

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, 2020**

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, 2020. Said financial statements are attached as Exhibit A to this filing.

Respectfully submitted,

August 19, 2020

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, 2019 and June 30, 2020

	December 31, 2019	June 30, 2020
Assets		
Cash and Equivalents	700,265	643,929
Federal Income Tax Receivable	16,972	33,944
Receivables	195,137	188,637
Receivables - nonadmitted	(195,137)	(188,637)
Total Assets	717,237	677,873
Liabilities		
Unpaid Claims	5,056,793	5,056,793
Unpaid LAE	445,674	445,674
Accounts Payable	621,025	625,051
SCDOI Payable	425,778	426,115
Commissions Due	107,564	107,564
Funds Held on Behalf of Others	96,225	96,225
Notes Payable	867,383	867,383
Total Liabilities	7,620,443	7,624,804
Net Worth	(6,903,206)	(6,946,931)

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EXHIBIT A

The South Carolina Health Cooperative Welfare Plan in Receivership
Income Statement
Year Ended December 31, 2019 and Six Months Ended June 30, 2020

	Year Ended December 31, 2019	Six Months Ended June 30, 2020
Income		
Premiums Earned	-	-
Other Revenue	(5,693)	230
Total Income	(5,693)	230
Expenses		
Claims Incurred	(17,313)	(198)
TPA and Management Fees	34,721	13,310
Special Deputy Receiver Costs	16,396	7,226
Legal Fees	100,511	29,813
Accounting, Actuarial and Contractor Costs	6,282	5,397
SCDOI Costs	1,644	336
Insurance	927	934
Other Expenses	16,764	10,610
Total Expenses	159,931	67,427
Income (Loss) Before Taxes	(165,624)	(67,198)
Income Taxes Expense (Benefit)	(3,354)	(16,972)
Net Income (Loss)	(162,270)	(50,226)
Beginning Net Worth	(6,779,760)	(6,903,206)
Net Income (Loss)	(162,270)	(50,226)
Change in nonadmitted	38,825	6,500
Ending Net Worth	(6,903,206)	(6,946,931)

SCHC Welfare Plan in Receivership
 Receipts and Disbursements
 December 24, 2014 to June 30, 2020

	2014							ITD
	12-24 to 12-31	2015	2016	2017	2018	2019	2020	
Beginning Cash	745,045	785,941	2,659,992	4,024,582	1,482,871	792,284	700,265	745,045
Receipts								
Investment Income	6	282	1,019	1,376	1,154	1,399	230	5,467
Premium	753	84,620	-	-	-	-	-	85,373
Other	40,136	5,030,209	2,506,004	25,144	46,944	31,475	6,500	7,686,412
Total Receipts	40,896	5,115,112	2,507,023	26,520	48,098	32,874	6,730	7,777,252
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)	(198)	(41,645)
TPA Fees	-	215,221	61,772	87,718	34,230	34,721	13,310	446,972
Special Deputy Fees	-	178,936	93,007	85,578	52,526	19,457	6,648	436,152
Legal Fees	-	19,497	59,037	-	-	-	-	78,533
Legal Fees - LOC	-	-	-	98,108	125,699	99,924	26,250	349,981
Legal Fees - D&O	-	-	-	33,241	-	-	-	33,241
Banking Fees	-	1,351	420	957	422	405	117	3,671
Rent	-	400	1,455	1,847	2,237	4,263	3,138	13,340
Salaries	-	-	4,279	12,566	4,113	4,218	6,531	31,706
Office Expenses	-	1,074	665	1,270	835	1,194	697	5,736
Postage/Phone/Internet	-	-	592	749	2,478	263	241	4,322
Accounting / Tax Fees	-	21,713	8,672	8,120	8,435	6,282	5,397	58,619
Management Co. Fees	-	59,221	-	-	-	-	-	59,221
SC Department of Insurance	-	30,643	-	-	-	-	-	30,643
Federal Income Taxes	-	-	74,056	(4,720)	-	(33,945)	-	35,392
Premiums	-	-	50,780	-	-	-	-	50,780
Misc	-	16,252	7,832	6,882	5,696	5,424	934	43,021
Total Disbursements	-	3,241,061	1,142,433	2,568,230	738,685	124,894	63,066	7,878,368
Net Cash Flow	40,896	1,874,051	1,364,590	(2,541,711)	(690,587)	(92,019)	(56,336)	(101,116)
Ending Cash	785,941	2,659,992	4,024,582	1,482,871	792,284	700,265	643,929	643,929

The South Carolina Health Cooperative Welfare Plan in Receivership
 Payments to Consultants and Professionals
 December 24, 2014 to June 30, 2020

	2014							ITD
	12-24 to 12-31	2015	2016	2017	2018	2019	2020	
FitzGibbons and Company, Inc. (Special Deputy)	-	178,935	93,007	85,578	52,526	19,457	6,648	436,151
Preferred Administrators	-	215,221	61,772	56,308	34,230	34,721	13,310	415,562
Healthscope Benefits	-	-	-	31,410	-	-	-	31,410
Deloitte LLP	-	12,376	8,672	8,120	8,435	6,282	5,397	49,282
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	95,713	26,250	342,989
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.	-	-	-	-	-	2,950	-	2,950
Esquire Deposition Solutions	-	-	-	-	-	1,034	-	1,034
Totals	-	492,434	225,112	314,008	224,939	165,139	51,605	1,473,238