

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
WV/WCI School Trust)
1 Berry Lane)
Logansport, Indiana 46947-3901)

Examination of: WV/WCI School Trust


NOTICE OF ENTRY OF ORDER

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of WV/WCI School Trust, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on December 4, 2018, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of WV/WCI School Trust shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

3/5/2019
Date


Roy Eft
Chief Financial Examiner

CERTIFIED MAIL NUMBER: 7005 3110 0002 4444 0380

STATE OF INDIANA)
) SS: BEFORE THE INDIANA
COUNTY OF MARION) COMMISSIONER OF INSURANCE

IN THE MATTER OF:)
)
WV/WCI School Trust)
1 Berry Lane)
Logansport, Indiana 46947-3901)

Examination of: WV/WCI School Trust

FINDINGS AND FINAL ORDER

The Indiana Department of Insurance conducted an examination into the affairs of the WV/WCI School Trust (hereinafter "Company") for the time period October 1, 2010 through September 30, 2015.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on November 30, 2018.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on December 4, 2018 and was received by the Company on December 7, 2018.

The Company did not file any objections.

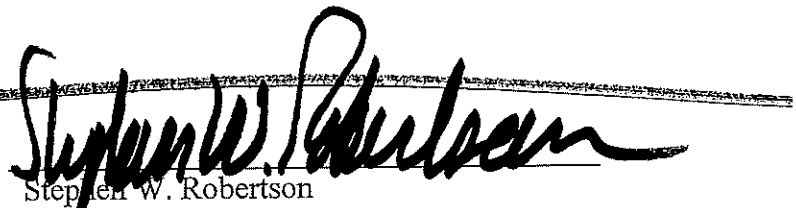
NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the WV/WCI School Trust as of September 30, 2015.
2. That the Examiner's Recommendations are reasonable and necessary in order for the WV/WCI School Trust to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

Signed this 5 day of
March, 2019.


Stephen W. Robertson
Insurance Commissioner
Indiana Department of Insurance

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

STATE OF INDIANA

Department of Insurance

REPORT ON THE LIMITED SCOPE EXAMINATION

OF

WV/WCI SCHOOL TRUST

A MULTIPLE EMPLOYER WELFARE ARRANGEMENT

NAIC Co. CODE 14476

As of

September 30, 2015

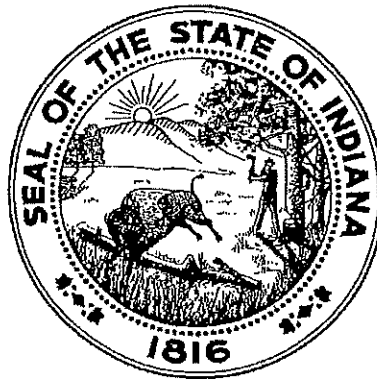


TABLE OF CONTENTS

SALUTATION.....	1
SCOPE OF EXAMINATION.....	2
HISTORY.....	2
PLAN OF OPERATION AND TERRITORY.....	2
GROWTH OF THE TRUST.....	3
MANAGEMENT AND CONTROL.....	3
Trustees.....	3
Trust Officers.....	4
Board of Trustees.....	4
Claims Appeals and Complaints.....	5
CORPORATE RECORDS.....	5
Trust Agreement.....	5
Bylaws.....	5
Minutes.....	5
CONTRACT DOCUMENTATION.....	6
FIDELITY BOND.....	8
REINSURANCE.....	8
ACCOUNTS AND RECORDS.....	8
FINANCIAL STATEMENTS.....	9
COMMENTS ON THE FINANCIAL STATEMENTS.....	11
OTHER SIGNIFICANT ISSUES.....	11
SUBSEQUENT EVENTS.....	11
AFFIDAVIT.....	12



STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

Indiana Department of Insurance

Stephen W. Robertson, Commissioner
311 W. Washington Street, Suite 103
Indianapolis, Indiana 46204-2787
Telephone: 317-232-2385
Fax: 317-232-5251
Website: in.gov/idoi

November 30, 2018

Honorable Stephen W. Robertson, Commissioner
Indiana Department of Insurance
311 West Washington Street, Suite 300
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3901, a limited scope examination has been made of the affairs and financial condition of:

**WV/WCI School Trust
1 Berry Lane
Logansport, Indiana 46947**

hereinafter referred to as the "Trust", a Multiple Employer Welfare Arrangement (MEWA), not-for-profit trust. The examination was conducted at the offices of Noble Consulting Services, Inc., in Indianapolis, Indiana.

