

**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. 2014-CP-40-7340

Petitioner,

**NOTICE OF FILING OF  
FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2018**

vs.

South Carolina Health Cooperative, Inc., a  
Multiple Employer Self-Insured Health Plan,

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 Rehabilitator of South Carolina Health Cooperative, Inc., a Multiple Employer Self-Insured Health Plan in Rehabilitation (SCHC) hereby files the financial statements of SCHC as of December 31, 2018. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

March 6, 2019

s/Geoffrey R. Bonham  
S.C. Bar No. 13058  
Associate General Counsel  
S.C. Department of Insurance  
P.O. Box 100105  
Columbia SC 29202-3105

Capitol Center  
1201 Main Street, Suite 1000  
Columbia SC 29201

Telephone: 803-737-6200  
Fax: 803-737-6229  
Email: [gbonham@doi.sc.gov](mailto:gbonham@doi.sc.gov)

One of the Attorneys for Petitioner

**The South Carolina Health Cooperative Welfare Plan in Receivership  
Balance Sheet  
December 31, 2017 and 2018**

	December 31,	
	2017	2018
<b>Assets</b>		
Cash and Equivalents	1,482,871	792,284
Federal Income Tax Receivable	47,563	47,563
Receivables	238,468	233,962
Receivables - nonadmitted	(238,468)	(233,962)
<b>Total Assets</b>	<b>1,530,434</b>	<b>839,847</b>
<b>Liabilities</b>		
Unpaid Claims	5,559,115	5,056,793
Unpaid LAE	445,674	445,674
Accounts Payable	637,988	621,834
SCDOI Payable	421,730	424,135
Commissions Due	107,564	107,564
Funds Held on Behalf of Others	96,225	96,225
Notes Payable	867,383	867,383
<b>Total Liabilities</b>	<b>8,135,678</b>	<b>7,619,607</b>
<b>Net Worth</b>	<b>(6,605,244)</b>	<b>(6,779,760)</b>

**EXHIBIT A**

**The South Carolina Health Cooperative Welfare Plan in Receivership**  
**Income Statement**  
**Years Ended December 31, 2017 and 2018**

	<b>Years Ended December 31,</b>	
	<b>2017</b>	<b>2018</b>
<b>Income</b>		
Premiums Earned	-	-
Other Revenue	72,676	43,592
<b>Total Income</b>	<b>72,676</b>	<b>43,592</b>
<b>Expenses</b>		
Claims Incurred	364,348	(305)
TPA and Management Fees	92,153	27,590
Special Deputy Receiver Costs	92,739	41,599
Legal Fees	129,053	125,699
Accounting, Actuarial and Contractor Costs	10,489	9,076
SCDOI Costs	1,326	2,405
Insurance	887	927
Other Expenses	21,315	15,623
<b>Total Expenses</b>	<b>712,310</b>	<b>222,614</b>
<b>Income (Loss) Before Taxes</b>	<b>(639,635)</b>	<b>(179,022)</b>
Income Taxes Expense (Benefit)	(51,211)	-
<b>Net Income (Loss)</b>	<b>(588,424)</b>	<b>(179,022)</b>
<b>Beginning Net Worth</b>	<b>(5,970,664)</b>	<b>(6,605,244)</b>
Net Income (Loss)	(588,424)	(179,022)
Change in nonadmitted	(46,156)	4,506
<b>Ending Net Worth</b>	<b>(6,605,244)</b>	<b>(6,779,760)</b>

SCHC Welfare Plan in Receivership  
Receipts and Disbursements  
December 24, 2014 to December 31, 2018

