

**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
JUNE 30, 2019**

vs.

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

Respondent.

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 June 30, 2019. Said financial statements are attached as Exhibit A to this filing.

August 13, 2019

Respectfully submitted,

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

The South Carolina Health Cooperative Welfare Plan in Receivership
Balance Sheet
December 31, 2018 and June 30, 2019

	December 31, 2018	June 30, 2019
Assets		
Cash and Equivalents	792,284	726,074
Federal Income Tax Receivable	47,563	50,917
Receivables	233,962	203,537
Receivables - nonadmitted	(233,962)	(203,537)
Total Assets	839,847	776,991
Liabilities		
Unpaid Claims	5,056,793	5,056,793
Unpaid LAE	445,674	445,674
Accounts Payable	621,834	626,269
SCDOI Payable	424,135	425,325
Commissions Due	107,564	107,564
Funds Held on Behalf of Others	96,225	96,225
Notes Payable	867,383	867,383
Total Liabilities	7,619,607	7,625,232
Net Worth	(6,779,760)	(6,848,242)

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EXHIBIT A

The South Carolina Health Cooperative Welfare Plan in Receivership
Income Statement
Year Ended December 31, 2018 and Six Months Ended June 30, 2019

	Year Ended December 31, 2018	Six Months Ended June 30, 2019
Income		
Premiums Earned	-	-
Other Revenue	43,592	(6,620)
Total Income	43,592	(6,620)
Expenses		
Claims Incurred	(305)	(17,313)
TPA and Management Fees	27,590	21,491
Special Deputy Receiver Costs	41,599	10,627
Legal Fees	125,699	71,377
Accounting, Actuarial and Contractor Costs	9,076	-
SCDOI Costs	2,405	1,190
Insurance	927	927
Other Expenses	15,623	7,341
Total Expenses	222,614	95,640
Income (Loss) Before Taxes	(179,022)	(102,260)
Income Taxes Expense (Benefit)	-	(3,354)
Net Income (Loss)	(179,022)	(98,906)
Beginning Net Worth	(6,605,244)	(6,779,760)
Net Income (Loss)	(179,022)	(98,906)
Change in nonadmitted	4,506	30,425
Ending Net Worth	(6,779,760)	(6,848,242)

SCHC Welfare Plan in Receivership
Receipts and Disbursements
December 24, 2014 to June 30, 2019

	2014						
	12-24 to 12-31	2015	2016	2017	2018	2019	ITD
Beginning Cash	745,045	785,941	2,659,992	4,024,582	1,482,871	792,284	745,045
Receipts							
Investment Income	6	282	1,019	1,376	1,154	730	4,567
Premium	753	84,620	-	-	-	-	85,373
Other	40,136	5,030,209	2,506,004	25,144	46,944	23,075	7,671,512
Total Receipts	40,896	5,115,112	2,507,023	26,520	48,098	23,805	7,761,452
Disbursements							
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)	(17,313)	(41,447)
TPA Fees	-	215,221	61,772	87,718	34,230	21,491	420,432
Special Deputy Fees	-	178,936	93,007	85,578	52,526	13,247	423,293
Legal Fees	-	19,497	59,037	-	-	-	78,533
Legal Fees - LOC	-	-	-	98,108	125,699	64,656	288,464
Legal Fees - D&O	-	-	-	33,241	-	-	33,241
Banking Fees	-	1,351	420	957	422	240	3,389
Rent	-	400	1,455	1,847	2,237	1,811	7,750
Salaries	-	-	4,279	12,566	4,113	551	21,508
Office Expenses	-	1,074	665	1,270	835	377	4,221
Postage/Phone/Internet	-	-	592	749	2,478	103	3,922
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	4,853	41,515
Total Disbursements	-	3,241,061	1,142,433	2,568,230	738,685	90,015	7,780,424
Net Cash Flow	40,896	1,874,051	1,364,590	(2,541,711)	(690,587)	(66,210)	(18,972)
Ending Cash	785,941	2,659,992	4,024,582	1,482,871	792,284	726,074	726,074

The South Carolina Health Cooperative Welfare Plan in Receivership
 Payments to Consultants and Professionals
 December 24, 2014 to June 30, 2019

	2014						ITD
	12-24 to 12-31	2015	2016	2017	2018	2019	
FitzGibbons and Company, Inc. (Special Deputy)	-	178,935	93,007	85,578	52,526	13,247	423,293
Preferred Administrators	-	215,221	61,772	56,308	34,230	21,491	389,022
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	60,445	281,472
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	4,211	26,987
A. William Roberts, Jr., & Associates	-	-	-	-	-	371	371
USA Express Legal & Investment Services	-	-	-	-	-	400	400
Clark & Associates, Inc.	-	-	-	-	-	2,120	2,120
Esquire Deposition Solutions	-	-	-	-	-	1,034	1,034
Totals	-	492,434	225,112	314,008	224,939	103,320	1,359,813