



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2009
 OF THE CONDITION AND AFFAIRS OF THE

Preferred Health Partnership of Tennessee, Inc.

NAIC Group Code 0119 , 0119 NAIC Company Code 95749 Employer's ID Number 62-1546662
(Current Period) (Prior Period)

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

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

Incorporated/Organized 09/02/1993 Commenced Business 01/01/1994

Statutory Home Office 1420 Centerpoint Blvd. , Knoxville, TN 37932
(Street and Number) (City, State and Zip Code)

Main Administrative Office 1420 Centerpoint Blvd.
(Street and Number)
Knoxville, TN 37932 865-670-7282
(City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 740036 , Louisville, KY 40201-7436
(Street and Number or P.O. Box) (City, State and Zip Code)

Primary Location of Books and Records 500 West Main Street
(Street and Number)
Louisville, KY 40202 , 502-580-1000
(City, State and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.humana.com

Statutory Statement Contact Justin Haydock , 502-580-1870
(Name) (Area Code) (Telephone Number) (Extension)
jhaydock@humana.com 502-580-2099
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Michael Benedict McCallister</u> ,	<u>President & CEO</u>	<u>Joan Olliges Lenahan</u> ,	<u>VP & Corporate Secretary</u>
<u>James Harry Bloem</u> ,	<u>Sr. VP, CFO & Treasurer</u>	<u>Frank Murray Amrine</u> ,	<u>Appointed Actuary</u>

OTHER OFFICERS

<u>George Andreas Andrews M.D.</u> ,	<u>VP - CMO/Tennessee</u>	<u>George Grant Bauernfeind</u> ,	<u>Vice President</u>
<u>John Gregory Catron</u> ,	<u>Vice President</u>	<u>Douglas Edward Haaland</u> ,	<u>Mkt. Pres. - Sr. Prod./Tennessee</u>
<u>Thomas Joseph Liston</u> ,	<u>Sr. Vice President - Sr. Prod.</u>	<u>Clarence Evans Looney</u> ,	<u>Market President - Tennessee</u>
<u>Kathleen Stephenson Pellegrino</u> ,	<u>Vice President & Asst. Secretary</u>	<u>George Renaudin</u> ,	<u>VP & Div. Leader - Southern Div.</u>
<u>Larry Dale Savage</u> ,	<u>Regional CEO</u>	<u>William Joseph Tait</u> ,	<u>Vice President</u>
<u>Gary Dean Thompson</u> ,	<u>Vice President</u>	<u>Ralph Martin Wilson</u> ,	<u>Vice President</u>

DIRECTORS OR TRUSTEES

<u>James Harry Bloem</u>	<u>Michael Benedict McCallister</u>	<u>James Elmer Murray</u>
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State of Kentucky ,
 County of Jefferson ,

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

<u>Michael Benedict McCallister</u> President & CEO	<u>Joan Olliges Lenahan</u> VP & Corporate Secretary	<u>James Harry Bloem</u> Sr. VP, CFO & Treasurer
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Subscribed and sworn to before me this
17th day of February, 2010

Myra Carpenter Notary Public
 August 9, 2013

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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	19,780,103		19,780,103	32,632,849
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$390,599 , Schedule E-Part 1), cash equivalents (\$699,998 , Schedule E-Part 2) and short-term investments (\$3,792,230 , Schedule DA).....	4,882,827		4,882,827	22,677,766
6. Contract loans (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	24,662,930	0	24,662,930	55,310,615
11. Title plants less \$charged off (for Title insurers only)			0	0
12. Investment income due and accrued	254,489		254,489	391,685
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			0	0
13.3 Accrued retrospective premiums.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans	312	312	0	246,068
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset.....	121,508	72,168	49,340	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software.....			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	392,149	392,149	0	0
22. Health care (\$) and other amounts receivable.....	196	196	0	24,050
23. Aggregate write-ins for other than invested assets	475	475	0	1,211,173
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	25,432,059	465,300	24,966,759	57,183,591
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	25,432,059	465,300	24,966,759	57,183,591
DETAILS OF WRITE-INS				
0901.			0	
0902.			0	
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Prepaid Expenses.....	475	475	0	
2302. Performance Guarantee Receivable.....			0	1,211,173
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	475	475	0	1,211,173

