



**QUARTERLY STATEMENT**  
**AS OF June 30, 2008**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**Unison Health Plan of Tennessee, Inc.**

NAIC Group Code 0707 , 2718 NAIC Company Code 11139 Employer's ID Number 62-1839257  
(Current Period) (Prior Period)

Organized under the Laws of Tennessee , State of Domicile or Port of Entry Tennessee

Country of Domicile United States of America

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

Incorporated/Organized 08/09/2000 Commenced Business 07/01/2001

Statutory Home Office 890 Willow Tree Circle, Suite 10 , Cordova, TN 38018  
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office Unison Plaza, 1001 Brinton Rd.  
(Street and Number)

Pittsburgh, PA 15221 (412)858-4000  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address Unison Plaza, 1001 Brinton Rd. , Pittsburgh, PA 15221  
(Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records Unison Plaza, 1001 Brinton Rd.  
(Street and Number)

Pittsburgh, PA 15221 (412)858-4000  
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.unisonhealthplan.com

Statutory Statement Contact Leslie Ann Gelpi (412)858-4145  
(Name) (Area Code)(Telephone Number)(Extension)  
Leslie.Gelpi@unisonhealthplan.com (412)457-1414  
(E-Mail Address) (Fax Number)

**OFFICERS**

Name	Title
John Paul Blank M.D.	Chief Executive Officer
Karen Marie Heim	President #
David William Thomas	Secretary
Leslie Ann Gelpi	Treasurer

**OTHERS**

**DIRECTORS OR TRUSTEES**

John Paul Blank M.D. Steven Hale Nelson #  
 Eric Jacob Wexler #

State of Pennsylvania  
 County of Allegheny ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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.

_____ (Signature) Karen Marie Heim _____ (Printed Name) 1. President _____ (Title)	_____ (Signature) David W. Thomas _____ (Printed Name) 2. Secretary _____ (Title)	_____ (Signature) Leslie Ann Gelpi _____ (Printed Name) 3. Treasurer _____ (Title)
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2008

- a. Is this an original filing?  
 b. If no, 1. State the amendment number  
 2. Date filed  
 3. Number of pages attached

Yes[X] No[ ]

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 (Notary Public Signature)

**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 .....	5,478,451		5,478,451	4,581,890
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 (\$.....9,670,010), cash equivalents (\$.....0) and short-term investments (\$.....0) .....	9,670,010		9,670,010	6,051,645
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) .....	15,148,461		15,148,461	10,633,535
11. Title plants less \$.....0 charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	77,890		77,890	70,306
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	721,057		721,057	1,051,795
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 .....	3,945		3,945	
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 .....	199,990		199,990	285,121
16.1 Current federal and foreign income tax recoverable and interest thereon .....				
16.2 Net deferred tax asset .....				
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 adjustments in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent, subsidiaries and affiliates .....				
22. Health care (\$.....21,972) and other amounts receivable .....	37,022	15,050	21,972	5,784
23. Aggregate write-ins for other than invested assets .....	4,565	4,565		
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	16,192,930	19,615	16,173,315	12,046,541
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. Total (Lines 24 and 25) .....	16,192,930	19,615	16,173,315	12,046,541
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....				
2301. Prepaid Expenses .....	4,565	4,565		
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) .....	4,565	4,565		

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....60,340 reinsurance ceded) .....	6,314,354		6,314,354	2,841,820
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	1,059,843		1,059,843	723,464
4. Aggregate health policy reserves .....	398,114		398,114	162,070
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	1,185		1,185	
9. General expenses due or accrued .....	58,191		58,191	86,458
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....				
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 .....	507,608		507,608	871,715
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 .....	1,315,705		1,315,705	532,515
21. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
22. Total liabilities (Lines 1 to 21) .....	9,655,000		9,655,000	5,218,042
23. Aggregate write-ins for special surplus funds .....	X X X	X X X		
24. Common capital stock .....	X X X	X X X	100	100
25. Preferred capital stock .....	X X X	X X X		
26. Gross paid in and contributed surplus .....	X X X	X X X	2,989,400	2,989,400
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	3,528,815	3,838,999
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	6,518,315	6,828,499
32. Total Liabilities, capital and surplus (Lines 22 and 31) .....	X X X	X X X	16,173,315	12,046,541
<b>DETAILS OF WRITE-INS</b>				
2101. ....				
2102. ....				
2103. ....				
2198. Summary of remaining write-ins for Line 21 from overflow page .....				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) .....				
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	12,219	3,446	8,752
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	10,126,331	2,328,304	7,113,723
3. Change in unearned premium reserves and reserves for rate credits .....	X X X	(236,044)		
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			
7. Aggregate write-ins for other non-health revenues .....	X X X			
8. Total revenues (Lines 2 to 7) .....	X X X	9,890,287	2,328,304	7,113,723
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		6,772,058	1,441,297	3,375,339
10. Other professional services .....		1,789,933	412,751	972,290
11. Outside referrals .....				
12. Emergency room and out-of-area .....		227,917	51,087	123,327
13. Prescription drugs .....		986,417	153,577	513,051
14. Aggregate write-ins for other hospital and medical .....		(810,988)	767	16,876
15. Incentive pool, withhold adjustments and bonus amounts .....				
16. Subtotal (Lines 9 to 15) .....		8,965,337	2,059,479	5,000,883
<b>Less:</b>				
17. Net reinsurance recoveries .....		60,340		
18. Total hospital and medical (Lines 16 minus 17) .....		8,904,997	2,059,479	5,000,883
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....(111,293) cost containment expenses .....		66,320	(37,274)	(349,181)
21. General administrative expenses .....		1,075,578	218,641	763,851
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) .....		10,046,895	2,240,846	5,415,553
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	(156,608)	87,458	1,698,170
25. Net investment income earned .....		244,777	159,748	373,643
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....				
27. Net investment gains or (losses) (Lines 25 plus 26) .....		244,777	159,748	373,643
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 .....				
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	88,169	247,206	2,071,813
31. Federal and foreign income taxes incurred .....	X X X	437,233	79,660	636,416
32. Net income (loss) (Lines 30 minus 31) .....	X X X	(349,064)	167,546	1,435,397
<b>DETAILS OF WRITE-INS</b>				
0601. ....	X X X			
0602. ....	X X X			
0603. ....	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X			
0701. ....	X X X			
0702. ....	X X X			
0703. ....	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X			
1401. Miscellaneous Medical Expense .....		(1,163)	767	16,876
1402. Prior Period IBNR Adjustment .....		(809,825)		
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page .....				
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		(810,988)	767	16,876
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	6,828,499	5,451,597	5,451,597
34. Net income or (loss) from Line 32 .....	(349,064)	167,546	1,435,397
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 .....			
37. Change in net unrealized foreign exchange capital gain or (loss) .....			
38. Change in net deferred income tax .....			
39. Change in nonadmitted assets .....	38,880	(1,782)	(58,495)
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) .....	(310,184)	165,764	1,376,902
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	6,518,315	5,617,361	6,828,499
<b>DETAILS OF WRITE-INS</b>			
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 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	10,454,309	6,223,998
2.	Net investment income .....	237,032	347,956
3.	Miscellaneous income .....		
4.	Total (Lines 1 to 3) .....	10,691,341	6,571,954
5.	Benefit and loss related payments .....	5,409,771	2,467,321
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	142,050	(478,101)
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10.	Total (Lines 5 through 9) .....	5,551,821	1,989,220
11.	Net cash from operations (Line 4 minus Line 10) .....	5,139,520	4,582,734
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....		1,200,000
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 .....		
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....		1,200,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	896,400	2,680,233
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	896,400	2,680,233
14.	Net increase (or decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....	(896,400)	(1,480,233)
<b>Cash from Financing and Miscellaneous Sources</b>			
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) .....	(624,755)	(94,784)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(624,755)	(94,784)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	3,618,365	3,007,717
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	6,051,645	3,043,928
19.2	End of period (Line 18 plus Line 19.1) .....	9,670,010	6,051,645

**Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:**

Description		Amount 1	Amount 2
20.0001	.....		

## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year .....	945							945		
2. First Quarter .....	2,029							2,029		
3. Second Quarter .....	2,530							2,530		
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	12,219							12,219		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	13,949							13,949		
8. Non-Physician .....	1,725							1,725		
9. Total .....	15,674							15,674		
10. Hospital Patient Days Incurred .....	2,733							2,733		
11. Number of Inpatient Admissions .....	325							325		
12. Health Premiums Written (a) .....	10,155,960							10,155,960		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	9,919,916							9,919,916		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	5,432,462							5,432,464	(2)	
18. Amount Incurred for Provision of Health Care Services .....	8,965,338							8,965,338		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....10,155,960.

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)****Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
<b>Individually Listed Claims Unpaid</b>						
Rx America .....	137,630					137,630
Doral Dental .....	45,718					45,718
0199999 Individually Listed Claims Unpaid .....	183,348					183,348
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	782,389	13,770				796,159
0499999 Subtotals .....	965,737	13,770				979,507
0599999 Unreported claims and other claim reserves .....						5,395,187
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						6,374,694
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						



## UNDERWRITING AND INVESTMENT EXHIBIT

### ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....						
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....	1,047,791	4,413,333	719,934	5,330,148	1,767,725	2,577,550
7. Title XIX - Medicaid .....	(2)		264,272		264,270	264,270
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	1,047,789	4,413,333	984,206	5,330,148	2,031,995	2,841,820
10. Healthcare receivables (a) .....		28,660				
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals .....	1,047,789	4,384,673	984,206	5,330,148	2,031,995	2,841,820

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

## Notes to Financial Statement

Unison Health Plan of Tennessee, Inc., (the Company) has noted no significant change since prior year-end for Notes 1 through 3, 5 through 8, 10. A. B. C. & D. (2) through 10. F. (1), 10 F. (3), 10. H. through 17. B., and 18 through 30 for the quarter ended June 30, 2008.

#### 4. Discontinued Operations:

- A. The Company was notified by the TennCare Bureau on April 22, 2008 that it was not selected to serve Medicaid enrollees in the West Grand Region for the state's full risk MCO contract scheduled for implementation on November 1, 2008. As a result, the Company will no longer provide services to State of Tennessee Medicaid eligible recipients under its ASO arrangement with TennCare effective October 31, 2008.
- B. Although the Company's ASO arrangement with TennCare is scheduled to terminate on October 31, 2008, operations under the agreement will continue for an unspecified claim run out period to allow for providers to submit claims for payment for dates of service on or before October 31, 2008.
- C. The Company intends to conduct limited operations for the Medicaid ASO line of business through the period of final claim payment processing, as noted above.
- D. As a result of the pending termination of the Company's ASO arrangement with the TennCare Bureau, its Medicaid ASO line of business operations have been classified as discontinued operations and have been reported consistently with the Company's reporting of continuing operations subject to the timeframe and intentions noted above.
- E. The amounts related to the discontinued operations and the effect on the financial statements, including the balance sheet and income statement line items that have been affected are noted below.

#### Balance Sheet June 30, 2008

##### Assets

1) Line 5	Cash	\$ <u>756,532</u>
2) Line 26	Totals	\$ <u>5,672,673</u>

##### Liabilities, Surplus and Other Funds

3) Line 22	Total Liabilities	\$ <u>1,007,216</u>
4) Line 31	Total Capital and Surplus	\$ <u>4,665,457</u>
5) Line 32	Total	\$ <u>5,672,673</u>

#### Statement of Revenue and Expenses June 30, 2008

6) Line 2	Premium	\$ _____ 0
7) Line 22	Increase in aggregate reserves for accident & health (current year less prior year)	\$ _____ 0
8) Line 31	Federal and foreign income taxes incurred	\$ <u>147,569</u>
9) Line 26	Net realized capital gains (losses)	\$ _____ 0
10) Line 32	Net Income	\$ <u>286,458</u>

#### 9. Income Taxes:

- A. As a result of the acquisition of the Company's parent, Three Rivers Holding, Inc. (Holdings) as noted in note 10. A. B. C. & D. (1). below, the Company is converting from S-Corp to C-Corp status. In conjunction with the conversion, a Form D – Prior Notice of a Transaction was filed with the Tennessee Department of Commerce and Insurance requesting approval to enter into a First Restated Tax Sharing Agreement with United Health Group Incorporated. Once the agreement is executed, appropriate tax reporting with regard to the new corporate structure and tax sharing agreement will be determined and incorporated into the Company's statutory report by year-end 2008.

#### 10. Information Concerning Parent, Subsidiaries and Affiliates:

##### A.B. C. & D.:

- (1) Three Rivers Holdings, Inc. a corporation organized pursuant to the laws of the State of Delaware and parent of the Company was acquired by AmeriChoice, a United Health Group company on May 31, 2008.

##### F. The Company has the following related party agreements:

- (2) The Company has filed a Form D – Prior Notice of a Transaction with the Tennessee Department of Commerce and Insurance requesting approval to enter into a First Restated Tax Sharing Agreement with United Health Group Incorporated. See Note 9. A. for details regarding this agreement.

