

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
MARCH 31, 2016**

vs.

Consumers' Choice Health Insurance
Company,

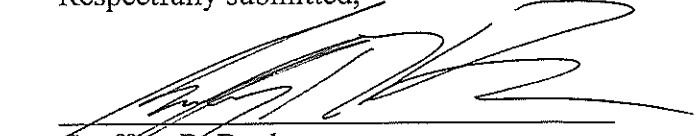
Respondent.

2016 MAY 17 PM 1:05
FILED IN THE COURT OF
COMMON PLEAS
FIFTH JUDICIAL CIRCUIT
RICHLAND COUNTY

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 March 31, 2016. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

May 17, 2016


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One of the Attorneys for Petitioner

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

Assets	
Cash & Equivalents	14,028,205
Statutory Deposit	125,963
CMS Receivables (a)	26,797,560
Pharmacy Rebates	-
Other	167,000
Total Assets	41,118,728
Liabilities	
Provider Claims	33,564,897
Claim Adjustment Cost	1,964,374
Payable to SC GA	14,133,610
Administrative Costs	8,203,298
Amounts Withheld for Others	37,716
Due Consumer Alliance	209,701
CMS Payables	
Advance Premiums	1,860,050
Risk Adjustment	5,464,139
Startup Loan	18,709,800
RI Payable	763,571
Total Liabilities	84,911,156
Capital	
Surplus Notes/Solvency Loans	68,868,408
Retained Earnings	<u>(112,660,836)</u>
Unassigned Funds	(43,792,428)
Capital and Surplus	41,118,728

(a) Admitted only up to Statutory Liabilities

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

Beginning Cash January 8, 2016 **17,526,699**

Receipts

Investment income	214
Premium	198,623
Other	870,500
Total Receipts	<u>1,069,336</u>

Disbursements

Bank Fees	7,745
Office Supplies	558
Accounting Fees	19,320
TPA fees	1,504,779
Claim Payments	(594,675)
Special Deputy Fees	-
South Carolina Department of Insurance	11,160
Legal Fees	10,379
Federal Reinsurance Fee	2,206,996
Payroll	1,042,479
Prepaid Items	136,609
Misc	222,481
Total Disbursements	<u>4,567,831</u>

Net Cash Flow **(3,498,495)**

Ending Cash March 31, 2016 **14,028,205**

Consumers Choice Health Insurance Company in Liquidation
Payments to Consultants and Professionals
For the three months ended March 31, 2016

	Jan	Feb	March	1Q Total	ITD
FitzGibbons and Company, Inc. -Special Deputy	\$ -	\$ -	\$ -	\$ -	\$ -
Wakely Consulting Group-Actuarial	-	-	4,710	4,710	4,710
Dixon Hughes Goodman, LLP-Audit	-	2,882	-	2,882	2,882
Millennium Consulting Services, LLC-Statutory Reporting	1,125	3,750	4,096	8,971	8,971
Inovalon-Edge Server Compliance	30,379	9,250	18,598	58,227	58,227
Truven-Cost Share Reduction Compliance	-	-	27,900	27,900	27,900
Lattimore Black Morgan & Cain, PC-Accounting	2,038	3,583	1,846	7,467	7,467
Former Employees-Contracted					
Eric Loy-IT	4,800	7,680	7,680	20,160	20,160
J Russell McBee-IT	4,880	9,272	8,540	22,692	22,692
David Braam-Legal	4,947	8,415	8,483	21,845	21,845
David Brado-Pharmacy	1,269	3,321	2,376	6,966	6,966
Adrian Grimes-Communications and Office Closings	5,142	2,774	1,168	9,084	9,084
Barnwell Whaley Patterson & Helms, LLC-Counsel	5,006	-	5,373	10,379	10,379
Totals	\$ 59,585	\$ 50,927	\$ 90,770	\$ 201,282	\$ 201,282