

## ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1. Bonds (Schedule D) .....	5,499,047		5,499,047	4,581,890
2. Stocks (Schedule D)				
2.1 Preferred stocks .....				
2.2 Common Stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
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 (\$.....(442,818) Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....15,120,062 Schedule DA) .....	14,677,244		14,677,244	6,051,645
6. Contract loans (including \$.....0 premium notes) .....				
7. Other invested assets (Schedule BA) .....				
8. Receivables for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	20,176,291		20,176,291	10,633,535
11. Title plants less \$.....0 charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	78,182		78,182	70,306
13. Premiums and considerations				
13.1 Uncollected premiums and agents' balances in the course of collection .....	757,100		757,100	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 .....				
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 .....	266,760		266,760	285,121
16.1 Current federal and foreign income tax recoverable and interest thereon .....				
16.2 Net deferred tax asset .....	75,033	22,089	52,944	
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 (\$.....38,120) and other amounts receivable .....	101,231	63,111	38,120	5,784
23. Aggregate write-ins for other than invested assets .....	4,160		4,160	
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	21,458,757	85,200	21,373,557	12,046,541
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. Total (Lines 24 and 25) .....	21,458,757	85,200	21,373,557	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. State Income Tax Receivable .....	4,160		4,160	
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) .....	4,160		4,160	

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....39,140 reinsurance ceded) .....	7,078,442		7,078,442	2,841,820
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	582,106		582,106	723,464
4. Aggregate health policy reserves .....	699,795		699,795	162,070
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	1,705		1,705	
9. General expenses due or accrued .....	245,682		245,682	86,458
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....	80,072		80,072	
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 .....	686,091		686,091	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 .....	1,684,787		1,684,787	532,515
21. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
22. Total liabilities (Lines 1 to 21) .....	11,058,680		11,058,680	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	7,325,377	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	10,314,877	6,828,499
32. Total Liabilities, capital and surplus (Lines 22 and 31) .....	X X X	X X X	21,373,557	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		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months .....	X X X	28,820	8,752
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	26,688,637	7,113,723
3. Change in unearned premium reserves and reserve for rate credits .....	X X X	(537,725)	
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	26,150,912	7,113,723
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		13,914,302	3,375,339
10. Other professional services .....		4,453,111	972,290
11. Outside referrals .....			
12. Emergency room and out-of-area .....		479,984	123,327
13. Prescription drugs .....		2,069,224	513,051
14. Aggregate write-ins for other hospital and medical .....		(1,173,198)	16,876
15. Incentive pool, withhold adjustments and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....		19,743,423	5,000,883
<b>Less:</b>			
17. Net reinsurance recoveries .....		39,140	
18. Total hospital and medical (Lines 16 minus 17) .....		19,704,283	5,000,883
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....118,157 cost containment expenses .....		651,737	(349,181)
21. General administrative expenses .....		2,103,108	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) .....		22,459,128	5,415,553
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	3,691,784	1,698,170
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		514,490	373,643
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....			
27. Net investment gains (losses) (Lines 25 plus 26) .....		514,490	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	4,206,274	2,071,813
31. Federal and foreign income taxes incurred .....	X X X	768,224	636,416
32. Net income (loss) (Lines 30 minus 31) .....	X X X	3,438,050	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 (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X		
1401. Miscellaneous Medical Expense .....		(13,765)	16,876
1402. Prior Period IBNR Adjustment .....		(1,159,433)	
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....		(1,173,198)	16,876
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	6,828,499	5,451,597
34. Net income or (loss) from Line 32 .....	3,438,050	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 .....	75,033	
39. Change in nonadmitted assets .....	(26,705)	(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) .....	3,486,378	1,376,902
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	10,314,877	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	2
		Current Year	Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	26,984,704	6,223,998
2.	Net investment income .....	507,982	347,956
3.	Miscellaneous income .....		
4.	Total (Lines 1 through 3) .....	27,492,686	6,571,954
5.	Benefit and loss related payments .....	15,504,613	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 .....	1,257,226	(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) .....	16,761,839	1,989,220
11.	Net cash from operations (Line 4 minus 10) .....	10,730,847	4,582,734
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	1,200,000	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	1,200,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	2,118,525	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) .....	2,118,525	2,680,233
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(918,525)	(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) .....	(1,186,723)	(94,784)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(1,186,723)	(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) .....	8,625,599	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 year (Line 18 plus Line 19.1) .....	14,677,244	6,051,645

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

20.0001	.....	.....	.....
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## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
	Total									
1. Net premium income	26,688,637						26,688,637			
2. Change in unearned premium reserves and reserve for rate credit	(537,725)						(537,725)			
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. Total revenues (Lines 1 to 6)	26,150,912						26,150,912			
8. Hospital/medical benefits	13,914,302						13,914,302			X X X
9. Other professional services	4,453,111						4,453,111			X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area	479,984						479,984			X X X
12. Prescription drugs	2,069,224						2,069,224			X X X
13. Aggregate write-ins for other hospital and medical	(1,173,198)						(1,173,198)			X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	19,743,423						19,743,423			X X X
16. Net reinsurance recoveries	39,140						39,140			X X X
17. Total hospital and medical (Lines 15 minus 16)	19,704,283						19,704,283			X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....118,157 cost containment expenses	651,737						1,192,456	(540,719)		
20. General administrative expenses	2,103,108						2,759,894	(656,786)		
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. Total underwriting deductions (Lines 17 to 22)	22,459,128						23,656,633	(1,197,505)		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	3,691,784						2,494,279	1,197,505		
<b>DETAILS OF WRITE-INS</b>										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301. Miscellaneous Medical Expense	(13,765)						(13,765)			X X X
1302. Prior Period IBNR Adjustment	(1,159,433)						(1,159,433)			X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)	(1,173,198)						(1,173,198)			X X X

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....				
2. Medicare Supplement .....				
3. Dental only .....				
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....	26,757,772		69,135	26,688,637
7. Title XIX - Medicaid .....				
8. Other health .....				
9. Health subtotal (Lines 1 through 8) .....	26,757,772		69,135	26,688,637
10. Life .....				
11. Property/casualty .....				
12. TOTALS (Lines 9 to 11) .....	26,757,772		69,135	26,688,637

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	15,553,535						15,553,537	(2)		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	15,553,535						15,553,537	(2)		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	7,117,582						6,853,310	264,272		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded	39,140						39,140			
3.4 Net	7,078,442						6,814,170	264,272		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	85,874						85,874			
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	2,841,820						2,577,550	264,270		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	2,841,820						2,577,550	264,270		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	19,743,423						19,743,423			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	39,140						39,140			
12.4 Net	19,704,283						19,704,283			
13. Incurred medical incentive pools and bonuses										

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



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	1,391,033						1,391,033			
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	1,391,033						1,391,033			
2. Incurred but Unreported:										
2.1 Direct .....	5,726,549						5,462,277	264,272		
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....	39,140						39,140			
2.4 Net .....	5,687,409						5,423,137	264,272		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	7,117,582						6,853,310	264,272		
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....	39,140						39,140			
4.4 Net .....	7,078,442						6,814,170	264,272		

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 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 December 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 .....	1,342,287	14,220,642	169,028	6,645,142	1,511,315	2,577,550
7. Title XIX - Medicaid .....	(2)		264,272		264,270	264,270
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	1,342,285	14,220,642	433,300	6,645,142	1,775,585	2,841,820
10. Healthcare receivables (a) .....		95,266				
11. Other non-health .....						
12. Medical incentive pool and bonus amounts .....						
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	1,342,285	14,125,376	433,300	6,645,142	1,775,585	2,841,820

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

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**

**Grand Total**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....	4,903	4,949	4,938	4,918	4,918
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X	2,423	3,765
6. 2008 .....	X X X	X X X	X X X	X X X	14,125

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....	5,182	5,182	5,182	5,182	5,182
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X	5,001	3,934
6. 2008 .....	X X X	X X X	X X X	X X X	20,770

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2004 .....										
2. 2005 .....										
3. 2006 .....										
4. 2007 .....	7,114	3,765	244	6.486	4,009	56.356	169	7	4,185	58.830
5. 2008 .....	26,220	14,125	830	5.875	14,955	57.036	6,645	259	21,859	83.367

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . . NONE

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**

**Title XVIII - Medicare**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....					
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X	2,423	3,765
6. 2008 .....	X X X	X X X	X X X	X X X	14,125

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....					
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X	5,001	3,934
6. 2008 .....	X X X	X X X	X X X	X X X	20,770

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2004 .....										
2. 2005 .....										
3. 2006 .....										
4. 2007 .....	7,114	3,765	244	6.486	4,009	56.356	169	7	4,185	58.830
5. 2008 .....	26,220	14,125	830	5.875	14,955	57.036	6,645	259	21,859	83.367

12 Title XVIII-Medicare

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**

**Title XIX - Medicaid**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....	4,903	4,949	4,938	4,918	4,918
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X		
6. 2008 .....	X X X	X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....	5,182	5,182	5,182	5,182	5,182
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X		
6. 2008 .....	X X X	X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2004 .....										
2. 2005 .....										
3. 2006 .....										
4. 2007 .....										
5. 2008 .....										

12 Title XIX-Medicaid

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**

**Other**

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....					
2. 2004 .....					
3. 2005 .....					
4. 2006 .....					
5. 2007 .....			X X X		
6. 2008 .....	X X X	X X X	X X X	X X X	

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....					
2. 2004 .....					
3. 2005 .....					
4. 2006 .....					
5. 2007 .....			X X X		
6. 2008 .....	X X X	X X X	X X X	X X X	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2004 .....										
2. 2005 .....										
3. 2006 .....										
4. 2007 .....										
5. 2008 .....										

12 Other

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....									
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income .....	699,795						699,795		
5. Aggregate write-ins for other policy reserves .....									
6. Totals (gross) .....	699,795						699,795		
7. Reinsurance ceded .....									
8. Totals (Net) (Page 3, Line 4) .....	699,795						699,795		
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. Totals (gross) .....									
13. Reinsurance ceded .....									
14. Totals (Net) (Page 3, Line 7) .....									
<b>DETAILS OF WRITE-INS</b>									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page ..									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above) .....									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above) .....									

(a) Includes \$.....0 premium deficiency reserve.



## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building) .....	74,084	83,747	193,096		350,927
2. Salaries, wages and other benefits .....	1,033,793	1,049,625	4,066,649		6,150,067
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....			426,835		426,835
4. Legal fees and expenses .....			14,762		14,762
5. Certifications and accreditation fees .....			83,172		83,172
6. Auditing, actuarial and other consulting services .....			424,455		424,455
7. Traveling expenses .....			131,065		131,065
8. Marketing and advertising .....			234,271		234,271
9. Postage, express and telephone .....		147,021	823,876		970,897
10. Printing and office supplies .....			631,487		631,487
11. Occupancy, depreciation and amortization .....					
12. Equipment .....			464,960		464,960
13. Cost or depreciation of EDP equipment and software .....	68,547	22,965	544,795		636,307
14. Outsourced services including EDP, claims, and other services .....	33,543	157,064	109,366		299,973
15. Boards, bureaus and association fees .....			102,705		102,705
16. Insurance, except on real estate .....			68,513		68,513
17. Collection and bank service charges .....			38,684	318	39,002
18. Group service and administration fees .....					
19. Reimbursements by uninsured plans .....	(1,268,923)	(875,877)	(7,256,968)		(9,401,768)
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					
23.2 State premium taxes .....					
23.3 Regulator authority licenses and fees .....			223,169		223,169
23.4 Payroll taxes .....	88,079	86,964	292,993		468,036
23.5 Other (excluding federal income and real estate taxes) .....			101,177		101,177
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....	89,032	(137,929)	384,048		335,151
26. Total expenses incurred (Lines 1 to 25) .....	118,155	533,580	2,103,110	318	(a) 2,755,163
27. Less expenses unpaid December 31, current year .....		582,106	801,761		1,383,867
28. Add expenses unpaid December 31, prior year .....		723,464	333,417		1,056,881
29. Amounts receivable relating to uninsured plans, prior year .....	64,915		318,812		383,727
30. Amounts receivable relating to uninsured plans, current year .....	(106,976)		398,556		291,580
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	(53,736)	674,938	1,714,510	318	2,336,030
<b>DETAILS OF WRITE-INS</b>					
2501.Claims Adjustment Expense .....		(141,358)			(141,358)
2502.Recruiting .....			15,068		15,068
2503.Temporary Help .....	89,032	3,429	244,312		336,773
2598.Summary of remaining write-ins for Line 25 from overflow page .....			124,668		124,668
2599.Totals (Lines 2501 through 2503 + 2598) (Line 25 above) .....	89,032	(137,929)	384,048		335,151

(a) Includes management fees of \$.....12,080,084 to affiliates and \$.....0 to non-affiliates.

## EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 208,804	202,607
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 15,442	27,442
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 361,679	361,679
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	585,925	591,728
11. Investment expenses		(g) 318
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		76,920
16. Total deductions (Lines 11 through 15)		77,238
17. Net Investment income (Line 10 minus Line 16)		514,490

**DETAILS OF WRITE-INS**

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)		
1501. Interest earned on ASO reimbursements forwarded to TennCare		76,920
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		76,920

- (a) Includes \$ 10,567 accrual of discount less \$ 11,935 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					

NONE

**DETAILS OF WRITE-INS**

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)		

**EXHIBIT OF NONADMITTED ASSETS**

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....			
2.	Stocks (Schedule D):			
	2.1 Preferred stocks .....			
	2.2 Common stocks .....			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens .....			
	3.2 Other than first liens .....			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company .....			
	4.2 Properties occupied for the production of income .....			
	4.3 Properties held for sale .....			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6.	Contract loans .....			
7.	Other invested assets (Schedule BA) .....			
8.	Receivables for securities .....			
9.	Aggregate write-ins for invested assets .....			
10.	Subtotals, cash and invested assets (Lines 1 to 9) .....			
11.	Title plants (for Title insurers only) .....			
12.	Invested income due and accrued .....			
13.	Premium and considerations:			
	13.1 Uncollected premiums and agents' balances in the course of collection .....			
	13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
	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 .....	22,089		(22,089)
17.	Guaranty funds receivable or on deposit .....			
18.	Electronic data processing equipment and software .....			
19.	Furniture and equipment, including health care delivery assets .....			
20.	Net adjustment in assets and liabilities due to foreign exchange rates .....			
21.	Receivables from parent, subsidiaries and affiliates .....			
22.	Health care and other amounts receivable .....	63,111	5,000	(58,111)
23.	Aggregate write-ins for other than invested assets .....		53,495	53,495
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	85,200	58,495	(26,705)
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
26.	Total (Lines 24 and 25) .....	85,200	58,495	(26,705)
<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 .....		53,495	53,495
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) .....		53,495	53,495

## EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	945	2,029	2,530	2,779	3,103	28,820
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....						
7. TOTAL .....	945	2,029	2,530	2,779	3,103	28,820
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

## EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 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 .....	757,100					757,100
0499999 Premiums due and unpaid from Medicaid entities .....						
0599999 Accident and health premiums due and unpaid (Page 2, Line 13) .	757,100					757,100

### 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 .....	35,085			63,111	63,111	35,085
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed .....						
0199999 Subtotal - Pharmaceutical Rebate Receivables .....	35,085			63,111	63,111	35,085
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 Arrangement Receivables - Not Individually Listed .....						
0499999 Subtotal - Capitation Arrangement Receivables .....						
0599998 Risk Sharing Receivables - Not Individually Listed .....						
0599999 Subtotal - Risk Sharing Receivables .....						
0699998 Other Receivables - Not Individually Listed .....	911	1,313	811			3,035
0699999 Subtotal - Other Receivables .....	911	1,313	811			3,035
0799999 Gross health care receivables .....	35,996	1,313	811	63,111	63,111	38,120

## EXHIBIT 4 - 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 .....	187,061					187,061
Doral Dental .....	50,720					50,720
0199999 Total - Individually Listed Claims Unpaid .....	237,781					237,781
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	1,149,637	3,615				1,153,252
0499999 Subtotals .....	1,387,418	3,615				1,391,033
0599999 Unreported claims and other claim reserves .....						5,726,549
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						7,117,582
0899999 Accrued Medical Incentive Pool and Bonus Amounts .....						