## **Notes to Financial Statement**

- G. All of the stock of the Company is owned by Holdings, which is a corporation organized pursuant to the laws of the State of Delaware and acts as a holding company for the Company. Holdings, was acquired by AmeriChoice, a United Health Group company on May 31, 2008 and the Company is affiliated through common ownership with the companies detailed on Schedule Y – Part 1. The following companies are also wholly owned by Holdings: Unison Health Plan of Pennsylvania, Inc. (UHPPA), a Pennsylvania domiciled HMO, Unison Family Health Plan of Pennsylvania, Inc., a Pennsylvania domiciled HMO and subsidiary of UHPPA, Unison Health Plan of South Carolina, Inc., a South Carolina domiciled HMO, Unison Health Holdings of Ohio, Inc. (UHHOH), a corporation organized pursuant to the laws of the State of Delaware, Unison Health Plan of Ohio, Inc., an Ohio domiciled Health Insuring Corporation and subsidiary of UHHOH, Unison Health Plan of New Jersey, Inc., a New Jersey domiciled HMO, Unison Health Plan of Delaware, Inc., a Delaware Medicaid MCO, Unison Health Plan of the Capital Area, Inc., a District of Columbia domiciled HMO, and Unison Administrative Services, LLC, a Pennsylvania limited liability company.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities:

- C. The Company has no wash sales.

# GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the 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[X] No[ ]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[X] No[ ] N/A[ ]
  
- 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[X] No[ ]  
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. ..... 08/12/2005.....
- 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. ..... 06/30/2005.....
- 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). ..... 03/24/2006.....
- 6.4 By what department or departments?  
Tennessee Department of Commerce and Insurance
- 6.5 Have any financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[ ] No[ ] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
  
- 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
.....	.....	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

- 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? Yes[X] No[ ]
  - (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.
- 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[X] No[ ]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).  
The code of ethics for senior managers was amended in the first quarter of 2008 to include language related to the Medicaid line of business and the District of Columbia Medicaid and Alliance programs. Additions include an enhanced description regarding operation of the Unison Compliance Program, clarification of the terms "vendors" and "subcontractors" as related to their obligations under the plan, and an expansion of the Conflicts of Interest section.
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
- 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[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 0

### 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[X]
- 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: \$..... 0

## GENERAL INTERROGATORIES (Continued)

### INVESTMENT

13. Amount of real estate and mortgages held in short-term investments: \$..... 0

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

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....		
14.22 Preferred Stock .....		
14.23 Common Stock .....		
14.24 Short-Term Investments .....		
14.25 Mortgages 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 [X]  
 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 [ ] N/A [X]

16. Excluding items in Schedule E - Part 3 - Special Deposits, 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 [X]

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
.....	.....

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)
.....	.....	There are no securities, excluding items in Schedule E, which require a custodial agreement at 06/30/2008 .....

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, brokers/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:

**SCHEDULE S - CEDED REINSURANCE**  
**Showing All New Reinsurance Treaties - Current Year to Date**

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
<b>Accident and Health - Non-affiliates</b>						
77828 .....	57-0523959 .....	01/01/2008 .....	COMPANION LIFE INS CO .....	Columbia, SC .....	SSL/L/I .....	Yes[X] No [ ] .....
93440 .....	06-1041332 .....	01/01/2008 .....	HM LIFE INS CO .....	Pittsburgh, PA .....	SSL/L/I .....	Yes[X] No [ ] .....
93440 .....	06-1041332 .....	01/01/2008 .....	HM LIFE INS CO .....	Pittsburgh, PA .....	SSL/L/I .....	Yes[X] No [ ] .....

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

## Current Year to Date - Allocated by States and Territories

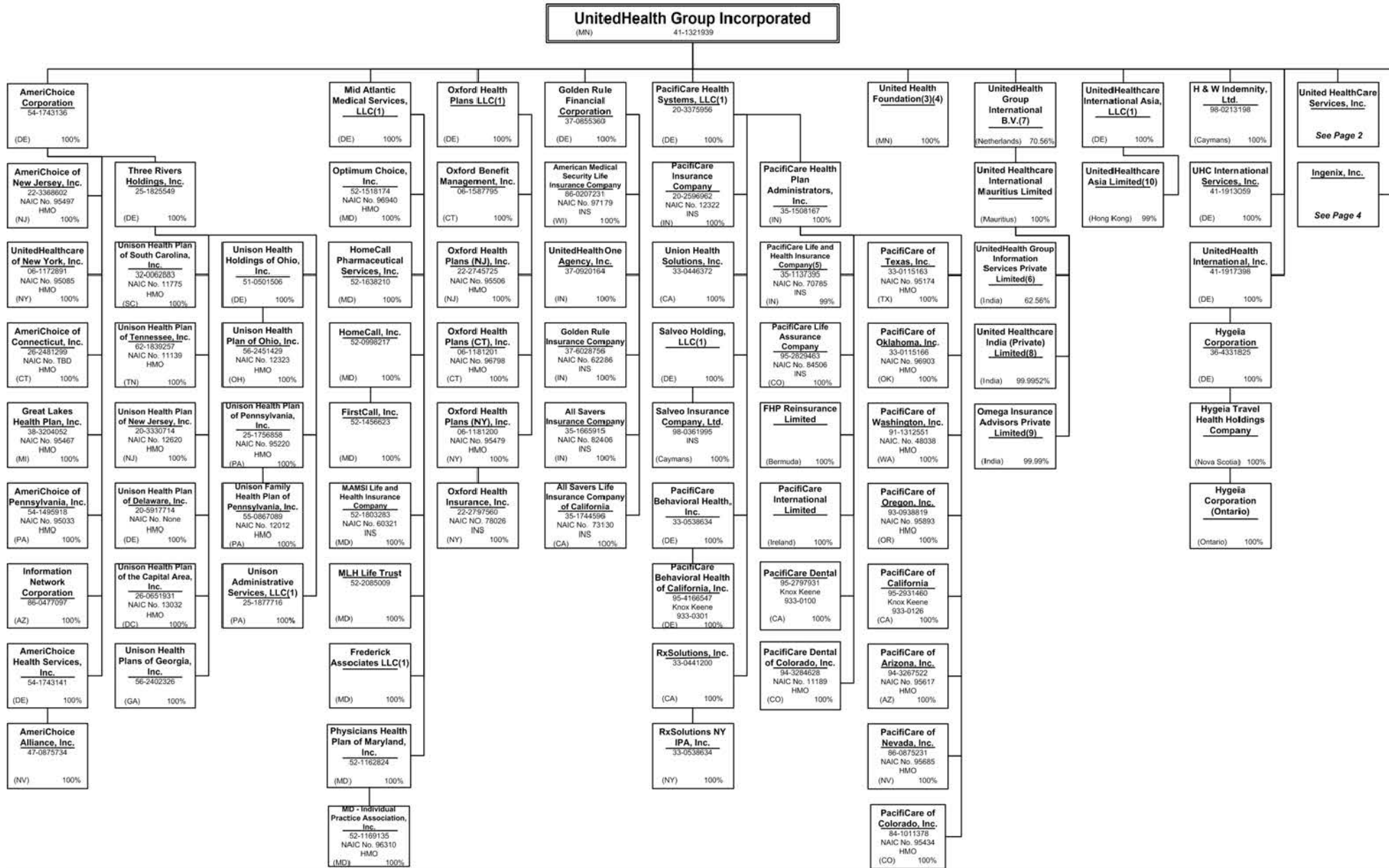
		Direct Business Only							
		1	2	3	4	5	6	7	8
State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L		121,532					121,532	
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)	L		92,079					92,079	
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		9,942,349					9,942,349	
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)	X X X								
59. Subtotal	X X X		10,155,960					10,155,960	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	(a) 3		10,155,960					10,155,960	
<b>DETAILS OF WRITE-INS</b>									
5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