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)			0	0
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	919		919	17,649
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	3,624,467
16. Payable for securities			0	0
17. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	7,643	0	7,643	8,859,678
22. Total liabilities (Lines 1 to 21)	8,562	0	8,562	12,501,794
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	1,000	1,000
25. Preferred capital stock	XXX	XXX	0	0
26. Gross paid in and contributed surplus	XXX	XXX	61,379,848	61,379,848
27. Surplus notes	XXX	XXX	0	0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(36,422,651)	(16,699,051)
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX	0	0
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX	0	0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	24,958,197	44,681,797
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	24,966,759	57,183,591
DETAILS OF WRITE-INS				
2101. Unclaimed Property	7,643		7,643	118,691
2102. Accrued Run-Out Costs			0	8,740,987
2103.			0	
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	7,643	0	7,643	8,859,678
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	0	0
2. Net premium income (including \$ non-health premium income).....	XXX	0	0
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		0
4. Fee-for-service (net of \$ medical expenses).....	XXX		0
5. Risk revenue.....	XXX		0
6. Aggregate write-ins for other health care related revenues.....	XXX	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX	0	0
8. Total revenues (Lines 2 to 7).....	XXX	0	0
Hospital and Medical:			
9. Hospital/medical benefits.....		(8,921,977)	(53,966)
10. Other professional services.....			0
11. Outside referrals.....			0
12. Emergency room and out-of-area.....			0
13. Prescription drugs.....			0
14. Aggregate write-ins for other hospital and medical.....	0	0	(170,659)
15. Incentive pool, withhold adjustments and bonus amounts.....			0
16. Subtotal (Lines 9 to 15).....	0	(8,921,977)	(224,625)
Less:			
17. Net reinsurance recoveries.....			0
18. Total hospital and medical (Lines 16 minus 17).....	0	(8,921,977)	(224,625)
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$0 cost containment expenses.....		0	(6,110)
21. General administrative expenses.....		0	(3,141,243)
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	(8,921,977)	(3,371,978)
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	8,921,977	3,371,978
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,008,226	2,992,277
26. Net realized capital gains (losses) less capital gains tax of \$258,765.....		480,564	(2,730,798)
27. Net investment gains (losses) (Lines 25 plus 26).....	0	1,488,790	261,478
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)].....			0
29. Aggregate write-ins for other income or expenses.....	0	0	25,000
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	10,410,767	3,658,456
31. Federal and foreign income taxes incurred.....	XXX	(209,425)	(1,525,738)
32. Net income (loss) (Lines 30 minus 31).....	XXX	10,620,192	5,184,194
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX	0	0
1401. Recoveries.....			(170,659)
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	0	0	(170,659)
2901. Miscellaneous Income.....			25,000
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	0	0	25,000

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	44,681,797	39,149,233
34. Net income or (loss) from Line 32	10,620,192	5,184,194
35. Change in valuation basis of aggregate policy and claim reserves		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		127,775
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	(3,649,788)	(2,540,148)
39. Change in nonadmitted assets	3,305,996	2,760,743
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders	(30,000,000)	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital & surplus (Lines 34 to 47)	(19,723,600)	5,532,564
49. Capital and surplus end of reporting period (Line 33 plus 48)	24,958,197	44,681,797
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

