 If yes, give full and complete information relating thereto:

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

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

1 Name of Firm or Individual	2 Affiliation
Comerica Securities - Carol Morga .....	U .....

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

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

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

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
17079 .....	Comerica Securities .....	.....	SEC .....	DS .....

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[ ] No[X]

18.2 If no, list exceptions:  
 NOT REQUIRED BY STATE OF DOMICILE

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:  
 a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
 b. Issuer or obligor is current on all contracted interest and principal payments.  
 c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
 Has the reporting entity self-designated 5GI securities? Yes[ ] No[X]

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

## **GENERAL INTERROGATORIES (Continued)**

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

Yes[ ] No[X]

# GENERAL INTERROGATORIES

## PART 2 - HEALTH

- |   |               |
|---|---------------|
| 1. Operating Percentages:   |               |
| 1.1 A&H loss percent  | ..... 91.710% |
| 1.2 A&H cost containment percent  | ..... 0.250%  |
| 1.3 A&H expense percent excluding cost containment expenses   | ..... 33.590% |
| 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     |
| 3. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?   | Yes[ ] No[X]  |
| 3.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? | Yes[ ] No[X]  |

## SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
<b>Accident and Health - Non-affiliates</b>								
60739 .....	74-0484030 .....	.....	AMERICAN NATL INS CO .....	TX .....	SSL/A/G .....	Authorized .....	.....	.....
60739 .....	74-0484030 .....	.....	AMERICAN NATL INS CO .....	TX .....	SSL/A/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
State, Etc.	Active Status (a)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama (AL)	N								
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		104,477	46,334,389				46,438,866	
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)	X X X								
59. Subtotal	X X X		104,477	46,334,389				46,438,866	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	X X X		104,477	46,334,389				46,438,866	
<b>DETAILS OF WRITE-INS</b>									
58001.	X X X								
58002.	X X X								
58003.	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(a) Active Status Counts:

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

1

- R Registered - Non-domiciled RRGs
- Q Qualified - Qualified or accredited reinsurer

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**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	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	Is an SCA Filing Required? (Y/N)	*
1238 ..	TOTAL HEALTH GROUP .....	95644	38-2018957 ..	.....	.....	.....	TOTAL HEALTH CARE INC .....	.. MI ..	.. UDP ..	.....	.....	.....	.....	.. N .....	.....
1238 ..	TOTAL HEALTH GROUP .....	12326	38-3240485 ..	.....	.....	.....	TOTAL HEALTH CARE USA INC .....	.. MI ..	.. DS ..	TOTAL HEALTH CARE INC .....	Ownership, Board of Directors .....	..... 100.0	TOTAL HEALTH CARE INC	.. N .....	.....

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



95644201936500001

2019

Document Code: 365

**OVERFLOW PAGE FOR WRITE-INS**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
0604. ....	X X X			
0605. ....	X X X			
0606. ....	X X X			
0607. ....	X X X			
0608. ....	X X X			
0697. Summary of remaining write-ins for Line 6 (Lines 0604 through 0696) .....	X X X			
0797. Summary of remaining write-ins for Line 7 (Lines 0704 through 0796) .....	X X X			
1404. ....				
1405. ....				
1406. ....				
1407. ....				
1408. ....				
1409. Other Expense .....				
1497. Summary of remaining write-ins for Line 14 (Lines 1404 through 1496) .....				
2997. Summary of remaining write-ins for Line 29 (Lines 2904 through 2996) .....				

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year To Date	2 Prior Year To Date	3 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 Year To Date	2 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 value .....		
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 Year To Date	2 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 points .....		
9. Total foreign exchange change in book value/recorded investment .....		
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 Year To Date	2 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 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	43,557,213	46,835,800
2. Cost of bonds and stocks acquired .....		
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....	2,364,777	(3,278,588)
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. Total investment income recognized as a result of prepayment penalties and/or acceleration fees .....		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10) .....	45,921,990	43,557,213
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....	45,921,990	43,557,213

## 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**

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a) .....	994,043			4,187	998,230			994,043
2. NAIC 2 (a) .....								
3. NAIC 3 (a) .....								
4. NAIC 4 (a) .....								
5. NAIC 5 (a) .....								
6. NAIC 6 (a) .....								
7. Total Bonds .....	994,043			4,187	998,230			994,043
<b>PREFERRED STOCK</b>								
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 .....	994,043			4,187	998,230			994,043

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

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**SI03 Schedule DA Part 1 ..... NONE**

