

**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
DECEMBER 31, 2021**

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 December 31, 2021. Said financial statements are attached as Exhibit A to this filing.

April 15, 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, 2020 and 2021

	December 31,	
	2020	2021
Assets		
Cash & Equivalents	59,481,374	55,467,267
Commercial Reinsurance Recoverable	473,585	-
Other	8,527	5,122
Total Assets	59,963,486	55,472,389
Liabilities		
Provider Claims	1,915,711	950,864
Claim Adjustment Cost	30,000	14,000
Payable to SC GA	-	-
Administrative Costs	5,283,906	699,475
SC DOI Liq Payable	29,971	28,964
Total Liabilities	7,259,587	1,693,303
Capital		
Surplus Notes/Solvency Loans	68,868,408	68,868,408
Retained Earnings	<u>(16,164,509)</u>	<u>(15,089,322)</u>
Unassigned Funds	52,703,899	53,779,086
Total Liabilities, Capital and Surplus	59,963,486	55,472,389

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EXHIBIT A

Consumers' Choice Health Insurance Company in Liquidation
Income Statement
Years Ended December 31, 2020 and 2021

	Years Ended December 31,	
	2020	2021
Revenue		
Other Non-Health Revenue	-	-
Total Revenue	-	-
Medical Costs		
Medical and Hospital	774,043	(841,447)
Reinsurance	(348,450)	(32,195)
Claim Adjustment	(58,300)	(10,000)
Total Medical and Hospital Claims Incurred	367,293	(883,642)
Other Costs		
Administrative Expenses	6,559,314	(233,993)
Total Other Costs	6,559,314	(233,993)
Total underwriting deductions	6,926,607	(1,117,635)
Net Underwriting Gain (Loss)	(6,926,607)	1,117,635
Investment Income Earned	21,312	(42,448)
Realized Capital Gains	-	-
Net Investment Gains (Losses)	21,312	(42,448)
Net Income (Loss)	(6,905,295)	1,075,187
Beginning Capital and Surplus	(50,253,452)	52,703,899
Net Income (Loss)	(6,905,295)	1,075,187
Change in Non-Admit	109,862,645	-
Ending Capital and Surplus	52,703,899	53,779,086

EXHIBIT A

Consumers Choice Health Insurance Company in Liquidation
 Receipts and Disbursements
 Commencing January 8, 2016 and Ending December 31, 2021

	2016 1-8-16 to 12-31-16	2017 YTD	2018 YTD	2019 YTD	2020 YTD	2021 YTD	ITD
Beginning Cash	17,833,970	13,605,599	14,550,650	8,493,753	5,629,596	59,481,374	17,833,970
Receipts							
Investment income	3,949	64,383	139,607	140,226	28,980	(40,323)	336,823
Premiums	137,434	-	-	-	-	-	137,434
Provider Refunds/Subrogation	2,612,035	522,789	92,535	85,721	25,424	23,817	3,362,321
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	99,766,584
Disbursements							
Bank Fees	16,155	6,720	4,323	3,001	1,932	2,110	34,240
Office Supplies	1,119	1,827	4,739	4,935	5,032	6,944	24,595
Accounting Fees	107,219	63,105	1,638	5,374	5,092	2,785	185,214
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	1,554,098
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	3,426,856
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	2,726,616
Total Disbursements	11,424,136	2,318,758	5,786,354	780,992	37,355,473	4,467,574	62,133,287
Net Cash Flow	(4,228,371)	945,051	(6,056,897)	(2,864,157)	53,851,778	(4,014,107)	37,633,297
Ending Cash	13,605,599	14,550,650	8,493,753	5,629,596	59,481,374	55,467,267	55,467,267

Rec & Disb

EXHIBIT A

Consumers' Choice Health Insurance Company in Liquidation
 Payments to Consultants and Professionals
 Commencing January 8, 2016 and Ending December 31, 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	315,381	1,554,099
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	75,493
Deloitte Tax LLP	-	-	-	-	4,852	2,645	7,497
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	4,549,522

Prof Fees