

**STATE OF SOUTH CAROLINA  
RICHLAND COUNTY**

**IN THE COURT OF COMMON PLEAS  
FIFTH JUDICIAL CIRCUIT**

Raymond G. Farmer, as Director of the South  
Carolina Department of Insurance,

Civil Action No. 2016-CP-40-00034

Petitioner,

**NOTICE OF FILING OF  
FINANCIAL STATEMENTS AS OF  
JUNE 30, 2021**

vs.

Consumers' Choice Health Insurance  
Company,

Respondent.

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Pursuant to the South Carolina Insurers Rehabilitation and Liquidation Act, S.C. Code Ann. §§ 38-27-10 *et seq.*, the Liquidator of Consumers' Choice Health Insurance Company in Liquidation (Consumers' Choice) hereby files the financial statements of Consumers' Choice as of June 30, 2021. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

September 1, 2021

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One of the Attorneys for Petitioner

EXHIBIT A

Consumers' Choice Health Insurance Company in Liquidation  
 Balance Sheet  
 December 31, 2020 and June 30, 2021

	December 31, 2020	June 30, 2021
<b>Assets</b>		
Cash & Equivalents	59,481,374	56,091,594
Commercial Reinsurance Recoverable	473,585	467,634
Other	8,527	14,017
<b>Total Assets</b>	<b>59,963,486</b>	<b>56,573,245</b>
<b>Liabilities</b>		
Provider Claims	1,915,711	950,864
Claim Adjustment Cost	30,000	14,000
Payable to SC GA	-	150,000
Administrative Costs	5,283,906	1,513,008
SC DOI Liq Payable	29,971	28,981
<b>Total Liabilities</b>	<b>7,259,587</b>	<b>2,656,852</b>
<b>Capital</b>		
Surplus Notes/Solvency Loans	68,868,408	68,868,408
Retained Earnings	(16,164,509)	(14,952,015)
Unassigned Funds	<b>52,703,899</b>	<b>53,916,393</b>
<b>Total Liabilities, Capital and Surplus</b>	<b>59,963,486</b>	<b>56,573,245</b>

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EXHIBIT A

Consumers' Choice Health Insurance Company in Liquidation  
 Income Statement  
 Year Ended December 31, 2020 and Six Months Ended June 30, 2021

	Year Ended December 31, 2020	Six Months Ended June 30, 2021
<b>Revenue</b>		
Other Non-Health Revenue	-	-
<b>Total Revenue</b>	-	-
<b>Medical Costs</b>		
Medical and Hospital	774,043	(822,913)
Reinsurance	(348,450)	5,951
Claim Adjustment	(58,300)	(10,000)
<b>Total Medical and Hospital Claims Incurred</b>	<b>367,293</b>	<b>(826,962)</b>
<b>Other Costs</b>		
Administrative Expenses	6,559,314	(408,400)
<b>Total Other Costs</b>	<b>6,559,314</b>	<b>(408,400)</b>
<b>Total underwriting deductions</b>	<b>6,926,607</b>	<b>(1,235,362)</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(6,926,607)</b>	<b>1,235,362</b>
Investment Income Earned	21,312	(22,868)
Realized Capital Gains	-	-
<b>Net Investment Gains (Losses)</b>	<b>21,312</b>	<b>(22,868)</b>
<b>Net Income (Loss)</b>	<b>(6,905,295)</b>	<b>1,212,494</b>
<b>Beginning Capital and Surplus</b>	(50,253,452)	52,703,899
Net Income (Loss)	(6,905,295)	1,212,494
Change in Non-Admit	109,862,645	-
<b>Ending Capital and Surplus</b>	<b>52,703,899</b>	<b>53,916,393</b>

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EXHIBIT A

Consumers Choice Health Insurance Company in Liquidation  
 Receipts and Disbursements  
 Commencing January 8, 2016 and Ending June 30, 2021

