Winter 2016–2017

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DEAR CARING COMMUNITIES’ MEMBERS AND FRIENDS,

This past year, 2016, marked our 15th year of operation. It is hard to believe, as the memories of the work that led to forming Caring Communities still seem fresh from yesterday, rather than years ago. This year’s Annual Meeting will be a time for celebrating Caring Communities history and the great future we have.

One of our greatest accomplishments has been growing our Membership from 20 in the beginning to 45 Members today. Once again we are excited to welcome three new Members to our growing Company, and a 100% renewal rate of existing Members for 2017.

We are especially pleased to welcome Christian Living Communities to the Caring Communities family and welcome back Terry Rogers, CEO (formerly CEO of Member St. Martin’s in the Pines). We are honored that Terry’s trust and confidence in Caring Communities impressed upon his vision for Christian Living Communities. We are excited to be working with Terry again, and look forward to forming new relationships with everyone associated with Christian Living Communities. We also welcome Frasier to Caring Communities and welcome back Tim Johnson, CEO. Like Terry, Tim enjoyed his association with Caring Communities while serving as an executive with a different Member prior to joining Frasier. Here again we are honored by the confidence that leaders like Terry and Tim place in us. We will enjoy working again with Tim, Frasier and all associated with this outstanding community.

By way of introduction from Mary Leary, CEO and President of Mather LifeWays and Caring Communities Board Member, it is a special pleasure to welcome King-Bruwaert House to the Caring Communities family. Mary’s introduction arose from an affiliation between Mather LifeWays and King-Bruwaert House. We welcome Terri Bowen, CEO, Judy Sanders, CFO, and Nicole Slightom, Director Human Resources and Risk Management. It will surely be our honor to work with such an exceptional organization and its people.

Our results for 2016 represent one of our best years on record. Financial performance exceeded our expectations and we will be announcing our 11th consecutive premium dividend during our Annual Meeting.

We continue to offer the industry’s most comprehensive system of risk management resources, including a curriculum of online educational courses. We are proud of the 125 Risk Management Professionals among Caring Communities and Peace Church Risk Retention Group Members that have earned professional distinction by completing the online coursework and exams offered by Caring Communities’ Certified Professional in Aging Services Risk Management (CPASRM) training. Over 100 are currently enrolled.

Our live educational events include three regional training sessions held during the spring and the National Aging Services Risk Management (NASRM) conference held in the fall. This past year we set attendance records, with more than 200 Member representatives attending these events. The growing attendance over the years is evidence of the quality of the experience and program. We will continue to attract greater number of attendees in the years ahead.

Preventing fall incidents and claims, and reducing claim dollar amounts still stands as our greatest challenge. Though frequency and severity are stable we strongly believe we can lower fall incidents and thereby reduce the number of claims. Over the past several years we have committed ourselves to gaining a greater understanding of the
very nature of falls so that we can focus our efforts and develop and implement more effective preventative techniques.

We are convinced that our Falls Prevention Best Practices and Toolkilt, by measure of the degree and duration to which it is implemented, will continue to yield the results we envision: fewer incidents and claims.

This year we improved the accuracy by which we measure falls by establishing a universal standard falls benchmark and system to measure falls performance over time. This is coupled with a system to measure and grade overall performance related to risk management prescriptives. These practice technologies are currently being tested by several Member organizations and we expect to implement these practices among all Members in 2018. Our research will lead to discovering common situations and causes for falls. These findings will enable us to further develop and apply our prevention techniques, concentrating on the areas that represent the greatest exposure to injury and claims.

Caring Communities Health Insurance Program (CCHIP) produced profitable results and promising growth. We will be pleased to report this in detail to the CCHIP Membership Board along with evidence that our risk management efforts are positively impacting their respective health benefit plans. Growth prospects are very promising. This year we welcome Friendship Senior Options to the CCHIP Membership Group.

A.M. Best recently reaffirmed “A” Excellent ratings for both Caring Communities’ insurance companies. Capital and surplus and premium now exceed $50 million and $25 million respectively. In December the Board received a presentation and report from Caring Communities’ Regulator representatives during the Board Meeting held in Washington D.C. Our standing as a rated and regulated insurance operation continues to be strong, admirable and exemplary.

