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ORIGINAL FILED
 APR 10 2015
 LOS ANGELES
 SUPERIOR COURT

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14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
 15 **COUNTY OF LOS ANGELES**
 16 **CENTRAL CIVIL WEST COURTHOUSE**

18 INSURANCE COMMISSIONER OF THE
 19 STATE OF CALIFORNIA,

20 Applicant,

21 v.

22 SEECHANGE HEALTH INSURANCE
 COMPANY,

23 Respondent.

Case No. BS152302

**NOTICE OF ERRATA TO
 COMMISSIONER'S REPORT TO THE
 COURT CONCERNING THE
 CONSERVATION OF SEECHANGE
 HEALTH INSURANCE COMPANY**

Date: April 29, 2015

Time: 9:30 a.m.

Place: Central Civil West Courthouse
 Department 307

600 South Commonwealth Avenue
 Los Angeles, California 90005

Judge: Hon. Amy D. Hogue

1 **TO HON. AMY D. HOGUE, SEECCHANGE HEALTH INSURANCE COMPANY, AND**
2 **ALL OTHER INTERESTED PARTIES:**

3 PLEASE TAKE NOTICE that, on April 6, 2015, California Insurance Commissioner
4 Dave Jones, in his capacity as former statutory conservator (“Conservator”) of SeeChange Health
5 Insurance Company (“SeeChange”) filed the *Commissioner’s Report to the Court Concerning the*
6 *Conservation of SeeChange Health Insurance Company* (the “Conservation Report”). Through
7 his counsel, the Conservator inadvertently attached, as Exhibit F to the Conversation Report,
8 SeeChange’s Statutory Statements of Admitted Assets, Liabilities, and Capital and Surplus dated
9 December 31, 2014. The Conservator intended to attach SeeChange’s Statutory Statements of
10 Admitted Assets, Liabilities, and Capital and Surplus dated **January 31, 2015**. Attached to this
11 notice is the new and correct Exhibit F to the Conservation Report (*i.e.*, SeeChange’s Statutory
12 Statements of Admitted Assets, Liabilities, and Capital and Surplus dated January 31, 2015).

13 Dated: April 10, 2015

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MATTHEW C. HEYN
19 Attorneys for Insurance Commissioner of the
20 State of California, in his capacity as the
21 Conservator & Liquidator of SeeChange Health
22 Insurance Company
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EXHIBIT F

SeeChange Health Insurance Company
Statutory Statements of Admitted Assets, Liabilities, and Capital and Surplus
January 31, 2015

	Current Month			Prior Month	Change
	GAAP Basis	GAAP to Stat Adjs.	Statutory Basis		
Assets					
Cash and cash equivalents	\$ 2,510,743	\$ -	\$ 2,510,743	\$ 1,189,394	\$ 1,321,349
Short-term investments	224,697	-	224,697	3,563,004	(3,338,307)
Total cash, cash equivalents and short-term investments	2,735,440	-	2,735,440	4,752,398	(2,016,958)
Bonds	2,246,849	8,088	2,254,937	2,255,050	(113)
Total invested assets	4,982,289	8,088	4,990,377	7,007,448	(2,017,071)
Investment income due and accrued	14,010	-	14,010	11,719	2,291
Uncollected premiums	52,798	-	52,798	47,139	5,659
Amounts receivable under reinsurance contracts	3,502,784	(2,979,576)	523,208	523,207	1
Software	740,489	(740,489)	-	-	-
Furniture and equipment	94,514	-	94,514	96,525	(2,011)
Receivables from parent and affiliates	-	45,481	45,481	-	45,481
Health care and other amounts receivable	155,000	-	155,000	355,000	(200,000)
Prepaid expenses	74,196	(74,196)	-	-	-
Leasehold Improvements	37,724	(37,724)	-	-	-
Security deposit	26,015	(26,015)	-	-	-
Total assets	\$ 9,679,819	\$ (3,804,431)	\$ 5,875,388	\$ 8,041,038	\$ (2,165,650)
Liabilities, Capital and Surplus					
Liabilities					
Claims unpaid	\$ 19,873,732	\$ (2,979,576)	\$ 16,894,156	\$ 17,692,316	\$ (798,160)
Unpaid claims adjustment expenses	-	-	-	271,342	(271,342)
General expenses due and accrued	3,201,472	-	3,201,472	3,384,215	(182,743)
Ceded reinsurance premiums payable	-	-	-	369,307	(369,307)
Amounts due to parent and affiliates	59,342	45,481	104,823	323,148	(218,325)
ACA Risk Adjustment liability	2,480,071	-	2,480,071	-	2,480,071
Deferred rent	-	-	-	-	-
Total liabilities	25,614,617	(2,934,095)	22,680,522	24,520,399	(1,839,877)
Capital and Surplus					
Common stock, \$30,000 par value; 1,000 shares authorized; 100 shares issued and outstanding	3,000,000	-	3,000,000	3,000,000	-
Additional paid-in capital	82,228,055	-	82,228,055	82,228,055	-
Other comprehensive income	(102,592)	102,592	-	-	-
Unassigned surplus	(101,060,261)	(972,928)	(102,033,189)	(101,707,416)	(325,773)
Total capital and surplus	(15,934,798)	(870,336)	(16,805,134)	(16,479,361)	(325,773)
Total liabilities and capital and surplus	\$ 9,679,819	\$ (3,804,431)	\$ 5,875,388	\$ 8,041,038	\$ (2,165,650)