Cash from Operations	1 Current Year	2 Prior Year
1. Premiums collected net of reinsurance .....	.0	(5,903,520)
2. Net investment income	1,268,147	3,595,647
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	1,268,147	(2,307,873)
5. Benefit and loss related payments	(8,921,977)	(230,735)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.0	.0
7. Commissions, expenses paid and aggregate write-ins for deductions	(229,026)	(2,918,724)
8. Dividends paid to policyholders .....	.0	.0
9. Federal and foreign income taxes paid (recovered) net of \$ 258,765 tax on capital gains (losses)	49,340	(1,525,738)
10. Total (Lines 5 through 9)	(9,101,663)	(4,675,197)
11. Net cash from operations (Line 4 minus Line 10)	10,369,810	2,367,324
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	36,413,459	119,774,894
12.2 Stocks .....	.0	.0
12.3 Mortgage loans .....	.0	.0
12.4 Real estate .....	.0	.0
12.5 Other invested assets .....	.0	.0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	.0	.0
12.7 Miscellaneous proceeds .....	.0	.0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	36,413,459	119,774,894
13. Cost of investments acquired (long-term only):		
13.1 Bonds	22,944,112	101,036,976
13.2 Stocks .....	.0	.0
13.3 Mortgage loans .....	.0	.0
13.4 Real estate .....	.0	.0
13.5 Other invested assets .....	.0	.0
13.6 Miscellaneous applications .....	.0	.0
13.7 Total investments acquired (Lines 13.1 to 13.6)	22,944,112	101,036,976
14. Net increase (decrease) in contract loans and premium notes .....	.0	.0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	13,469,347	18,737,918
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	.0	.0
16.2 Capital and paid in surplus, less treasury stock .....	.0	.0
16.3 Borrowed funds .....	.0	.0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	.0	.0
16.5 Dividends to stockholders	30,000,000	.0
16.6 Other cash provided (applied)	(11,634,096)	(839,096)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(11,634,096)	(839,096)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Line 15 plus Line 17)	(17,794,939)	20,266,146
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	22,677,766	2,411,620
19.2 End of year (Line 18 plus Line 19.1)	4,882,827	22,677,766

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	0	0	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$ medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	0	0	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	(8,921,977)	0	0	0	0	0	0	(8,921,977)	0	XXX
9. Other professional services	0	0	0	0	0	0	0	0	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs	0	0	0	0	0	0	0	0	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0	0	0	0	0	0	XXX
15. Subtotal (Lines 8 to 14)	(8,921,977)	0	0	0	0	0	0	(8,921,977)	0	XXX
16. Net reinsurance recoveries	0	0	0	0	0	0	0	0	0	XXX
17. Total hospital and medical (Lines 15 minus 16)	(8,921,977)	0	0	0	0	0	0	(8,921,977)	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ cost containment expenses	0	0	0	0	0	0	0	0	0	0
20. General administrative expenses	0	0	0	0	0	0	0	0	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	(8,921,977)	0	0	0	0	0	0	(8,921,977)	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	8,921,977	0	0	0	0	0	0	8,921,977	0	0
DETAILS OF WRITE-INS										
0501.	0	0	0	0	0	0	0	0	0	XXX
0502.	0	0	0	0	0	0	0	0	0	XXX
0503.	0	0	0	0	0	0	0	0	0	XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0	0	0	0	0	0	0	0	0	XXX
1302.	0	0	0	0	0	0	0	0	0	XXX
1303.	0	0	0	0	0	0	0	0	0	XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)	
1. Comprehensive (hospital and medical) .....				.0	
2. Medicare Supplement .....				.0	
3. Dental Only.....				.0	
4. Vision Only.....				.0	
5. Federal Employees Health Benefits Plan	NONE			.0	
6. Title XVIII - Medicare .....					.0
7. Title XIX - Medicaid.....					.0
8. Other health.....					.0
9. Health subtotal (Lines 1 through 8) .....		.0	.0	.0	.0
10. Life .....					.0
11. Property/casualty.....					.0
12. Totals (Lines 9 to 11)		0	0	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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	(8,921,977)							(8,921,977)		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	(8,921,977)	0	0	0	0	0	0	(8,921,977)	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	0	0	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	0	0	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	(8,921,977)	0	0	0	0	0	0	(8,921,977)	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	(8,921,977)	0	0	0	0	0	0	(8,921,977)	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and 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	0									
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	0									
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	0	0	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	0	0	0	0	0	0	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	0	0	0	0	0	0	0	0	0	0

NONE

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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 Dec. 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)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid	(8,921,977)				(8,921,977)	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	(8,921,977)	0	0	0	(8,921,977)	0
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	(8,921,977)	0	0	0	(8,921,977)	0