The Report of Examination on the limited scope examination, reflecting the status and statutory compliance of the Trust as of September 30, 2015, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2413 COMPANY COMPLIANCE 317-232-3495 CONSUMER SERVICES 317-232-2395/1-800-522-4461 FINANCIAL SERVICES 317-232-2390 MEDICAL MALPRACTICE 317-232-2402 COMPANY RECORDS 317-232-5692 STATE HEALTH INSURANCE PROGRAM 1-800-452-4800

SCOPE OF EXAMINATION

The Trust was last examined by representatives of the Indiana Department of Insurance (INDOI), and covered the period from October 1, 2005 through September 30, 2010. The present limited scope examination was conducted by Noble Consulting Services, Inc., and covered the period from October 1, 2010 through September 30, 2015, and included any material transactions and/or events occurring subsequent to the examination date and noted during the course of this limited scope examination.

The limited scope examination was conducted using agreed upon procedures provided by the INDOI. We performed the examination to evaluate statutory compliance, the financial condition of the Trust, and to identify possible prospective risks of the Trust by obtaining information about the Trust, including corporate governance. The examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

All accounts and activities of the Trust were considered in accordance with the limited scope examination process. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment is identified, the impact of such adjustment will be documented separately following the Trust's financial statements.

This limited scope examination report includes significant findings of fact, pursuant to Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within this limited scope examination report but separately communicated to the INDOI and/or the Trust.

HISTORY

The Trust was created on January 1, 1992, by seventeen (17) participating employers. The purpose of the Trust is to provide a medium for the funding and administration of plans, for the benefit of the employees of participating employers. The Trust agreement, as amended on January 17, 2007, provides that the Trust be administered as a voluntary employees' beneficiary association under Section 501(c)(9) of the Internal Revenue Code. As of September 30, 2015, the Trust was servicing 29 participating employers.

PLAN OF OPERATION AND TERRITORY

The Trust's primary focus is to provide self-funded health benefits to qualified participating employees. In addition, the Trust offers fully-funded life (including accidental death and dismemberment coverage) and long-term disability benefits. The Trust's participating employers are primarily west of Indianapolis.

GROWTH OF THE TRUST

The following exhibit summarizes the financial results of the Trust during the examination period:

<u>Year</u>	<u>Assets</u>	<u>Liabilities *</u>	<u>Fund Balance</u>	<u>Change in Fund Balance</u>
2015	\$ 7,717,707	\$ 3,774,521	\$ 3,943,186	\$ (3,294,145)
2014	11,263,777	4,026,446	7,237,331	(5,252,219)
2013	14,523,550	2,034,000	12,489,550	(1,251,625)
2012	15,653,175	1,912,000	13,741,175	2,834,150
2011	12,278,025	1,371,000	10,907,025	2,267,556

* For analytical purposes, amounts include administrative expenses, claims payable, third party administrator reimbursements payable and incurred but not reported reserve line items as applicable.

The Trust assets are held in qualified financial institutions. From October 1, 2010 through September 30, 2015, the Trust's Fund Balance exceeded the minimum statutory balance requirements.

The Trust experienced significant losses in fiscal years 2013 through 2015 due to net operating losses.

MANAGEMENT AND CONTROL

Trustees

As of September 30, 2015, the Trust included twenty-nine (29) participating employers and provided benefits to approximately 3,269 participating employees. In accordance with the Trust Agreement and Bylaws, every participating employer is represented by at least one (1) Trustee.