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

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART



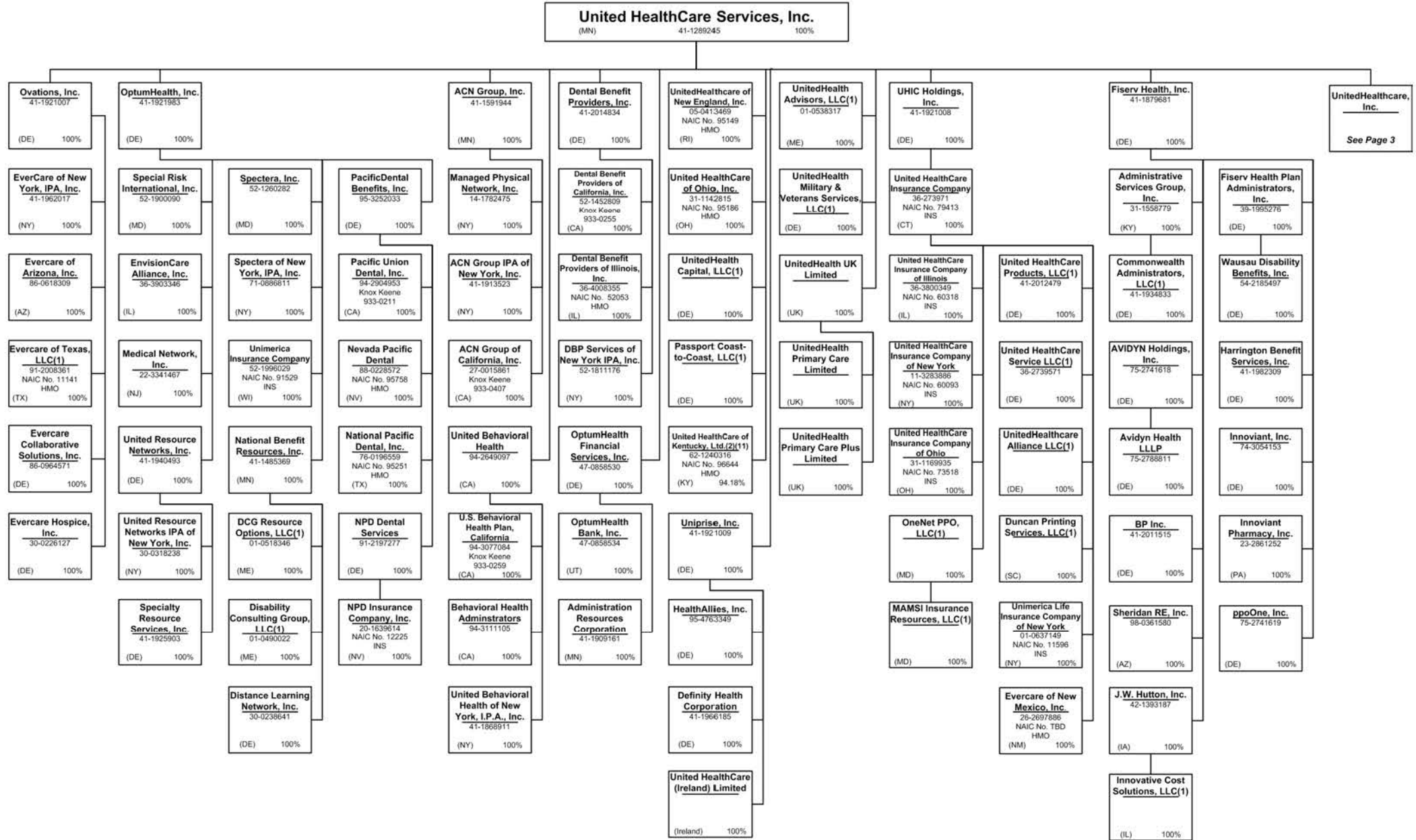
Q14



# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

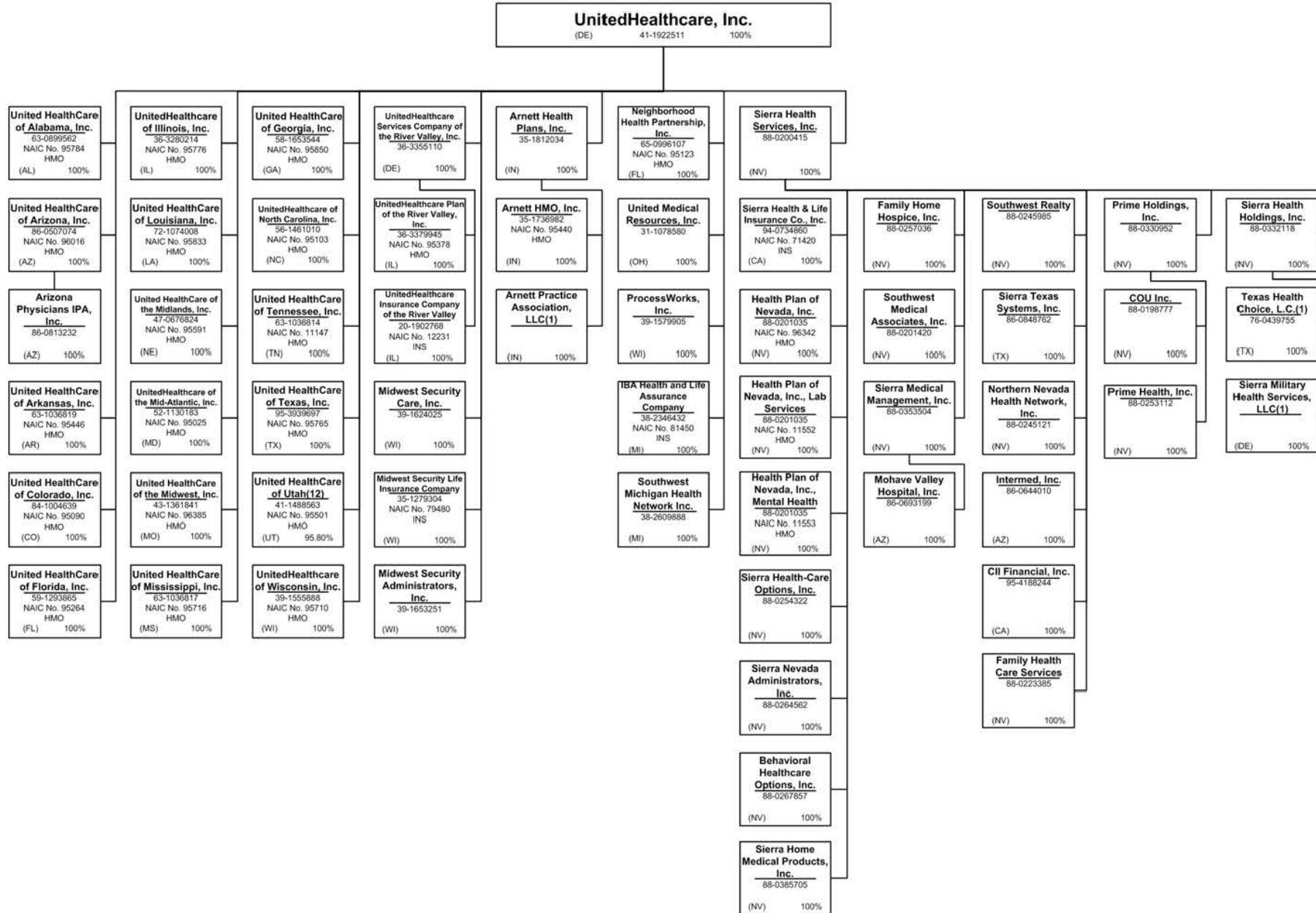


Q14.1

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

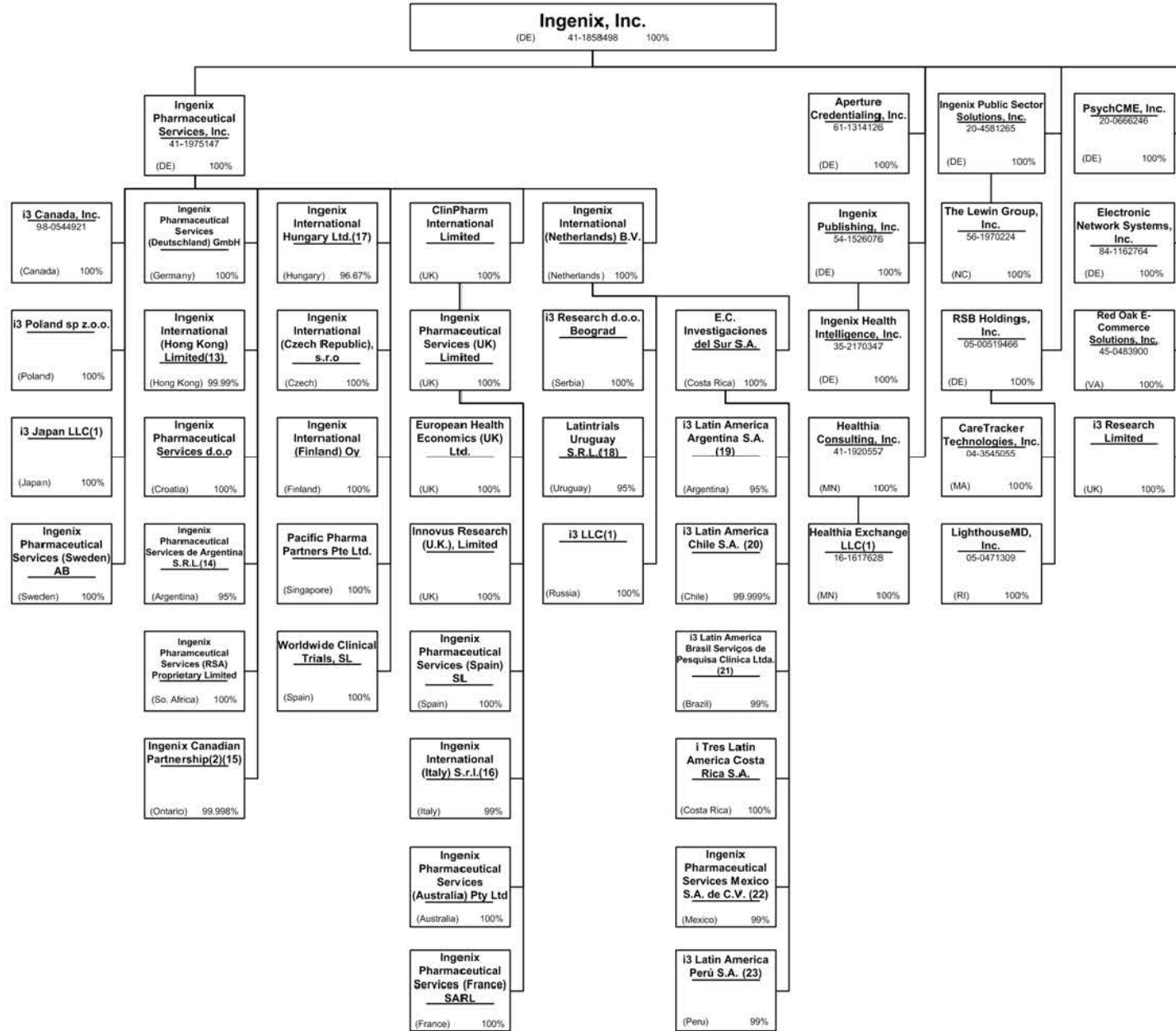


Q14.2

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART



Q14.3

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

**Notes**

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) PacifiCare Life and Health Insurance Company is 99% owned by PacifiCare Health Plan Administrators, Inc. and 1% owned by PacifiCare Health Systems, LLC

(6) UnitedHealth Group Information Services Private Limited is 62.56% owned by United Healthcare International Mauritius Limited and 36.81% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) UnitedHealth Group International B.V. is 70.56% owned by UnitedHealth Group Incorporated and 29.44% owned by United HealthCare Services, Inc.