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

Pt 2C - Sn A - Paid Claims - Comp

NONE

Pt 2C - Sn A - Paid Claims - MS

NONE

Pt 2C - Sn A - Paid Claims - DO

NONE

Pt 2C - Sn A - Paid Claims - VO

NONE

Pt 2C - Sn A - Paid Claims - FE

NONE

Pt 2C - Sn A - Paid Claims - XV

NONE

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	288,742	288,742	288,742	64,117	
2. 2005	0	0	0	0	
3. 2006	XXX	0	0	0	
4. 2007	XXX	XXX	0	0	
5. 2008	XXX	XXX	XXX	0	
6. 2009	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims - Title XIX Medicaid

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 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	NONE				
2. 2005					
3. 2006					
4. 2007					
5. 2008					
6. 2009					

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Col. (3/ Payer	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005	0	0	0	0	0	0.0			0	0.0
2. 2006	0	0	0	0	0	0.0			0	0.0
3. 2007	0	0	0	0	0	0.0			0	0.0
4. 2008	0	0	0	0	0	0.0			0	0.0
5. 2009	0	0	0	0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	288,742	288,742	288,742	64,117	0
2. 2005	0	0	0	0	0
3. 2006	XXX	0	0	0	0
4. 2007	XXX	XXX	0	0	0
5. 2008	XXX	XXX	XXX	0	0
6. 2009	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Grand Total

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 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	0	0	0	0	0
2. 2005	0	0	0	0	0
3. 2006	XXX	0	0	0	0
4. 2007	XXX	XXX	0	0	0
5. 2008	XXX	XXX	XXX	0	0
6. 2009	XXX	XXX	XXX	XXX	0

NONE

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3)/ Premier	5 Claim and Claim Adjustment Expense Payments (Col 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005	0	0	0	0	0	0.0	0	0	0	0.0
2. 2006	0	0	0	0	0	0.0	0	0	0	0.0
3. 2007	0	0	0	0	0	0.0	0	0	0	0.0
4. 2008	0	0	0	0	0	0.0	0	0	0	0.0
5. 2009	0	0	0	0	0	0.0	0	0	0	0.0

NONE

Pt 2C - Sn B - Incurred Claims - Comp

NONE

Pt 2C - Sn B - Incurred Claims - MS

NONE

Pt 2C - Sn B - Incurred Claims - DO

NONE

Pt 2C - Sn B - Incurred Claims - VO

NONE

Pt 2C - Sn B - Incurred Claims - FE

NONE

Pt 2C - Sn B - Incurred Claims - XV

NONE

Part 2C - Sn C - Claims Expense Ratio Co

NONE

Part 2C - Sn C - Claims Expense Ratio MS

NONE

Part 2C - Sn C - Claims Expense Ratio DO

NONE

Part 2C - Sn C - Claims Expense Ratio VO

NONE

Part 2C - Sn C - Claims Expense Ratio FE

NONE

Part 2C - Sn C - Claims Expense Ratio XV

NONE

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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

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

NONE

13

(a) Includes \$ premium deficiency reserve.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administration Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building).....			22,080	294	22,374
2. Salaries, wages and other benefits.....			139,490	2,976	142,466
3. Commissions (less \$ ceded plus \$ assumed.....)					.0
4. Legal fees and expenses.....			2,636		2,636
5. Certifications and accreditation fees.....					.0
6. Auditing, actuarial and other consulting services.....					.0
7. Traveling expenses.....					.0
8. Marketing and advertising.....					.0
9. Postage, express and telephone.....			26,207	299	26,506
10. Printing and office supplies.....			925		925
11. Occupancy, depreciation and amortization.....			2,833	49	2,882
12. Equipment.....					.0
13. Cost or depreciation of EDP equipment and software.....			38,819	516	39,335
14. Outsourced services including EDP, claims, and other services.....			191,406	913	192,319
15. Boards, bureaus and association fees.....					.0
16. Insurance, except on real estate.....					.0
17. Collection and bank service charges.....			3,252		3,252
18. Group service and administration fees.....					.0
19. Reimbursements by uninsured plans.....			1,851		1,851
20. Reimbursements from fiscal intermediaries.....					.0
21. Real estate expenses.....					.0
22. Real estate taxes.....					.0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					.0
23.2 State premium taxes.....					.0
23.3 Regulatory authority licenses and fees.....			3,313		3,313
23.4 Payroll taxes.....					.0
23.5 Other (excluding federal income and real estate taxes).....			22		22
24. Investment expenses not included elsewhere.....					.0
25. Aggregate write-ins for expenses.....	0	0	(432,834)	0	(432,834)
26. Total expenses incurred (Lines 1 to 25).....	.0	.0	.0	5,047 ^(a)	5,047
27. Less expenses unpaid December 31, current year.....			919		919
28. Add expenses unpaid December 31, prior year.....	.0	.0	17,649	.0	17,649
29. Amounts receivable relating to uninsured plans, prior year.....	.0	.0	246,068	.0	246,068
30. Amounts receivable relating to uninsured plans, current year.....			312		312
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	0	(229,026)	5,047	(223,979)
DETAIL OF WRITE-INS					
2501. Miscellaneous Admin Expense.....			(432,834)		(432,834)
2502. ....					.0
2503. ....					.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0	.0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	0	0	(432,834)	0	(432,834)

