

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

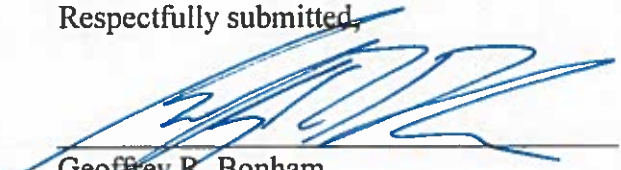
NOTICE OF FILING OF
FINANCIAL STATEMENTS AS OF
DECEMBER 31, 2016

2017 FEB 21 AM 8:53
JEANETTE W. MCBRIDE
RICHLAND COUNTY
FILED
S.C.P. & G.S.

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, 2016. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

February 24, 2017



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One of the Attorneys for Petitioner

Consumers Choice Health Insurance Company in Liquidation
Statutory Balance Sheet
31-Dec-16

Assets

Cash & Equivalents	10,397,438
Cash-Restricted	3,208,161
Statutory Deposit	125,963
CMS Receivables (a)	37,005,389
Pharmacy Receivable	60,494
Due from Community Health Alliance	165,075
Commercial Reinsurance Recoveries	750,129
Other	1,157
Total Assets	51,713,805

Liabilities

Provider Claims	2,028,564
Claim Adjustment Cost	199,798
Payable to SC GA	35,730,437
Administrative Costs	6,749,108
Amounts Withheld for Others	4,108
Funds held f/b/o Community Health Alliance	3,208,161
SC DOI Liquidation Payable	1,081,196
CMS Payables	
Advance Premiums and CSR Advances	2,079,816
CSR Settlement	1,352,057
Risk Adjustment	15,026,263
Risk Adjustment Fees	66,115
Startup Loan	18,709,800
RI Payable	735,665
Total Liabilities	86,971,088

Capital

Surplus Notes/Solvency Loans	68,868,408
Retained Earnings	<u>(104,125,691)</u>
Unassigned Funds	(35,257,283)
Capital and Surplus	51,713,805

(a) Admitted only up to Statutory Liabilities

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

	<u>Jan 8 through Mar 31, 2016</u>	<u>2Q 2016</u>	<u>3Q 2016</u>	<u>4Q 2016</u>	<u>Jan 8 through Dec 31, 2016</u>
Beginning Cash	17,833,970	14,028,205	11,403,217	11,513,084	17,833,970
Receipts					
Investment income	214	1,757	950	1,027	3,949
Premiums	134,683	1,037	1,441	273	137,434
Provider/Subrogation refunds	848,299	488,302	1,018,537	256,898	2,612,035
Reinsurance recoveries	605,573	-	300,755	324	906,652
Administrative Services Revenue				197,657	197,657
Funds held f/b/o CHA				3,208,161	3,208,161
Other	90,201	31,397	8,153	127	129,879
Total receipts	<u>1,678,969</u>	<u>522,493</u>	<u>1,329,836</u>	<u>3,664,467</u>	<u>7,195,765</u>
Disbursements					
Bank Fees	7,565	4,394	2,274	1,922	16,155
Office Supplies	577	83	19	439	1,119
Accounting Fees	24,030	47,427	18,483	17,279	107,219
TPA fees	1,314,451	1,293,929	237,121	212,922	3,058,423
Claim Payments	(7,660)	(9,262)	(2,800)	(50,118)	(69,840)
Special Deputy Fees	-	150,333	89,045	49,264	288,642
SC DOI	11,160	-	-	-	11,160
Legal fees	10,379	2,326	1,269	270,040	284,014
Federal Reinsurance Fee	2,206,996	-	-	-	2,206,996
Payroll	1,042,479	579,923	432,352	866,401	2,921,155
Member Premium Refunds	-	791,237	61,676	88,893	941,806
Misc	874,757	287,091	380,530	114,910	1,657,287
Total Disbursements	<u>5,484,734</u>	<u>3,147,481</u>	<u>1,219,970</u>	<u>1,571,952</u>	<u>11,424,136</u>
Net Cash Flow	<u>(3,805,765)</u>	<u>(2,624,987)</u>	<u>109,867</u>	<u>2,092,515</u>	<u>(4,228,371)</u>
Ending Cash	<u>14,028,205</u>	<u>11,403,217</u>	<u>11,513,084</u>	<u>13,605,599</u>	<u>13,605,599</u>

Rec & Disb

Consumers Choice Health Insurance Company in Liquidation
Payments to Consultants and Professionals
Commencing January 8, 2016 and Ending December 31, 2016

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>ITD</u>
FitzGibbons and Company, Inc. - Special Deputy	\$ -	\$ -	\$ -	\$ 79,236	\$ 41,658	\$ 29,438	\$ 26,041	\$ 38,340	\$ 24,664	\$ 25,845	\$ 23,419	\$ -	\$ 288,642
Wakely Consulting Group-Actuarial	-	-	4,710	6,947	-	12,800	-	3,870	-	-	-	860	29,187
Dixon Hughes Goodman, LLP-Audit	-	2,882	-	-	-	20,558	-	8,500	-	-	-	-	31,940
Millennium Consulting Services, LLC-Statutory Reporting	1,125	3,750	4,096	-	-	-	-	-	-	-	-	2,500	11,471
Inovalon-Edge Server Compliance	106,858	9,250	18,598	9,250	233,290	-	-	-	-	-	-	-	377,246
Truven-Cost Share Reduction Compliance	-	-	27,900	-	27,900	-	-	20,000	-	-	-	-	75,800
Lattimore Black Morgan & Cain, PC-Accounting	2,038	3,583	1,846	2,189	2,537	2,396	2,816	1,891	1,406	1,241	9,303	3,375	34,621
Barnwell Whaley Patterson & Helms, LLC-Counsel	5,006	-	5,373	1,650	405	270	162	108	999	-	27	613	14,614
Nelson Mullins Riley & Scarborough, LLP-Counsel	-	-	-	-	-	-	-	-	-	155,029	-	114,372	269,400
Shahriar Arfa-Zanganeh CPA CFF-Forensic Accountant	-	-	-	-	-	-	-	-	-	-	11,100	11,419	22,518
Former Employees-Contracted	21,038	31,462	28,247	27,129	15,177	11,336	22,237	33,380	27,376	60,935	40,001	17,514	335,832
	\$ 136,065	\$ 50,927	\$ 90,769	\$ 126,402	\$ 320,968	\$ 76,799	\$ 51,256	\$ 106,090	\$ 54,445	\$ 243,049	\$ 83,850	\$ 150,653	\$ 1,491,272