(8) United Healthcare India (Private) Limited is 99.9952% owned by United Healthcare International Mauritius Limited and 0.0048% owned by UnitedHealth International, Inc.

(9) Omega Insurance Advisors Private Limited is 99.99% owned by United Healthcare India (Private) Limited and 0.01% owned by an individual shareholder

(10) UnitedHealthcare Asia Limited is 99% owned by UnitedHealthcare International Asia, LLC and 1% owned by UnitedHealth International, Inc.

(11) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%

(12) United HealthCare of Utah is 95.80% owned by UnitedHealthcare, Inc. and 4.20% owned by 34 physicians / physician groups

(13) Ingenix International (Hong Kong) Limited is 99.99% owned by Ingenix Pharmaceutical Services, Inc. and 0.01% owned by Ingenix, Inc.

(14) Ingenix Pharmaceutical Services de Argentina S.R.L. is 95% owned by Ingenix Pharmaceutical Services, Inc. and 5% owned by Ingenix, Inc.

(15) Ingenix Canada Partnership is 99.998% owned by Ingenix Pharmaceutical Services, Inc. and 0.002% owned by Ingenix, Inc.

(16) Ingenix International (Italy) S.r.l. is 99% owned by Ingenix Pharmaceutical Services (UK) Limited and 1% owned by ClinPharm International Limited

(17) Ingenix International Hungary Ltd. is 96.67% owned by Ingenix Pharmaceutical Services, Inc. and 3.33% owned by Ingenix, Inc.

(18) Latinrials Uruguay S.R.L. is 95% owned by Ingenix International (Netherlands) BV and 5% owned by Ingenix Pharmaceutical Services, Inc.

(19) i3 Latin America Argentina S.A. is 95% owned by E.C. Investigaciones del Sur S.A. and 5% owned by i Tres Latin America Costa Rica S.A.

(20) i3 Latin America Chile S.A. is 99.999% owned by E.C. Investigaciones del Sur S.A. and 0.001% owned by i Tres Latin America Costa Rica S.A.

(21) i3 Latin America Brasil Serviços de Pesquisa Clínica Ltda. Is 99% owned by E.C. Investigaciones del Sur S.A. and 1% owned by i Tres Latin America Costa Rica S.A.

(22) Ingenix Pharmaceutical Services Mexico S.A. de C.V. is 99% owned by E.C. Investigaciones del Sur S.A. and 1% owned by i3 Latin America Argentina S.A.

(23) i3 Latin America Perú S.A. is 99% owned by E.C. Investigaciones del Sur S.A. and 1% owned by i3 Latin America Argentina S.A.

## 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

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



11139200836500002

2008

Document Code: 365

**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION****Real Estate**

	1	2
	Year To Date	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 amounts .....		
11. Statement value at end of current period (Line 9 minus Line 10) .....		

**NONE****SCHEDULE B - VERIFICATION****Mortgage Loans**

	1	2
	Year To Date	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 paid .....		
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 amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		

**NONE****SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

Description	1	2
	Year To Date	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) .....		

**NONE****SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	4,581,890	3,096,106
2. Cost of bonds and stocks acquired .....	896,400	2,680,233
3. Accrual of discount .....	5,314	8,230
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration for bonds and stocks disposed of .....		1,200,000
7. Deduct amortization of premium .....	5,153	2,679
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) .....	5,478,451	4,581,890
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	5,478,451	4,581,890

## 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
<b>BONDS</b>								
1. Class 1 (a) .....	5,478,295			156	5,478,295	5,478,451		4,581,890
2. Class 2 (a) .....								
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	5,478,295			156	5,478,295	5,478,451		4,581,890
<b>PREFERRED STOCK</b>								
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 .....	5,478,295			156	5,478,295	5,478,451		4,581,890

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

QS102



<b>SI03</b>	<b>Schedule DA Part 1</b> .....	<b>NONE</b>
<b>SI03</b>	<b>Schedule DA Verification</b> .....	<b>NONE</b>
<b>SI04</b>	<b>Schedule DB Part F Section 1</b> .....	<b>NONE</b>
<b>SI05</b>	<b>Schedule DB Part F Section 2</b> .....	<b>NONE</b>
<b>SI06</b>	<b>Schedule E - Verification (Cash Equivalents)</b> .....	<b>NONE</b>
<b>E01</b>	<b>Schedule A Part 2</b> .....	<b>NONE</b>
<b>E01</b>	<b>Schedule A Part 3</b> .....	<b>NONE</b>
<b>E02</b>	<b>Schedule B Part 2</b> .....	<b>NONE</b>
<b>E02</b>	<b>Schedule B Part 3</b> .....	<b>NONE</b>
<b>E03</b>	<b>Schedule BA Part 2</b> .....	<b>NONE</b>
<b>E03</b>	<b>Schedule BA Part 3</b> .....	<b>NONE</b>
<b>E04</b>	<b>Schedule D Part 3</b> .....	<b>NONE</b>
<b>E05</b>	<b>Schedule D Part 4</b> .....	<b>NONE</b>
<b>E06</b>	<b>Schedule DB Part A Section 1</b> .....	<b>NONE</b>
<b>E06</b>	<b>Schedule DB Part B Section 1</b> .....	<b>NONE</b>
<b>E07</b>	<b>Schedule DB Part C Section 1</b> .....	<b>NONE</b>
<b>E07</b>	<b>Schedule DB Part D Section 1</b> .....	<b>NONE</b>

**SCHEDULE E - PART 1 - CASH****Month End Depository Balances**

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
PNC Bank - Operating Account .....	Pittsburgh, PA .....		2.478	65,845	20,170	8,151,012	10,470,559	9,626,764	X X X
PNC Bank - ASO Account .....	Pittsburgh, PA .....		2.335	18,178		144,698	(1,819,252)	20,369	X X X
0199998 Deposits in .....1 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories		X X X	X X X			42,581	9,377	22,877	X X X
0199999 Totals - Open Depositories .....		X X X	X X X	84,023	20,170	8,338,291	8,660,684	9,670,010	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....		X X X	X X X						X X X
0299999 Totals - Suspended Depositories .....		X X X	X X X						X X X
0399999 Total Cash On Deposit .....		X X X	X X X	84,023	20,170	8,338,291	8,660,684	9,670,010	X X X
0499999 Cash in Company's Office .....		X X X	X X X	X X X	X X X				X X X
0599999 Total Cash .....		X X X	X X X	84,023	20,170	8,338,291	8,660,684	9,670,010	X X X

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <b>N O N E</b> </div>							
8799999 Total - Cash Equivalents .....							

