

QUARTERLY STATEMENT

OF THE

UAHC HEALTH PLAN OF TENNESSEE

of MEMPHIS
in the state of TENNESSEE

TO THE

Insurance Department

OF THE

STATE OF

TENNESSEE

FOR THE QUARTER ENDED

June 30, 2008

HEALTH

2008



00000200820100102

HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2008
OF THE CONDITION AND AFFAIRS OF THE
UAHC Health Plan of Tennessee Inc

NAIC Group Code 0000 00000 NAIC Company Code 00000 Employer's ID Number 62-1547197
(Current Period) (Prior Period)

Organized under the Laws of _____ State of Domicile or Port of Entry TN

Country of Domicile _____
Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization []
Other [] Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized October 6, 1993 Commenced Business: January 3, 1994

Statutory Home Office: 1769 Paragon Suite 100, Memphis, TN 38132
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office: 1769 Paragon Suite 100 Memphis, TN 38132 901-348-2201
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address: 1769 Paragon Suite 100, Memphis, TN 38132
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records: 1769 Paragon Suite 100 Memphis, TN 38132 901-348-2201
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address: N/A

Statutory Statement Contact: Stephen Harris 901-348-4422
(Name) (Area Code) (Telephone Number) (Extension)
sharris@uahc.com 901-348-2212
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title
1. <u>Stephanie Dowell</u>	<u>Chief Executive Officer</u>
2. <u>Stephen Harris</u>	<u>Chief Financial Officer</u>
3. _____	_____

VICE-PRESIDENTS

Name	Title	Name	Title
<u>Myla Johnson</u>	<u>Vice-President Medical Services</u>	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

DIRECTORS OR TRUSTEES

<u>Stephanie Dowell</u>	<u>Stephen Harris</u>	<u>Tom Goss</u>	<u>Samuel King</u>
<u>Grover Barnes M.D.</u>	<u>Kingsley Oraedu M.D.</u>	<u>Griselle Figueredo M.D.</u>	<u>Lloyd Robinson</u>
<u>Logan Miller M.D.</u>	<u>Neal Beckford M.D.</u>	<u>Stan Sawyer</u>	<u>William Brooks</u>
<u>Ricky Wilkins</u>	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State of TENNESSEE
County of SHELBY ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>Stephanie Dowell</u> (Signature) Stephanie Dowell (Printed Name) 1. Chief Executive Officer (Title)	<u>Stephen Harris</u> (Signature) Stephen Harris (Printed Name) 2. Chief Financial Officer (Title)	_____ (Signature) _____ (Printed Name) 3. _____ (Title)
--	--	---

Subscribed and sworn to before me this _____ (Title)

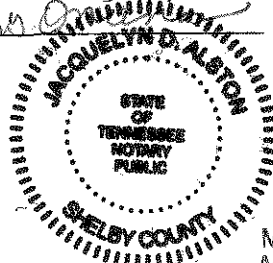
28th day of August, 2008

Subscribed and sworn to before me this _____
29th day of AUGUST, 2008

Carolyn G. Onumonu

a. Is this an original filing? [X] Yes [] No
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

Jacquelyn D. Alston



My Commission Expires
May 31, 2010

CAROLYN G. ONUMONU
Notary Public, State of Michigan
County of Wayne
My Commission Expires Jan. 26, 2013
Acting in the County of _____

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	9,548,074		9,548,074	9,607,094
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 6,531,951), cash equivalents (\$ 0), and short-term investments (\$ 2,825,709)	9,357,660		9,357,660	8,733,394
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	18,905,734		18,905,734	18,340,488
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	432,222		432,222	368,683
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,093,284		1,093,284	1,064,529
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	1,079,100	797,536	281,564	271,990
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 88,398) and other amounts receivable	88,398	58,398	30,000	326,642
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	21,598,738	855,934	20,742,804	20,372,332
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	21,598,738	855,934	20,742,804	20,372,332

DETAILS OF WRITE-IN LINES			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)			

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	2,493,650		2,493,650	2,262,908
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	69,000		69,000	59,000
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	277,226		277,226	160,110
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))	1,194,833		1,194,833	1,323,996
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ 0 current)	1,857,469		1,857,469	1,950,044
22. Total liabilities (Lines 1 to 21)	5,892,178		5,892,178	5,756,058
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X	200,000	200,000
25. Preferred capital stock	X X X	X X X	12,550,000	12,550,000
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	2,100,626	1,866,274
30. Less treasury stock, at cost:				
30.1 0 shares common (value included in Line 24 \$ 0)	X X X	X X X		
30.2 0 shares preferred (value included in Line 25 \$ 0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	14,850,626	14,616,274
32. Total liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	20,742,804	20,372,332

