

**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.

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

Respondent.

Civil Action No. 2014-CP-40-7340

**NOTICE OF FILING OF  
FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2019**

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

March 17, 2020

Respectfully submitted,

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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 2019**

	December 31,	
	2018	2019
<b>Assets</b>		
Cash and Equivalents	792,284	700,265
Federal Income Tax Receivable	47,563	16,972
Receivables	233,962	195,137
Receivables - nonadmitted	(233,962)	(195,137)
<b>Total Assets</b>	<b>839,847</b>	<b>717,237</b>
<b>Liabilities</b>		
Unpaid Claims	5,056,793	5,056,793
Unpaid LAE	445,674	445,674
Accounts Payable	621,834	621,025
SCDOI Payable	424,135	425,778
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>7,619,607</b>	<b>7,620,443</b>
<b>Net Worth</b>	<b>(6,779,760)</b>	<b>(6,903,206)</b>

**The South Carolina Health Cooperative Welfare Plan in Receivership**  
**Income Statement**  
**Years Ended December 31, 2018 and 2019**

	<b>Years Ended December 31,</b>	
	<b>2018</b>	<b>2019</b>
	<hr/>	<hr/>
<b>Income</b>		
Premiums Earned	-	-
Other Revenue	43,592	(5,693)
<b>Total Income</b>	<b>43,592</b>	<b>(5,693)</b>
<b>Expenses</b>		
Claims Incurred	(305)	(17,313)
TPA and Management Fees	27,590	34,721
Special Deputy Receiver Costs	41,599	16,396
Legal Fees	125,699	100,511
Accounting, Actuarial and Contractor Costs	9,076	6,282
SCDOI Costs	2,405	1,644
Insurance	927	927
Other Expenses	15,623	16,764
<b>Total Expenses</b>	<b>222,614</b>	<b>159,931</b>
<b>Income (Loss) Before Taxes</b>	<b>(179,022)</b>	<b>(165,624)</b>
Income Taxes Expense (Benefit)	-	(3,354)
<b>Net Income (Loss)</b>	<b>(179,022)</b>	<b>(162,270)</b>
<b>Beginning Net Worth</b>	<b>(6,605,244)</b>	<b>(6,779,760)</b>
Net Income (Loss)	(179,022)	(162,270)
Change in nonadmitted	4,506	38,825
<b>Ending Net Worth</b>	<b>(6,779,760)</b>	<b>(6,903,206)</b>

SCHC Welfare Plan in Receivership  
 Receipts and Disbursements  
 December 24, 2014 to December 31, 2019

	2014						
	12-24 to 12-31	2015	2016	2017	2018	2019	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>792,284</b>	<b>745,045</b>
<b>Receipts</b>							
Investment Income	6	282	1,019	1,376	1,154	1,399	5,237
Premium	753	84,620	-	-	-	-	85,373
Other	40,136	5,030,209	2,506,004	25,144	46,944	31,475	7,679,912
<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>32,874</b>	<b>7,770,522</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)	(17,313)	(41,447)
TPA Fees	-	215,221	61,772	87,718	34,230	34,721	433,662
Special Deputy Fees	-	178,936	93,007	85,578	52,526	19,457	429,504
Legal Fees	-	19,497	59,037	-	-	-	78,533
Legal Fees - LOC	-	-	-	98,108	125,699	99,924	323,732
Legal Fees - D&O	-	-	-	33,241	-	-	33,241
Banking Fees	-	1,351	420	957	422	405	3,554
Rent	-	400	1,455	1,847	2,237	4,263	10,202
Salaries	-	-	4,279	12,566	4,113	4,218	25,175
Office Expenses	-	1,074	665	1,270	835	1,194	5,038
Postage/Phone/Internet	-	-	592	749	2,478	263	4,081
Accounting / Tax Fees	-	21,713	8,672	8,120	8,435	6,282	53,222
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	42,087
<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>124,894</b>	<b>7,815,303</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>(92,019)</b>	<b>(44,780)</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>700,265</b>	<b>700,265</b>

The South Carolina Health Cooperative Welfare Plan in Receivership  
 Payments to Consultants and Professionals  
 December 24, 2014 to December 31, 2019

	2014						
	12-24 to 12-31	2015	2016	2017	2018	2019	ITD
FitzGibbons and Company, Inc. (Special Deputy)	-	178,935	93,007	85,578	52,526	19,457	429,503
Preferred Administrators	-	215,221	61,772	56,308	34,230	34,721	402,252
Healthscope Benefits	-	-	-	31,410	-	-	31,410
Deloitte LLP	-	12,376	8,672	8,120	8,435	6,282	43,885
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	316,740
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
<b>Totals</b>	-	<b>492,434</b>	<b>225,112</b>	<b>314,008</b>	<b>224,939</b>	<b>165,139</b>	<b>1,421,632</b>