(a) Includes management fees of \$ to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 239,504	211,117
1.1 Bonds exempt from U.S. tax	(a) 583,909	534,474
1.2 Other bonds (unaffiliated)	(a) 322,232	262,858
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 53,679	53,679
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	(48,855)	(48,855)
10. Total gross investment income	1,150,469	1,013,273
11. Investment expenses		(g) 5,047
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		0
16. Total deductions (Lines 11 through 15)		5,047
17. Net investment income (Line 10 minus Line 16)		1,008,226
DETAILS OF WRITE-INS		
0901. Miscellaneous Investment Expense	(48,855)	(48,855)
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	(48,855)	(48,855)
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$ 28,714 accrual of discount less \$ 151,440 amortization of premium and less \$ 38,367 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ 48 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ 151,451 investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	154,560		154,560		
1.1 Bonds exempt from U.S. tax	247,767		247,767		
1.2 Other bonds (unaffiliated)	337,002		337,002		
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	739,329	0	739,329	0	0
DETAILS OF WRITE-INS					
0901.			0		
0902.			0		
0903.			0		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	0	0	0	0	0

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).....	.0	.0	.0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.0	.0	.0
2.2 Common stocks .....	.0	.0	.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.0	.0	.0
3.2 Other than first liens .....	.0	.0	.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.0	.0	.0
4.2 Properties held for the production of income.....	.0	.0	.0
4.3 Properties held for sale .....	.0	.0	.0
5. Cash, (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	.0	.0	.0
6. Contract loans .....	.0	.0	.0
7. Other invested assets (Schedule BA) .....	.0	.0	.0
8. Receivables for securities .....	.0	.0	.0
9. Aggregate write-ins for invested assets .....	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	.0	.0	.0
11. Title plants (for Title insurers only).....	.0	.0	.0
12. Investment income due and accrued .....	.0	.0	.0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection .....	.0	.0	.0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	.0	.0	.0
13.3 Accrued retrospective premiums .....	.0	.0	.0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers .....	.0	.0	.0
14.2 Funds held by or deposited with reinsured companies .....	.0	.0	.0
14.3 Other amounts receivable under reinsurance contracts .....	.0	.0	.0
15. Amounts receivable relating to uninsured plans	312	.0	(312)
16.1 Current federal and foreign income tax recoverable and interest thereon .....	.0	.0	.0
16.2 Net deferred tax asset	72,168	3,771,296	3,699,128
17. Guaranty funds receivable or on deposit .....	.0	.0	.0
18. Electronic data processing equipment and software .....	.0	.0	.0
19. Furniture and equipment, including health care delivery assets .....	.0	.0	.0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....	.0	.0	.0
21. Receivables from parent, subsidiaries and affiliates	392,149	.0	(392,149)
22. Health care and other amounts receivable.....	196	.0	(196)
23. Aggregate write-ins for other than invested assets	475	.0	(475)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	465,300	3,771,296	3,305,996
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	465,300	3,771,296	3,305,996
DETAILS OF WRITE-INS			
0901. ....			.0
0902. ....			.0
0903. ....			.0
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.0	.0	.0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0
2301. Prepaid Expenses.....	475		(475)
2302. ....			.0
2303. ....			.0
2398. Summary of remaining write-ins for Line 23 from overflow page .....	.0	.0	.0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	475	0	(475)