SeeChange Health Insurance Company
Statutory Statements of Revenues and Expenses
January 31, 2015

	YTD Current Month		
	GAAP Basis	GAAP to Stat Adj.	Statutory Basis
Revenues			
Gross premiums earned	\$ 119,625	\$ -	\$ 119,625
Ceded premiums	-	-	-
Net premiums earned	119,625	-	119,625
Other income	-	-	-
Total revenues	119,625	-	119,625
Expenses			
Hospital and medical benefits	(109,142)	-	(109,142)
Prescription drug benefits	-	-	-
Gross claims incurred	(109,142)	-	(109,142)
Ceded benefits	273,162	-	273,162
Net claims incurred	164,020	-	164,020
Claims adjustment expenses	101,225	-	101,225
General administrative expenses	211,669	-	211,669
Total underwriting deductions	476,914	-	476,914
Net underwriting loss	(357,289)	-	(357,289)
Net investment income	2,253	-	2,253
Net realized capital losses	-	-	-
Net investment gains	2,253	-	2,253
Net loss	\$ (355,036)	\$ -	\$ (355,036)

SeeChange Health Insurance Company
Statutory Statements of Cash Flow
January 31, 2015

	YTD Current Month
Cash from Operations:	
Premiums collected net of reinsurance	\$ (255,341)
Net investment income	75
Miscellaneous income	-
Total revenues	(255,266)
Benefit and loss related payments, net of reinsurance	(762,181)
Commissions and expenses paid	(735,705)
Total expenses	(1,497,886)
Net cash from operations	(1,753,152)
 Cash from Investments:	
Proceeds from bonds sold, matured or repaid	-
Net losses on short-term investments	-
Total investment proceeds	-
Cost of bonds acquired:	-
Net cash from investments	-
 Cash from Financing and Miscellaneous Sources:	
Capital and paid in surplus	-
Other cash applied	(263,806)
Net cash from financing and miscellaneous sources	(263,806)
Net change in cash, cash equivalents and short-term investments	(2,016,958)
 Cash, cash equivalents and short-term investments:	
Beginning of period	4,752,398
End of period	\$ 2,735,440

SeeChange Health Insurance Company
Statutory Statement of Changes in Capital and Surplus
January 31, 2015

	<u>Common Stock</u>	<u>Additional Paid-In Capital</u>	<u>Unassigned Surplus</u>	<u>Total Capital and Surplus</u>
Balance, Beginning of Period	\$ 3,000,000	\$ 82,228,055	\$ (101,707,416)	\$ (16,479,361)
Net loss			(355,036)	(355,036)
Capital contributions		-		-
Change in nonadmitted assets			29,263	29,263
Balance, End of Period	<u>\$ 3,000,000</u>	<u>\$ 82,228,055</u>	<u>\$ (102,033,189)</u>	<u>\$ (16,805,134)</u>

SeeChange Health Insurance Company
Balance Sheet Detail
January 31, 2015

Health care and other amounts receivable

Recoverable - providers	-
Rx admin fee reimbursement	<u>155,000</u>
	<u>155,000</u>

General expenses due and accrued

Accounts payable	124,114
Commissions payable	665,305
ACA taxes payable	2,085,353
Premium taxes payable	320,121
Accrued vacation	-
Accrued expenses	<u>6,579</u>
	<u>3,201,472</u>