

**STATE OF SOUTH CAROLINA
RICHLAND COUNTY**

**IN THE COURT OF COMMON PLEAS
FOR THE 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, 2020**

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

March 26, 2021

Respectfully submitted,

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

One of the Attorneys for Petitioner

The South Carolina Health Cooperative Welfare Plan in Receivership
Balance Sheet
December 31, 2019 and 2020

	December 31,	
	2019	2020
Assets		
Cash and Equivalents	700,265	535,655
Federal Income Tax Receivable	16,972	33,944
Receivables	195,137	215,261
Receivables - nonadmitted	(195,137)	(215,261)
Total Assets	717,237	569,599
Liabilities		
Unpaid Claims	5,056,793	5,056,793
Unpaid LAE	445,674	445,674
Accounts Payable	621,025	624,090
SCDOI Payable	425,778	426,432
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	7,624,160
Net Worth	(6,903,206)	(7,054,561)

The South Carolina Health Cooperative Welfare Plan in Receivership
Income Statement
Years Ended December 31, 2019 and 2020

	Years Ended December 31,	
	2019	2020
	<hr/>	<hr/>
Income		
Premiums Earned	-	-
Other Revenue	(5,693)	33,192
Total Income	(5,693)	33,192
Expenses		
Claims Incurred	(17,313)	(1,725)
TPA and Management Fees	34,721	22,870
Special Deputy Receiver Costs	16,396	20,151
Legal Fees	100,511	109,389
Accounting, Actuarial and Contractor Costs	6,282	5,397
SCDOI Costs	1,644	653
Insurance	927	934
Other Expenses	16,764	23,726
Total Expenses	159,931	181,395
Income (Loss) Before Taxes	(165,624)	(148,203)
Income Taxes Expense (Benefit)	(3,354)	(16,972)
Net Income (Loss)	(162,270)	(131,231)
Beginning Net Worth	(6,779,760)	(6,903,206)
Net Income (Loss)	(162,270)	(131,231)
Change in nonadmitted	38,825	(20,124)
Ending Net Worth	(6,903,206)	(7,054,561)

SCHC Welfare Plan in Receivership
Receipts and Disbursements
December 24, 2014 to December 31, 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	318	5,555
Premium	753	84,620	-	-	-	-	-	85,373
Other	40,136	5,030,209	2,506,004	25,144	46,944	31,475	12,750	7,692,662
Total Receipts	40,896	5,115,112	2,507,023	26,520	48,098	32,874	13,068	7,783,590
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)	(1,725)	(43,173)
TPA Fees	-	215,221	61,772	87,718	34,230	34,721	19,255	452,917
Special Deputy Fees	-	178,936	93,007	85,578	52,526	19,457	19,514	449,017
Legal Fees	-	19,497	59,037	-	-	-	-	78,533
Legal Fees - LOC	-	-	-	98,108	125,699	99,924	109,976	433,708
Legal Fees - D&O	-	-	-	33,241	-	-	-	33,241
Banking Fees	-	1,351	420	957	422	405	186	3,740
Rent	-	400	1,455	1,847	2,237	4,263	6,773	16,975
Salaries	-	-	4,279	12,566	4,113	4,218	14,843	40,018
Office Expenses	-	1,074	665	1,270	835	1,194	1,932	6,970
Postage/Phone/Internet	-	-	592	749	2,478	263	594	4,675
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	177,678	7,992,981
Net Cash Flow	40,896	1,874,051	1,364,590	(2,541,711)	(690,587)	(92,019)	(164,610)	(209,390)
Ending Cash	785,941	2,659,992	4,024,582	1,482,871	792,284	700,265	535,655	535,655

The South Carolina Health Cooperative Welfare Plan in Receivership
 Payments to Consultants and Professionals
 December 24, 2014 to December 31, 2020

	2014		2016	2017	2018	2019	2020	ITD
	12-24 to 12-31	2015						
FitzGibbons and Company, Inc. (Special Deputy)	-	178,935	93,007	85,578	52,526	19,457	19,514	449,017
Preferred Administrators	-	215,221	61,772	56,308	34,230	34,721	19,255	421,507
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	109,976	426,716
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	154,142	1,575,774