DETAILS OF WRITE-IN LINES				
2101. PREMIUM TAX PAYABLE	1,093,284		1,093,284	1,064,529
2102. A/P - OTHER	161,640		161,640	42,253
2103. PART D REINSURANCE	521,483		521,483	423,909
2198. Summary of remaining write-ins for Line 21 from overflow page	81,062		81,062	419,353
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,857,469		1,857,469	1,950,044
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	613,739	643,580	1,275,167
2. Net premium income (including \$ 0 non-health premium income)	X X X	5,806,585	921,158	5,710,555
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X	1,438,205	501,790	781,803
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	7,244,790	1,422,948	6,492,358
Hospital and Medical:				
9. Hospital/medical benefits		2,428,898	501,758	867,515
10. Other professional services		1,265,929	158,343	900,458
11. Outside referrals				
12. Emergency room and out-of-area		80,672	8,049	41,730
13. Prescription drugs		1,093,932	208,357	1,154,596
14. Aggregate write-ins for other hospital and medical		354,439		2,233,387
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		5,223,870	876,507	5,197,686
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)		5,223,870	876,507	5,197,686
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 230,870 cost containment expenses		391,870	167,016	670,691
21. General administrative expenses		1,535,331	(261,183)	(876,450)
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		7,151,071	782,340	4,991,927
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	93,719	640,608	1,500,431
25. Net investment income earned		376,514	356,497	795,631
26. Net realized capital gains (losses) less capital gains tax of \$ 0				
27. Net investment gains (losses) (Lines 25 plus 26)		376,514	356,497	795,631
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]				
29. Aggregate write-ins for other income or expenses			(1,525,841)	(1,497,816)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	470,233	(528,736)	798,246
31. Federal and foreign income taxes incurred	X X X	418,386	521,724	977,389
32. Net income (loss) (Lines 30 minus 31)	X X X	51,847	(1,050,460)	(179,143)

DETAILS OF WRITE-IN LINES				
0601. TENNCARE SHARED RISK REVENUE	X X X	1,438,205	501,790	781,803
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X	1,438,205	501,790	781,803
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
1401. MEDICARE ACCRUAL		354,439		2,233,387
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		354,439		2,233,387
2901. CLAIMS AUDIT RESERVE			(1,070,648)	(1,497,816)
2902. AMENDMENT 3 - OTHER			(455,193)	
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			(1,525,841)	(1,497,816)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	14,616,274	11,699,216	11,699,216
34. Net income or (loss) from Line 32	51,847	(1,050,460)	(179,143)
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	(129,627)	29,647	122,442
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	281,564	816,101	797,536
39. Change in nonadmitted assets	30,568		2,176,223
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	234,352	(204,712)	2,917,058
49. Capital and surplus end of reporting period (Line 33 plus 48)	14,850,626	11,494,504	14,616,274

DETAILS OF WRITE-IN LINES			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1	2
Cash from Operations	Current Year To Date	Prior Year Ended December 31
1. Premiums collected net of reinsurance	5,777,830	5,802,224
2. Net investment income	312,975	829,695
3. Miscellaneous income	1,438,205	775,411
4. Total (Lines 1 to 3)	7,529,010	7,407,330
5. Benefit and loss related payments	4,569,131	2,970,691
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,869,085	1,247,730
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	(253,534)	23,044
10. Total (Lines 5 through 9)	6,184,682	4,241,465
11. Net cash from operations (Line 4 minus Line 10)	1,344,328	3,165,865
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	7,170,000	
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		3,019,791
12.8 Total investment proceeds (Lines 12.1 to 12.7)	7,170,000	3,019,791
13. Cost of investments acquired (long-term only):		
13.1 Bonds	7,280,063	
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	120,495	
13.7 Total investments acquired (Lines 13.1 to 13.6)	7,400,558	
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(230,558)	3,019,791
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(489,504)	724,751
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(489,504)	724,751
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	624,266	6,910,407
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	8,733,394	1,822,987
19.2 End of period (Line 18 plus Line 19.1)	9,357,660	8,733,394

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
20.0002		
20.0003		

Report #2A TENNCARE OPERATIONS STATEMENT OF REVENUE AND EXPENSES

Statement as of June 30, 2008 of UAHC Health Plan of TN, Inc.

		Current Period	Current Year to Date	Prior Calendar Year
	MEMBER MONTHS	299,527	608,681	1,270,122
	REVENUES:			
1.	TennCare Capitation	52,404,531	106,594,340	206,313,119
2.	Investment	162,673	376,514	795,631
3.	Other Revenue (Provide detail)	16,305,162	22,468,737	45,859,299
4.	TOTAL REVENUES (Lines 1 to 3)	68,872,366	129,439,590	252,968,048
	EXPENSES:			
	Medical and Hospital Services			
5.	Capitated Physician Services	1,377,101	3,056,595	6,508,229
6.	Fee-for-Service Physician Services	5,071,312	9,793,029	20,686,600
7.	Inpatient Hospital Services	11,026,272	22,542,118	46,653,148
8.	Outpatient Services	18,666,575	37,439,272	69,863,890
9.	Emergency Room Services	6,337,788	12,900,082	22,447,200
10.	Mental Health Services	-	-	-
11.	Dental Services	-	-	-
12.	Vision Services	426,317	785,459	1,587,685
13.	Pharmacy Services	-	-	-
14.	Home Health Services	323,688	721,936	1,604,105
15.	Chiropractic Services	-	-	-
16.	Radiology Services	1,017,837	2,011,574	4,126,065
17.	Laboratory Services	464,213	903,764	2,399,071
18.	Durable Medical Equipment Services	578,071	1,056,059	2,321,147
19.	Transportation Services	1,997,157	3,790,138	6,761,813
20.	Outside Referrals	-	-	-
21.	Medical Incentive Pool and Withhold Adjustments	-	-	-
22.	Occupancy, Depreciation, and Amortization	-	-	-
23.	Other Medical and Hospital Services (Provide detail)	17,036,069	22,063,441	47,156,191
24.	Subtotal (Lines 5 to 23)	64,322,399	117,063,466	232,115,143
25.	Reinsurance Expenses Net of Recoveries			-
	LESS:			
26.	Copayments	-	-	-
27.	Subrogation	-	-	-
28.	Coordination of Benefits	(364,783)	(1,071,743)	(1,007,776)
29.	Subtotal (Lines 26 to 28)	(364,783)	(1,071,743)	(1,007,776)
30.	TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)	63,957,616	115,991,724	231,107,367
	Administration:			
31.	Compensation	1,269,654	2,569,084	4,857,074
32.	Marketing			-
33.	Interest Expense			-
34.	Premium Tax Expense	1,142,476	2,321,145	4,520,716
35.	Occupancy, Depreciation and Amortization	60,539	119,758	247,060
36.	Other Administration (Provide detail)	2,676,079	6,756,023	9,922,967
37.	TOTAL ADMINISTRATION (Lines 31 thru 36)	5,148,748	11,766,010	19,547,816
38.	TOTAL EXPENSES (Lines 30 and 37)	69,106,364	127,757,733	250,655,183
39.	NET INCOME (LOSS) (Line 4 less 38)	(233,998)	1,681,857	2,312,865