The following is a listing of persons serving as Trustees at September 30, 2015, and their respective participating employer:

<u>Name</u>	<u>Participating Employer</u>
Lora Busch and Marcia Murtagh	Area 30 Career Center *
Tracy Albertson and Sheryl McMillan	Benton Community School Corporation
Jeffery Fritz and Russ True	Clay Community Schools
Gregory Linton and Andrew Tyler	Cloverdale Community Schools
Charles Kitchell and Janna VanDePutte	Culver Community School Corporation
Mary Galyan and Jeffrey Gibboney	Eminence Community School Corporation
Kathryn Dory and Dawn Puckett	Greencastle Community School Corporation
Santana Graham and Sarah Sparks	Greene Sullivan Special Education Cooperative *
Kristin McCarty and Charles Reeves	Hamilton Heights School Corporation
Crystal Hazlewood and Nick Karazsia	Linton-Stockton School Corporation
Michael Grenard and Gregory Korreckt	Logansport Community School Corporation
Ralph Shrader and Jeffrey Turner	MSD of Warren County
Amanda Elizondo and Thomas Rohr	North Central Parke Community School Corporation
Chase Hiland and Daniel Noel	North Putnam Community Schools
Nicole Maxwell and Jayne Virostko	North Vermillion Community Schools
Mark Baker and Nancy Liston	Northeast School Corporation of Sullivan County

Ryan Snoddy and Steve Wilson	Northwestern School Corporation
Nancy Holsapple and Linda Schroeder	Old National Trail Special Services *
James Kinsey and David Mundy	Sheridan Community Schools
Eric Brewer and Curtis McVay	South Montgomery Community School Corporation
Bruce Bernhardt and Jill McCammack	South Putman Community Schools
David Chapman and Tom Milam	South Vermillion Community School Corporation
Jackie Baxter and Leonard Orr	Southwest Parke Community School Corporation
Lisa Ridge and Chris Stitzle	Southwest School Corporation of Sullivan County
Chad Briggs and Jeff Sherfield	Spencer-Owen Community Schools
Kevin Emsweller and Michael Vittorio	Tipton Community School Corporation
Matthew Iunghuhn	Wabash Valley Education Center *
Valerie Buchanan	West Central Indiana Educational Services *
Judi Hendrix and Richard Overfield	Western Boone County Schools

* Indicates Participating Employer is Limited Voting Employer as defined by Trust Agreement and may appoint one (1) or two (2) Trustees at its discretion. If Limited Voting Employer appoints two (2) Trustees, each Trustee vote is counted as one-half (1/2) vote.

Trust Officers

The following is a listing of persons serving as officers of the Trust as of September 30, 2015:

<u>Name</u>	<u>Title</u>
Leonard Orr	President
Jeffrey Turner	Vice President
Steve Wilson	Secretary
Gregory Korreckt	Treasurer
Michael Grenard	Deputy Treasurer
Steven Wittenauer	Executive Director

Board of Trustees

The Trust is managed by a Board of Trustees (Trustees). Their duties include overseeing the administration of the Trust, approving premium rates, and managing investments, pursuant to the provisions of the Trust Agreement. The Trust has two (2) full-time staff that are contracted employees of the Logansport Community School Corporation.

Shellee Goodrich is the Director of Trust Operations (Director). She has worked with the Trust since 1994. The Director, along with support staff, is responsible for administering all aspects of daily operations and preparing reports to the Trustees.

With limited staff, the lack of segregation significantly compromises formal internal controls. However, the Trust has developed an extensive network of committees, outsourced advisors, legal counsel, auditors, and actuaries to provide oversight; in order to partially mitigate risk, promote transparency, and assist the Trust in achieving its goals.

The Trust maintains the following committees:

- Administrative Review Committee
- Benefits Committee
- Bylaws Committee
- Clinic Committee
- Communications Committee
- Executive Committee
- Investment Committee
- Membership Expansion Committee
- Plan Performance Committee
- Wellness Committee
- HIPAA Risk Committee

Claims Appeals and Complaints

The Benefits Committee of the Trust acts as the appeals committee in accordance with Indiana Public Law 232. If a claimant has exhausted their appeal options with the third party administrator (TPA), they can submit their claim to the Benefits Committee. The Benefits Committee will review the claim and make recommendations to the Trustees. During the examination period, no claims that were disapproved by the TPA were overturned by the Trustees.