Exhibit 1 - Enrollment by Product Type

NONE

Exhibit 2 - A&H Premiums Due and Unpaid

NONE

Exhibit 3 - Health Care Receivables

NONE

Exhibit 4 - Claims Unpaid

NONE

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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
Capitation Payments:						
1. Medical groups	0	0.0		0.0		
2. Intermediaries	0	0.0		0.0		
3. All other providers	0	0.0		0.0		
4. Total capitation payments	0	0.0	0	0.0	0	0
Other Payments:						
5. Fee-for-service	0	0.0	XXX	XXX		
6. Contractual fee payments	(8,921,977)	100.0	XXX	XXX		(8,921,977)
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	(8,921,977)	100.0	XXX	XXX	0	(8,921,977)
13. Total (Line 4 plus Line 12)	(8,921,977)	100 %	XXX	XXX	0	(8,921,977)

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
NONE					
9999999 Totals			XXX	XXX	XXX

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	NONE					
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Insurance.

The Tennessee Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance Company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations exist.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Florida is shown below:

	State of Domicile		2009		2008
1. Net Income, Tennessee basis	TN	\$	10,620,192	\$	5,184,194
2. State Prescribed Practices (Income):	TN		-		-
3. State Permitted Practices (Income):	TN		-		-
4. Net Income, NAIC SAP	TN	\$	10,620,192	\$	5,184,194
5. Statutory Surplus, Tennessee basis	TN	\$	24,958,197	\$	44,681,797
6. State Prescribed Practices (Surplus):	TN		-		-
7. Non-admit Intercopany Receivable :	TN		392,149		-
8. State Permitted Practices (Surplus):	TN		-		-
9. Statutory Surplus, NAIC SAP	TN	\$	25,350,346	\$	44,681,797

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

C. Accounting Policy

Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.

Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value.

The Company regularly evaluates investment securities for impairment. The Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company's intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

For loan backed and structured securities where the securities fair value is less than the amortized cost, the Company considers several factors to determine if the security's impairment is other-than-temporary. If the Company has the intent to sell the security or if the Company does not have the intent and ability to retain the security until recovery of its fair value, the related investment is written down to its estimated fair value through earnings. If, however, the Company has the intent and ability to retain the security until recovery of its fair value, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value and the near term prospects for recovery to carrying value. If the determination is made, based on these factors, that the Company does expect to recover the entire amortized cost of the security, then an other-than-temporary impairment has not occurred. If, however, the determination is made that the Company does not expect to recover the entire amortized cost of the security based on the factors noted above, the Company recognizes a realized loss in earnings for the non-interest related decline. No loss is recognized for the interest impairment.

Amortization of bond premium or discount is computed using the scientific interest method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers.

NOTES TO FINANCIAL STATEMENTS

The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company's benefits payable and loss adjustment expenses are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events, and therefore, the actual liability could differ from the amounts provided

2. Accounting Changes and Corrections of Errors

Not Applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

The Company does not have any investments in an other-than-temporary impairment position at year-end.

The Company does not have any loan-backed securities in an unrealized position at year-end.

E. Repurchase Agreements

Not Applicable.

F. Real Estate

Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:

NOTES TO FINANCIAL STATEMENTS

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loan default.

B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

9. Income Taxes

The components of the net admitted deferred tax asset in the Company's statements of Assets, Liabilities, and Surplus by tax character are as follows:

	Ordinary Taxes	Capital Taxes	December 31, 2009	December 31, 2008
Total of gross deferred tax assets	\$ 137,499	\$ -	\$ 137,499	\$ 4,209,571
Total of deferred tax liabilities	15,991	-	15,991	438,276
Net deferred tax	121,508	-	121,508	3,771,295
Deferred tax asset nonadmitted	72,168	-	72,168	3,771,295
Net admitted deferred tax	\$ 69,340	\$ -	\$ 49,340	\$ -
(Increase) Decrease in nonadmitted asset			\$ 3,699,128	

The provisions for incurred taxes on earnings for the years ended December 31 are:

	December 31, 2009	December 31, 2008
Federal payable	\$ 49,340	\$ (1,525,738)