Report #2A (con't) TENNCARE OPERATIONS STATEMENT OF REVENUE AND EXPENSES

Statement as of June 30, 2008 of UAHC Health Plan of TN, Inc.

<u>Line 3 - Other Revenue</u>	Current Period	Current Year to Date	Prior Year
Administrative Fee Revenue from State	3,524,511	7,136,120	14,968,111
Revenue from State for Premium Tax	1,178,629	2,292,390	4,612,385
Miscellaneous Revenue	-	-	-
Shared Risk Revenue	-	1,438,205	781,802
Pharmacy Rebates	-	-	-
IBNR	11,602,022	11,602,022	25,497,000
Total	16,305,162	22,468,737	45,859,299

Line 23 - Other Medical and Hospital Services

Other Referral/Specialist Services	5,434,047	10,461,419	21,659,191
Other	-	-	-
Physical Therapy	-	-	-
IBNR	11,602,022	11,602,022	25,497,000
Total	17,036,069	22,063,441	47,156,191

Line 36 - Other Administration

Accounting Services	33,700	56,200	90,423.75
Legal Services	26,286	55,231	11,757.74
Professional Services	1,147,625	2,347,626	4,350,592.65
Board of Directors' Meetings	18,366	29,667	48,120.51
Outreach/Member Services	44,813	123,091	230,166
Bank Charges	9,746	19,084	27,729.28
Administrative Expenses	1,082,598	3,534,222	2,718,194.31
Consumables	72,182	134,976	420,477.94
Travel & Entertainment	37,018	74,086	150,683.80
Other Administrative Expenses	26,776	36,002	1,497,816
Provision for Income Taxes	157,117	459,362	977,388.67
Deferred Income Tax	(27,803)	(281,564)	(797,536)
Other Professional Services	47,654	168,041	197,152
Total	2,676,079	6,756,023	9,922,966

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	106,005							816	105,189	
2. First Quarter	102,168							848	101,320	
3. Second Quarter	101,034							839	100,195	
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	613,739							5,058	608,681	
Total Member Ambulatory Encounters for Period:										
7. Physician	382,010							5,867	376,143	
8. Non-Physician	50,621							740	49,881	
9. Totals	432,631							6,607	426,024	
10. Hospital Patient Days Incurred	101,488							3,762	97,726	
11. Number of Inpatient Admissions	3,674							93	3,581	
12. Health Premiums Written (a)	5,806,585							5,806,585		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	5,806,585							5,806,585		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	4,869,431							4,869,431		
18. Amount Incurred for Provision of Health Care Services	5,223,870							5,223,870		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 5,806,585

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	1,653,548	2,264,991	501,824	1,991,826	2,155,372	2,262,908
7. Title XIX - Medicaid		(22,754)				
8. Other health						
9. Health subtotal (Lines 1 to 8)	1,653,548	2,242,237	501,824	1,991,826	2,155,372	2,262,908
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	1,653,548	2,242,237	501,824	1,991,826	2,155,372	2,262,908

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The financial statements of UAHC Health Plan of Tennessee, Inc. are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissions' (the NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee.

There are no reconciling items between the Company's net income and capital and surplus between NAIC SAP practices prescribed and permitted by the state of Tennessee.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

None

8. Derivative Instruments

None

9. Income Tax

None

10. Information Concerning Parent, Subsidiaries and Affiliates

None

11. Debt

None

12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

None

NOTES TO FINANCIAL STATEMENTS

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi Reorganizations

None

14. Contingencies

None

15. Leases

No Change

16. Off Balance Sheet Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and Uninsured Portion of Partially Insured Plans

None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Other Items

On April 22, 2008, the Department of Finance and Administration of the State of Tennessee, Bureau of TennCare ("TennCare"), disclosed its decision to award new TennCare contracts to two named organizations, not including UAHC-TN as the culmination of TennCare's selection process pursuant to its Request for Proposals for managed care services to be provided in the West Grand Region of Tennessee. Consequently, UAHC-TN's TennCare members are expected to transfer to other managed care organizations on November 1, 2008, after which UAHC-TN will perform its remaining contractual obligations through its TennCare contract expiration date (which it expects will be extended to June 30, 2009).

21. Events Subsequent

None

22. Reinsurance

No change

23. Retrospectively Rated Contracts

None

24. Organization and Operations

None

25. Salvage and Subrogation

None

NOTES TO FINANCIAL STATEMENTS

26. **Change in Incurred Claims and Claim Adjustment Expense**

None

27. **Minimum Net Worth**

No Change

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y – Part 1 – organizational chart.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____

6.4 By what department or departments?
.....
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]

7.2 If yes, give full information
.....
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES (Continued)

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules, and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code. Yes No

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes No

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes No

11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ _____	\$ _____
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement. Yes No

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

GENERAL INTERROGATORIES (Continued)

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
REGIONS MORGAN KEEGAN	ONE BURTON HILLS BOULEVARD, SUITE 225 NASHVILLE, T
.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....
.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....
.....