**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
<b>Individually listed receivables</b>							
Unison Administrative Services, LLC .....	10,334					10,334	
0199999 Total - Individually listed receivables .....	10,334					10,334	
0299999 Receivables not individually listed .....							
0399999 Total gross amounts receivable .....	10,334					10,334	



## EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
<b>Individually listed payables</b>				
Three Rivers Holdings, Inc. ....	Tax Allocation Agreement .....	126,186	126,186	
Unison Administrative Services, LLC .....	Operations Outsourcing Agreement .....	566,079	566,079	
UnitedHealth Group, Inc. ....	Tax Sharing Agreement .....	4,160	4,160	
0199999 Total - Individually listed payables .....	X X X .....	696,425	696,425	
0299999 Payables not individually listed .....	X X X .....			
0399999 Total gross payables .....	X X X .....	696,425	696,425	

### EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
<b>Capitation Payments:</b>						
1. Medical groups .....						
2. Intermediaries .....						
3. All other providers .....						
4. Total capitation payments .....						
<b>Other Payments:</b>						
5. Fee-for-service .....			X X X	X X X		
6. Contractual fee payments .....	15,467,659	100.000	X X X	X X X		15,467,659
7. Bonus/withhold arrangements - fee-for-service .....			X X X	X X X		
8. Bonus/withhold arrangements - contractual fee payments .....			X X X	X X X		
9. Non-contingent salaries .....			X X X	X X X		
10. Aggregate cost arrangements .....			X X X	X X X		
11. All other payments .....			X X X	X X X		
12. Total other payments .....	15,467,659	100.000	X X X	X X X		15,467,659
13. Total (Line 4 plus Line 12) .....	15,467,659	100.000	X X X	X X X		15,467,659

### EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
<b>NONE</b>					
9999999 .....			X X X	X X X	X X X

## EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
1. Administrative furniture and equipment .....						
2. Medical furniture, equipment and fixtures .....	<b>NONE</b>					
3. Pharmaceuticals and surgical supplies .....	<b>NONE</b>					
4. Durable medical equipment .....	<b>NONE</b>					
5. Other property and equipment .....	<b>NONE</b>					
6. Total .....						

## Notes to Financial Statement

### 1. Summary of Significant Accounting Policies:

A. The accompanying statement has been prepared in conformity with the NAIC *Accounting Practices and Procedures manual* as required by the State of Tennessee, except where NAIC statutory accounting practices and procedures do not address the accounting for the transaction.

(1) Unison Health Plan of Tennessee, Inc.'s (the Company) sole shareholder, Three Rivers Holdings, Inc. (Holdings), had made an election to be treated as an S corporation for federal and state income tax purposes and it had made an election to treat the Company as a qualified subchapter S subsidiary for federal income tax purposes prior to the acquisition of Holdings by AmeriChoice (see Note 10. A. B. C. & D. (2)). As a result of the QSST election, the Company was treated as a division of Holdings for income tax purposes and the results of its operations were included in Holdings' income tax returns for the pre-acquisition period. Pursuant to a Tax Allocation Agreement with Holdings, the Company was required to reimburse Holdings for income tax liability Holdings' shareholders incur with respect to the Company's operations. This agreement was terminated effective May 31, 2008 as a result of the acquisition of Holdings by AmeriChoice as noted above. The amount reimbursed was calculated to equal the federal income tax that the Company would have paid if it were a C corporation filing separate income tax returns. NAIC statutory accounting practices and procedures do not address the accounting for this type of transaction. Pursuant to correspondence received from the State of Tennessee, Department of Commerce and Insurance, TennCare Division, dated April 17, 2003, the Company was granted permission to report shareholder reimbursement of taxes as Provision for Federal Income Taxes on the Statement of Revenue and Expenses (page 4), line 31 of the accompanying financial statements for 2002 and succeeding years. All such reimbursements made or accrued for the pre-acquisition period have been reported in accordance with this ruling. The amount reported on line 31 is \$688,152. There is no monetary effect on statutory surplus resulting from this transaction, as these amounts would otherwise be a write-in reduction to surplus.

(2) Supplemental Report #2A, TennCare Operations Statement of Revenue and Expenses, which is filed separately from the bound annual statement, has been prepared in accordance with instructions from TennCare. These instructions require that we report only TennCare business activity and exclude Medicare Advantage and all other lines of business. Additionally, these instructions differ from statutory accounting practices in that income and expenses related to claims, losses, premiums, and other amounts received or paid on behalf of the ASO operations are treated as expenses and revenues of the Company. The Statement of Revenue and Expenses included in this statement includes all lines of business and was prepared according to the Statement of Statutory Accounting Principles (SSAP) No. 47 Uninsured Plans, which excludes all income and expenses related to claims, losses, premiums, and other amounts received or paid on behalf of ASO plans. Amounts received from TennCare to administer the ASO plan are reported as a reduction to administrative expenses.

(3) In a letter to the Company dated January 4, 2008, the State of Tennessee, Department of Commerce and Insurance, TennCare Division, communicated its position that Health Maintenance Organizations (HMOs) can obtain stop loss policies but, since they are not insurance companies, HMOs cannot enter into reinsurance agreements. This letter also instructed a prescribed practice for the presentation of stop loss premium expenses on the Statement of Revenues and Expenses whereby stop loss type premium expense is reported on Line 17, Net Reinsurance Recoveries. In a letter dated February 26, 2008, the Company received approval for an exception to the prescribed practice noted above which allows the Company to report premium paid for coverage under a stop loss type agreement as a reduction to premium on Line 2, Net Premium Income of the Statement of Revenues and Expenses. The Company's policy is a stop loss policy rather than reinsurance. The Company has reported the stop loss premium expenses in accordance with the exception provided in the February 26, 2008 letter.

B. The preparation of financial statements in conformity with the Annual Statement Instructions and *Accounting Practices and Procedures manual* requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Effective July 1, 2002, the Company entered into an Administrative Services Agreement with the State of Tennessee TennCare Bureau. Under this agreement, the Company processes and pays claims and performs other managed care services and is reimbursed by TennCare. The Company receives an administrative fee for this service. The Administrative Services Agreement with the State of Tennessee TennCare Bureau terminated effective October 31, 2008. The Company's operations under the former Administrative Services Agreement will continue through an unspecified claims run out period to allow for providers to submit claims for reimbursement for dates of service on or before October 31, 2008.

Effective January 1, 2007, the Company began operations of a Medicare Advantage product in the state of Tennessee and effective January 1, 2008 in the states of Arkansas and Mississippi under contracts with the Centers for Medicare and Medicaid Services (CMS). CMS pays premiums to the Company on a monthly basis. All amounts are recognized as revenue during the time that the Company is obligated to provide health services to its enrollees.

The Company contracts with various health care providers for the provision of certain medical care services to its members. The Company compensates those providers on a capitation or unit of service basis. The Company has maintained these contracts under the ASO agreement with TennCare; however, the Company is no longer at risk for medical expenses incurred on or after July 1, 2002 for this Medicaid line of business. See Note 1. C. paragraph one and Note 4., for more information regarding this agreement. The cost of health care services provided or contracted for related to the Medicare line of business is accrued in the

## Notes to Financial Statement

period in which the service is provided to a member based in part on estimates, including an accrual for medical services provided but not reported to the Company.

Administrative fees paid to Unison Administrative Services, LLC (UAS) are allocated to each expense line pro rata based on the expenses incurred by UAS. Expenses incurred by UAS, which are not directly attributable to a specific HMO, are allocated to its contracted HMOs based on relevant factors which management has determined are valid bases for allocations. Examples are: call volume, claims volume and member months

For Investment Schedules D - Part 1A - Section 1, D Part 1A - Section 2, and Schedule DA – Verification Between Years, beginning 2008 balances have been restated from the prior year to include amounts previously classified as cash that have been reclassified as short term investments. These amounts had been previously reported on Schedule E – Part 1 - Cash in 2007.

The following accounting policies materially affect the assets, liabilities, capital and surplus or results of operations:

- (1) The Company reports short term investments at book value which is substantially equivalent to their fair value.
- (2) The Company reports bonds at amortized cost using the scientific (effective) yield-to-worst method.
- (3) The Company has no investments in common stock.
- (4) The Company has no investments in preferred stock.
- (5) The Company has no investments in mortgage loans.
- (6) The Company has no investments in loan-backed securities.
- (7) The Company has no investments in subsidiaries, controlled or affiliated companies.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no investments in derivatives.
- (10) The Company has no premium deficiency reserves.
- (11) The Company records a liability for claims which are expected to be paid after the end of the reporting period for services provided to members through June 30, 2002 for the Medicaid line of business and through December 31, 2008 for the Medicare line of business. The liabilities for the Medicaid line of business are based on historical data, current membership and other related information. The liabilities for the Medicare line of business are based on historical data, current membership and other related information. The Company also records a liability for claims adjustment expenses for claims that are expected to be processed and paid after the end of the reporting period for services provided to members through December 31, 2008, including an estimate for the administrative expense to process incurred but not reported claims under the ASO arrangement with TennCare. See Note 1. C. paragraph one for more information regarding this agreement. As estimates are used in establishing these liabilities, the ultimate amounts may be in excess or less than the amounts reported on this statement. These accruals are continually monitored and reviewed and, as settlements are made or accruals adjusted, differences are reflected in current operations.

In accordance with SSAP 47, the Company's statement of operations excludes amounts received or paid on behalf of TennCare. No liability for claims has been established for periods after June 30, 2002, as the Company is not at risk for medical expenses under the ASO arrangement with TennCare. See Note 1. C. paragraph one for more information regarding this agreement.

- (12) The Company has not modified its capitalization policy from the prior period.
  - (13) Company estimates current quarter Pharmaceutical rebates per member per month (PMPM) based on previous history, adjusted for known reductions in rebates. The first previous quarter is reported based on the report from our pharmacy benefit manager (PBM) listing rebates invoiced. The Company generally receives a notice from the PBM in the second month following the end of each quarter, listing the rebate amounts billed by manufacturer.
2. Accounting Changes and Corrections of Errors:
    - A. The Company had no accounting changes or corrections of errors.
  3. Business Combinations and Goodwill:
    - A. The Company has no business combinations or goodwill to report.
  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 ceased providing 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 terminated 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 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.

## Notes to Financial Statement

### Balance Sheet December 31, 2008

#### Assets

1) Line 5	Cash	\$ <u>171,580</u>
2) Line 26	Totals	\$ <u>5,759,365</u>

#### Liabilities, Surplus and Other Funds

3) Line 22	Total Liabilities	\$ <u>507,751</u>
4) Line 31	Total Capital and Surplus	\$ <u>5,251,614</u>
5) Line 32	Total	\$ <u>5,759,365</u>

### Statement of Revenue and Expenses December 31, 2008

6) Line 2	Premium	\$ <u>0</u>
7) Line 22	Increase in aggregate reserves for accident & health (current year less prior year)	\$ <u>0</u>
8) Line 31	Federal and foreign income taxes incurred	\$ <u>242,809</u>
9) Line 26	Net realized capital gains (losses)	\$ <u>0</u>
10) Line 32	Net Income	\$ <u>1,086,650</u>

#### 5. Investments:

- A. The Company has no investments in Mortgage Loans, including Mezzanine Real Estate Loans.
- B. The Company has no investments in Debt Restructuring.
- C. The Company has no investments in Reverse Mortgages.
- D. The Company has no investments in Loan-Backed Securities.
- E. The Company has no investments in Repurchase Agreements
- F. The Company has no investments in Real Estate.
- G. The Company has no investments in Low-Income Housing Tax Credits (LIHTC).

#### 6. Joint Ventures, Partnerships and Limited Liability Companies:

- A. The Company has no Investments in Joint Ventures, Partnerships or Limited Liability Companies

#### 7. Investment Income:

- A. Investment income due and accrued with amounts over 90 days past due are non-admitted.
- B. At December 31, 2008, no investment income was non-admitted.

#### 8. Derivative Instruments:

- A. The Company has no investments in Derivative Instruments.

#### 9. Income Taxes:

Three Rivers Holdings, Inc. (Holdings), the Company's parent, had made an election to be treated as an S corporation for federal and state tax purposes and it had made an election to treat the Company as a qualified subchapter S subsidiary for federal and state tax purposes prior to the acquisition of Holdings by AmeriChoice (see Note 10. A. B. C. & D. (2)). As a result of the QSST election, the Company was treated as a division of Holdings for income tax purposes and the results of its operations were included in the Holdings' income tax returns for the pre-acquisition period. As a result of the QSST election, the Company has recorded no deferred income tax asset (DTA) or deferred tax liability (DTL) for the pre-acquisition period. SSAP 10, Income Taxes, does not address QSSTs. See Note 1. A. (1.) for the description of the pre-acquisition tax allocation agreement and our treatment of such.

The Company's operations are included in the consolidated federal income tax return of UnitedHealth Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis. Income taxes incurred in the current and prior years will be available for recoupment by the Company only in the event of future net losses of consolidated UnitedHealth Group. The Company receives a benefit at the federal rate in the current year for net losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the United States federal jurisdiction, various states, and foreign jurisdictions. The U.S. Internal Revenue Service (IRS) has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2007 and prior. UnitedHealth Group's 2008 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2002 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

Federal income taxes payable of \$80,072 and federal income taxes payable of \$0 in 2008 and 2007, respectively, are included in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

## Notes to Financial Statement

Federal income taxes paid, net of refunds, in 2008 was \$688,152 and federal income taxes paid, net of refunds, in 2007 was \$0.

### A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

The components of the net deferred tax assets for the years ended December 31, are as follows:

Description	2008	2007
Total gross deferred tax assets	\$75,033	\$0
Total gross deferred tax liabilities	0	0
Net deferred tax asset	75,033	0
Deferred tax assets nonadmitted	(22,089)	0
Net admitted deferred tax asset	52,944	0
Increase (decrease) in nonadmitted deferred tax assets	\$22,089	\$0

### B. Unrecognized DTLs

There are no unrecognized deferred tax liabilities.