CORPORATE RECORDS

Trust Agreement

The Second Amended and Restated WV/WCI School Trust Agreement, effective October 1, 2013, and signed by all participating employers, addressed the design and operation of the Trust which includes:

- The required minimum size of the Trust
- Determination of qualified participating employers
- Not-for-profit status
- Equitable participating employer representation of the Trustees
- Appointment of Trustees
- Responsibilities of the Trustees
- Terms for addition of participating employers, premium payments, withdrawal of participating employers, and responsibilities for obligations of participating employers upon termination of the Trust
- Various other benefit and fund requirements and restrictions

Bylaws

The Bylaws were amended during the examination period. The change is within Article 2, Section 5 – Voting at Meetings, to allow all participating employers voting representation where Limited Voting Employers are provided one-half (1/2) votes as described above within Trustees section of this Report of Examination.

Minutes

The Trustee meeting minutes and committee meeting minutes were reviewed for the period under examination through the fieldwork date.

CONTRACT DOCUMENTATION

The Trust Agreement is consistent with Indiana statutory requirements and the examination noted no instances where the Trust operated contrary to its Trust Agreement.

Life and Long Term Disability Contract

Effective June 1, 2013, the Trust renewed a pass-through contract with Madison National Life Insurance Company, to provide life insurance that includes accidental death and dismemberment (AD&D) coverage as well as long-term disability insurance to participating employees. The benefits offered to participating employees are fully insured.

Plan Documents

The Trust's three (3) Plan Documents, updated annually, define the Trust's health insurance benefit offerings as administered by Anthem Insurance Companies, Inc. doing business as (d/b/a) Anthem Blue Cross Blue Shield (Anthem). The Health Benefit Booklets are comprehensive documents with notices of federally mandated patient protections, member rights and responsibilities, schedule of benefits, covered services, obtaining covered services, claims processes, and general provisions to include compliance to statutory requirements. The examination noted no instances where the Trust provided benefits contrary to the benefits defined in the Health Benefit Booklet.

Administrative Service Agreement

Effective October 1, 2008, the Trust and Anthem entered into an Administrative Service Agreement. Anthem shall administer the enrollment of eligible persons and terminations of Members as directed by the Trust. Anthem shall process claims, process claims appeals, administer complaints and appeals, maintain and build the Trust's provider network, perform case management, and perform any other administrative services required of the Trust. Amendments are in place at least annually with the most recent contract change as of December 1, 2014 for the current examination period as of September 30, 2015.

Consultant Service Agreement

Effective January 1, 2015, the Trust and R. E. Sutton & Associates entered into a Consultant Service Agreement to provide for the following services: assist in developing strategic plans, ensure strategic benchmarks, manage vendor relationships, assist in review of fee proposals, verify employee contributions, select and procure appropriate stop-loss terms, coordinate wellness programs, identify educational opportunities, and attend trust meetings.

Independent Auditor

Effective November 6, 2015, an updated agreement for the September 30, 2015 fiscal year was entered into with Kemper CPA Group to conduct the annual audit, as well as to prepare tax returns for the Trust. The independent audit report as of September 30, 2015, was issued with an unqualified opinion. Previously, Larry E. Nunn and Associates served as the Trust auditor but the firm was acquired by the Kemper CPA Group during the current examination period.

Actuarial Agreements

Effective July 28, 2015 and September 18, 2015, the Trust entered into Actuarial Agreements with Nyhart to provide the actuarial certification of the Trust's operations and funding. The actuarial report of the Trust for the 2015 and 2016 plan year was signed by Randy Gomez, FSA, MAAA.

Legal Services Agreement

Effective December 1, 2011, the Trust entered into a Legal Services Agreement with Bose McKinney & Evans LLP to provide legal support services. The agreement shall be automatically extended for twelve (12) month periods unless one (1) party of the agreement provides notice of non-renewal. As of September 30, 2015 there was no pending litigation identified. Additionally, no instances of federal regulatory non-compliance were identified during the examination.

COBRA Management Agreement

Effective October 1, 2007, with updated provisions effective September 1, 2012, the Trust entered into a contract with Benefit Advantage, Inc., who is to assist the Plan Sponsor in providing of notices to qualified beneficiaries and various other duties related to COBRA.