Finally, our most challenging yet exciting strategy is underway. The exciting part is the launch of Caring Communities’ new brand in 2017, to be introduced with the unveiling of a new visual design during our 15th Annual Meeting. Growth will continue to be challenging, yet we have a proven and impressive record of growth to build upon and we have set our sights for 2017 and the years ahead.

In closing and as always, we are very grateful to be of service to all of our Members. So on behalf of the Caring Communities’ Management Team, thank you for your support and commitment and the opportunity to keep serving your organizations.

See you soon!

Sincerely,

[Signature]
CARING COMMUNITIES’ NEWEST MEMBERS

We are happy to welcome three new Members to Caring Communities, King-Bruwaert House, Frasier and Christian Living Communities.

King-Bruwaert House

“By way of introduction from Mary Leary, CEO and President of Mather LifeWays and Caring Communities Board Member, it is a special pleasure to now welcome King-Bruwaert House to the Caring Communities family,” says Caring Communities President and CEO Jim Caldwell. “From Caring Communities Members come our best referrals. We welcome Terri Bowen, CEO; Judy Sanders, CFO; Nicole Slightom, Director Human Resources and Risk Management; and all associated with King-Bruwaert House. It will surely be our honor to work with such an exceptional organization and its people.”

King-Bruwaert House CEO Terri Bowen believes the membership with Caring Communities will help to position the historic and mission-based retirement community with expanded resources and risk management planning initiatives.

“The decision to move forward with this partnership gives us an opportunity to enhance our risk management approaches through best practices and professional, specialized training,” Bowen says. “There is great benefit to collaborating with an organization that integrates services with exceptional senior care agencies. This is a way to incorporate best risk management practices for our organization that will benefit both our residents and staff.”

King-Bruwaert House, an affiliate of Mather LifeWays, offers a year-round scenic setting on 35 acres for senior adults seeking independent living, assisted living, memory care, skilled nursing and respite care. Located in the upscale village of Burr Ridge, Illinois, about 25 minutes southwest of Chicago, King-Bruwaert House is recognized for its tenured staff and its longstanding commitment to exceptional services.

More information can be found at kingbruwaert.com.
New Members

Frasier

“On behalf of Caring Communities I would like to welcome Frasier to Caring Communities,” says President and CEO Jim Caldwell. “We are grateful to Frasier’s CEO, Timothy Johnson, and his team for recognizing Caring Communities as a strategic partner, supporting their quality and safety goals. Tim has worked with us in the past, so we are especially happy to welcome him back to the Caring Communities family.”

“We are thrilled to be in partnership with Caring Communities and highly value the benefits of being a Member,” says Frasier’s President and CEO, Timothy A. Johnson. “The opportunity to collaborate with other national leaders in nonprofit senior living is exceptional and one that we greatly appreciate.”

Frasier, located at 350 Ponca Place in Boulder, Colorado, features residential living apartment homes, as well as assisted living, memory care, a wellness center, and on-site skilled nursing and rehabilitation accommodations serving nearly 400 residents. Frasier is a not-for-profit organization and has been dedicated to helping seniors enjoy independent and fulfilling lives since 1960.

More information about Frasier is available by calling 303.499.4888 or visiting frasiermeadows.org.

Christian Living Communities

“We are especially pleased to welcome Christian Living Communities to the Caring Communities family, along with Terry Rogers, CEO,” says Jim Caldwell, President & CEO at Caring Communities. “We are honored that Terry’s trust and confidence in Caring Communities impressed upon his vision for Christian Living Communities. We are excited to be working with Terry again, and look forward to forming new relationships with everyone associated with Christian Living Communities.” According to CLC President and CEO Terry Rogers, “Christian Living Communities is pleased to join Caring Communities and access the valuable benefits and services. Joining a network of highly regarded not-for-profit senior service organizations is an honor and we look forward to contributing to the good works.”

Christian Living Communities (CLC), located in the south Denver metro area of Colorado, owns and manages senior living communities and services throughout Colorado and offers consulting services, via Cappella Living Solutions, nationwide. CLC is a not-for-profit providing excellence in senior services since 1972 with a portfolio of communities and services that promotes resident-directed cultures and enriching living environments to liberate traditional views of aging.