### C. Current Tax and Change in Deferred Tax

The current provision for incurred taxes on earnings for the years ended December 31, are as follows:

Description	2008	2007
Current income tax expense	\$80,072	\$0
Other	688,152	0
Total current federal income tax provision	\$768,224	\$0

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, are as follows:

Deferred tax assets	2008	2007	Change
Unpaid losses and CAE	\$52,825	\$0	\$52,825
Unearned premiums	119	0	119
Nonadmitted assets	22,089	0	22,089
Total deferred tax assets	75,033	0	75,033
Nonadmitted deferred tax assets	(22,089)	0	(22,089)
Admitted deferred tax assets	\$52,944	\$0	\$52,944

The change in net deferred income taxes for the years ended December 31, comprises the following:

	2008	2007
Change in deferred tax assets	\$75,033	\$0
Change in deferred tax liabilities	0	0
Net deferred tax asset/(liability)	75,033	0
Less: Change in deferred on unrealized gain/(loss)	0	0
Change in net deferred income tax	\$75,033	\$0

### D. Reconciliation of Federal income Tax Rate to Actual Effective Rate

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to income before income taxes. The significant items causing this difference are as follows:

Description	2008		
	Amount	Tax Effect	Effective Tax Rate
Tax provision at the federal statutory rate	\$4,206,274	\$1,472,196	35.00%
Tax-exempting interest	(13,633)	(4,772)	-0.11%
Tax effect of nonadmitted assets	(63,111)	(22,089)	-0.53%
Deferred corrections	(1,083,777)	(379,322)	-9.02%
Current year income taxed as S-Corp	(2,314,446)	(810,056)	-19.26%
Total	\$731,307	\$255,958	6.09%

Current federal income tax provision	\$768,225	18.26%
Change in net deferred income tax	(75,033)	-1.78%
Total statutory income taxes	(\$693,192)	16.48%

## Notes to Financial Statement

E. At December 31, 2008 the Company had no net operating losses expiring through the year 2028. Income tax expense of \$80,072 and \$0 for 2008 and 2007, respectively, is available for recoupment in the event of future net losses.

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

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

- (1) The Company was incorporated on August 9, 2000 and all stock is owned by Holdings. Holdings is a corporation organized pursuant to the laws of the State of Delaware. The Company is capitalized with \$.0001 million in common stock and \$2.9894 million of additional paid-in-capital.
- (2) 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.
- (3) At December 31, 2008, the Company reported the following amounts payable/receivable:
  - (a) \$566,079 payable to UAS for amounts due under the 2006 Medicare Operations Outsourcing Agreement offset by \$10,000 of TennCare liquidated damages not reimbursed by UAS under the Administrative Services Agreement and \$334 of lockbox payments not transferred for a net payable of \$555,745. Payment is made monthly. Total expense incurred under these agreements for 2008 is \$12,080,084.
  - (b) \$126,186 due to Holdings, for amounts due under the prior tax allocation agreement. Payment is made quarterly. Total expense incurred under this agreement for 2008 is \$688,152. See Note 1. A. (1) for details regarding the termination of this agreement.
  - (c) \$4,160 payable to UnitedHealth Group, Inc. for amounts due under the Tax Sharing Agreement.

E. The Company has no guarantees or undertakings for the benefit of an affiliated or related party.

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

- (1) Effective August 1, 2000, the Company entered into an Administrative Services Agreement with UAS, a limited liability company 100% owned by Holdings. Under the agreement, UAS performs all administrative services necessary for the Company to carry on its HMO business (Medicaid Line of Business) in return for a pmpm fee. The agreement with UAS ends June 30, 2002 with automatic renewals for successive one-year terms there after, unless either party to the agreement gives notice of termination. Effective July 1, 2002, the State of Tennessee modified the TennCare program to change it to an ASO program during the period July 1, 2002 to December 31, 2003 (Stabilization Period). This stabilization period has been extended until the at-risk contracts awarded under the pending Western Region request for proposal are operational. As a result of the modifications to the TennCare program, the Administrative Services Agreement with UAS was modified so that the fee payable to UAS is equal to 95% (percent) of the ASO fees (fixed and contingent) earned by the Company under the TennCare program during the stabilization period. See Note 1. C. for details regarding this agreement.
- (2) On August 12, 2007, amendment #3 was executed for the Administrative Service Agreement between the Company and UAS to clarify the requirements for billing and collection of amounts payable by UAS to the Company under the Administrative Services Agreement.
- (3) The Company is party to a 2006 Medicare Operations Outsourcing Agreement with UAS. Under the agreement, UAS performs all operational services necessary for the Company to carry on its Medicare Advantage HMO business in return for a percentage of revenue fee. UAS engages in no activities other than the performance of services for the companies within the holding company system. The agreement with UAS terminates on December 31, 2007, with automatic successive one (1) year renewals unless either party to the agreement gives notice of termination.
- (4) On July 9, 2007 amendment #1 was executed for the 2006 Medicare Operations Outsourcing Agreement between the Company and UAS to clarify the requirements for the billing and collection of amounts payable by UAS to the Company under the Operations Outsourcing Agreement.
- (5) As part of operations performed on behalf of the Company under the 2006 Medicare Operations Outsourcing Agreement, UAS negotiated a PBM agreement with Rx Solutions, a related party. The Company is bound by the terms of that PBM agreement with Rx Solutions and is responsible for payment of the drug costs incurred thereunder.
- (6) The Company has entered into a First Restated Tax Sharing Agreement with UnitedHealth Group, Inc. See Note 9. for details regarding this agreement.

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. (certificate of authority surrendered on January 7, 2009), 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.

H. The Company has no upstream intermediate entity or ultimate parent owned via a downstream subsidiary, controlled, or affiliated entity.



## Notes to Financial Statement

- I., J. & K. The Company has no investments in an SCA.
- L. The Company has no investments in a downstream noninsurance company.
11. Debt:
- A. The Company has issued no capital notes or other debt instruments.
12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans:
- A. The Company does not have any Defined Benefit Plans.
- B. The Company does not have any Defined Contribution Plans.
- C. The Company has no Multiemployer Plans
- D. The Company has no employees and therefore has no retirement plans.
- E. The Company has no Postemployment Benefits and Compensated Absences.
- F. The Company has no Impact of Medicare Modernization Act on Postretirement Benefits to report.
13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations:
- (1) The Company has 2,000 common shares authorized, with 100 issued and outstanding
- (2) The Company has no preferred stock authorized or issued.
- (3) Under the laws of the State of Tennessee, all dividends and other distributions to shareholders must be reported to the Commissioner of Commerce and Insurance within five (5) days following the declaration thereof and at least ten (10) days prior to payment. An extraordinary dividend is one which exceeds the greater of ten (10) per cent of the Company's surplus as of December 31 next preceding or the net income for the twelve month period ending December 31 next preceding. Extraordinary dividends must be approved in advance by the commissioner.
- (4) The Company had no ordinary or extraordinary dividends paid for the years ending December 31, 2008 and December 31, 2007.
- (5) Within the limitations of (3) above, there are no restrictions on the portion of the Company's profits that may be paid as ordinary dividends to the shareholder.
- (6) The Company has no restrictions on unassigned surplus.
- (7) The Company has no advances to surplus.
- (8) The Company has no stock held for special purposes.
- (9) The Company has no special surplus funds.
- (10) The Company has no unrealized gains or losses.
- (11) The Company has no surplus debentures or similar obligations.
- (12) & (13) The Company has had no quasi-reorganizations.
14. Contingencies:
- A. The Company has no Contingent Commitments
- B. The Company has no reportable assessments.
- C. The Company has no gain contingencies.
- D. The Company has no claims related extra contractual obligation or bad faith losses stemming from lawsuits.
- E. All Other Contingencies
- (1) The Company carries managed care errors and omissions insurance, that covers both potential liability of the Company as regards its managed care activities, i.e. utilization management, peer review, etc., and the potential professional liability of the individuals who perform those activities for the Company. That insurance coverage is a claims-made policy covering the Company and those individuals for incidents as long as the Company maintains coverage. To date, no malpractice or other professional liability actions were filed against the Company. Accordingly, no reserves are recorded in the accompanying statements of admitted assets, liabilities and net worth.
- (2) In the normal course of business, third parties assert claims against the Company pertaining to various aspects of its operations. As of December 31, 2008, the only such claims asserted arose from medical service providers seeking additional reimbursement for services rendered to the Company's enrolled members. Management believes the amounts accrued for medical expenses are adequate to cover any such claims.
15. Leases:
- A. The Company has no lessee arrangements.
- B. The Company has no lessor business activities.
16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk:
- A. The Company has no financial instruments with off-balance-sheet risk and none with concentrations of credit risk.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities:
- A. The Company has no transfers of receivables reported as sales.
- B. The Company has no transfers and servicing of Financial Assets.
- C. The Company has no wash sales.
18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans:

## Notes to Financial Statement

A. The gain from operations from the Company's ASO uninsured plan is as follows:

	ASO Uninsured Plans
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 1,197,504
b. Total net other income or expenses (including interest paid to or received from plans)	\$ 131,954
c. Net gain or (loss) from operations	\$ 1,329,459
d. Total claim payment volume	\$ 118,879,647

B. The Company has no ASC plans.

C. (1) The Company initiated operations for its Medicare Advantage product on January 1, 2007 with its first members effective on that date.

(a) Through December 31, 2008 gross revenue of \$2,725,731 (decreased by \$537,725 of accrued retrospective premium – see Note 23.A. for additional details) was recorded related to the Medicare Part D component of the Medicare Advantage product. Premium is received primarily from the Centers for Medicare & Medicaid Services (CMS). Small monthly premium amounts are also received from members related to Part D coverage.

(b) The Company recorded a liability under the Low Income Subsidy (Cost-Sharing Portion) of the program at December 31, 2008 in the amount of \$1,004,080, as well as a liability for the advance received on the Part D reinsurance coverage of \$680,707 at December 31, 2008.

(c) Not applicable

(d) Not applicable

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

A. The Company does not use managing general agents or unaffiliated third party administrators. Under the health plan operations outsourcing agreement with UAS (see note 10.F. (1)) enrollment activities are conducted by licensed agents and brokers on behalf of the Company.

20. Other Items:

A. The Company has no Extraordinary Items to report.

B. The Company has no Debt Restructuring.

C. The Company has no Unusual Items to report.

D. The Company has no Uncollectible Assets to report.

E. The Company has no Business Interruption Insurance Recoveries to report.

F. The Company has no State Transferable Tax Credits to report.

G. The Company has no Hybrid Securities to report.

H. The Company has no Subprime Mortgage Related Risk to report.

21. Events Subsequent:

A. Type I – The Company has no Type I subsequent events to report.

B. Type II - The Company has no Type II subsequent events to report.

22. Reinsurance

A. Ceded Reinsurance Report:

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( ) No (X)

If yes, give full details.

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes (X) No ( )

## Notes to Financial Statement

a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ none

b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?

\$ 39,139

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

If yes, give full details.

### Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$ none

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments?

\$ none

B. The Company has no uncollectible reinsurance that was written off.

C. The Company has no commutation of reinsurance.

### 23. Retrospectively Rated Contracts & Contracts Subject to Redetermination:

A. Under the Company's Medicare Advantage Part D Program as noted above, certain amounts are subject to retrospective premium adjustment. The Company computes accrued retrospective premium adjustments through a comparison of its actual costs under the program compared to the target amount. The Company recognized \$537,725 as accrued return retrospective premium for the year ended December 31, 2008, including an increase of \$162,070 related to the prior plan year offset by a decrease of \$699,795 for the current plan year.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

C. The amount of net premium written by the Company at December 31, 2008 that is subject to retrospective rating features was \$2,676,145, which represented 10% of the total net premium written. These premiums are related to the Company's Medicare Advantage Part D program.

### 24. Changes in Incurred Claims and Claims Adjustment Expenses:

A. The Company records a liability for claims, which are expected to be paid after the end of the reporting period, for services provided to members during the period. These accruals are continually monitored and reviewed and, as settlements are made or accruals adjusted, differences will be reflected in current operations. At December 31, 2008, the liability for incurred but not reported claims was adjusted for amounts remaining related to prior year claims in excess of estimated remaining liabilities for those years. The adjustment recorded in 2008 for excess amounts remaining related to dates of service in 2007 and prior is \$1,159,433. This reduction is reflected in current operations in the Statement of Revenue and Expenses, Line 1402, Prior Period IBNR Adjustment.

### 25. Intercompany Pooling Arrangements:

A. The company has no Intercompany Pooling Arrangements.

### 26. Structured Settlements (not applicable)

### 27. Health Care Receivables:

A. Pharmaceutical Rebate Receivables:

As the Company's Medicaid line of business is operating under an ASO arrangement with TennCare, no pharmacy rebates have been estimated since June 30, 2002. Effective July 1, 2003, pharmacy administration was carved out of the ASO arrangement with TennCare, therefore, the Company no longer

## Notes to Financial Statement

collects rebates on behalf of the TennCare program for periods after that date. Current quarter Pharmacy Rebates, for the Medicare line of business, are estimated per member per month (PMPM) based on previous history, adjusted for known reductions in rebates. The Company generally receives a notice from the PBM in the second month following the end of each quarter, listing the rebate amounts billed by manufacturer.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements (Original Estimate)	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of receiving Invoice	Actual Rebates Collected Within 91 to 180 Days of receiving Invoice	Actual Rebates Collected More Than 180 Days After receiving Invoice
12/31/08	35,085				
9/30/08	25,582	44,588			
6/30/08	16,539	36,268	21,761		
3/31/08	12,247	21,595	12,957	7,552	
12/31/07	4,392	11,138	6,683		
9/30/07	2,631	9,020	5,412	3,525	
6/30/07	2,960	1,781	1,069		3,001
3/31/07	1,755	1,781	1,102		

B. The Company has no Risk Sharing Receivables.

28. Participating Policies:

A. The Company has no Participating Policies

29. Premium Deficiency Reserves:

A. The Company has no Premium Deficiency Reserves.

30. Anticipated Salvage and Subrogation:

A. The Company has no anticipated salvage and subrogation.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating? Tennessee
- 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: \_\_\_\_\_
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 08/12/2005
- 3.2 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
- 3.3 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
- 3.4 By what department or departments?  
Tennessee Department of Commerce and Insurance
- 3.5 Have all 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[ ] No[ ] N/A[X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[X] No[ ]
- 4.12 renewals? Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[X] No[ ]
- 4.22 renewals? Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 5.2 If yes, provide the name of the 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

- 6.1 Has the 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]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 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 the names and location (city and state of the main office) of any affiliates regulated by a federal financial 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. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young, LLP., 2100 One PPG Place, Pittsburgh, PA 15222
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Barbara V. Scheil, FSA, MAAA, Consulting Actuary, Barbara V. Scheil and Associates, Ltd., 11462 Rockville Rd. PO Box 249, Rockville, Virginia 23146
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value \$ 0
- 11.2 If yes, provide explanation 0

## GENERAL INTERROGATORIES (Continued)

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ] N/A [X]
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ] N/A [X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]
- 13.1 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.
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]
- 13.21 If the response to 13.2 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.
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

### BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$ ..... 0
- 18.12 To stockholders not officers \$ ..... 0
- 18.13 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers \$ ..... 0
- 18.22 To stockholders not officers \$ ..... 0
- 18.23 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others \$ ..... 0
- 19.22 Borrowed from others \$ ..... 0
- 19.23 Leased from others \$ ..... 0
- 19.24 Other \$ ..... 0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment \$ ..... 0
- 20.22 Amount paid as expenses \$ ..... 0
- 20.23 Other amounts paid \$ ..... 0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

### INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes [X] No [ ]
- 22.2 If no, give full and complete information, relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]
- 22.5 If answer to 22.4 is YES, report amount of collateral \$ ..... 0
- 22.6 If answer to 22.4 is NO, report amount of collateral \$ ..... 0
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3). Yes [X] No [ ]
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$ ..... 0
- 23.22 Subject to reverse repurchase agreements \$ ..... 0
- 23.23 Subject to dollar repurchase agreements \$ ..... 0
- 23.24 Subject to reverse dollar repurchase agreements \$ ..... 0
- 23.25 Pledged as collateral \$ ..... 0
- 23.26 Placed under option agreements \$ ..... 0
- 23.27 Letter stock or securities restricted as to sale \$ ..... 0
- 23.28 On deposit with state or other regulatory body \$ ..... 5,499,047
- 23.29 Other \$ ..... 0
- 23.3 For category (23.27) provide the following:

## GENERAL INTERROGATORIES (Continued)

1 Nature of Restriction	2 Description	3 Amount

24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes  No   
 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes  No  N/A   
 If no, attach a description with this statement.