	2016 1-8-16 to 12-31-16	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD	ITD
<b>Beginning Cash</b>	<b>17,833,970</b>	<b>13,605,599</b>	<b>14,550,650</b>	<b>8,493,753</b>	<b>5,629,596</b>	<b>59,481,374</b>	<b>17,833,970</b>
<b>Receipts</b>							
Investment income	3,949	64,383	139,607	140,226	28,980	(21,909)	355,237
Premiums	137,434	-	-	-	-	-	137,434
Provider Refunds/Subrogation	2,612,035	522,789	92,535	85,721	25,424	8,066	3,346,570
Reinsurance recoveries	906,652	26	-	-	-	-	906,677
OptumRx recoveries		2,247,651	-	-	-	-	2,247,651
Administrative Services Revenue	197,657	667,384	136,581	19,664	-	-	1,021,285
Funds held f/b/o CHA	3,208,161	(240,120)	(639,265)	(2,328,776)	-	-	(0)
CMS	-	-	-	-	91,152,846	-	91,152,846
Other	129,879	1,696	-	-	-	-	131,575
<b>Total receipts</b>	<b>7,195,765</b>	<b>3,263,809</b>	<b>(270,543)</b>	<b>(2,083,165)</b>	<b>91,207,250</b>	<b>(13,843)</b>	<b>99,299,274</b>
<b>Disbursements</b>							
Bank Fees	16,155	6,720	4,323	3,001	1,932	949	33,080
Office Supplies	1,119	1,827	4,739	4,935	5,032	2,483	20,135
Accounting Fees	107,219	63,105	1,638	5,374	5,092	120	182,549
TPA fees	3,058,423	393,194	128,358	21,000	13,250	6,000	3,620,225
Claim & Claim Adjustment Payments	(69,840)	(566)	11,520	6,235	35,835,008	-	35,782,357
Early Access Advances to Guaranty Association	-	-	5,000,000	-	(5,000,000)	-	-
Special Deputy Fees	288,642	276,455	232,848	182,622	258,151	157,329	1,396,046
SC DOI	11,160	-	-	-	5,800,000	-	5,811,160
Legal fees	284,014	537,635	113,222	65,489	195,674	6,469	1,202,503
Federal Reinsurance Fee	2,206,996	-	-	-	-	-	2,206,996
Payroll	2,921,155	267,340	48,519	50,527	60,797	35,815	3,384,153
Member Premium Refunds	941,806	657	-	-	-	-	942,463
Guaranty Association Expenses	161,013	59,964	-	347,823	90,836	-	659,635
Subordinate Claim Payments	-	-	-	-	-	3,099,593	3,099,593
Misc	1,496,275	712,428	241,187	93,986	89,700	67,180	2,700,756
<b>Total Disbursements</b>	<b>11,424,136</b>	<b>2,318,758</b>	<b>5,786,354</b>	<b>780,992</b>	<b>37,355,473</b>	<b>3,375,937</b>	<b>61,041,651</b>
<b>Net Cash Flow</b>	<b>(4,228,371)</b>	<b>945,051</b>	<b>(6,056,897)</b>	<b>(2,864,157)</b>	<b>53,851,778</b>	<b>(3,389,780)</b>	<b>38,257,624</b>
<b>Ending Cash</b>	<b>13,605,599</b>	<b>14,550,650</b>	<b>8,493,753</b>	<b>5,629,596</b>	<b>59,481,374</b>	<b>56,091,594</b>	<b>56,091,594</b>

Rec & Disb

EXHIBIT A

Consumers' Choice Health Insurance Company in Liquidation  
 Payments to Consultants and Professionals  
 Commencing January 8, 2016 and Ending June 30, 2021

	2016 1-8-16 to 12-31-16	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD	ITD
FitzGibbons and Company, Inc. - Special Deputy	288,642	276,455	232,848	182,622	258,151	157,329	1,396,046
Wakely Consulting Group-Actuarial	29,187	-	-	-	-	-	29,187
Dixon Hughes Goodman, LLP-Audit	31,940	22,500	-	-	-	-	54,440
Millennium Consulting Services, LLC-Statutory Reporting	11,471	7,125	-	-	-	-	18,596
Inovalon-Edge Server Compliance	377,246	-	-	-	-	-	377,246
Truven-Cost Share Reduction Compliance	75,800	-	-	-	-	-	75,800
Lattimore Black Morgan & Cain, PC-Accounting	34,621	33,480	1,638	5,374	240	120	75,473
Deloitte Tax LLP	-	-	-	-	4,852	-	4,852
Barnwell Whaley Patterson & Helms, LLC-Counsel	14,614	3,152	3,058	1,447	-	4,173	26,444
Nelson Mullins Riley & Scarborough, LLP-Counsel	269,400	534,483	110,164	64,042	195,674	2,296	1,176,059
Shahriar Arfa-Zanganeh CPA CFF	22,518	9,656	5,456	-	-	-	37,631
Beal LLC	-	-	11,520	6,235	1,695	-	19,451
CrowdStrike Inc.- IT Consulting	-	-	85,041	119	-	-	85,160
Former Employees-Contracted	335,832	510,112	103,578	25,433	17,894	5,185	998,034
	<b>1,491,272</b>	<b>1,396,963</b>	<b>553,303</b>	<b>285,273</b>	<b>478,506</b>	<b>169,102</b>	<b>4,374,420</b>

Prof Fees