More information can be found at christianlivingcommunities.org.
The 2016 Caring Communities National Aging Services Risk Management Conference (NASRM) theme was *Risk Management By Design: A Systems Perspective on Risk, Quality and Culture of Safety.*

The two-day conference focused on the wide range of topics related to Risk Management within Aging Services. With an optional pre-conference workshop, attendees had their choice of various sessions to attend including: *Using Discharge Surveys to Uncover Potential Risks; Risk and Claims 101; Setting Realistic Expectations;* and *Writing a QAPI Plan.*

Consistently NASRM is attended by a diverse group of Caring Communities and Peace Church Risk Retention Group members, coming from various management and clinical backgrounds, all of whom share their unique experiences, challenges and successes within the aging services field. This year was no different, with more than 220 Member attendees ranging from Campus Risk Managers to Directors of Nursing to Executive Directors.

Pursuant to 2015 NASRM’s positive feedback, this year’s NASRM took the same approach by offering concurrent sessions for attendees. Members enjoyed choosing which presentation to attend based on their individual and organization educational needs.

As always, Caring Communities worked to ensure that Members were provided the opportunity to attend sessions that interested and intrigued them.

These hands-on interactive workshops were offered to facilitate discussion among members regarding any challenges they may be facing regarding the respective topics, as well as provide an information exchange for members to share any lessons learned along the way. Tremendously well received, Members provided feedback stating that they found the pre-conference workshops productive and beneficial, stating that they left the workshops with action items they would bring back to their own organizations.
Additionally, all sessions were recorded and are available for viewing on the Caring Communities archives.

The 2016 NASRM content was created based on trends in the aging services industry, new regulatory changes effecting Members, and most importantly, Member feedback requesting more information regarding various topics.

Risk Managers had the opportunity to hear industry experts give insight and valuable information regarding Hazard Vulnerability Assessments, Residential Sexual Abuse Response and Investigations, The Dangers of Email Communications, Preventing Falls When Dementia is Involved, Preventing Falls Based on Building Design and Home and Community Based Services Judicial and Legal Risks.

Based on Members’ consistent request for direction and information regarding risks attributable to organization change in executive leadership, there was a discussion panel which focused on Maintaining Risk Management through Leadership Changes. The panel consisted of Member CEOs and Corporate-level Risk Managers. Fantastically moderated, each panelist was able to share his or her lessons learned as well as answer questions from the Member audience.

Highly effective, the panel provided an open exchange of the challenges faced by Members regarding leadership changes, followed up by an immediate risk management feedback regarding those challenges. Incredibly well received, feedback from attendees indicated that the panel was useful, enlightening and thought provoking.

As in the past, this year’s NASRM ended on a high note. This year’s Closing Keynote was Daring to Be Caring: Leading a Spirited Healthcare Team.

Presented by Jodi Urquhart, this session was interactive, engaging and fun. With a background in motivational speaking, Ms. Urquhart used humor and anecdotes to present on how leaders in aging services can maintain their own passion and spirit to provide the best possible care, while inspiring others to do the same.

For more information on the 2016 NASRM Conference to be held October 13–17 in Chicago, contact Mimi McCahill at mmccahill@caringcomm.org.
RECOGNIZING 2016 CPASRM DESIGNEES

The online certification Certified Professional in Aging Services Risk Management (CPASRM) Program offers a comprehensive education and consistent, reliable educational platform for aging services professionals.

Designees are recognized for their dedication at the National Aging Services Risk Management Conference, held annually in Chicago in October. In 2016, 21 professionals earned their certification. We would like to congratulate:

- Dustin Allen, SQLC–Plaza at Edgemere
- Kathy Barber, Friendship Senior Options
- Teresa Bates, SQLC
- Timothy Brooks, Beth Haven
- Tracey Cavacino, Presby’s Inspired Life
- Cecile Desormes, Lifespace Communities
- Annjeanette Dooley, Mather LifeWays–Splendido
- Linda Flaherty, Friendship Senior Options
- Samantha Glon, Lifespace Communities
- Ramona Gonzales, Kendal at Ithaca
- Michelle Hart-Carlson, Lifespace Communities
- Lauren Hartlaub, Oakwood Village
- Carol Holzman, Cadbury Senior Lifestyles Lewes
- Karen Jackson, Kendal at Lexington
- John Kelly, Lifespace Communities
- Joan Mayer, Mather LifeWays
- Rita Nagle, Caring Communities
- Ravi Narayan, John Knox Village
- James Ransone, Lifespace Communities
- Connie Smith, Glencroft
- Gail Wattley, Lifespace Communities

The CPASRM designation is the only professional risk management research, education and certification available exclusively for not-for-profit senior care providers.