HIPAA Risk Analysis Agreement

Effective December 21, 2012, the Trust entered into a contract with Infotex, Inc., to facilitate the creation of an information technology security management process and to provide ongoing compliance support.

Clinic Development and Monitoring Agreement

Effective May 1, 2012, the Trust entered into a contract with MTW Consulting, Inc., to assist in the development and monitoring of multiple clinics and clinic related services.

Clinic Services Agreement

Effective October 1, 2015, the Trust entered into a contract with MSO, Inc., d/b/a Sullivan Workforce Health and Wellness to provide clinic services to participating employees in defined areas of Indiana.

Clinic Services Agreement

Effective April 23, 2014, the Trust entered into a contract with Wellness for Life Medical, LLC, to provide clinic services to participating employees in defined areas of Indiana.

On-site Clinic Services Program Agreement

Effective April 1, 2015, the Trust entered into a contract with Wellness for Life Medical, LLC, to coordinate and manage on-site healthcare clinics.

Independent Contractor Agreement

Effective January 1, 2008, the Trust engaged Steve Wittenauer to provide ongoing consulting services, as needed. Steve Wittenauer was previously the Trust President for fourteen (14) years and currently serves as the Executive Director.

Clinic Services Reciprocal Agreement

Effective July 1, 2015, the Trust entered into a reciprocal agreement with five (5) other school corporations and trusts, to provide the Trust's participating employees access to additional clinic services.

Clinic Operations Agreement

Effective October 20, 2011, with an addendum effective October 22, 2014, the Trust entered into a contract with WeCare TLC, LLC, to provide clinic services to participating employees in defined areas of Indiana.

Clinic Sharing Agreement

Effective February 18, 2014, the Trust entered into a Clinic Sharing Agreement with Midwest Area School Employees Insurance Trust (MASE) operated by WeCare TLC, LLC. The contract allows the participating employees of Culver Community School Corporation to utilize the MASE clinic in Plymouth, Indiana, in exchange for an equitable sharing of related expenses.

Clinic Operations Agreement

Effective August 1, 2015, the Trust entered into a contract with Unity Healthcare, LLC, d/b/a Benton Health and Wellness Center to provide specific clinic services to some of the Trust's participating employees.

Greene County Clinic Agreement

Effective October 1, 2015, the Trust entered into an agreement with Greene County Health, Inc., to provide specific clinic services to the Trust's eligible participating employees.

Website Agreement

Effective May 7, 2007, the Trust entered into an agreement with Web Benefits Design Corporation to build and maintain a dedicated benefits website with appropriate password security measures.

Critical Care Coverage Agreement

Effective January 1, 2013, the Trust entered into an agreement with Reliance Standard Life Insurance Company for certain critical illnesses coverage.

FIDELITY BOND

The Trust protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by The Cincinnati Insurance Company for Trustee and Fiduciary Liability and Employee Benefits Administration Coverage. The bond has an aggregate loss coverage limit of \$3,000,000, with a \$5,000 deductible per claim. No exceptions were noted with regard to fidelity coverages held.

REINSURANCE

Stop Loss Policy

Effective October 1, 2014 through September 30, 2015, the Trust entered into a stop loss policy with Anthem Insurance Companies, Inc. The policy includes a specific stop loss limit of \$350,000 per member and an aggregate stop loss limit of \$37,966,100.

ACCOUNTS AND RECORDS

The Trust's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The Trust's accounting procedures, practices, and account records were deemed satisfactory.

FINANCIAL STATEMENTS

WV/WCI School Trust
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
As of September 30, 2015

<u>ASSETS</u>	<u>Per Examination*</u>
Negotiable certificates of deposit	\$ 6,015,789
Cash and cash equivalents	1,691,643
Accrued interest	10,275
Totals	<u>\$ 7,717,707</u>

<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Accounts Payable for administrative expenses	\$ 2,202
Claims Payable	104,595
Third party administrator reimbursements payable	907,724
Obligations for claims incurred but not reported	2,760,000
Totals Liabilities	<u>3,774,521</u>
Fund Balance	
Restricted reserves – supplemental contribution reserve	6,620,837
Unrestricted reserves	<u>(2,677,651)</u>
Total Fund Balance	3,943,186
Total Liabilities and Fund Balance	<u>\$ 7,717,707</u>

* In accordance with IAC 1-68-1 (12), supplemental contribution fund assets are restricted to being used solely for the payment of outstanding claims. No financial adjustments were proposed, however some liability or fund balance lines may have been moved, for analytical purposes.