16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....
.....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....
.....

NONE Schedule S

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

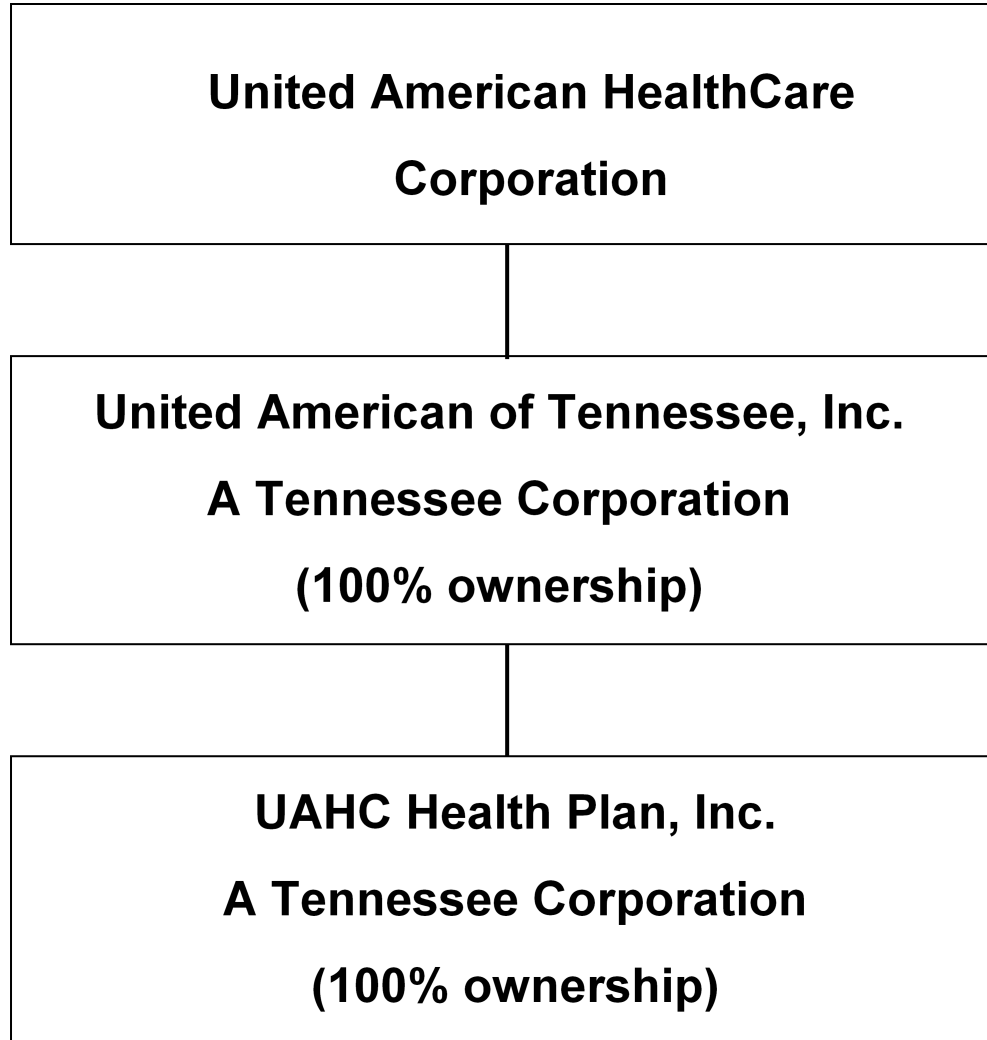
Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property / Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	L						5,806,585	
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CN	N							
58. Aggregate other alien	OT	XXX							
59. Subtotal		XXX						5,806,585	
60. Reporting entity contributions for Employee Benefit Plans		XXX							
61. Totals (Direct Business)	(a) 1							5,806,585	

DETAILS OF WRITE-INS									
5801		XXX							
5802		XXX							
5803		XXX							
5898	Summary of remaining write-ins for Line 58	XXX							
5899	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX							

(a) Insert the number of L responses except for Canada and Other Alien.

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

Explanation:

Bar Code:



0200836500002

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
REMAINING WRITE-INS AGGREGATED AT LINE 21 FOR OTHER LIABILITIES				
2104. DUE TO/(FROM) STATE/MEDICAL	81,062		81,062	419,353
2105.				
2106.				
2107.				
2108.				
2109.				
2110.				
2111.				
2112.				
2113.				
2114.				
2115.				
2116.				
2117.				
2118.				
2119.				
2120.				
2121.				
2122.				
2121.				
2124.				
2125.				
2197. Totals (Lines 2104 through 2125) (Page 3, Line 2198)	81,062		81,062	419,353

SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amount		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted accounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	9,607,095	7,445,153
2. Cost of bonds and stocks acquired	7,280,063	2,033,955
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	(129,627)	127,987
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of	7,209,457	
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	9,548,074	9,607,095
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	9,548,074	9,607,095

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
 During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	9,662,011	1,008,395	985,625	(136,707)	9,662,011	9,548,074		9,607,094
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	9,662,011	1,008,395	985,625	(136,707)	9,662,011	9,548,074		9,607,094
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	9,662,011	1,008,395	985,625	(136,707)	9,662,011	9,548,074		9,607,094