Since its inception, 125 Risk Management Professionals have earned the designation Certified Professional in Aging Services Risk Management. Currently, over 100 professionals are enrolled in our program.

To sign up for courses or learn more about the program, contact Mimi McCahill, Vice President Risk Management at Caring Communities at mmccahill@caringcomm.org or 800.510.8225.
2017 Spring Education Series:

April 5 – 6: Marina Del Rey, CA
April 26 – 27: Chicago, IL
May 17 – 18: King of Prussia, PA

About Spring Education
This year’s Caring Communities and Peace Church Risk Retention Group Spring Education Series is titled *The Many Dimensions of Dementia Care*. This workshop will provide both content and hands-on learning opportunities emphasizing risk, quality, safety and security practices specific to the care of residents with dementia and dementia-related illnesses. As a special element to this year’s Spring Education Series, we are including a session during day two where staff from Member organizations will share innovative ideas and care delivery practices they have found to be successful in meeting the unique needs and managing the risks that are often encountered when caring for this resident population. For more information on the Member presentations, email Jean Harpel at jharpel@ecri.org.

We encourage you to send staff who are key in influencing risk management practices, environmental design, safety, and quality approaches for the care of the residents with dementia across the continuum. The target audience includes campus risk managers, QAPI leadership, and other positions that support the treatment and care of persons with dementia in your organization. Please note that this year’s series is intended to move beyond provision of dementia-related services in secure or specially designed memory care units, as we often care for those with dementia or related illnesses in many business lines and levels of care. We have applied for nursing and NCERs (NHA) continuing education credits for both days of education.

Spring Education 2017

Day One:
- Writing a Scope of Service for Memory Care Units
- Setting Realistic Expectations with Families – use scripted role play and scenarios addressing communication challenges
- Designing the Internal/External Unit
- Fall Management Techniques for Memory Impaired Residents – use QAPI to develop specific care plans

Day Two:
- Supporting Dignity and Preserving Resident Rights – explore survey citations for resident rights and abuse
- Abuse Prevention – new CMS requirement for policies and training
- Addressing the Changing Needs of the Resident with Dementia
- Pre-selected Member Risk Manager Presentations

To Learn More Contact Mary Spencer at:

<table>
<thead>
<tr>
<th>Mail</th>
<th>Email</th>
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<tbody>
<tr>
<td>Caring Communities 1850 W. Winchester Road, Suite 109 Libertyville, IL 60048</td>
<td><a href="mailto:mspencer@caringcomm.org">mspencer@caringcomm.org</a></td>
</tr>
</tbody>
</table>
Mediations are a frequently used tool to resolve claims. This form of dispute resolution provides an expedited and cost-effective way for the parties to reach an agreement.

In a mediation all parties voluntarily agree to appear before a neutral third party mediator. Typically parties are represented by counsel, who will act as the face of the defendant organization during the mediation. A Caring Communities claims professional will also be in attendance. Since this is probably an unfamiliar role, the following tips will assist in preparing for a mediation:

**Do: Prepare in advance**
The defendant’s representative should be familiar with the basic facts of the claim. If the defense counsel has provided an evaluation of the case or a mediation brief it should be read in advance. The plaintiff’s mediation submission should be reviewed as well. The representative should confirm that he or she has the necessary settlement authority.

Typically, the defense counsel and the Caring Communities claims professional will discuss the amount of settlement authority that will be needed. If the representative needs to get permission from someone within the defendant’s organization to make settlement offers beyond an agreed amount the representative should make sure he or she has a quick, reliable way to reach that person during the mediation.

**Do: Dress the part**
The primary role of the representative from the defendant’s organization is to make a favorable impression on the opposing party. The representative should be dressed neatly and conservatively. During the mediation both counsel are evaluating the opposing party as a potential trial witness.

**Do: Keep calm**
Mediations can be emotional experiences. There may be allegations that are upsetting or untrue. The representative should maintain a calm demeanor in front of both the mediator and the opposing party.