WV/WCI School Trust
 STATEMENT OF REVENUE, EXPENSE AND CHANGE IN FUND BALANCE
 As of September 30, 2015

<u>REVENUE</u>	<u>Per Examination*</u>
Premiums – school district contributions	\$ 37,141,411
Premiums – COBRA contributions	115,588
Total premium revenue	<u>37,256,999</u>
Less, premiums paid for disability and life insurance (<i>pass-through revenue</i>)	(1,058,797)
Less, reinsurance premiums paid	<u>(1,710,909)</u>
Net health insurance premiums	34,487,293
Investments - Loss on sale of investments	(55,454)
Investments – Interest income	226,230
Other income	4,500
Total Revenue	<u>34,662,569</u>
<u>EXPENSES</u>	
Claims - healthcare	\$ 33,096,324
Claims – change in liability	(45,767)
Less, reinsurance recovered	<u>(194,166)</u>
Net claims expense	32,856,391
Clinic expense	2,591,049
Wellness programs	133,513
Administrative expense	<u>2,375,761</u>
Total Expenses	<u>37,956,714</u>
<u>CHANGE IN FUND BALANCE</u>	
Net income (loss)	(3,294,145)
Fund balance, beginning of period	<u>7,237,331</u>
Fund balance, end of period	<u>\$ 3,943,186</u>

* No financial adjustments were proposed, however some income and expenses lines may have been moved, for analytical purposes.

COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of September 30, 2015, based on the results of this examination.

As of September 30, 2015, the Trust maintains a supplemental contribution fund (SCF) of \$6,620,837. The SCF account balance is taken into consideration for actuarial purposes determining the adequacy of annual premiums, including rate increases. Since the SCF account may only be used for the payment of claims, it is considered to have restricted use. An offsetting reserve is established in the fund balance section of the report, to identify the restricted asset.

Unrestricted reserves represent the portion of the fund balance which has no restrictions and are used to satisfy expenses other than claims. As of September 30, 2015, the Trust's restricted reserves exceeded the fund balance of \$3,943,186. The Trust's ability to satisfy expenses, other than claims, could be impeded.

It is recommended that the Trust maintain a fund balance with adequate unrestricted reserves, in order to satisfy expenses other than claims.

OTHER SIGNIFICANT ISSUES

There were no significant issues identified during the course of the examination identified as a statute violation. The significant losses described in the Growth of the Trust section combined with negative unrestricted reserves noted within the Financial Statements section are considered significant risks facing the Trust as of September 30, 2015.

SUBSEQUENT EVENTS

The Critical Care Coverage Agreement with Reliance Standard Life Insurance was terminated effective December 31, 2015.

There were no other events subsequent to the examination date and prior to the completion of fieldwork which were considered material events requiring disclosure in this Report of Examination.

AFFIDAVIT

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that she, in coordination with staff assistance from Noble Consulting Services, Inc., performed a limited scope examination of WV/WCI School Trust, as of September 30, 2015.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

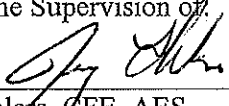
This examination was performed in accordance with those limited scope procedures guided by the NAIC Financial Condition Examiners Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

The attached limited scope Report of Examination is a true and complete report of condition of WV/WCI School Trust as of September 30, 2015, as determined by the undersigned.



Jim Kattman, CFE
Noble Consulting Services, Inc.

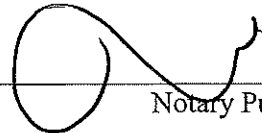
State of: Indiana
County of: Marion

Under the Supervision of:


Jerry Ehlers, CFE, AES
Examinations Manager
Indiana Department of Insurance

On this 2 day of January, 2019, before me personally appeared Jim Kattman and Jerry Ehlers to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: July 4, 2019  _____
Notary Public