S102

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999	2,825,709	X X X	2,825,709		

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,825,709	
2. Cost of short-term investments acquired	1,000,000	1,825,709
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	2,825,709	1,825,709
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,825,709	1,825,709

- NONE Schedule DB - Part F - Section 1**
- NONE Schedule DB - Part F - Section 2**
- NONE Schedule E Verification**
- NONE Schedule A - Part 2 and 3**
- NONE Schedule B - Part 2 and 3**
- NONE Schedule BA - Part 2 and 3**

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
3128X0-4M-8	FEDERAL HOME LOAN BANK		04/17/2008	FEDERAL HOME LOAN		1,000,000	1,000,000.00	985,625	997,180	11,555			11,555		997,180					04/17/2008		
0399999	Total - Bonds - U.S. Governments				X X X	1,000,000	1,000,000.00	985,625	997,180	11,555			11,555		997,180					X X X	X X X	
6099997	Total - Bonds - Part 4				X X X	1,000,000	1,000,000.00	985,625	997,180	11,555			11,555		997,180					X X X	X X X	
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	1,000,000	1,000,000.00	985,625	997,180	11,555			11,555		997,180					X X X	X X X	
7499999	Totals					1,000,000	X X X	985,625	997,180	11,555			11,555		997,180					X X X	X X X	

EOS

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

NONE Schedule DB - Part A and B - Section 1

NONE Schedule DB - Part C and D - Section 1

NONE Schedule E - Part 2



00000200836500002

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0000

NAIC Company Code

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected		XXX		XXX	
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid		XXX		XXX	
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	NONE		XXX		
6. Aggregate Policy Reserves - Change		XXX		XXX	XXX
7. Expenses Paid		XXX		XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ 0 due from CMS or \$ 0 due to CMS

Medical Services Monitoring Report

MCO																					
UAHC Health Plan of TN																					
Reporting Month																					
June, 2008		2007												2008							
		Incurred Month												Incurred Month							TOTAL
		January	February	March	April	May	June	July	August	September	October	November	December	Total	January	February	March	April	May	June	TOTAL
Enrollment		112,604	111,774	110,612	110,074	109,138	108,492	108,059	107,757	107,603	107,391	106,766	106,346	1,306,616	105,647	105,109	104,646	103,615	102,232	100,751	622,000
Payments for Medical Services for the Month																					
UB 92 Payments by the Claims Processing System		12,361,229	11,063,002	11,130,631	11,268,365	10,965,426	10,759,579	11,556,108	11,606,790	10,772,952	11,349,728	11,051,885	10,811,320	134,697,014	12,136,594	10,253,653	10,428,492	9,740,787	7,179,855	125,436	49,864,817
HCFA1500 Payments by the Claims Processing System		5,764,960	5,318,139	5,781,773	5,529,242	5,705,894	5,451,208	5,442,806	6,279,332	5,415,349	6,013,613	5,365,132	5,157,137	67,224,585	6,057,270	5,532,568	5,298,594	5,201,555	3,741,952	173,002	26,004,941
Dental Payments by the Claims Processing System																					
Capitation Payments		494,267	478,875	465,612	485,384	465,095	473,122	470,432	461,298	466,928	482,146	472,381	468,880	5,684,419	479,228	471,314	470,282	463,981	453,465	459,655	2,797,925
Pharmacy Payments																					
Subcontractor Payments for Medical Services		17,578	0	16,990	34,654	16,741	16,618	16,839	16,471	28,504	16,921	16,345	16,512	214,172	16,724	16,110	16,007	15,828	15,664	15,829	96,162
Reinsurance Payment																					
Other Payments/Adjustments to Medical Costs		1,006	685	598	4,493	371	0	584	1,867	753	1,280	341	2,155	14,132	928	890	1,568	406	100	561	4,452
Less:																					
BHO Capitation Revenue																					
Pharmacy Rebates																					
Recoveries not Claims Payments																					
Total Payments for the month		18,639,040	16,860,700	17,395,604	17,322,138	17,153,527	16,700,526	17,486,769	18,365,758	16,684,485	17,863,688	16,906,084	16,456,003	207,834,322	18,690,744	16,274,535	16,214,943	#####	#####	774,484	78,768,297
Remaining IBNR for the month		1,000	2,000	3,000	4,000	6,000	10,000	15,000	22,000	28,000	50,000	82,000	178,000	401,000	403,000	638,000	1,197,000	2,303,000	6,643,000	#####	29,008,000
Payments and Remaining IBNR for the month		18,640,040	16,862,700	17,398,604	17,326,138	17,159,527	16,710,526	17,501,769	18,387,758	16,712,485	17,913,688	16,988,084	16,634,003	208,235,322	19,093,744	16,912,535	17,411,943	#####	#####	#####	208,235,322
Per Member Expense		165.54	150.86	157.29	157.40	157.23	154.03	161.96	170.64	155.32			156.41	159.37	180.73	160.90	166.39	171.07	176.40	176.64	334.78
Per Member Month Exp. For Quarter				157.92			156.23			162.64			160.80							174.68	
Per Member Month Exp. For Quarter in 2004				144.32			140.69			149.83			145.20							156.23	
Per Member Month Exp. For Quarter in 2003				1.57			1.56			1.57			1.55							140.69	
Percent Change from 2003 to 2004				90.74			89.10			94.20			92.78						0.09		0.11
Medical Services Budget for 2005 Quarter				13,240.02			12,676.88			14,263.65			13,617.30						172.81		173.48
(Over)/Under Budget				13,082.10			12,520.66			14,101.01			13,456.50						3.44		(1.20)