**Do: Give the mediator your full attention**
The defense representative should always be engaged in the process of listening to the mediator. Phones should be put away. Allow the mediator to express any concerns or questions without interruption.

After an opening session the parties are usually split into separate rooms. The mediator then shuttles between the parties conveying settlement demands and offers.

The mediator will often ask questions and bring up perceived weaknesses in the defense case. This is often based upon information that the mediator has been told by the plaintiff, so these questions and comments frequently provide information to the defense regarding issues the plaintiff will bring up if the case does not settle.
Don’t: Worry that the mediator is spending more time with the plaintiff than the defense

After the joint session the mediator then holds a private session with the plaintiff. This may take some time, particularly at the beginning of the mediation when the plaintiff will be very emotional about the case and will likely have unrealistic expectations.

Don’t: Suggest a settlement figure that the defense team has not agreed to in advance

The defense's goal in a mediation is to settle the case for the lowest possible amount. Unless discussed with the defense counsel in advance, the representative should not volunteer any settlement amounts to the mediator or discuss any reason that the organization wishes to reach an early settlement. Even if the mediator discusses a settlement amount that is within the settlement authority, do not accept that figure without the approval of Caring Communities.

Similarly, if the case does settle do not let the plaintiff or plaintiff’s attorney know that the case could have been settled for more money than was offered. It is not uncommon to see the same plaintiff’s attorney on more than one case and such a comment could hinder settlement discussions in future cases.

Don’t: Discuss documents or other specific defenses

Not all mediations result in a settlement, therefore it is important to be careful about what is revealed. For example, if a specific document is discussed the plaintiff will certainly demand production of that document. Similarly, the defense may not want to reveal all potential defenses or strategies to the plaintiff in the mediation.

Don’t: Forget that your body language is conveying information to the mediator

Mediators are often very good at reading body language and identifying hidden agendas. For example, it is generally believed that if a mediator suggests a figure and the representative looks at counsel or asks what the defense counsel thinks, these are signs of acceptance of the suggested figure.

Thus, the representative should be careful not to signal anything to the mediator through a nod of the head, a pleading look at the defense attorney who suggests that a settlement figure is too high, or any expression of displeasure with the defense counsel—unless the defense team has agreed to send such signals for strategic purposes. The representative should always attempt to convey sincerity and flexibility in the discussions.

Mediations should be considered a useful tool in reaching favorable settlements. Even if they do not lead to settlement on the day of the mediation, they can help to gather facts and understand the opposing counsel’s theories of a case.

The positive participation of the defendant's representative is a vital component in the successful mediation.
CARING COMMUNITIES FINANCIAL SUMMARY
Third Quarter 2016

This report, covering the nine months ended September 30, 2016, highlights the results of the Caring Communities Group: Caring Communities, a Reciprocal Risk Retention Group; Caring Communities Insurance Company; and Caring Communities Shared Services.

Despite continuing low interest rates, our investment portfolio totaling $89.2 million is doing well, up from $81.7 million on September 30, 2015. During the second quarter of 2016, in an effort to boost investment income, we invested additional cash into our core fixed-income securities and equity mutual fund. We continue to pursue strategies to increase our investment income while still preserving the unrealized gains within the portfolio.

- The total portfolio (a composite of fixed income and equities) outperformed the blended benchmark for the third quarter, returning 1.74% compared to a benchmark return of 1.28%. The portfolio remains ahead of the benchmark by 0.62% year-to-date.

- The core fixed income portfolio outperformed the Barclays Intermediate Bond Index for the third quarter, returning 0.61% compared to a benchmark return of 0.31%. The portfolio has outperformed its benchmark by 0.56% year to date.

- The high yield bond portfolio, Neuberger Berman, underperformed its benchmark by 0.25% for the third quarter and 2.20% for the year.

- The high yield bank loan portfolio, Eaton Vance, returned 3.06% for the third quarter, just behind the benchmark return of 3.08%. The portfolio has outperformed its benchmark year-to-date by 0.62%.

- The equity portfolio, Artisan Global Value Fund, returned 6.69% compared to a benchmark return of 5.30% for the third quarter. The fund has outperformed the benchmark by 1.06% year-to-date.