**Unison Health Plan of Tennessee, Inc.**  
**Reconciliation**  
**MSM Reports to Report 2A**  
**June 30, 2008**

Medical Expense for at Risk business (as reported on NAIC filings)	-
Add Reinsurance Premium for at Risk business	
Payments and remaining IBNR per MSM report for 1/2008-6/2008	<u>59,245,636</u>
total payments and remaining IBNR for 2008	<u><u>59,245,636</u></u>
 Medical expenses per TN report 2A	 59,245,636
 variance	 -
	-
	0.00%

Total payments and IBNR for dates of service in 2008 from June 2008 MSM report

Jan-08	11,837,784
Feb-08	10,829,171
Mar-08	8,706,919
Apr-08	8,113,128
May-08	10,319,940
Jun-08	9,438,694
Jul-08	
Aug-08	
Sep-08	
Oct-08	
Nov-08	
Dec-08	
Total	<u><u>59,245,636</u></u>

**Unison Health Plan of Tennessee, Inc.**  
**Reconciliation**  
**NAIC to TN Report 2A**  
**June 30, 2008**

**Revenue**

NAIC	-
add back @ risk reinsurance expense	-
ASO admin fees received	5,211,173
ASO Medical services payments per MSM report	38,686,618
ASO IBNR @ 6/30/08 for DOS in 2008	20,559,018
Premium tax	<u>1,281,705</u>
Revenue per TN report 2A	<u><u>65,738,514</u></u>

**Medical Expenses**

NAIC	-
add @ risk reinsurance expense	-
ASO claims payments	38,686,618
ASO IBNR @ 06/30/08	<u>20,559,018</u>
Medical Expenses per TN report 2A	<u><u>59,245,636</u></u>

**Report #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSES**  
**June 30, 2008**

Prepared in accordance with instructions from TDCI

	Current Quarter	Current Year	Previous Year
	Total	Total	Total
MEMBER MONTHS	224,418	442,961	801,183
<b>REVENUES:</b>			
1. TennCare Capitation	31,007,683	65,738,514	120,663,780
Capitation	-	-	-
ASO Administrative fees received	2,639,582	5,211,173	
ASO Medical expense	27,750,889	59,245,636	
Premium Tax Expense	617,212	1,281,705	
2. Adverse Selection	-	-	-
3. Total (Lines 1 and 2)	31,007,683	65,738,514	120,663,780
4. Investment	38,081	84,302	211,714
5. Other Revenue (Provide detail)	-	-	-
6. TOTAL (Lines 3 to 5)	31,045,764	65,822,816	120,875,494
<b>EXPENSES:</b>			
Medical and Hospital Services			
7. Capitated Physician Services	213,050	415,342	732,734
8. Fee for Service Physician Services	8,364,892	21,133,638	39,875,537
9. Inpatient Hospital Services	12,591,071	20,021,442	35,086,767
10. Outpatient Services	2,445,206	6,383,355	13,562,022
11. Emergency Room Services	225,392	3,231,496	5,817,219
12. Mental Health Services	-	-	-
13. Dental Services	-	-	-
14. Vision Services	127,840	252,936	496,437
15. Pharmacy Services	-	-	(325)
16. Home Health Services	1,254,389	2,072,491	2,647,864
17. Chiropractic Services	512	512	1,616
18. Radiology Services	398,064	1,558,388	3,634,200
19. Laboratory Services	244,747	926,429	1,858,091
20. Durable Medical Equipment Services	736,936	1,314,186	2,136,353
21. Transportation Services	1,107,834	1,835,593	3,183,857
22. Outside Referrals	-	-	-
23. Medical Incentive Pool and Withhold Adjustments	-	-	-
24. Occupancy, Depreciation and Amortization	-	-	-
25. Other Medical and Hospital Services (Provide Detail)	110,254	204,916	324,895
27. Subtotal (Lines 7 to 26)	27,820,188	59,350,724	109,357,267
LESS:			
28. Net Reinsurance Recoveries	-	-	-
29. Copayments	6,819	11,759	23,997
30. Subrogation and Coordination of Benefits	62,479	93,328	220,515
Subtotal (Lines 27 to 29)	69,298	105,087	244,511
31. TOTAL MEDICAL AND HOSPITAL (Line 26 less 30)	27,750,889	59,245,636	109,112,756
Administration:			
32. Compensation	-	-	-
33. Marketing	-	-	-
34. Interest Expense	-	-	-
35. Premium Tax Expense	617,212	1,281,705	2,222,230
36. Occupancy, Depreciation and Amortization	-	-	-
37. Other Administration (Provide detail) **	2,369,098	4,861,448	8,646,370
38. TOTAL ADMINISTRATION (Lines 32 to 37)	2,986,310	6,143,153	10,868,600
39. TOTAL EXPENSES (Lines 31 and 38)	30,737,200	65,388,790	119,981,356
40. Extraordinary Item	-	-	-
41. Provision for Income Tax	93,610	147,569	274,660
42. NET INCOME/(LOSS) (Line 6 less Lines 39, 40 and 41)	214,955	286,458	619,478

** Other Administration Detail			
Administration Fees *	2,376,378	4,724,727	8,510,181
Unpaid Claims Adjustment Expense - Change in Reserve	3,139	155,853	185,688
ASO Admin Fees	-	-	-
Legal Fees	-	-	-
Accounting Fees	2,729	5,961	19,605
Consulting	360	3,295	20,559
Liability Insurance	-	-	-
Printing	-	-	-
Dues, Fees & Subscriptions	-	8	367
Bank Fees	3,112	5,110	11,880
State Tax	-	-	-
Fines and Penalties	-	-	-
Case Mgmt Fees	-	-	-
TPL Administrative Fees	(16,620)	(33,506)	(101,910)
Misc Expenses	-	-	-
Total Other Administration	2,369,098	4,861,448	8,646,370

\* Includes Administrative Fees paid to Affiliates

Other Medical and Hospital			
Misc Medical Expense	-	-	-
Case Management fees	110254	204,916	324,895

Barbara V. Scheil and Associates, Ltd.  
11462 Rockville Rd., PO Box 249  
Rockville, Virginia 23146

August 8, 2008

I, Barbara V. Scheil, am associated with the firm of Barbara V. Scheil and Associates, Ltd. I am a Member of the American Academy of Actuaries and have been retained by Unison Administrative Services, LLC (an affiliate of Unison Health Plan of Tennessee, Inc.) with regard to loss reserves, actuarial liabilities and related items.