UAHC Health Plan Inc
Reconciliation from MFT to NAIC
June 2008

Medical Expenses Per NAIC:		
Statement of Revenue and Expenses- Page 2A, Line 24	105,619,588	
Add: Reinsurance Ceded from U & I Exhibit, Page 8, Line 15	-	
Total	<u>105,619,588</u>	
Total Medical Expenses Paid per 06/30/08 MFT		
January-June, 2008 for Facility	68,893,724	
January-June, 2008 for Physician	32,960,577	
Primary Care - Caps	2,797,925	
CHA - Transportation	96,162	
Appeals - Other	4,452	
Total	<u>104,752,840</u>	
Unreconciled difference	<u>(866,748)</u>	-0.8274%

**MEDICAL FUND MONITORING REPORT
GRAND REGION - WEST**

MCO

UAHC Health Plan of TN		2007						For the Year	2007						2008						For the Year
Reporting Month		Incurred Month						Ending	Incurred Month						Incurred Month						Ending
June, 2008		January	February	March	April	May	June	6/30/2007	July	August	September	October	November	December	January	February	March	April	May	June	6/30/2008
Enrollment		112,604	111,774	110,612	110,074	109,138	108,492	1,370,193	108,059	107,757	107,603	107,391	106,766	106,346	105,647	105,109	104,646	103,615	102,232	100,751	1,265,922
TennCare Medical Fund Target		10,603,731	10,520,064	10,408,886	10,353,609	10,267,979	10,211,170	129,251,520	10,166,720	10,143,095	10,131,176	10,117,194	10,068,056	10,040,820	9,983,727	9,938,579	9,891,506	9,768,904	9,608,028	9,433,908	119,291,712
Payments for Medical Services for the Month																					
UB 92 Payments by the Claims Processing System		12,361,229	11,063,002	11,130,631	11,268,365	10,965,426	10,759,579	134,896,846	11,556,108	11,606,790	10,772,952	11,349,728	11,051,885	10,811,320	12,136,594	10,253,653	10,428,492	9,740,787	7,179,855	125,436	117,013,599
HCFA1500 Payments by the Claims Processing System		5,764,960	5,318,139	5,781,773	5,529,242	5,705,894	5,451,208	67,377,498	5,442,806	6,279,332	5,415,349	6,013,613	5,365,132	5,157,137	6,057,270	5,532,568	5,298,594	5,201,555	3,741,952	173,002	59,678,310
Dental Payments by the Claims Processing System								0													0
Capitation Payments		494,267	478,875	465,612	485,384	465,095	473,122	5,931,210	470,432	461,298	466,927.78	482,146	472,381	468,880	479,228	471,314	470,282	463,981	453,465	459,655	5,619,990
Pharmacy Payments								0													0
Subcontractor Payments for Medical Services		17,578	0	16,990	34,654	16,741	16,618	210,052	16,839	16,471	28,503.76	16,921	16,345	16,512	16,724	16,110	16,007	15,828	15,664	15,829	207,754
Reinsurance Payment								0													0
Other Payments/Adjustments to Medical Costs		1,006	685	598	4,493	371	0	23,407	584	1,866.73	753.00	1,280	341	2,155	928	890	1,568	406	100	561	11,432
Less:																					
BHO Capitation Revenue								0													0
Pharmacy Rebates								0													0
Recoveries not Reflected in Payments by the Claims System								0													0
Total Payments for the month		18,639,040	16,860,700	17,395,604	17,322,138	17,153,527	16,700,526	208,439,012	17,486,769	18,365,758	16,684,485	17,863,688	16,906,084	16,456,003	18,690,744	16,274,535	16,214,943	15,422,556	11,391,036	774,484	182,531,084
Remaining IBNR for the month		1,000	2,000	3,000	4,000	6,000	10,000	26,000	15,000	22,000	28,000	50,000	82,000	178,000	403,000	638,000	1,197,000	2,303,000	6,643,000	17,022	11,576,022
Payments and Remaining IBNR for the month		18,640,040	16,862,700	17,398,604	17,326,138	17,159,527	16,710,526	208,465,012	17,501,769	18,387,758	16,712,485	17,913,688	16,988,084	16,634,003	19,093,744	16,912,535	17,411,943	17,725,556	18,034,036	791,506	194,107,106
Medical Fund / Total Payments		175.8%	160.3%	167.2%	167.3%	167.1%	163.6%	161.3%	172.1%	181.3%	165.0%	177.1%	168.7%	165.7%	191.2%	170.2%	176.0%	181.4%	187.7%	8.4%	162.7%

UAHC Health Plan Inc
Reconciliation from MLR to NAIC
June 2008

Medical Expenses Per NAIC:	
Statement of Revenue and Expenses- Page 4, Line 16	-
Add: Reinsurance Ceded from U & I Exhibit, Page 8, Line 15	-
Total	<u>-</u>
Total Medical Expenses Paid per 06/30/08 MLR	
January-June, 2008	
Lag Timing Adjustment	-
Less: IBNR as of 12/31/08	-
	-
	<u>-</u>
	-
Unreconciled difference	<u><u>-</u></u>