25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes  No   
 25.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 0

26. 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, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes  No   
 26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address

26.02 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 which require custody agreements at 12/31/08 .....

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes  No   
 26.04 If yes, give full and complete information relating thereto:

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

26.05 Identify all investment advisers, 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 Number(s)	2 Name	3 Address

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes  No   
 27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total .....		

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

## GENERAL INTERROGATORIES (Continued)

		1	2	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
		Statement (Admitted) Value	Fair Value	
28.1	Bonds .....	5,499,047	5,545,842	46,795
28.2	Preferred stocks .....			
28.3	Totals .....	5,499,047	5,545,842	46,795

28.4 Describe the sources of methods utilized in determining the fair values  
SVO when available or HUB/IDC where SVO is not available

29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[ ]  
29.2 If no, list exceptions:

### OTHER

30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 0  
30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

31.1 Amount of payments for legal expenses, if any? \$ ..... 0  
31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 0  
32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....



# GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$ ..... 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ ..... 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ ..... 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ ..... 0
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned \$ ..... 0
- 1.62 Total incurred claims \$ ..... 0
- 1.63 Number of covered lives ..... 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ ..... 0
- 1.65 Total incurred claims \$ ..... 0
- 1.66 Number of covered lives ..... 0
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned \$ ..... 0
- 1.72 Total incurred claims \$ ..... 0
- 1.73 Number of covered lives ..... 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ ..... 0
- 1.75 Total incurred claims \$ ..... 0
- 1.76 Number of covered lives ..... 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	26,688,637	7,113,723
2.2 Premium Denominator .....	26,688,637	7,113,723
2.3 Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	7,778,237	3,003,890
2.5 Reserve Denominator .....	7,778,237	3,003,890
2.6 Reserve Ratio (2.4 / 2.5) .....	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No [ ]
- 4.2 If not previously filed herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No [ ]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ ..... 232,500
- 5.32 Medical Only \$ ..... 0
- 5.33 Medicare Supplement \$ ..... 0
- 5.34 Dental & Vision \$ ..... 0
- 5.35 Other Limited Benefit Plan \$ ..... 0
- 5.36 Other \$ ..... 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements: Hold harmless agreements are included in all provider contracts. An endorsement to our Medicare reinsurance contract provides for the reinsurer to reimburse expenses incurred by covered persons from the beginning of the insolvency to the end of the prepaid premium period, at which time the member obtains coverage under Medicare fee for service or another Medicare Advantage HMO.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes[X] No [ ]
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year ..... 2,077
- 8.2 Number of providers at end of reporting year ..... 2,268
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months ..... 0
- 9.22 Business with rate guarantees over 36 months ..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ ] No[X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ ..... 0
- 10.22 Amount actually paid for year bonuses \$ ..... 0
- 10.23 Maximum amount payable withholds \$ ..... 0
- 10.24 Amount actually paid for year withholds \$ ..... 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [ ] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [ ] No[X]
- 11.14 A Mixed Model (combination of above)? Yes [ ] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No [ ]
- 11.3 If yes, show the name of the state requiring such net worth. Tennessee
- 11.4 If yes, show the amount required. \$ ..... 6,120,722
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No[X]
- 11.6 If the amount is calculated, show the calculation. 4% of the first \$150,000,000 of annual amount received under the TennCare contract plus premium revenue as reported on the most recent annual statement filed with the commissioner and 1.5% of the amount received under the TennCare contract and annual premium revenue in excess of \$150,000,000 (\$150,000,000 x 4% + \$8,048,132 x 1.5%)

12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Benton, TN .....
Carroll, TN .....
Chester, TN .....
Crockett, TN .....
Decatur, TN .....

## GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
Dyer, TN .....
Fayette, TN .....
Gibson, TN .....
Hardeman, TN .....
Hardin, TN .....
Haywood, TN .....
Henderson, TN .....
Henry, TN .....
Lake, TN .....
Lauderdale, TN .....
Madison, TN .....
McNairy, TN .....
Obion, TN .....
Shelby, TN .....
Tipton, TN .....
Weakley, TN .....

## FIVE-YEAR HISTORICAL DATA

	1 2008	2 2007	3 2006	4 2005	5 2004
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 26) .....	21,373,557	12,046,541	6,700,249	5,778,439	5,486,257
2. Total liabilities (Page 3, Line 22) .....	11,058,680	5,218,042	1,248,652	821,925	933,741
3. Statutory surplus .....	6,120,722	5,111,954	3,918,549	3,129,911	2,586,192
4. Total capital and surplus (Page 3, Line 31) .....	10,314,877	6,828,499	5,451,597	4,956,514	4,552,516
<b>INCOME STATEMENT (Page 4)</b>					
5. Total revenues (Line 8) .....	26,150,912	7,113,723			
6. Total medical and hospital expenses (Line 18) .....	19,704,283	5,000,883			
7. Claims adjustment expenses (Line 20) .....	651,737	(349,181)	(283,604)	(160,687)	(319,022)
8. Total administrative expenses (Line 21) .....	2,103,108	763,851	(224,096)	(279,753)	(454,206)
9. Net underwriting gain (loss) (Line 24) .....	3,691,784	1,698,170	507,700	440,440	773,228
10. Net investment gain (loss) (Line 27) .....	514,490	373,643	220,120	144,031	83,422
11. Total other income (Lines 28 plus 29) .....				25,000	(25,000)
12. Net income or (loss) (Line 32) .....	3,438,050	1,435,397	480,361	402,250	548,888
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	10,730,847	4,582,734	750,938	439,865	(3,817,791)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. Total adjusted capital .....	10,314,877	6,828,499	5,451,597	4,956,514	4,552,516
15. Authorized control level risk-based capital .....	1,278,896	450,215	83,272	72,433	70,264
<b>ENROLLMENT (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7) .....	3,103	945			
17. Total members months (Column 6, Line 7) .....	28,820	8,752			
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	75.3	70.3			
20. Cost containment expenses .....	0.5	(5.0)			
21. Other claims adjustment expenses .....	2.0	0.1			
22. Total underwriting deductions (Line 23) .....	85.9	76.1			
23. Total underwriting gain (loss) (Line 24) .....	14	24			
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5) .....	1,775,585	243,979	233,646	279,225	4,898,815
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	2,841,820	243,979	233,646	279,225	4,898,815
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 25, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 53, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....					



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Unison Health Plan of Tennessee, Inc.      2. LOCATION:

NAIC Group Code 0707

BUSINESS IN THE STATE OF **ARKANSAS** DURING THE YEAR

NAIC Company Code 11139

	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							
<b>Total Members at end of:</b>										
1. Prior Year .....										
2. First Quarter .....	17							17		
3. Second Quarter .....	43							43		
4. Third Quarter .....	29							29		
5. Current Year .....	30							30		
6. Current Year Member Months .....	331							331		
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician .....	616							616		
8. Non-Physician .....	44							44		
9. Total .....	660							660		
10. Hospital Patient Days Incurred .....	196							196		
11. Number of Inpatient Admissions .....	20							20		
12. Health Premiums Written (b) .....	253,072							253,072		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	248,955							248,955		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	412,505							412,505		
18. Amount Incurred for Provision of Health Care Services .....	589,723							589,723		

(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.  
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....253,072



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Unison Health Plan of Tennessee, Inc.      2. LOCATION:  
BUSINESS IN THE STATE OF MISSISSIPPI DURING THE YEAR

NAIC Group Code 0707

NAIC Company Code 11139

	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							
<b>Total Members at end of:</b>										
1. Prior Year .....										
2. First Quarter .....	17							17		
3. Second Quarter .....	21							21		
4. Third Quarter .....	18							18		
5. Current Year .....	20							20		
6. Current Year Member Months .....	208							208		
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician .....	184							184		
8. Non-Physician .....	27							27		
9. Total .....	211							211		
10. Hospital Patient Days Incurred .....	71							71		
11. Number of Inpatient Admissions .....	4							4		
12. Health Premiums Written (b) .....	189,996							189,996		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	189,136							189,136		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	66,152							66,152		
18. Amount Incurred for Provision of Health Care Services .....	94,572							94,572		

(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.  
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....189,996



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Unison Health Plan of Tennessee, Inc. 2. LOCATION:

NAIC Group Code 0707

BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR

NAIC Company Code 11139

	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							
<b>Total Members at end of:</b>										
1. Prior Year	945							945		
2. First Quarter	1,995							1,995		
3. Second Quarter	2,466							2,466		
4. Third Quarter	2,732							2,732		
5. Current Year	3,053							3,053		
6. Current Year Member Months	28,281							28,281		
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician	42,094							42,094		
8. Non-Physician	4,920							4,920		
9. Total	47,014							47,014		
10. Hospital Patient Days Incurred	6,080							6,080		
11. Number of Inpatient Admissions	628							628		
12. Health Premiums Written (b)	26,314,704							26,314,704		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	25,781,956							25,781,956		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	14,989,002							14,989,002		
18. Amount Incurred for Provision of Health Care Services	19,059,128							19,059,128		

(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.  
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....26,314,704



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: Unison Health Plan of Tennessee, Inc.      2. LOCATION:

NAIC Group Code 0707

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 11139

	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							
<b>Total Members at end of:</b>										
1. Prior Year .....	945							945		
2. First Quarter .....	2,029							2,029		
3. Second Quarter .....	2,530							2,530		
4. Third Quarter .....	2,779							2,779		
5. Current Year .....	3,103							3,103		
6. Current Year Member Months .....	28,820							28,820		
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician .....	42,894							42,894		
8. Non-Physician .....	4,991							4,991		
9. Total .....	47,885							47,885		
10. Hospital Patient Days Incurred .....	6,347							6,347		
11. Number of Inpatient Admissions .....	652							652		
12. Health Premiums Written (b) .....	26,757,772							26,757,772		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	26,220,047							26,220,047		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	15,467,659							15,467,659		
18. Amount Incurred for Provision of Health Care Services .....	19,743,423							19,743,423		

29 Grand Total

(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.  
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....26,757,772

## SCHEDULE S - PART 1 - SECTION 2

### Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Location	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <h1 style="margin: 0;">N O N E</h1> </div>											
0399999 Totals .....											



## SCHEDULE S - PART 2

### Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
<b>Accident and Health, Non-Affiliates</b>						
77828	57-0523959	01/01/2008	COMPANION LIFE INS CO	Columbia, SC		39,140
0599999 Total - Accident and Health, Non-Affiliates						39,140
0699999 Totals - Accident and Health						39,140
0799999 Totals - Life, Annuity and Accident and Health						39,140

### SCHEDULE S - PART 3 - SECTION 2

#### Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Type	7 Premiums	8 Unearned Premiums (estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
<b>Authorized General Account - Non-Affiliates</b>												
77828	57-0523959	01/01/2008	COMPANION LIFE INS CO	Columbia, SC	SSL/L/I	67,815						
93440	06-1041332	01/01/2008	HM LIFE INS CO	Pittsburgh, PA	SSL/L/I	803						
93440	06-1041332	01/01/2008	HM LIFE INS CO	Pittsburgh, PA	SSL/L/I	517						
0299999 Subtotal - Authorized General Account - Non-Affiliates						69,135						
0399999 Total - Authorized General Account						69,135						
0799999 Total - Authorized and Unauthorized General Account						69,135						
1599999 Totals						69,135						

## SCHEDULE S - PART 4

### Reinsurance Ceded To Unauthorized Companies

1	2	3	4	5	6	7	8	9	10	11	12	13	14	
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Reserve Credit Taken	Paid and Unpaid Losses Recoverable (Debit)	Other Debits	Totals (Cols. 5 + 6 + 7)	Letters of Credit	Trust Agreements	Funds Deposited by and Withheld from Reinsurers	Other	Miscellaneous Balances (Credit)	Sum of Cols. 9+10+11+12+13 But Not in Excess of Col. 8	
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <h1 style="margin: 0;">N O N E</h1> </div>														
1199999 Totals (General Account and Separate Accounts combined) .....														

**SCHEDULE S - PART 5**  
**Five-Year Exhibit of Reinsurance Ceded Business**  
**(000 Omitted)**

	1 2008	2 2007	3 2006	4 2005	5 2004
<b>A. OPERATIONS ITEMS</b>					
1. Premiums .....					
2. Title XVIII-Medicare .....	69	21			
3. Title XIX - Medicaid .....					
4. Commissions and reinsurance expense allowance .....					
5. Total hospital and medical expenses .....	39				
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable .....					
7. Claims payable .....	39				
8. Reinsurance recoverable on paid losses .....					
9. Experience rating refunds due or unpaid .....					
10. Commissions and reinsurance expense allowances unpaid .....					
11. Unauthorized reinsurance offset .....					
<b>C. UNAUTHORIZED REINSURANCE</b>					
<b>(DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
12. Funds deposited by and withheld from (F) .....					
13. Letters of credit (L) .....					
14. Trust agreements (T) .....					
15. Other (O) .....					

## SCHEDULE S - PART 6

### Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 10) .....	20,176,291		20,176,291
2. Accident and health premiums due and unpaid (Line 13) .....	757,100		757,100
3. Amounts recoverable from reinsurers (Line 14.1) .....			
4. Net credit for ceded reinsurance .....	X X X	39,140	39,140
5. All other admitted assets (Balance) .....	440,166		440,166
6. Total assets (Line 26) .....	21,373,557	39,140	21,412,697
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1) .....	7,078,442	39,140	7,117,582
8. Accrued medical incentive pool and bonus payments (Line 2) .....			
9. Premiums received in advance (Line 8) .....	1,705		1,705
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17) .....			
11. Reinsurance in unauthorized companies (Line 18) .....			
12. All other liabilities (Balance) .....	3,978,533		3,978,533
13. Total liabilities (Line 22) .....	11,058,680	39,140	11,097,820
14. Total capital and surplus (Line 31) .....	10,314,877	X X X	10,314,877
15. Total liabilities, capital and surplus (Line 32) .....	21,373,557	39,140	21,412,697
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
16. Claims unpaid .....	39,140		
17. Accrued medical incentive pool .....			
18. Premiums received in advance .....			
19. Reinsurance recoverable on paid losses .....			
20. Other ceded reinsurance recoverables .....			
21. Total ceded reinsurance recoverables .....	39,140		
22. Premiums receivable .....			
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers ...			
24. Unauthorized reinsurance .....			
25. Other ceded reinsurance payables/offsets .....			
26. Total ceded reinsurance payables/offsets .....			
27. Total net credit for ceded reinsurance .....	39,140		

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL) .....	N								
2. Alaska (AK) .....	N								
3. Arizona (AZ) .....	N								
4. Arkansas (AR) .....	L		253,072					253,072	
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		189,996					189,996	
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		26,314,704					26,314,704	
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 Marianas Islands (MP) .....	N								
57. Canada (CN) .....	N								
58. Aggregate other alien (OT) .....	X X X								
59. Subtotal .....	X X X		26,757,772					26,757,772	
60. Reporting entity contributions for Employee Benefit Plans .....	X X X								
61. TOTAL (Direct Business) .....	(a) 3		26,757,772					26,757,772	

DETAILS OF WRITE-INS									
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 L responses except for Canada and Other Alien.  
 Explanation of basis of allocation of premiums by states, etc.: There is no allocation of premiums by states as all premiums are written in and allocable to each state under separate contracts .