**SI03 Schedule DA Verification ..... NONE**

**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**

**SCHEDULE E - PART 2 - VERIFICATION**

(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	3,410,536	811,444
2.	Cost of cash equivalents acquired .....	3,302,758	2,599,092
3.	Accrual of discount .....		
4.	Unrealized valuation increase (decrease) .....		
5.	Total gain (loss) on disposals .....		
6.	Deduct consideration received on disposals .....	4,750,000	
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) .....	1,963,294	3,410,536
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....	1,963,294	3,410,536

<b>E01 Schedule A Part 2</b> .....	<b>NONE</b>
<b>E01 Schedule A Part 3</b> .....	<b>NONE</b>
<b>E02 Schedule B Part 2</b> .....	<b>NONE</b>
<b>E02 Schedule B Part 3</b> .....	<b>NONE</b>
<b>E03 Schedule BA Part 2</b> .....	<b>NONE</b>
<b>E03 Schedule BA Part 3</b> .....	<b>NONE</b>
<b>E04 Schedule D Part 3</b> .....	<b>NONE</b>
<b>E05 Schedule D Part 4</b> .....	<b>NONE</b>
<b>E06 Schedule DB Part A Section 1</b> .....	<b>NONE</b>
<b>E07 Schedule DB Part B Section 1</b> .....	<b>NONE</b>
<b>E08 Schedule DB Part D Section 1</b> .....	<b>NONE</b>
<b>E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity</b> .....	<b>NONE</b>
<b>E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity</b> .....	<b>NONE</b>
<b>E10 Schedule DL - Part 1 - Securities Lending Collateral Assets</b> .....	<b>NONE</b>
<b>E11 Schedule DL - Part 2 - Securities Lending Collateral Assets</b> .....	<b>NONE</b>

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
Comerica Bank	COMERICA, DETROIT, MI		2.290	116,094	52,359	30,972,191	24,995,235	29,997,514	X X X
Stride Bank	STRIDE BANK, OKLAHOMA CITY, OK							4,791,612	X X X
State Bk & Tr Co Macon GA 1.75%	COMERICA, DETROIT, MI	12/31/2018	1.750	360					X X X
Covenant Bk Doylestown PA 2.00%	COMERICA, DETROIT, MI	02/28/2019	2.000	4,616		249,960			X X X
First Bk Troy North Carolina 1.85%	COMERICA, DETROIT, MI	12/28/2018	1.850	367					X X X
Sonabank Natl Assn Charlottesville 1.85%	COMERICA, DETROIT, MI	12/28/2018	1.850	367					X X X
Sussexbank Franklin NJ Ctf Dep 1.90%	COMERICA, DETROIT, MI	01/28/2019	1.900	3,982					X X X
BankFinancial FSB Olympia Fields 1.95%	COMERICA, DETROIT, MI	02/28/2019	1.950	801		249,953			X X X
Compass Bk Birmingham ALA 2.00%	COMERICA, DETROIT, MI	01/18/2019	2.000	3,767					X X X
Hingham Instn Svgs Mass 1.90%	COMERICA, DETROIT, MI	01/14/2019	1.900	3,592					X X X
Homestreet Bk Seattle Wash 1.90%	COMERICA, DETROIT, MI	01/24/2019	1.900	403					X X X
Synchrony Bk Retail CTF Dep Prog 1.90%	COMERICA, DETROIT, MI	01/22/2019	1.900	3,605					X X X
TCF National Bank 1.90%	COMERICA, DETROIT, MI	01/25/2019	1.900	3,579					X X X
Z B N A Instl CTF Dep Program3/ 1.95%	COMERICA, DETROIT, MI	01/11/2019	1.950	3,660					X X X
Bank India New YorkBRH 2.10%	COMERICA, DETROIT, MI	02/27/2019	2.100	3,912		249,980			X X X
Stifel Bk & Tr St Louis MO 2.10%	COMERICA, DETROIT, MI	02/28/2019	2.100	849		249,985			X X X
Triumph Bk Germantown Tenn 2.00%	COMERICA, DETROIT, MI	02/11/2019	2.000	849		249,988			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	150,803	52,359	32,222,057	24,995,235	34,789,126	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	150,803	52,359	32,222,057	24,995,235	34,789,126	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	150,803	52,359	32,222,057	24,995,235	34,789,126	X X X



## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8	9
Cusip	Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>Exempt Money Market Mutual Funds - as Identified by SVO</b>								
09248U551	BLACKROCK TREASURY TRUST FUND	SD	10/04/2018	2.290	X X X	1,932,679	3,805	15,498
09248U551	BLACKROCK TREASURY TRUST FUND	SD	10/04/2018	2.290	X X X	30,616	59	681
8599999	Subtotal - Exempt Money Market Mutual Funds - as Identified by SVO					1,963,295	3,864	16,179
8899999	Total - Cash Equivalents					1,963,295	3,864	16,179

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