MEDICAL LOSS RATIO REPORT
ALL REGIONS

MCO																											
UAHC Health Plan, Inc.																											
Reporting Month																											
June 2008 (pymts for DOS 06/30/02 & prior)																											
	2000						2001						For the Year Ended 6/30 6/30/2001	2001						2002						For the Year Ended 6/30 6/30/2002	
	Incurred Month						Incurred Month							Incurred Month						Incurred Month							
	July	August	September	October	November	December	January	February	March	April	May	June		July	August	September	October	November	December	January	February	March	April	May	June		
Enrollment	46,440	48,006	48,686	49,776	50,163	51,092	50,984	51,061	48,028	53,117	53,117	55,504		75,104	76,324	77,410	77,914	78,807	79,739	75,032	105,886	121,541	122,018	120,330	120,054	1,130,159	
TennCare Capitation Payment	6,894,792	7,269,628	7,294,441	7,519,336	7,573,081	7,809,249	7,557,194	7,569,170	7,665,545	7,943,588	8,184,011	8,342,914	91,622,951	11,078,169	10,937,453	11,014,685	10,914,056	11,216,705	11,400,419	10,661,507	14,468,546	17,026,493	17,226,598	16,843,838	16,872,878	159,661,348	
Payments for Medical Services for the Month																											
UB 92 Payments by the Claims Processing System	3,062,990	2,816,337	2,721,351	2,856,959	3,121,884	2,604,113	3,768,701	2,877,694	2,404,305	2,503,010	3,165,761	4,463,875	36,366,979	4,791,258	5,629,220	4,768,100	6,011,407	5,778,282	5,688,716	5,895,840	5,991,137	8,268,847	8,346,370	8,632,633	9,655,525	79,457,336	
HCFA1500 Payments by the Claims Processing System	1,584,825	1,535,180	1,459,501	1,495,246	1,024,238	1,264,644	1,605,246	2,316,429	2,658,086	2,729,720	1,689,443	1,728,286	20,890,844	2,002,413	2,599,226	2,483,289	2,848,270	2,721,294	2,621,617	2,925,634	3,187,710	3,973,700	4,355,370	4,458,564	4,233,697	38,410,784	
Dental Payments by the Claims Processing System	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments	459,900	464,935	465,990	472,377	481,853	494,108	370,166	364,811	391,475	392,608	357,423	375,316	5,090,961	405,783	286,006	628,645	606,629	585,309	561,056	560,542	615,894	898,333	862,915	859,101	676,269	7,546,482	
Pharmacy Payments	852,411	788,015	1,001,384	793,825	978,307	891,440	1,284,218	924,000	943,092	937,321	1,170,720	903,155	11,467,888	1,408,399	1,264,044	1,318,471	1,818,243	1,510,762	1,624,203	1,967,811	2,077,281	2,552,856	2,493,448	2,969,831	2,383,515	23,388,863	
Subcontractor Payments for Medical Services	134,538	158,690	145,956	79,591	224,665	128,988	97,028	103,209	145,942	126,985	102,567	134,332	1,582,491	103,687	392,122	201,140	197,917	197,661	199,406	187,580	264,715	303,853	387,143	382,923	680,502	3,498,649	
Reinsurance Payment	17,647	23,523	23,856	24,390	26,381	62,298	27,022	27,062	25,455	28,152	28,152	29,417	343,356	63,599	48,084	48,862	49,086	49,648	38,064	38,514	34,417	67,869	64,442	59,165	57,304	619,054	
Other Payments/Adjustments to Medical Costs	2,183	253,932	252,825	251,573	252,301	102,783	2,306	6,565	1,828	39,344	27,707	8,792	1,202,140	41,905	64,516	59,020	10,081	42,583	96,395	7,361	20,512	61,505	49,500	70,334	452,555	976,268	
Less:																											
BHO Capitation Revenue													0														0
Pharmacy Rebates												1,452	1,452	55,668	55,668	55,668	63,538	63,538	63,538	82,707	82,707	82,707	102,559	102,559	102,559	913,414	
Recoveries not Reflected in Payments by the Claims System													0														0
Total Payments for the month	5,914,495	6,040,611	6,070,864	5,973,960	6,109,629	5,548,374	7,154,687	6,619,770	6,570,184	6,757,139	6,541,772	7,641,721	76,943,206	8,761,377	10,227,551	9,451,859	11,478,096	10,822,002	10,765,920	11,500,574	12,108,959	16,044,254	16,456,629	17,329,992	18,036,808	152,984,022	
Remaining IBNR for the month	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments and Remaining IBNR for the month	5,914,495	6,040,611	6,070,864	5,973,960	6,109,629	5,548,374	7,154,687	6,619,770	6,570,184	6,757,139	6,541,772	7,641,721	76,943,206	8,761,377	10,227,551	9,451,859	11,478,096	10,822,002	10,765,920	11,500,574	12,108,959	16,044,254	16,456,629	17,329,992	18,036,808	152,984,022	
Medical Loss Ratio	85.8%	83.1%	83.2%	79.4%	80.7%	71.0%	94.7%	87.5%	85.7%	85.1%	79.9%	91.6%	84.0%	79.1%	93.5%	85.8%	105.2%	96.5%	94.4%	107.9%	83.7%	94.2%	95.5%	102.9%	106.9%	95.8%	



UAHC Health Plan of Tennessee, Inc.

1769 Paragon Drive, Suite 100
Memphis, TN 38132
• 901-346-0064 •

Representation Concerning Matters Pertaining to Examination of Actuarial Items as of June 30, 2008

To: Michael L Rasmussen, FSA, MAAA
Reden & Anders, Inc.