**SCHEDULE T - PART 2**  
**INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN**  
**ALLOCATED BY STATES AND TERRITORIES**

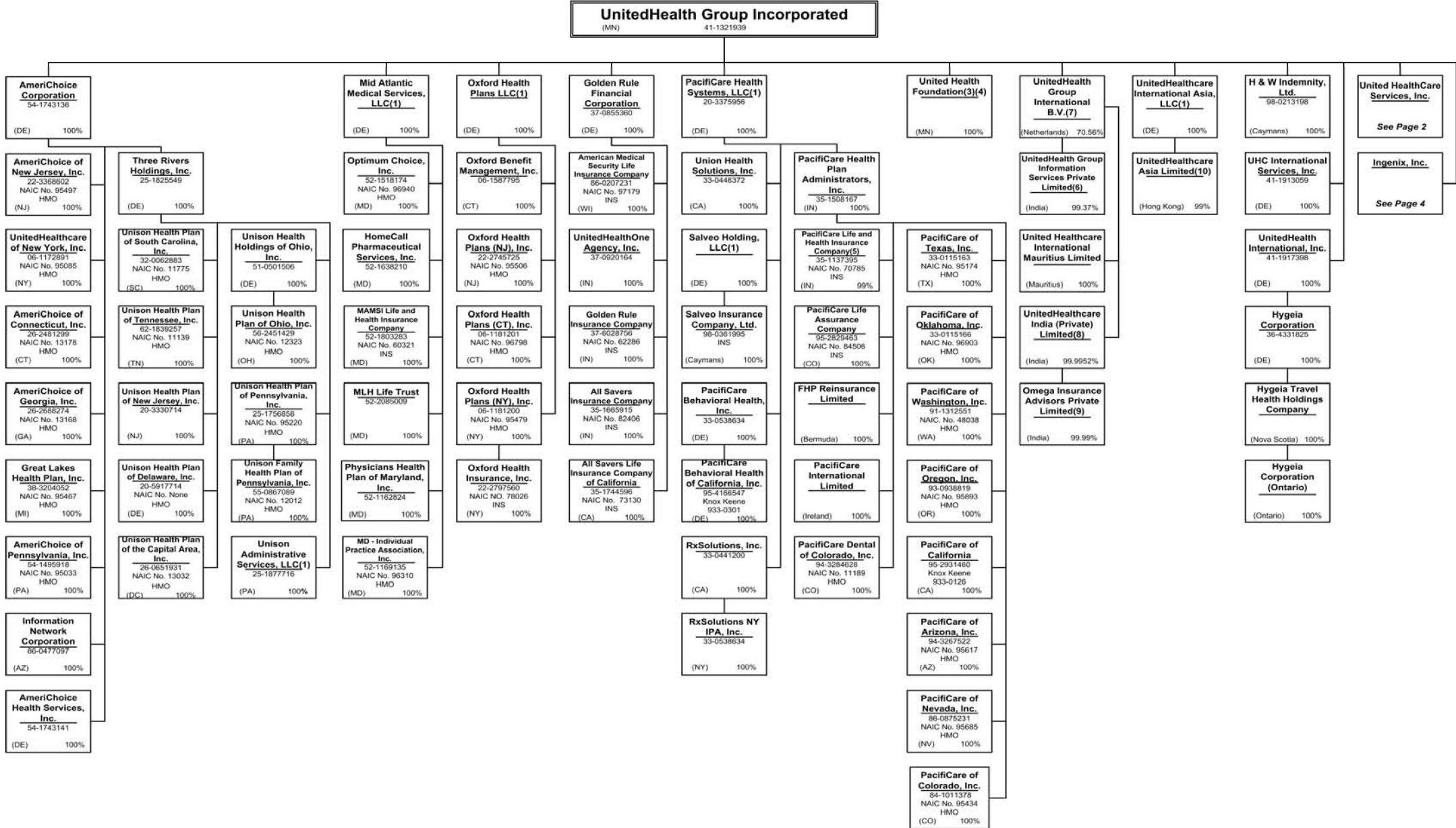
		Direct Business only					
States, Etc.		1	2	3	4	5	6
		Life (Group and Individual)	Annuities (Group and Individual)	Disability Income (Group and Individual)	Long-Term Care (Group and Individual)	Deposit-Type Contracts	Totals
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)						
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)						
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)						
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CN)						
58.	Aggregate other alien (OT)						
59.	TOTALS						

**NONE**

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART



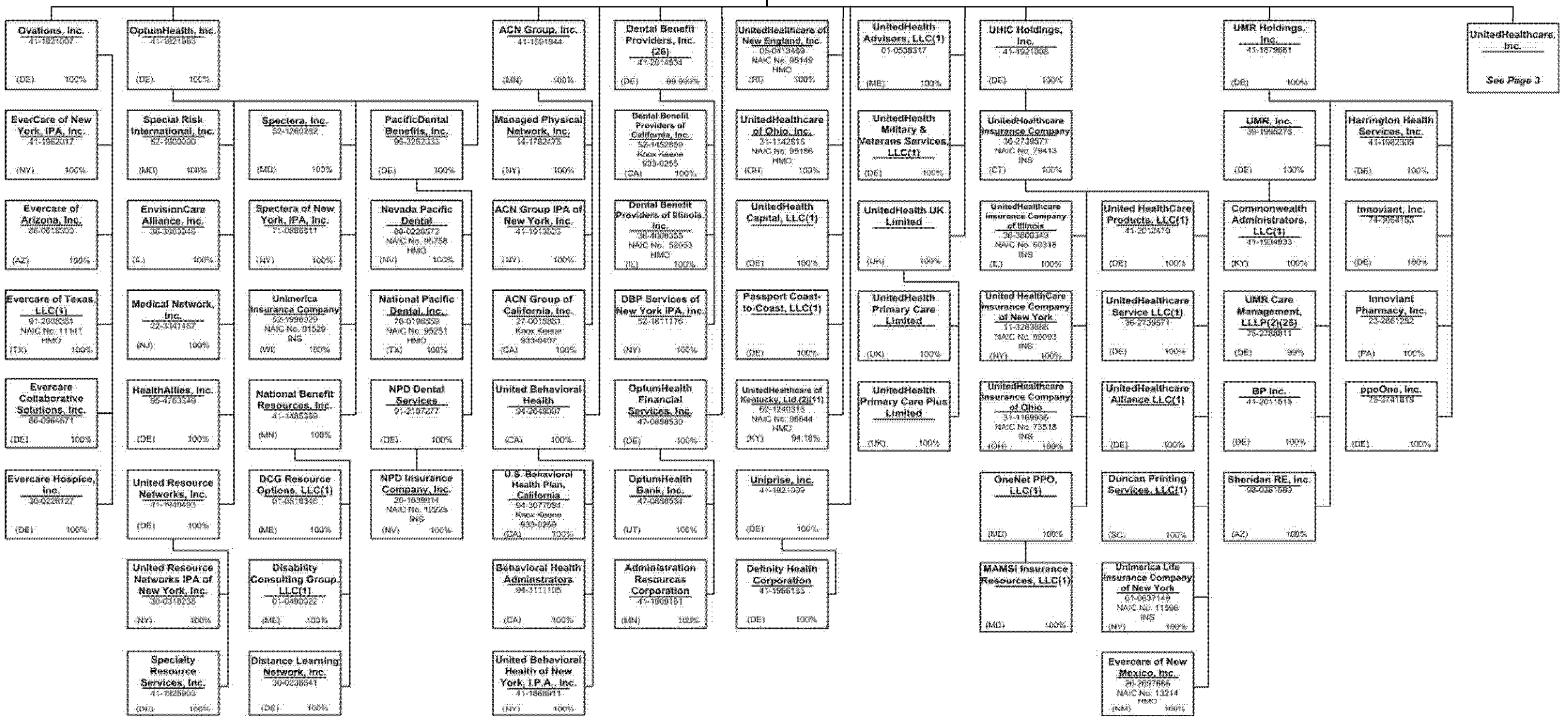


# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

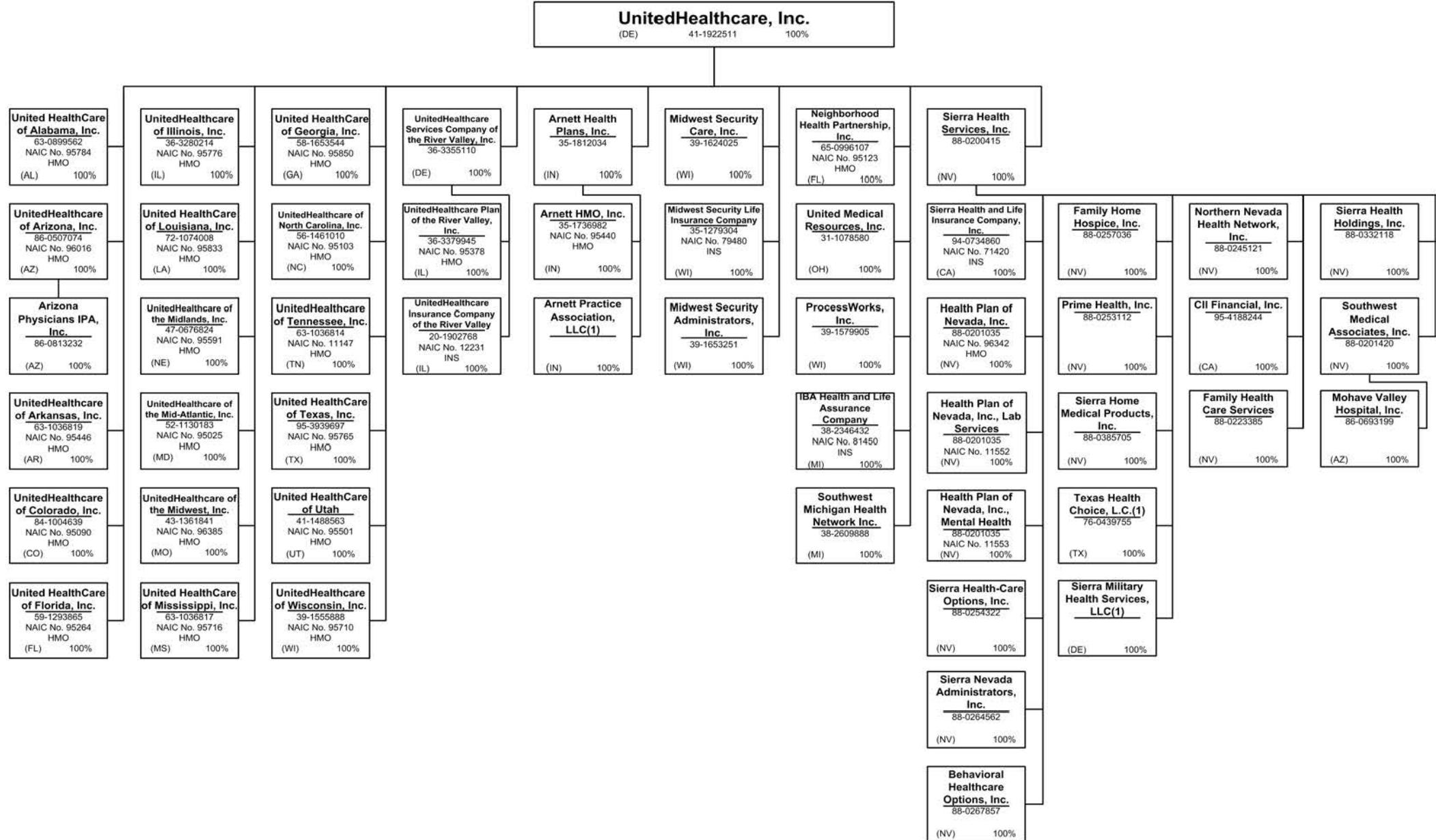
### PART 1 - ORGANIZATIONAL CHART

**United HealthCare Services, Inc.**  
(MN) 41-1288245 100%



381

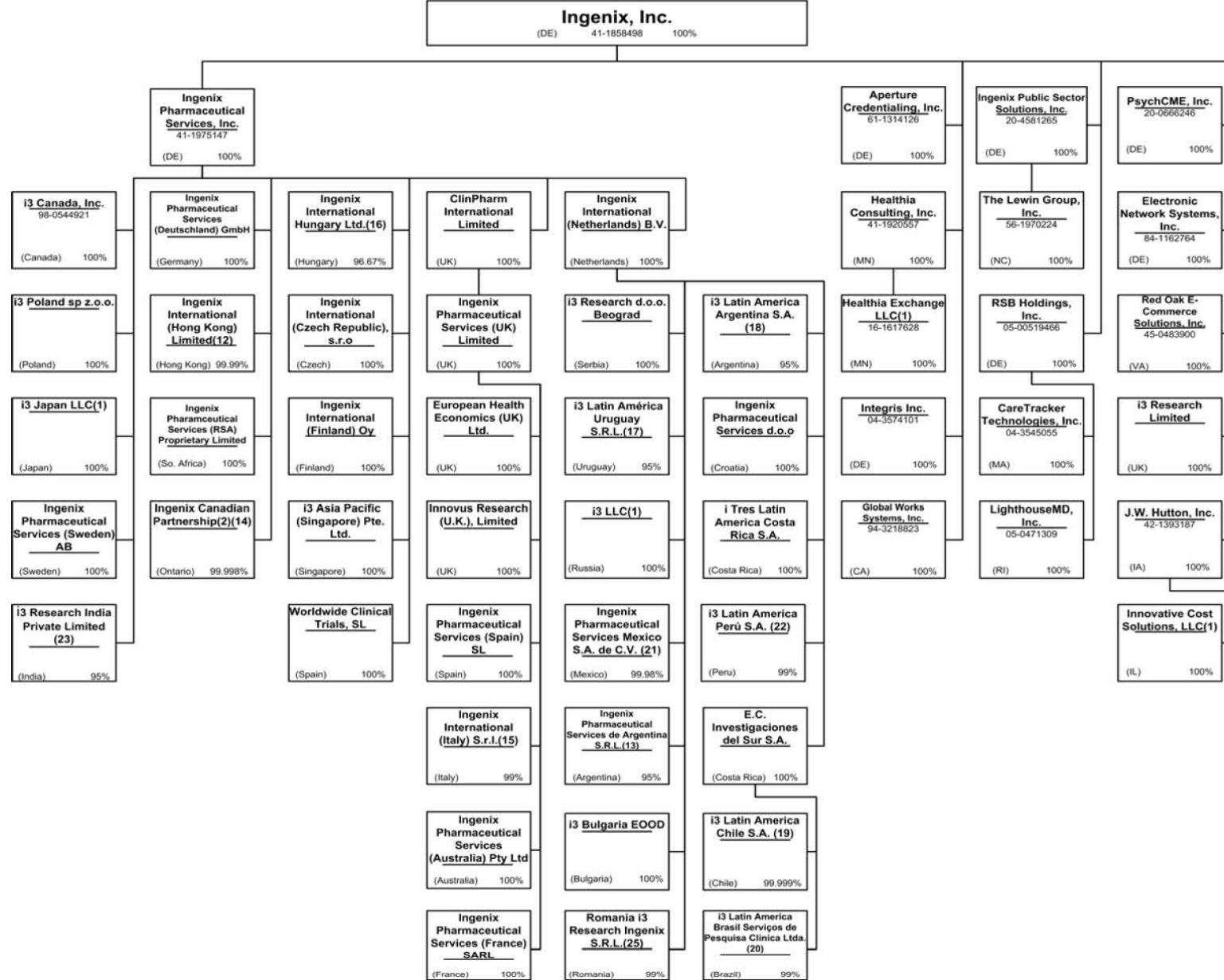
## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART



# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART



## 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 99.37% 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 UnitedHealth Group International B.V. 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) Ingenix International (Hong Kong) Limited is 99.99% owned by Ingenix Pharmaceutical Services, Inc. and 0.01% owned by Ingenix, Inc.
- (13) Ingenix Pharmaceutical Services de Argentina S.R.L is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix, Inc.
- (14) Ingenix Canada Partnership is 99.998% owned by Ingenix Pharmaceutical Services, Inc. and 0.002% owned by Ingenix, Inc.
- (15) Ingenix International (Italy) S.r.l. is 99% owned by Ingenix Pharmaceutical Services (UK) Limited and 1% owned by Ingenix Pharmaceutical Services, Inc.
- (16) Ingenix International Hungary Ltd. is 96.67% owned by Ingenix Pharmaceutical Services, Inc. and 3.33% owned by Ingenix, Inc.
- (17) i3 Latin America Uruguay S.R.L. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix Pharmaceutical Services, Inc.
- (18) i3 Latin America Argentina S.A. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix Pharmaceutical Services, Inc.
- (19) i3 Latin America Chile S.A. is 99.999% owned by E.C. Investigaciones del Sur S.A. and 0.0001% owned by Ingenix Pharmaceutical Services, Inc.