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the Medical Loss Ratio Report of Unison Health Plan of Tennessee, Inc. as prepared for filing with Tennessee regulatory officials, as of June 30, 2008.

<u>Item</u>	<u>Amount</u>
Remaining IBNR (for claims incurred through June 30, 2002)*	\$ 0
Other Additional IBNR* (Provision to meet 85% Minimum Loss Ratio Requirement)	264,272
<b>Claims Unpaid</b>	<b>\$ 264,272</b>

\*All Regions combined

I relied upon the underlying records and summaries prepared by the responsible officers or employees of Unison Administrative Services, LLC. In other respects, my examination included such review of the assumptions and methods used and such tests of the calculations as I considered necessary.

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

- (i) Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- (ii) Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- (iii) Meet the requirements of the laws of Tennessee,
- (iv) Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of organization under the terms of its contracts and agreements,
- (v) Are computed on the basis of assumptions which are consistent with those used in computing the corresponding items in December 31, 2007, report of Unison Health Plan of Tennessee, Inc., and
- (vi) Include appropriate provision for all actuarial items that ought to be established.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Boards, which standards form the basis of this statement of opinion.

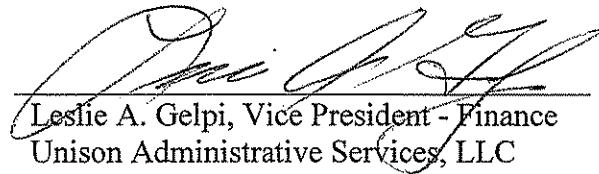
*Barbara V. Scheil*

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Barbara V. Scheil, FSA, MAAA  
Member of the American Academy of Actuaries



I, Leslie Gelpi, Vice President of Finance, of Unison Administrative Services, LLC, hereby affirm that the listings and summaries, and analyses relating to data prepared for and submitted to Barbara V. Scheil and Associates, Ltd. in support of her actuarial opinion for Unison Health Plan of Tennessee, Inc. as of June 30, 2008, were prepared under my direction and, to the best of my knowledge and belief, are substantially accurate and complete and the same as, or derived from, the records and other data which form the basis of the statement for the period ended June 30, 2008.

A handwritten signature in black ink, appearing to read "Leslie A. Gelpi". The signature is written in a cursive style with a horizontal line underneath it.

---

Leslie A. Gelpi, Vice President - Finance  
Unison Administrative Services, LLC  
Unison Plaza  
1001 Brinton Road  
Pittsburgh, PA 15221  
412-858-4145



**Barbara V. Scheil and Associates, Ltd.**

11462 Rockville Road  
PO Box 249  
Rockville, Virginia 23146  
804-749-4408

July 15, 2008

I, Barbara V. Scheil, am associated with the firm of Barbara V. Scheil and Associates, Ltd. I am a Member of the American Academy of Actuaries and have been retained by Unison Administrative Services, LLC on behalf of Unison Health Plan of Tennessee, Inc. with regard to loss reserves, actuarial liabilities and related items.

I have examined the assumptions and methods used in determining the item listed below shown in the Medical Services Monitoring Report of Unison Health Plan of Tennessee, Inc., prepared for filing with Tennessee regulatory officials for the June 2008 reporting month.

<u>Item</u>	<u>Total</u>
"Remaining IBNR for Month" (Total)	\$ 24,170,861

I relied on the underlying records and summaries prepared by the responsible officers or employees of Unison Administrative Services, LLC. In other respects, my examination included such review of the assumptions and methods used and tests of the calculations as I considered necessary.

In my opinion, the amounts in Medical Services Monitoring Report on account of the item identified above:

- (i) Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- (ii) Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the report was prepared,
- (iii) Meet the requirements of the laws of Tennessee,
- (iv) Make good and sufficient provision for all unpaid claims incurred under Unison Health Plan's administrative services arrangement with TennCare, and are consistent with the Unison Health Plan's contracts and agreements, and
- (v) Are computed on the basis of assumptions which are consistent with those used in computing the corresponding item in the Medical Services Monitoring Report of Unison Health Plan of Tennessee for the prior month.

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

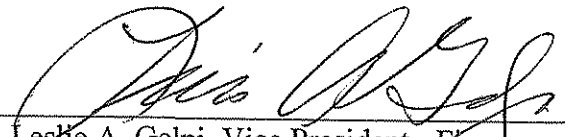
*Barbara V. Scheil*

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Barbara V. Scheil, FSA, MAAA  
Member of the American Academy of Actuaries



I, Leslie Gelpi, Vice President – Finance of Unison Administrative Services, LLC, hereby affirm that the listings and summaries of data prepared for Unison Health Plan of Tennessee, Inc. and submitted to Barbara V. Scheil and Associates, Ltd. were prepared under my direction and, to the best of my knowledge and belief, are accurate and complete.



Leslie A. Gelpi, Vice President - Finance  
Unison Administrative Services, LLC

**Exhibit 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID**

Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total Individuals						
0299998 Premium due and unpaid not individually listed						
0299999 Total group						
0399999 Premiums due and unpaid from Medicare entities	721,057					721,057
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 13)	721,057					721,057

**EXHIBIT 3 - HEALTH CARE RECEIVABLES**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
<b>Pharmaceutical Rebate Receivables</b>						
Unison Administrative Services, LLC	16,540			15,050	15,050	16,540
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed						
0199999 Subtotal - Pharmaceutical Rebate Receivables						
0299998 Claim Overpayment Receivables - Not Individually Listed						
0299999 Subtotal - Claim Overpayment Receivables						
0399998 Loans and Advances to Providers - Not Individually Listed						
0399999 Subtotal - Loans and Advances to Providers						
0499998 Capitation Arrangements Receivables - Not Individually Listed						
0499999 Subtotal - Capitation Arrangements Receivables						
0599998 Risk Sharing Receivables - Not Individually Listed						
0599999 Subtotal - Risk Sharing Receivables						
0699998 Other Receivables - Not Individually Listed	5,432					5,432
0699999 Subtotal - Other Receivables						
0799999 Gross health care receivables	21,972			15,050	15,050	21,972

**EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES**

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted		
						7 Current	8 Non-Current	
0299999 Receivables not individually listed			<b>None</b>					
0399999 Total gross amounts receivable								