

**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,

Petitioner,

vs.

Consumers' Choice Health Insurance
Company,

Respondent.

Civil Action No. 2016-CP-40-00034

**NOTICE OF FILING OF
FINANCIAL STATEMENTS AS OF
JUNE 30, 2022**

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, 2022. Said financial statements are attached as Exhibit A to this filing.

August 19, 2022

Respectfully submitted,

s/ Geoffrey R. Bonham
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One of the Attorneys for Petitioner

EXHIBIT A

Consumers' Choice Health Insurance Company in Liquidation
Balance Sheet
December 31, 2021 and June 30, 2022

	December 31, 2021	June 30, 2022
Assets		
Cash & Equivalents	55,467,267	55,388,297
Commercial Reinsurance Recoverable	-	-
Other	5,122	1,394
Total Assets	55,472,389	55,389,692
Liabilities		
Provider Claims	950,864	946,441
Claim Adjustment Cost	14,000	20,000
Payable to SC GA	-	-
Administrative Costs	699,475	709,275
SC DOI Liq Payable	28,964	29,033
Total Liabilities	1,693,303	1,704,749
Capital		
Surplus Notes/Solvency Loans	68,868,408	68,868,408
Retained Earnings	<u>(15,089,322)</u>	<u>(15,183,466)</u>
Unassigned Funds	53,779,086	53,684,942
Total Liabilities, Capital and Surplus	55,472,389	55,389,692

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EXHIBIT A

Consumers' Choice Health Insurance Company in Liquidation
Income Statement
Year Ended December 31, 2021 and Six Months Ended June 30, 2022

	Year Ended December 31, 2021	Six Months Ended June 30, 2022
Revenue		
Other Non-Health Revenue	-	-
Total Revenue	-	-
Medical Costs		
Medical and Hospital	(841,447)	(4,496)
Reinsurance	(32,195)	-
Claim Adjustment	(10,000)	6,000
Total Medical and Hospital Claims Incurred	(883,642)	1,504
Other Costs		
Administrative Expenses	(233,993)	152,698
Total Other Costs	(233,993)	152,698
Total underwriting deductions	(1,117,635)	154,202
Net Underwriting Gain (Loss)	1,117,635	(154,202)
Investment Income Earned	(42,448)	60,058
Realized Capital Gains	-	-
Net Investment Gains (Losses)	(42,448)	60,058
Net Income (Loss)	1,075,187	(94,144)
Beginning Capital and Surplus	52,703,899	53,779,086
Net Income (Loss)	1,075,187	(94,144)
Change in Non-Admit	-	-
Ending Capital and Surplus	53,779,086	53,684,942

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EXHIBIT A

Consumers Choice Health Insurance Company in Liquidation
Receipts and Disbursements
Commencing January 8, 2016 and Ending June 30, 2022

	2016 1-8-16 to 12-31-16	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD	2022 YTD	ITD
Beginning Cash	17,833,970	13,605,599	14,550,650	8,493,753	5,629,596	59,481,374	55,467,267	17,833,970
Receipts								
Investment income	3,949	64,383	139,607	140,226	28,980	(40,323)	59,678	396,500
Premiums	137,434	-	-	-	-	-	-	137,434
Provider Refunds/Subrogation	2,612,035	522,789	92,535	85,721	25,424	23,817	73	3,362,394
Reinsurance recoveries	906,652	26	-	-	-	467,190	-	1,373,867
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	-	-	-	2,783	-	134,357
Total receipts	7,195,765	3,263,809	(270,543)	(2,083,165)	91,207,250	453,466	59,751	99,826,335
Disbursements								
Bank Fees	16,155	6,720	4,323	3,001	1,932	2,110	1,001	35,241
Office Supplies	1,119	1,827	4,739	4,935	5,032	6,944	4,550	29,145
Accounting Fees	107,219	63,105	1,638	5,374	5,092	2,785	3,105	188,319
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	150,000	-	35,932,357
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	315,381	97,647	1,651,745
SC DOI	11,160	-	-	-	5,800,000	-	-	5,811,160
Legal fees	284,014	537,635	113,222	65,489	195,674	18,325	-	1,214,359
Federal Reinsurance Fee	2,206,996	-	-	-	-	-	-	2,206,996
Payroll	2,921,155	267,340	48,519	50,527	60,797	78,517	25,054	3,451,910
Member Premium Refunds	941,806	657	-	-	-	-	-	942,463
Guaranty Association Expenses	161,013	59,964	-	347,823	90,836	86,684	-	746,320
Subordinate Claim Payments	-	-	-	-	-	3,707,788	-	3,707,788
Misc	1,496,275	712,428	241,187	93,986	89,700	93,040	7,364	2,733,980
Total Disbursements	11,424,136	2,318,758	5,786,354	780,992	37,355,473	4,467,574	138,720	62,272,007
Net Cash Flow	(4,228,371)	945,051	(6,056,897)	(2,864,157)	53,851,778	(4,014,107)	(78,969)	37,554,327
Ending Cash	13,605,599	14,550,650	8,493,753	5,629,596	59,481,374	55,467,267	55,388,297	55,388,297

Rec & Disb

EXHIBIT A

**Consumers' Choice Health Insurance Company in Liquidation
Payments to Consultants and Professionals
Commencing January 8, 2016 and Ending June 30, 2022**

	2016 1-8-16 to 12-31-16	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD	2022 YTD	ITD
FitzGibbons and Company, Inc. - Special Deputy	288,642	276,455	232,848	182,622	258,151	315,381	97,647	1,651,745
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	140	220	75,713
Deloitte Tax LLP	-	-	-	-	4,852	2,645	2,885	10,382
Barnwell Whaley Patterson & Helms, LLC-Counsel	14,614	3,152	3,058	1,447	-	6,025	-	28,296
Nelson Mullins Riley & Scarborough, LLP-Counsel	269,400	534,483	110,164	64,042	195,674	12,300	-	1,186,063
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	7,714	-	1,000,563
	1,491,272	1,396,963	553,303	285,273	478,506	344,205	100,752	4,650,274

Prof Fees