(20) i3 Latin America Brasil Serviços de Pesquisa Clínica Ltda. Is 99% owned by E.C. Investigaciones del Sur S.A. and 1% owned by Ingenix Pharmaceutical Services, Inc.

(21) Ingenix Pharmaceutical Services Mexico S.A. de C.V. is 99.98% owned by Ingenix International (Netherlands) B.V. and 2.36% owned by E.C. Investigaciones del Sur S.A.. The remaining 0.02% is owned by i3 Latin America Argentina S.A..

(22) i3 Latin America Perú S.A. is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by i3 Latin America Argentina S.A.

(23) i3 Research India Private Limited is 95% owned by Ingenix Pharmaceutical Services, Inc. and 5% owned by Ingenix, Inc.

(24) Limited partnership interest is held by UMR Holdings, Inc.. (99%). General partnership interest is held by UMR, Inc. (1%)

(25) Romania i3 Research Ingenix S.R.L. is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services (UK) Limited

(26) Dental Benefit Providers, Inc. is 99.999% owned by United HealthCare Services, Inc. and 0.001% owned by PacificDental Benefits, Inc.

**SCHEDULE Y (Continued)**  
**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
	27-0015861	ACN Group of California, Inc.				(44,527)	1,640,194				1,595,667	
	41-4591944	ACN Group, Inc.				89,488	70,183,381				70,272,869	
82406	35-1665915	All Savers Insurance Company					(7,152)	16,575			9,423	(24,348)
73130	35-1744596	All Savers Life Insurance Company of California					(5,981)				(5,981)	
97179	86-0207231	American Medical Security Life Insurance Company	(140,000,000)				10,906,215	996,045			(128,097,741)	(108,593)
	54-1743141	AmeriChoice Health Services, Inc.					119,886,642				119,886,642	
13178	26-2481299	AmeriChoice of Connecticut, Inc.		1,500,000			(152,995)				1,347,005	
13168	26-2688274	AmeriChoice of Georgia, Inc.		3,000,000							3,000,000	
95497	22-3368602	AmeriChoice of New Jersey, Inc.	(16,000,000)				(60,844,614)				(76,844,614)	
95033	54-1495918	AmeriChoice of Pennsylvania, Inc.	(6,900,000)				(12,355,445)	(11,156,498)			(30,411,943)	29,183,573
	86-0813232	Arizona Physicians IPA, Inc.	(15,000,000)								(15,000,000)	
95440	35-1736982	Arnett HMO, Inc.				(645,792)	(2,107,943)	(36,553)			(2,790,288)	
	00-0000000	Arnett Practice Association, LLC				645,792					645,792	
	94-3111105	Behavioral Health Administrators					19,043				19,043	
	88-0267857	Behavioral Healthcare Options, Inc.					12,831,069				12,831,069	
	95-4188244	CII Financial, Inc.					(925,044)				(925,044)	
	52-1452809	Dental Benefit Providers of California, Inc.					(2,433,936)				(2,433,936)	
52053	36-4008355	Dental Benefit Providers of Illinois, Inc.					(854,801)				(854,801)	
	41-2014834	Dental Benefit Providers, Inc.					98,133,866				98,133,866	
	00-0000000	Duncan Printing Services, LLC	(13,000,000)								(13,000,000)	
	84-1162764	Electronic Network Systems, Inc.					21,953				21,953	
13214	26-2697886	Evercare of New Mexico, Inc.		3,500,000							3,500,000	
11141	91-2008361	Evercare of Texas, L.L.C.	(50,000,000)				(97,581,138)				(147,581,138)	
	88-0223385	Family Health Care Services					27,923,146				27,923,146	
	88-0257036	Family Home Hospice, Inc.					681,661				681,661	
	37-0855360	Golden Rule Financial Corporation					4,957,128				4,957,128	
62286	37-6028756	Golden Rule Insurance Company	(147,374,000)				(40,560,561)	(16,575)			(187,951,136)	24,348
95467	38-3204052	Great Lakes Health Plan, Inc.					(47,589,381)	(1,047,998)			(48,637,379)	1,617,953
96342	88-0201035	Health Plan of Nevada, Inc.	(12,000,000)				(542,444,510)	(695,546)		9,920,257	(545,219,799)	
	95-4763349	HealthAllies, Inc.					907,367				907,367	
81450	38-2346432	IBA Health and Life Assurance Company	(5,000,000)				1,270,799				(3,729,201)	
	86-0477097	Information Network Corporation					11,645,293				11,645,293	
	41-1858498	Ingenix, Inc.					841,692				841,692	
	00-0000000	MAMSI Insurance Resources, LLC					13,304,747				13,304,747	
60321	52-1803283	MAMSI Life and Health Insurance Company	(14,351,600)				(38,815,693)				(53,167,293)	
96310	52-1169135	MD-Individual Practice Association, Inc.	(4,762,000)				(82,515,817)	(633,833)			(87,911,650)	
	22-3341467	Medical Network, Inc.					26,033				26,033	
	00-0000000	Mid Atlantic Medical Services, LLC					62,779,208				62,779,208	
	39-1653251	Midwest Security Administrators, Inc.					(3,170,712)				(3,170,712)	
	39-1624025	Midwest Security Care, Inc.					206,152				206,152	

## SCHEDULE Y (Continued)

### PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
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79480	35-1279304 41-1485369	Midwest Security Life Insurance Company National Benefit Resources, Inc.	(15,000,000)				(2,626,462) 21,913,473				(17,626,462) 21,913,473	
95251	76-0196559	National Pacific Dental, Inc.	(2,000,000)				(1,404,638)				(3,404,638)	
95123	65-0996107	Neighborhood Health Partnership, Inc.	(21,308,000)				(68,170,840)				(89,478,840)	
95758	88-0228572	Nevada Pacific Dental, Inc.					(5,628,868)				(5,628,868)	
	00-0000000	OneNet PPO, LLC	(3,500,000)				469,048				(3,030,952)	
96940	52-1518174	Optimum Choice, Inc.	(12,490,000)				(70,091,823)	(645,627)			(83,227,450)	
	47-0858534	OptumHealth Bank, Inc.					289,570				289,570	
	41-1921983	OptumHealth, Inc.					10,983,009				10,983,009	
78026	22-2797560	Oxford Health Insurance, Inc.	(250,000,000)				(174,682,884)	(190,962,030)			(615,644,914)	245,791,014
96798	06-1181201	Oxford Health Plans (CT), Inc.	(13,700,000)				(5,705,669)	(177,125)			(19,582,794)	
95506	22-2745725	Oxford Health Plans (NJ), Inc.	(45,000,000)				(22,016,598)	(2,489,070)			(69,505,668)	249,772
95479	06-1181200	Oxford Health Plans (NY), Inc.	(250,000,000)				(62,579,042)				(312,579,042)	
	00-0000000	Oxford Health Plans LLC					174,682,884				174,682,884	
	94-2904953	Pacific Union Dental, Inc.	(2,500,000)				(2,217,434)				(4,717,434)	
	95-4166547	PacifiCare Behavioral Health of California, Inc.	(29,359,000)				120,073,297				90,714,297	
	33-0538634	PacifiCare Behavioral Health, Inc.	(25,000,000)				38,760,929			(1,471,520)	12,289,408	
	95-2797931	PacifiCare Dental	(3,600,000)				(5,327,805)			(249,741)	(9,177,546)	
11189	94-3284628	PacifiCare Dental of Colorado, Inc.					(282,306)			(18,440)	(300,746)	
	35-1508167	PacifiCare Health Plan Administrators, Inc.	25,000,000			(44,961)	505,602,503			(26,402,835)	504,154,707	
70785	35-1137395	PacifiCare Life and Health Insurance Company	(78,275,000)				(145,748,685)	(443,988)		121,843,159	(102,624,514)	179,200
84506	95-2829463	PacifiCare Life Assurance Company	(13,518,000)				(19,691,786)	85,986		(2,331,464)	(35,455,263)	
95617	94-3267522	PacifiCare of Arizona, Inc.	(66,309,000)				(160,015,583)	(1,170,930)			(227,495,513)	
	95-2931460	PacifiCare of California	(262,300,000)				106,688,889			(56,123,864)	(211,734,975)	
95434	84-1011378	PacifiCare of Colorado, Inc.	(74,764,000)				(93,413,834)	(875,252)		(6,575,802)	(175,628,888)	
95685	86-0875231	PacifiCare of Nevada, Inc.	(120,250,000)				(88,965,549)	(81,349)		(1,636,712)	(210,933,610)	
96903	33-0115166	PacifiCare of Oklahoma, Inc.	(28,200,000)				(36,697,207)			(2,357,690)	(67,254,897)	
95893	93-0938819	PacifiCare of Oregon, Inc.	(30,000,000)				(78,473,032)	(75)		(2,055,404)	(110,528,511)	
95174	33-0115163	PacifiCare of Texas, Inc.	(137,900,000)				(200,023,166)	(1,744,309)			(339,667,474)	
48038	91-1312551	PacifiCare of Washington	(22,800,000)				(61,177,364)	1,359			(83,976,005)	
	94-3252033	PacificDental Benefits, Inc.					9,250,940				9,250,940	
	33-0441200	RxSolutions, Inc.					(2,067,016,016)			(16,259,177)	(2,083,275,193)	
	98-0361995	Salveo Insurance Company, Ltd.	(40,000,000)								(40,000,000)	
	98-0361580	Sheridan RE, Inc.		5,000,000							5,000,000	
71420	94-0734860	Sierra Health & Life Insurance Co., Inc.					(1,747,373)	281,982			(1,465,391)	
	88-0200415	Sierra Health Services, Inc.					140,982,767			(9,920,257)	131,062,510	
	88-0254322	Sierra Health-Care Options, Inc.					(475,496)				(475,496)	
	88-0385705	Sierra Home Medical Products, Inc.					29,722,477				29,722,477	

## SCHEDULE Y (Continued)

### PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
	88-0201420	Southwest Medical Associates, Inc.					314,717,260				314,717,260	
	52-1900090	Special Risk International, Inc.					1,676,918				1,676,918	
	52-1260282	Spectera, Inc.					69,527,943				69,527,943	
	25-1825549	Three Rivers Holdings, Inc.		(3,000,000)			3,464,551				464,551	
	94-3077084	U.S. Behavioral Health Plan, California	(4,500,000)				(6,073,493)				(10,573,493)	
91529	52-1996029	Unimerica Insurance Company		66,000,000			(35,137,709)				30,862,291	
11596	01-0637149	Unimerica Life Insurance Company of New York		10,000,000			(959,130)				9,040,870	
	25-1877716	Unison Administrative Services, LLC					160,760,475				160,760,475	
12012	55-0867089	Unison Family Health Plan of Pennsylvania, Inc.					(7,003,683)				(7,003,683)	
	51-0501506	Unison Health Holdings of Ohio, Inc.					3,273,623				3,273,623	
	20-5917714	Unison Health Plan of Delaware, Inc.		2,000,000			(10,152,817)				(8,152,817)	
12620	20-3330714	Unison Health Plan of New Jersey, Inc.					45,832				45,832	
12323	56-2451429	Unison Health Plan of Ohio, Inc.					(33,660,208)				(33,660,208)	
95220	25-1756858	Unison Health Plan of Pennsylvania, Inc.					(88,059,763)				(88,059,763)	
11775	32-0062883	Unison Health Plan of South Carolina, Inc.					(9,311,591)				(9,311,591)	
11139	62-1839257	Unison Health Plan of Tennessee, Inc.					(12,814,998)				(12,814,998)	
13032	26-0651931	Unison Health Plan of the Capital Area, Inc.		3,000,000			(1,983,537)				1,016,463	
	94-2649097	United Behavioral Health					261,235,484				261,235,484	
79413	36-2739571	United HealthCare Insurance Company	(1,964,412,000)	2,223,386			(3,627,426,597)	267,084,318		(6,360,510)	(5,328,891,403)	(305,249,071)
60318	36-3800349	United HealthCare Insurance Company of Illinois	(27,367,000)				(29,467,355)				(56,834,355)	
60093	11-3283886	United HealthCare Insurance Company of New York					(44,931,501)	(40,089,476)			(85,020,977)	
73518	31-1169935	United HealthCare Insurance Company of Ohio	(34,021,000)				(43,825,402)				(77,846,402)	
95784	63-0899562	United HealthCare of Alabama, Inc.	(57,935,000)				(30,936,281)	(411,568)			(89,282,850)	
96016	86-0507074	United HealthCare of Arizona, Inc.					(13,610,511)	(99,035)			(13,709,546)	
95446	63-1036819	United HealthCare of Arkansas, Inc.	(2,855,000)				(2,730,488)	(20,439)			(5,605,928)	
95090	84-1004639	United HealthCare of Colorado, Inc.					(390,108)	(4,562)			(394,670)	
95264	59-1293865	United HealthCare of Florida, Inc.	(23,000,000)				(196,681,249)	(1,388,942)			(221,070,191)	
95850	58-1653544	United HealthCare of Georgia, Inc.		8,900,000			(19,763,197)	(191,312)			(11,054,509)	
96644	62-1240316	United HealthCare of Kentucky, Ltd.	(1,089,000)				(7,085,481)	(47,754)			(8,222,235)	
95833	72-1074008	United HealthCare of Louisiana, Inc.	(1,600,000)				(1,203,671)	(7,723)			(2,811,394)	
95716	63-1036817	United HealthCare of Mississippi, Inc.					5,065				5,065	
95186	31-1142815	United HealthCare of Ohio, Inc.	(48,900,000)				(96,197,992)	(741,265)			(145,839,257)	
11147	63-1036814	United HealthCare of Tennessee, Inc.	(3,191,000)				(5,267,679)				(8,458,679)	
95765	95-3939697	United HealthCare of Texas, Inc.					(4,597,564)	(27,415)			(4,624,979)	
95591	47-0676824	United HealthCare of the Midlands, Inc.	(7,430,000)				(21,662,597)	(661,308)			(29,753,905)	
96385	43-1361841	United HealthCare of the Midwest, Inc.	(49,666,000)				(76,289,440)	(3,216,500)			(129,171,940)	8,239,274
95501	41-1488563	United HealthCare of Utah	(15,700,000)				(8,177,968)	(65,237)			(23,943,205)	
	41-2012479	United HealthCare Products, LLC					3,816,017				3,816,017	
	36-2739571	United HealthCare Service LLC	(55,700,000)								(55,700,000)	