	2014					
	12-24 to 12-31	2015	2016	2017	2018	ITD
<b>Beginning Cash</b>	<b>745,045</b>	<b>785,941</b>	<b>2,659,992</b>	<b>4,024,582</b>	<b>1,482,871</b>	<b>745,045</b>
<b>Receipts</b>						
Investment Income	6	282	1,019	1,376	1,154	3,838
Premium	753	84,620	-	-	-	85,373
Other	40,136	5,030,209	2,506,004	25,144	46,944	7,648,437
<b>Total Receipts</b>	<b>40,896</b>	<b>5,115,112</b>	<b>2,507,023</b>	<b>26,520</b>	<b>48,098</b>	<b>7,737,648</b>
<b>Disbursements</b>						
Claim Payments - Plan Liabilities	-	2,718,560	781,888	2,235,914	502,321	6,238,683
Claim Payments - Other	-	(21,807)	(2,022)	-	(305)	(24,134)
TPA Fees	-	215,221	61,772	87,718	34,230	398,941
Special Deputy Fees	-	178,936	93,007	85,578	52,526	410,047
Legal Fees	-	19,497	59,037	-	-	78,533
Legal Fees - LOC	-	-	-	98,108	125,699	223,807
Legal Fees - D&O	-	-	-	33,241	-	33,241
Banking Fees	-	1,351	420	957	422	3,149
Rent	-	400	1,455	1,847	2,237	5,939
Salaries	-	-	4,279	12,566	4,113	20,958
Office Expenses	-	1,074	665	1,270	835	3,844
Postage/Phone/Internet	-	-	592	749	2,478	3,818
Accounting / Tax Fees	-	21,713	8,672	8,120	8,435	46,940
Management Co. Fees	-	59,221	-	-	-	59,221
SC Department of Insurance	-	30,643	-	-	-	30,643
Federal Income Taxes	-	-	74,056	(4,720)	-	69,336
Premiums	-	-	50,780	-	-	50,780
Misc	-	16,252	7,832	6,882	5,696	36,663
<b>Total Disbursements</b>	<b>-</b>	<b>3,241,061</b>	<b>1,142,433</b>	<b>2,568,230</b>	<b>738,685</b>	<b>7,690,409</b>
<b>Net Cash Flow</b>	<b>40,896</b>	<b>1,874,051</b>	<b>1,364,590</b>	<b>(2,541,711)</b>	<b>(690,587)</b>	<b>47,239</b>
<b>Ending Cash</b>	<b>785,941</b>	<b>2,659,992</b>	<b>4,024,582</b>	<b>1,482,871</b>	<b>792,284</b>	<b>792,284</b>

The South Carolina Health Cooperative Welfare Plan in Receivership  
 Payments to Consultants and Professionals  
 December 24, 2014 to December 31, 2018

	2014		2015	2016	2017	2018	ITD
	12-24 to 12-31						
FitzGibbons and Company, Inc. (Special Deputy)	-		178,935	93,007	85,578	52,526	410,046
Preferred Administrators	-		215,221	61,772	56,308	34,230	367,531
Healthscope Benefits	-		-	-	31,410	-	31,410
Deloitte LLP	-		12,376	8,672	8,120	8,435	37,603
Corporate Solutions for America, LLC	-		59,221	-	-	-	59,221
Barnes, Alford, Stork & Johnson, L.L.P.	-		16,212	4,707	-	-	20,919
Chiles Steifle	-		9,336	-	-	-	9,336
Joe Comenzo Law	-		1,133	-	-	-	1,133
Young Clement Rivers, LLP	-		-	45,324	73,234	102,468	221,027
Humphrey, Berger & Assoc., LLP	-		-	5,972	39,930	-	45,902
Wills Massalon & Allen LLC	-		-	3,033	-	-	3,033
Frederich Bingham	-		-	2,625	-	-	2,625
Chiesa Shahinian & Giantomasi	-		-	-	2,720	-	2,720
Faux Law Group	-		-	-	1,776	-	1,776
Guttilla Murphy Anderson, P.C.	-		-	-	13,689	455	14,144
William Joynt Investigations	-		-	-	1,243	3,347	4,590
Doerner Investigations	-		-	-	-	702	702
Dixon Hughes Goodman LLP	-		-	-	-	22,776	22,776
<b>Totals</b>	-		<b>492,434</b>	<b>225,112</b>	<b>314,008</b>	<b>224,939</b>	<b>1,256,493</b>