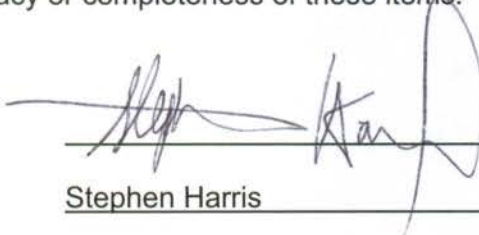
FROM: UAHC Health Plan of Tennessee

In connection with your examination of the unpaid claim liability to be included in the annual statement of UAHC Health Plan of Tennessee (Company) as of June 30, 2008, I represent that to the best of my knowledge and belief:

1. All information which would affect the actuarial items examined has been given to you;
2. Basic records, listings, summaries and other information furnished to you, and underlying the calculation of the actuarial items identified below, are accurate and complete; and
3. No methods or procedures employed by the Company, now or in the past, would preclude the accurate determination of the actuarial items examined.
4. At-risk providers are in a financial position to meet all liabilities under any incentive contracts with payers.

I understand that you have relied on these items to perform your analysis and have not audited the accuracy or completeness of these items.

Signed



Name

Stephen Harris

Title

Executive Vice President and CFO

Date

August 14, 2008

Address

300 River Place, Suite 4950, Detroit, MI 48207

Phone Number (901) 260-4422 or (313) 393-4571



**STATEMENT OF ACTUARIAL OPINION
STATUTORY QUARTERLY STATEMENT OF
UAHC HEALTH PLAN OF TENNESSEE, INC.
FOR THE QUARTER ENDED JUNE 30, 2008**

Page 1 of 3

I, Michael L. Rasmussen, Consulting Actuary, am a member of the American Academy of Actuaries, and am associated with the firm of Reden & Anders. My firm has been retained and I have been assigned to review calculations of certain actuarial items made by UAHC Health Plan of Tennessee, Inc. I meet the Academy qualification standards for rendering this statement of actuarial opinion and am familiar with the valuation requirements applicable to HMOs.

I have examined the actuarial assumptions and actuarial methods used in determining the loss reserves, actuarial liabilities and related actuarial items listed below, as shown in the quarter-end statement of the organization, as prepared for filing with state regulatory officials, as of June 30, 2008.

(a) Claims unpaid (less reinsurance ceded) (Page 3, Line 1).....	\$ 2,493,650
(b) Accrued medical incentive pool (Page 3, Line 2)	\$ 0
(c) Unpaid claims adjustment expenses (Page 3, Line 3)	\$ 69,000
(d) Aggregate health policy reserves (Page 3, Line 4)	\$ 0
(e) Aggregate health claim reserves (Page 3, Line 7)	\$ 0
(f) Experience rated refunds	\$ 0
(g) Any actuarial liabilities included in Page 3, Line 21	\$ 1,857,469

Item (a) includes \$37,000 for the estimated Part D payable to CMS as part of the risk corridor sharing provisions of the contract. The amount reported on page 3, line 21 (\$1,857,469) is not considered an actuarial liability and as a consequence is not covered under to this opinion.

I have relied upon the management of UAHC Health Plan of Tennessee, Inc., as attested to by Stephen Harris, Chief Financial Officer, as to the accuracy and completeness of listings and summaries of policies and contracts in force, asset records and other information underlying the loss reserves and related actuarial items examined. In other respects, my examination included such review of the actuarial assumptions and actuarial methods and such tests of actuarial calculations, as I considered necessary in the circumstances.

We did not perform any cash flow testing in developing our opinion because of the short-term nature of the liabilities. We did note that the "Cash, cash equivalents and short-term investments" asset as reported on Page 2, Line 5 was \$9,357,660, an amount substantially in excess of the Claims unpaid liability reported above.

**STATEMENT OF ACTUARIAL OPINION
STATUTORY QUARTERLY STATEMENT OF
UAHC HEALTH PLAN OF TENNESSEE, INC.
FOR THE QUARTER ENDED JUNE 30, 2008**

Page 2 of 3

Based on our analysis, it is our opinion that there is not a need for UAHC Health Plan to establish a premium deficiency reserve as of June 30, 2008.

In my opinion the amounts carried in the balance sheet on account of the actuarial items identified above:

- a. Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- b. Are based on actuarial assumptions which are in accordance with or stronger than those called for in related contract provisions and are appropriate to the purpose for which the statement was prepared;
- c. Meet the requirements of the laws of the State of Tennessee;
- d. Make good and sufficient provision in the aggregate for all unpaid claims and other actuarial liabilities of the organization guaranteed under the terms of its contracts and agreements;
- e. Are computed on the basis of actuarial assumptions and methods consistent in all material respects with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- f. Include provision, in the aggregate, for all actuarial reserves and related statement items that ought to be established.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

To the best of my knowledge, there have been no material changes from the applicable date of the quarterly statement to the date of the rendering of this opinion which should be considered in reviewing this opinion.

**STATEMENT OF ACTUARIAL OPINION
STATUTORY QUARTERLY STATEMENT OF
UAHC HEALTH PLAN OF TENNESSEE, INC.
FOR THE QUARTER ENDED JUNE 30, 2008**

Page 3 of 3

This statement of opinion was prepared for, and is only to be relied upon by UAHC Health Plan of Tennessee and the Tennessee Insurance Department, where the opinion is filed.



Michael L. Rasmussen
Fellow, Society of Actuaries
Member, American Academy of Actuaries

August 15, 2008

Reden & Anders
2170 Satellite Blvd, Suite 150
Duluth, GA 30097
Phone: (678) 417- 4919
Fax: (678) 417- 4950