Revenues for the organization increased for the nine months ended September 30, 2016, up 8% as compared to 2015. Premiums earned for the first nine months of the year increased 9.6% from September 30, 2015. Gross PremiumsWritten were approximately $25.6 million on September 30, 2016, up from $22.9 million on September 30, 2015. Investment income totaled $1.4 million for the first nine months of 2016.

Over the past year, we have experienced an increase in claim payments, causing us to enhance our risk-management strategies. Although our loss ratio continues to be low in relation to our peers, we continue to look into ways to reduce those events that lead to losses. We project that loss and expense ratios will be favorable for the 2016 year.

The Caring Communities organization has continued its profitability into the third quarter of 2016. Year to date net income of almost $1.4 million has been allocated to the Member Savings Accounts (MSAs). The year to date allocations to MSAs are estimates, as they were in 2015. The final allocations will be determined during the fourth quarter of 2016.

We continue to show a very strong financial position with profitable results, and expect this to continue through 2017.

With very best regards,

Chad C. Swigert
Chief Financial Officer
Caring Communities
Financials

CONSOLIDATED BALANCE SHEETS
September 30, 2016 & 2015

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<thead>
<tr>
<th>Assets</th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>$12,530,747</td>
<td>$11,345,121</td>
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<td>Investments, at fair value</td>
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<td>Reinsurance recoverable</td>
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<td>Reinsurance recoverable on losses payable</td>
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<td>Interest receivable</td>
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<td>Deferred income tax asset</td>
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<td>Income tax receivable</td>
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<td>Other assets</td>
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<td><strong>Total assets</strong></td>
<td><strong>$114,918,503</strong></td>
<td><strong>$105,989,262</strong></td>
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Liabilities & Subscribers’ Equity

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<tr>
<th>Liabilities</th>
<th>2016</th>
<th>2015</th>
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<td>Unpaid losses &amp; loss adjustment expenses</td>
<td>$50,900,668</td>
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<tr>
<td>Profit contingent &amp; swing rate reserves</td>
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<td>Reinsurance premium payable</td>
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<td>Losses payable</td>
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<td>Accounts payable &amp; accrued expenses</td>
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<tr>
<td>Unearned premium</td>
<td>$6,461,806</td>
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<td>Unearned ceding commission</td>
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<td><strong>Total liabilities</strong></td>
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<table>
<thead>
<tr>
<th>Subscribers’ equity</th>
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<tbody>
<tr>
<td>Contributed surplus</td>
<td>$15,824,996</td>
<td>$16,023,910</td>
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<tr>
<td>Unassigned surplus</td>
<td>$8,788,619</td>
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<td>Subscriber savings accounts</td>
<td>$24,146,940</td>
<td>$20,359,834</td>
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<tr>
<td>Accumulated other comprehensive income</td>
<td>$2,935,134</td>
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<td><strong>Total subscribers’ equity</strong></td>
<td><strong>$51,695,689</strong></td>
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<th>Total liabilities &amp; subscribers’ equity</th>
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<tr>
<td><strong>Total liabilities &amp; subscribers’ equity</strong></td>
<td><strong>$114,918,503</strong></td>
<td><strong>$105,989,262</strong></td>
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CONSOLIDATED STATEMENTS OF OPERATIONS
For the nine months ended September 30, 2016 & 2015

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<thead>
<tr>
<th>Revenue</th>
<th>2016</th>
<th>2015</th>
</tr>
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<tr>
<td>Premiums earned, net</td>
<td>$13,646,066</td>
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<tr>
<td>Ceding commission earned</td>
<td>$1,516,368</td>
<td>$1,379,661</td>
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<tr>
<td>Profit contingent &amp; swing rate premiums, net</td>
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<td>—</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>$1,407,593</td>
<td>$1,393,739</td>
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<td>Other income</td>
<td>$130,739</td>
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<td><strong>Total revenue</strong></td>
<td><strong>$16,700,766</strong></td>
<td><strong>$15,449,862</strong></td>
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<table>
<thead>
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<th>Expenses</th>
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<tbody>
<tr>
<td>Losses &amp; loss adjustment expenses incurred</td>
<td>$9,552,246</td>
<td>$8,837,260</td>
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<tr>
<td>General, administrative &amp; underwriting expense</td>
<td>$5,168,992</td>
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<td>Premium taxes</td>
<td>$537,509</td>
<td>$484,160</td>
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<td><strong>Total expenses</strong></td>
<td><strong>$15,258,747</strong></td>
<td><strong>$14,294,947</strong></td>
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| Income before income taxes            | $1,442,019      | $1,154,915      |
| Income tax benefit                    | —               | —               |
| **Net income**                        | **$1,442,019** | **$1,154,915** |