**SCHEDULE Y (Continued)**  
**PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES**

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/(Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
	41-1289245	United HealthCare Services, Inc.	2,654,399,000	(91,400,000)			5,040,965,177				7,603,964,177	
	41-1940493	United Resource Networks, Inc.					10,556,537				10,556,537	
	41-1321939	UnitedHealth Group Incorporated	1,807,852,600	(6,500,000)			1,689,382,960				3,490,735,560	
	00-0000000	UnitedHealthcare Alliance LLC	(97,000,000)								(97,000,000)	
12231	20-1902768	UnitedHealthcare Insurance Co. of the River Valley	(2,900,000)				(7,208,139)	(22,474)			(10,130,613)	
95776	36-3280214	UnitedHealthcare of Illinois, Inc.	(7,773,000)	1,500,000			(11,976,616)	(76,999)			(18,326,615)	
95149	05-0413469	UnitedHealthcare of New England, Inc.	(11,930,000)				(45,751,159)	(9,677,602)			(67,358,761)	17,443,936
95085	06-1172891	UnitedHealthcare of New York, Inc.		(5,723,386)			(67,038,081)				(72,761,467)	
95103	56-1461010	UnitedHealthcare of North Carolina, Inc.	(55,417,000)				(96,416,028)	(2,761,954)			(154,594,982)	
95025	52-1130183	UnitedHealthcare of the Mid-Atlantic, Inc.					(88,164,378)	(577,007)			(88,741,385)	
95710	39-1555888	UnitedHealthcare of Wisconsin, Inc.	(42,705,000)				(110,599,803)	3,723,396			(149,581,407)	1,652,475
95378	36-3379945	UnitedHealthcare Plan of the River Valley, Inc.					(134,826,449)	75,669			(134,750,780)	1,000,466
	36-3355110	UnitedHealthcare Svcs.Co.of the River Valley, Inc.					146,914,630				146,914,630	
9999999 Totals							0	0	X X X	0	0	0

Schedule Y Part 2 Explanation: Text answer for line 0000001.5



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

MARCH FILING

- |   |     |
|---|-----|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?                   | Yes |
| 2. Will an actuarial opinion be filed by March 1?   | Yes |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?                           | Yes |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? | Yes |

APRIL FILING

- |  |     |
|--|-----|
| 5. Will Management's Discussion and Analysis be filed by April 1?              | Yes |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? | Yes |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | Yes |

JUNE FILING

- |   |     |
|---|-----|
| 8. Will an audited financial report be filed by June 1? | Yes |
|---|-----|

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 it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

- |  |    |
|--|----|
| 9. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?  | No |
| 10. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?  | No |
| 11. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?   | No |
| 12. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?   | No |
| 13. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 14. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?                              | No |
| 15. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?  | No |

APRIL FILING

- |   |    |
|---|----|
| 16. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?                               | No |
| 17. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?   | No |
| 18. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? | No |

Explanations:

Bar Codes:

Medicare Supplement Insurance Experience Exhibit



Health Life Supplement



Health Property / Casualty Supplement



Schedule SIS



Actuarial Opinion on Participating and Non-Participating Policies



Statement of Non-Guaranteed Elements for Exhibit 5



Medicare Part D Coverage Supplement



LTC Experience Reporting Form C



Health Life Supplement - LHA Guaranty Association Reconciliation



Health Property / Casualty Supplement



OVERFLOW PAGE FOR WRITE-INS

**UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504.Training and Education .....	.....	.....	46,822	.....	46,822
2505.Meetings .....	.....	.....	22,605	.....	22,605
2506.Miscellaneous Expense .....	.....	.....	42,725	.....	42,725
2507.Medicare User Fees .....	.....	.....	12,516	.....	12,516
2597.Summary of overflow write-ins for Line 25 .....	.....	.....	124,668	.....	124,668

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....	5,499,047	27.255	5,499,047	27.255
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....				
1.22 Issued by U.S. government sponsored agencies .....				
1.3 Foreign government (including Canada, excluding mortgage-backed securities) .....				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....				
1.43 Revenue and assessment obligations .....				
1.44 Industrial development and similar obligations .....				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or Guaranteed by GNMA .....				
1.512 Issued or Guaranteed by FNMA and FHLMC .....				
1.513 All other .....				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....				
1.523 All other .....				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....				
2.2 Unaffiliated foreign securities .....				
2.3 Affiliated securities .....				
3. Equity interests:				
3.1 Investments in mutual funds .....				
3.2 Preferred stocks:				
3.21 Affiliated .....				
3.22 Unaffiliated .....				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....				
3.32 Unaffiliated .....				
3.4 Other equity securities:				
3.41 Affiliated .....				
3.42 Unaffiliated .....				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....				
3.52 Unaffiliated .....				
4. Mortgage loans:				
4.1 Construction and land development .....				
4.2 Agricultural .....				
4.3 Single family residential properties .....				
4.4 Multifamily residential properties .....				
4.5 Commercial loans .....				
4.6 Mezzanine real estate loans .....				
5. Real estate investments:				
5.1 Property occupied by company .....				
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt) .....				
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt) .....				
6. Contract loans .....				
7. Receivables for securities .....				
8. Cash, cash equivalents and short-term investments .....	14,677,244	72.745	14,677,244	72.745
9. Other invested assets .....				
10. Total invested assets .....	20,176,291	100.000	20,176,291	100.000

## SCHEDULE A - VERIFICATION BETWEEN YEARS

### Real Estate

1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6) .....		
2.2 Additional investment made after acquisition (Part 2, Column 9) .....		
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13 .....		
3.2 Totals, Part 3, Column 11 .....		
4. Total gain (loss) on disposals, Part 3, Column 18 .....		
5. Deduct amounts received on disposals, Part 3, Column 15 .....		
6. Total foreign exchange change in book/adjusted carrying .....	<b>NONE</b>	
6.1 Totals, Part 1, Column 15 .....		
6.2 Totals, Part 3, Column 13 .....		
7. Deduct current year's other than temporary impairment recognized:		
7.1 Totals, Part 1, Column 12 .....		
7.2 Totals, Part 3, Column 10 .....		
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11 .....		
8.2 Totals, Part 3, Column 9 .....		
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 (Lines 9 minus 10) .....		

## SCHEDULE B - VERIFICATION BETWEEN YEARS

### Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7) .....		
2.2 Additional investment made after acquisition (Part 2, Column 8) .....		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12 .....		
3.2 Totals, Part 3, Column 11 .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9 .....		
5.2 Totals, Part 3, Column 8 .....		
6. Total gain (loss) on disposals, Part 3, Column 18 .....	<b>NONE</b>	
7. Deduct amounts received on disposals, Part 3, Column .....		
8. Deduct amortization of premium and mortgage interest .....		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest .....		
9.1 Totals, Part 1, Column 13 .....		
9.2 Totals, Part 3, Column 13 .....		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 11 .....		
10.2 Totals, Part 3, Column 10 .....		
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. Total valuation allowance .....		
13. Subtotal (Lines 11 plus 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14) .....		

## SCHEDULE BA - VERIFICATION BETWEEN YEARS

### Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year .....		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 8) .....		
2.2	Additional investment made after acquisition (Part 2, Column 9) .....		
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 16 .....		
3.2	Totals, Part 3, Column 12 .....		
4.	Accrual of discount .....		
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 13 .....		
5.2	Totals, Part 3, Column 9 .....		
6.	Total gain (loss) on disposals, Part 3, Column 10 .....	<b>NONE</b>	
7.	Deduct amounts received on disposals, Part 3, Column 11 .....		
8.	Deduct amortization of premium and depreciation .....		
9.	Total foreign exchange change in book/adjusted carrying value:		
9.1	Totals, Part 1, Column 17 .....		
9.2	Totals, Part 3, Column 14 .....		
10.	Deduct current year's other than temporary impairment recognized:		
10.1	Totals, Part 1, Column 15 .....		
10.2	Totals, Part 3, Column 11 .....		
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 BETWEEN YEARS

### Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year .....		4,581,890
2.	Cost of bonds and stocks acquired, Column 7, Part 3 .....		2,118,525
3.	Accrual of Discount .....		10,567
4.	Unrealized valuation increase (decrease):		
4.1	Column 12, Part 1 .....		
4.2	Column 15, Part 2, Section 1 .....		
4.3	Column 13, Part 2, Section 2 .....		
4.4	Column 11, Part 4 .....		
5.	Total gain (loss) on disposals, Column 19, Part 4 .....		
6.	Deduction consideration for bonds and stocks disposed of, Column 7, Part 4 .....		1,200,000
7.	Deduct amortization of premium .....		11,935
8.	Total foreign exchange change in book/adjusted carrying value:		
8.1	Column 15, Part 1 .....		
8.2	Column 19, Part 2, Section 1 .....		
8.3	Column 16, Part 2, Section 2 .....		
8.4	Column 15, Part 4 .....		
9.	Deduct current year's other than temporary impairment recognized:		
9.1	Column 14, Part 1 .....		
9.2	Column 17, Part 2, Section 1 .....		
9.3	Column 14, Part 2, Section 2 .....		
9.4	Column 13, Part 4 .....		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....		5,499,047
11.	Deduct total nonadmitted amounts .....		
12.	Statement value at end of current period (Line 10 minus Line 11) .....		5,499,047

## SCHEDULE D - SUMMARY BY COUNTRY

### Long-Term Bonds and Stocks OWNED December 31 of Current Year

		1	2	3	4
Description		Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	4,602,205	4,649,290	4,585,729	4,587,000
	2. Canada .....				
	3. Other Countries .....				
	4. Totals .....	4,602,205	4,649,290	4,585,729	4,587,000
States, Territories and Possessions (Direct and Guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
	8. Totals .....				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	9. United States .....				
	10. Canada .....				
	11. Other Countries .....				
	12. Totals .....				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....	896,842	896,553	896,400	900,000
	14. Canada .....				
	15. Other Countries .....				
	16. Totals .....	896,842	896,553	896,400	900,000
Public Utilities (unaffiliated)	17. United States .....				
	18. Canada .....				
	19. Other Countries .....				
	20. Totals .....				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....				
	22. Canada .....				
	23. Other Countries .....				
	24. Totals .....				
Parent, Subsidiaries and Affiliates	25. Totals .....				
	26. Total Bonds .....	5,499,047	5,545,843	5,482,129	5,487,000
<b>PREFERRED STOCKS</b>					
Public Utilities (unaffiliated)	27. United States .....				
	28. Canada .....				
	29. Other Countries .....				
	30. Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....				
	32. Canada .....				
	33. Other Countries .....				
	34. Totals .....				
Industrial and Miscellaneous (unaffiliated)	35. United States .....				
	36. Canada .....				
	37. Other Countries .....				
	38. Totals .....				
Parent, Subsidiaries and Affiliates	39. Totals .....				
	40. Total Preferred Stocks .....				
<b>COMMON STOCKS</b>					
Public Utilities (unaffiliated)	41. United States .....				
	42. Canada .....				
	43. Other Countries .....				
	44. Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....				
	46. Canada .....				
	47. Other Countries .....				
	48. Totals .....				
Industrial and Miscellaneous (unaffiliated)	49. United States .....				
	50. Canada .....				
	51. Other Countries .....				
	52. Totals .....				
Parent, Subsidiaries and Affiliates	53. Totals .....				
	54. Total Common Stocks .....				
	55. Total Stocks .....				
	56. Total Bonds and Stocks .....	5,499,047	5,545,843	5,482,129	

## SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, (Group 1)											
1.1 Class 1	4,602,205					4,602,205	22.32	4,581,890	35.24	4,602,205	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 TOTALS	4,602,205					4,602,205	22.32	4,581,890	35.24	4,602,205	
2. All Other Governments, (Group 2)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 TOTALS											
3. States, Territories and Possessions etc., Guaranteed, (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 TOTALS											
4. Political Subdivisions of States, Territories & Possessions, Guaranteed, (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 TOTALS											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, (Group 5)											
5.1 Class 1		896,842				896,842	4.35			896,842	
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 TOTALS		896,842				896,842	4.35			896,842	

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## SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 TOTALS											
7. Industrial & Miscellaneous (Unaffiliated), (Group 7)											
7.1 Class 1	15,120,062					15,120,062	73.33	8,420,828	64.76	15,120,062	
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 TOTALS	15,120,062					15,120,062	73.33	8,420,828	64.76	15,120,062	
8. Credit Tenant Loans, (Group 8)											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates, (Group 9)											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 TOTALS											



## SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	(d) 19,722,267	896,842				20,619,109	100.00	XXX	XXX	20,619,109	
10.2 Class 2	(d)							XXX	XXX		
10.3 Class 3	(d)							XXX	XXX		
10.4 Class 4	(d)							XXX	XXX		
10.5 Class 5	(d)					(c)		XXX	XXX		
10.6 Class 6	(d)					(c)		XXX	XXX		
10.7 TOTALS	19,722,267	896,842				(b) 20,619,109	100.00	XXX	XXX	20,619,109	
10.8 Line 10.7 as a % of Column 6	95.65	4.35				100.00	XXX	XXX	XXX	100.00	
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	9,629,309	3,373,409				XXX	XXX	13,002,718	100.00	13,002,718	
11.2 Class 2						XXX	XXX				
11.3 Class 3						XXX	XXX				
11.4 Class 4						XXX	XXX				
11.5 Class 5						XXX	XXX	(c)			
11.6 Class 6						XXX	XXX	(c)			
11.7 TOTALS	9,629,309	3,373,409				XXX	XXX	(b) 13,002,718	100.00	13,002,718	
11.8 Line 11.7 as a % of Col. 8	74.06	25.94				XXX	XXX	100.00	XXX	100.00	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	19,722,267	896,842				20,619,109	100.00	13,002,718	100.00	20,619,109	XXX
12.2 Class 2											XXX
12.3 Class 3											XXX
12.4 Class 4											XXX
12.5 Class 5											XXX
12.6 Class 6											XXX
12.7 TOTALS	19,722,267	896,842				20,619,109	100.00	13,002,718	100.00	20,619,109	XXX
12.8 Line 12.7 as a % of Col. 6	95.65	4.35				100.00	XXX	XXX	XXX	100.00	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	95.65	4.35				100.00	XXX	XXX	XXX	100.00	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1										XXX	
13.2 Class 2										XXX	
13.3 Class 3										XXX	
13.4 Class 4										XXX	
13.5 Class 5										XXX	
13.6 Class 6										XXX	
13.7 TOTALS										XXX	
13.8 Line 13.7 as a % of Col. 6							XXX	XXX	XXX	XXX	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							XXX	XXX	XXX	XXX	

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(a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5\* designations and \$.....0 current year, \$.....0 prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....15,120,062; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
1. U.S. Governments, (Group 1)											
1.1 Issuer Obligations	4,602,205					4,602,205	22.32	4,581,890	35.24	4,602,205	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 TOTALS	4,602,205					4,602,205	22.32	4,581,890	35.24	4,602,205	
2. All Other Governments, (Group 2)											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
2.3 Defined											
2.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
2.5 Defined											
2.6 Other											
2.7 TOTALS											
3. States, Territories and Possessions, Guaranteed, (Group 3)											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
3.3 Defined											
3.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
3.5 Defined											
3.6 Other											
3.7 TOTALS											
4. Political Subdivisions of States, Territories & Possessions, Guaranteed, (Group 4)											
4.1 Issuer Obligations											
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
4.3 Defined											
4.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
4.5 Defined											
4.6 Other											
4.7 TOTALS											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, (Group 5)											
5.1 Issuer Obligations		896,842				896,842	4.35			896,842	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
5.3 Defined											
5.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
5.5 Defined											
5.6 Other											
5.7 TOTALS		896,842				896,842	4.35			896,842	

## SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
Distribution by Type											
6. Public Utilities (Unaffiliated), (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
6.3 Defined											
6.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
6.5 Defined											
6.6 Other											
6.7 TOTALS											
7. Industrial & Miscellaneous (Unaffiliated), (Group 7)											
7.1 Issuer Obligations	15,120,062					15,120,062	73.33	8,420,828	64.76	15,120,062	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
7.3 Defined											
7.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
7.5 Defined											
7.6 Other											
7.7 TOTALS	15,120,062					15,120,062	73.33	8,420,828	64.76	15,120,062	
8. Credit Tenant Loans, (Group 8)											
8.1 Issuer Obligations											
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates, (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
9.3 Defined											
9.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
9.5 Defined											
9.6 Other											
9.7 TOTALS											

## SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	19,722,267	896,842				20,619,109	100.00	X X X	X X X	20,619,109	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities								X X X	X X X		
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 TOTALS	19,722,267	896,842				20,619,109	100.00	X X X	X X X	20,619,109	
10.8 Line 10.7 as a % of Column 6	95.65	4.35				100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year											
11.1 Issuer Obligations	9,629,309	3,373,409						13,002,718	100.00	13,002,718	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities								X X X	X X X		
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
11.3 Defined								X X X	X X X		
11.4 Other								X X X	X X X		
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
11.5 Defined								X X X	X X X		
11.6 Other								X X X	X X X		
11.7 TOTALS	9,629,309	3,373,409						13,002,718	100.00	13,002,718	
11.8 Line 11.7 as a % of Column 8	74.06	25.94						100.00	X X X	100.00	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	19,722,267	896,842				20,619,109	100.00	13,002,718	100.00	20,619,109	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities											X X X
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
12.3 Defined											X X X
12.4 Other											X X X
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
12.5 Defined											X X X
12.6 Other											X X X
12.7 TOTALS	19,722,267	896,842				20,619,109	100.00	13,002,718	100.00	20,619,109	X X X
12.8 Line 12.7 as a % of Column 6	95.65	4.35				100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	95.65	4.35				100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										X X X	
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
13.3 Defined										X X X	
13.4 Other										X X X	
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Column 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10							X X X	X X X	X X X	X X X	

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## SCHEDULE DA - VERIFICATION BETWEEN YEARS

### Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....	8,420,828	8,420,828			
2. Cost of short-term investments acquired .....	146,536,557	146,536,557			
3. Accrual of discount .....					
4. Unrealized valuation increase (decrease) .....					
5. Total gain (loss) on disposals .....					
6. Deduct consideration received on disposals .....	139,837,323	139,837,323			
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) .....	15,120,062	15,120,062			
11. Deduct total nonadmitted amounts .....					
12. Statement value at end of current period (Line 10 minus Line 11) .....	15,120,062	15,120,062			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

SI12 Schedule DB Part A Verification ..... NONE

SI12 Schedule DB Part B Verification ..... NONE

SI13 Schedule DB Part C Verification ..... NONE

SI13 Schedule DB Part D Verification ..... NONE

SI13 Schedule DB Part E Verification ..... NONE

SI14 Schedule DB Part F Sn 1 - Sum Replicated Assets ..... NONE

SI15 Schedule DB Part F Sn 2 - Recon Replicated Assets ..... NONE

## SCHEDULE E - VERIFICATION BETWEEN YEARS

### Part 2 - Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year .....	.....	.....	.....
2. Cost of cash equivalents acquired .....	.....	.....	.....
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) .....	.....	.....	.....
11. Deduct total nonadmitted amounts .....	.....	.....	.....
12. Statement value at end of current period (Lines 10 minus 11) .....	.....	.....	.....

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

**E01 Schedule A - Part 1 Real Estate Owned ..... NONE**

**E02 Schedule A - Part 2 Real Estate Acquired ..... NONE**

**E03 Schedule A - Part 3 Real Estate Sold ..... NONE**

**E04 Schedule B - Part 1 Mortgage Loans Owned ..... NONE**

**E05 Schedule B - Part 2 Mortgage Loans Acquired ..... NONE**

**E06 Schedule B - Part 3 Mortgage Loans DISPOSED ..... NONE**

**E07 Schedule BA - Part 1 Invested Assets Owned ..... NONE**

**E08 Schedule BA - Part 2 Invested Assets Acquired ..... NONE**

**E09 Schedule BA - Part 3 Invested Assets DISPOSED ..... NONE**



## SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identi- fication	2 Description	Codes			6 NAIC Desig- nation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 F O R E I G N	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of Interest	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Maturity
<b>U.S. Governments - Issuer Obligations</b>																					
912828CL2	US Treasury Note	SD			1	666,773	101,695	686,441	675,000	673,148		3,913			4,000	4,610	JD	1,261	27,000	05/04/2007	06/15/2009
912828EV8	US Treasury Note	SD			1	1,894,531	100,508	1,914,677	1,905,000	1,904,313		3,855			4,500	4,720	FA	32,380	85,725	11/10/2006	02/15/2009
912828GP9	US Treasury Note	SD			1	802,300	101,414	818,411	807,000	806,073		2,357			4,500	4,820	AO	6,220	36,315	05/29/2007	04/30/2009
912828HJ2	US Treasury Note	SD			1	1,222,125	102,480	1,229,760	1,200,000	1,218,671		(3,454)			3,130	1,400	MN	3,297	18,750	10/30/2008	11/30/2009
0199999 Subtotal - U.S. Governments - Issuer Obligations						4,585,729	X X X	4,649,289	4,587,000	4,602,205		6,671			X X X	X X X	X X X	43,158	167,790	X X X	X X X
0399999 Subtotal - U.S. Governments						4,585,729	X X X	4,649,289	4,587,000	4,602,205		6,671			X X X	X X X	X X X	43,158	167,790	X X X	X X X
<b>Special Revenue, Special Assessment - Issuer Obligations</b>																					
586111JU1	Memphis-Shelby County TN Arpt Rev Bond Non Call	SD			1FE	896,400	99,617	896,553	900,000	896,842		442			4,000	4,090	MS	12,000	15,000	03/26/2008	03/01/2013
2599999 Subtotal - Special Revenue, Special Assessment - Issuer Obligations						896,400	X X X	896,553	900,000	896,842		442			X X X	X X X	X X X	12,000	15,000	X X X	X X X
3199999 Subtotal - Special Revenue, Special Assessment						896,400	X X X	896,553	900,000	896,842		442			X X X	X X X	X X X	12,000	15,000	X X X	X X X
5499999 Subtotals - Issuer Obligations						5,482,129	X X X	5,545,842	5,487,000	5,499,047		7,113			X X X	X X X	X X X	55,158	182,790	X X X	X X X
6099999 Grand Total - Bonds						5,482,129	X X X	5,545,842	5,487,000	5,499,047		7,113			X X X	X X X	X X X	55,158	182,790	X X X	X X X

E11 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned ..... NONE

E12 Schedule D - Part 2 Sn 2 Common Stocks Owned ..... NONE

## SCHEDULE D - PART 3

### Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
<b>Bonds - U.S. Governments</b>								
912828HJ2	US Treasury Note 3.125% 11/30/09		10/30/2008	FTN Financial Services	X X X	1,222,125	1,200,000.00	15,676
0399999 Subtotal - Bonds - U.S. Governments						1,222,125	1,200,000.00	15,676
<b>Bonds - Special Revenue, Special Assessment</b>								
586111JU1	Memphis-Shelby County TN Arpt Rev Bond 4.000% 03/01/13		03/26/2008	FTN Financial Services	X X X	896,400	900,000.00	
3199999 Subtotal - Bonds - Special Revenue, Special Assessment						896,400	900,000.00	
6099997 Subtotal - Bonds - Part 3						2,118,525	2,100,000.00	15,676
6099998 Summary item from Part 5 for Bonds								
6099999 Subtotal - Bonds						2,118,525	2,100,000.00	15,676
6599998 Summary Item from Part 5 for Preferred Stocks							X X X	
7299998 Summary Item from Part 5 for Common Stocks							X X X	
7399999 Subtotal - Preferred and Common Stocks							X X X	
7499999 Totals						2,118,525	X X X	15,676

## SCHEDULE D - PART 4

**Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year**

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	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
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (Cols. 11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.						
<b>Bonds - U.S. Governments</b>																				
912828FV7	US Treasury Note 4.875% 10/31/08		10/31/2008	Maturity	X X X	1,200,000	1,200,000.00	1,211,160	1,208,481		(8,481)		(8,481)		1,200,000				58,500	10/31/2008
0399999	Subtotal - Bonds - U.S. Governments					1,200,000	1,200,000.00	1,211,160	1,208,481		(8,481)		(8,481)		1,200,000				58,500	X X X
6099997	Subtotal - Bonds - Part 4					1,200,000	1,200,000.00	1,211,160	1,208,481		(8,481)		(8,481)		1,200,000				58,500	X X X
6099998	Summary Item from Part 5 for Bonds																			X X X
6099999	Subtotal - Bonds					1,200,000	1,200,000.00	1,211,160	1,208,481		(8,481)		(8,481)		1,200,000				58,500	X X X
6599998	Summary Item from Part 5 for Preferred Stocks						X X X													X X X
7299998	Summary Item from Part 5 for Common Stocks						X X X													X X X
7399999	Subtotal - Preferred and Common Stocks						X X X													X X X
7499999	Totals					1,200,000	X X X	1,211,160	1,208,481		(8,481)		(8,481)		1,200,000				58,500	X X X

E15 Schedule D - Part 5 LT Bonds/Stocks Acquired/Disp ..... NONE

E16 Schedule D - Part 6 Sn 1 ..... NONE

E16 Schedule D - Part 6 Sn 2 ..... NONE

## SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 Description	Codes		4 Date Acquired	5 Name of Vendor	6 Maturity Date	7 Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				12 Par Value	13 Actual Cost	Interest					20 Paid For Accrued Interest		
	2 Code	3 For- eign					8 Unrealized Valuation Increase/ (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Total Foreign Exchange Change in B./A.C.V.			14 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	15 Non-Admitted Due and Accrued	16 Rate of	17 Effective Rate of	18 When Paid		19 Amount Received During Year	
6099999 Subtotal - Bonds .....																				
<b>Class One Money Market Mutual Funds</b>																				
BlackRock Liquidity Fund 20 .....			12/31/2008	No Broker .....		1,275,927						1,275,927							11,269	
BlackRock Liquidity Funds TempFund Port .....			12/31/2008	No Broker .....		13,844,135						13,844,135	23,025		1.790	1.790	MON	104,352		
8099999 Subtotal - Class One Money Market Mutual Funds .....																				
8299999 Total Short-term Investments .....																				

E18	Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned .....	NONE
E18	Schedule DB - Part A Sn 2 Opt/Cap/Floor Acquired .....	NONE
E19	Schedule DB - Part A Sn 3 Opt/Cap/Floor Term .....	NONE
E19	Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force .....	NONE
E20	Schedule DB - Part B Sn 2 Opt/Cap/Floor Written .....	NONE
E20	Schedule DB - Part B Sn 3 Opt/Cap/Floor Term .....	NONE
E21	Schedule DB - Part C Sn 1 Col/Swap/Fwrdd Open .....	NONE
E21	Schedule DB - Part C Sn 2 Col/Swap/Fwrdd Opened .....	NONE
E22	Schedule DB - Part C Sn 3 Col/Swap/Fwrdd Term .....	NONE
E22	Schedule DB - Part D Sn 1 Futures Contracts Open .....	NONE
E23	Schedule DB - Part D Sn 2 Futures Contracts Opened .....	NONE
E23	Schedule DB - Part D Sn 3 Futures Contracts Term .....	NONE
E24	Schedule DB - Part E Sn 1 Counterparty Exposure .....	NONE

## SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
<b>open depositories</b>						
PNC Bank - Operating Account .....		Pittsburgh, PA .....			(436,947)	X X X
PNC Bank - ASO Account .....		Pittsburgh, PA .....			(1,372,427)	X X X
First Tennessee Bank .....		Memphis, TN .....			1,366,556	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....						
		X X X				X X X
0199999 Totals - Open Depositories .....		X X X			(442,818)	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
0299999 Totals - Suspended Depositories .....		X X X				X X X
0399999 Total Cash On Deposit .....		X X X			(442,818)	X X X
0499999 Cash in Company's Office .....		X X X	X X X	X X X		X X X
0599999 Total Cash .....		X X X			(442,818)	X X X

### TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January .....	(701,333)	4. April .....	(1,012,548)	7. July .....	(627,062)	10. October .....	(1,543,594)
2. February .....	(3,749,197)	5. May .....	(3,527,638)	8. August .....	(3,980,929)	11. November .....	(1,958,069)
3. March .....	(2,583,478)	6. June .....	(3,053,894)	9. September .....	(2,582,445)	12. December .....	(442,818)



## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

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 .....							

## SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	1 States, Etc.	2 Type of Deposit	3 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
				3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1.	Alabama (AL)						
2.	Alaska (AK)						
3.	Arizona (AZ)						
4.	Arkansas (AR)	B	AR RSD by Ark. Code Ann. 23-63-206			301,622	306,270
5.	California (CA)						
6.	Colorado (CO)						
7.	Connecticut (CT)						
8.	Delaware (DE)						
9.	District of Columbia (DC)						
10.	Florida (FL)						
11.	Georgia (GA)						
12.	Hawaii (HI)						
13.	Idaho (ID)						
14.	Illinois (IL)						
15.	Indiana (IN)						
16.	Iowa (IA)						
17.	Kansas (KS)						
18.	Kentucky (KY)						
19.	Louisiana (LA)						
20.	Maine (ME)						
21.	Maryland (MD)						
22.	Massachusetts (MA)						
23.	Michigan (MI)						
24.	Minnesota (MN)						
25.	Mississippi (MS)	B	MS RSD by MS Code Ann. 83-41-325	504,451	512,141		
26.	Missouri (MO)						
27.	Montana (MT)						
28.	Nebraska (NE)						
29.	Nevada (NV)						
30.	New Hampshire (NH)						
31.	New Jersey (NJ)						
32.	New Mexico (NM)						
33.	New York (NY)						
34.	North Carolina (NC)						
35.	North Dakota (ND)						
36.	Ohio (OH)						
37.	Oklahoma (OK)						
38.	Oregon (OR)						
39.	Pennsylvania (PA)						
40.	Rhode Island (RI)						
41.	South Carolina (SC)						
42.	South Dakota (SD)						
43.	Tennessee (TN)	B	TN RSD by TN INS Code/Title 56-32-212			4,692,974	4,727,432
44.	Texas (TX)						
45.	Utah (UT)						
46.	Vermont (VT)						
47.	Virginia (VA)						
48.	Washington (WA)						
49.	West Virginia (WV)						
50.	Wisconsin (WI)						
51.	Wyoming (WY)						
52.	American Samoa (AS)						
53.	Guam (GU)						
54.	Puerto Rico (PR)						
55.	U.S. Virgin Islands (VI)						
56.	Northern Mariana Islands (MP)						
57.	Canada (CN)						
58.	Aggregate other alien (OT)	X X X	X X X				
59.	Total	X X X	X X X	504,451	512,141	4,994,596	5,033,702
<b>DETAILS OF WRITE-INS</b>							
5801.							
5802.							
5803.							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X				
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X				

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