The Growth of Caring Communities

Recent audited financials available upon request

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<th>Year</th>
<th>Total Assets</th>
<th>Member Equity</th>
<th>Invested Assets</th>
<th>Net Income (pre-dividend)</th>
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MEMBER PROPERTY, AUTO & CYBER LIABILITY INSURANCE PROGRAMS

**PROPERTY**
- $500,000,000 per loss limit
- "A" (Excellent) A.M. Best Rated Insurer
- Enhanced risk control engineering
- No shared deductible
- Competitive rates
- Terms and conditions developed exclusively for senior care and housing providers

**AUTO**
- "A" (Excellent) A.M. Best Rated Insurer
- Competitive Rates
- Fleet Safety Tools

**CYBERLIABILITY**
- Optional policy limits of $1M or $2M
- Common policy coverage
  - First Party
    - Business interruption—loss of revenue
    - Data replacement and system rectification costs
    - Public relations expenses to re-establish reputation
    - Money paid to cyber extortionist
  - Third Party
    - Damage and expenses to which an insured becomes legally obligated to pay following a covered policy trigger, including fines and penalties, where permissible by law

If you are interested in a no-obligation proposal, please contact our sales team at sales@caringcomm.org or 800.510.8225.

CARING COMMUNITIES WELCOMES JUDELL AGUILOS

Caring Communities is delighted to announce that Judell Aguilos has joined us as an Assistant Underwriter effective January 16, 2017. Judell will work on account management and other important underwriting projects with Michael Timm, Underwriting Account Manager, and Rita Nagle, Underwriting Associate.

Before joining Caring Communities, Judell worked as a Liability Claims Specialist at a large insurance company. Prior to that, she was a summer intern with Caring Communities, where she made an impact in underwriting and other departments within a short period of time. We are excited that Judell is with us again, and we are confident that she will become a valued member of the Caring Communities Team. Judell received her Bachelor's degree in General Insurance from Illinois State University.

Please join us in welcoming Judell to Caring Communities. We look forward to our Members meeting Judell at our upcoming meetings and conferences. Judell can be reached at jaguilos@caringcomm.org and 847.549.8225 x105.

WHERE IN THE WORLD?

Ken Huff at the Sherlock Holmes Museum in London, England; Caring Communities Underwriting Committee, Maples Knolls Communities, Retired

Ken Huff and Steve Rinkle, Caring Communities Board of Directors & Claims Committee, General Counsel, Pacific Retirement Services, Inc. in London, England
Membership with Caring Communities represents a strategic opportunity in contrast to an annual insurance buying decision. Members are the owners and policyholders of the company that provides their professional, general and excess liability insurance protection. Members invest in and own their risks exclusively with other Senior Housing Community Care and Service Providers, all known to one another. They have common interests, commitments and incentives, and thereby are directly rewarded by sharing the profits of the company, based on performance, the greater share to the best performers. Members work together in providing the safest environments and practices for their residents, people under their care and their employees.

To learn more about Membership in Caring Communities, please contact our sales team at sales@caringcomm.org or 800.510.8225.

UPCOMING EVENTS

Caring Communities Annual Board, Member & Committee Meetings
March 29–31, 2017
Clearwater Beach, FL

Spring Education
Western Region
April 5–6, 2017; Pre-conference April 4
Marina del Rey, CA

Midwestern Region
April 25–26, 2017; Pre-conference April 24
Chicago, IL

Eastern Region
May 16–17, 2017; Pre-conference May 15
King of Prussia, PA

Risk Management Webinars
Insight™ – CCRA Survey
Kick Off (Peace Church Risk Retention Group Members Only)
March 7, 2017
1:00–2:00 p.m. Eastern

Workplace Violence
March 21, 2017
1:00–2:30 p.m. Eastern

Claims
June 20, 2017
1:00–2:30 p.m. Eastern