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

	December 31, 2009	December 31, 2008
Deferred tax assets:		
Miscellaneous nondeductible reserves	\$ -	\$ 3,059,345
Investment reserve	-	1,150,226
Other	-	-
Total deferred tax assets	\$ 137,499	\$ 4,209,571
Nonadmitted deferred tax assets	72,168	3,771,296
Admitted deferred tax assets	\$ 65,331	\$ 438,275
Deferred tax liabilities:		
Performance guarantee	\$ -	\$ 417,095
Loss adjustment Expense	4,145	-
Benefits payable	11,274	20,608
Other	\$ 573	\$ 572
Total deferred tax liabilities	\$ 15,992	\$ 438,275
Net admitted deferred tax asset	\$ 49,339	\$ -

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the annual statement):

	Ordinary Taxes	Capital Taxes	December 31, 2009	December 31, 2008	Change
Total deferred tax assets	\$ 137,499	\$ -	\$ 137,449	\$ 4,209,571	\$ (4,072,072)
Total deferred tax liabilities	15,992	-	15,992	938,275	(422,283)
Net deferred tax asset (liability)	\$ 121,507	\$ -	\$ 121,507	\$ 3,771,296	\$ (3,649,789)

The Company has not elected to admit deferred tax assets pursuant to SSAP 10(R). The current period election does not differ from the prior reporting period.

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

	December 31, 2009	Effective Tax Rate
Provision computed at statutory rate	\$ 3,734,336	35.00%
Tax exempt income deduction	(185,310)	(1.74)%
Prior year correction entry	121,833	1.14%
Loss incurred addback	27,797	0.27%
Nonadmitted asset deferred tax change effect on rate	-	0.00%
Other permanent items	472	0.00%
Total	\$ 3,699,128	34.67%
Federal taxes incurred 2009 only	\$ (49,340)	(0.46)%
Change in net deferred income taxes	3,649,788	34.21%
Total statutory income taxes	\$ 3,699,128	34.67%

The Company has no capital loss carryforwards.

The Company is included in a consolidated federal income tax return with its parent Company, Humana Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to be paid for any future net losses it may incur. The Company has no contingent income tax liabilities. The Company has not adjusted gross deferred tax assets due to changes in judgment about the realizability of the related deferred tax asset. The Company has no deposits under Section 6603 of the Internal Revenue Code.

NOTES TO FINANCIAL STATEMENTS

AFFILIATIONS SCHEDULE

CORPORATE NAME AND EMPLOYER IDENTIFICATION NUMBER
 THE ADDRESS OF EACH COMPANY IS: P. O. BOX 740026, LOUISVILLE, KY 40201

CORP. NO.	CORPORATION NAME	EMPLOYER IDENTIFICATION NUMBER
1	HUMANA INC.	61-0647538
2	516-526 WEST MAIN STREET CONDOMINIUM COUNCIL OF CO-OWNERS, INC.	20-5309363
3	AMERICAN DENTAL PLAN OF NORTH CAROLINA, INC.	56-1796975
4	AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.	58-2302163
5	CAC-FLORIDA MEDICAL CENTERS, LLC	26-0010657
6	CARENETWORK, INC.	39-1514846
7	CAREPLUS HEALTH PLANS, INC.	59-2598550
8	CARITEN HEALTH PLAN, INC.	62-1579044
9	CARITEN INSURANCE COMPANY	62-0729865
10	CHA HMO, INC.	61-1279717
11	CHA SERVICE COMPANY, INC.	61-1279716
12	COMPBENEFITS COMPANY	59-2531815
13	COMPBENEFITS CORPORATION	04-3185995
14	COMPBENEFITS DENTAL, INC.	36-3686002
15	COMPBENEFITS DIRECT, INC.	58-2228851
16	COMPBENEFITS INSURANCE COMPANY	74-2552026
17	COMPBENEFITS OF ALABAMA, INC.	63-1063101
18	COMPBENEFITS OF GEORGIA, INC.	58-2198538
19	CORPHEALTH PROVIDER LINK, INC.	20-8236655
20	CORPHEALTH, INC.	75-2043865
21	CPHP HOLDINGS, INC.	30-0117876
22	DEFENSEWEB TECHNOLOGIES, INC.	33-0916248
23	DENTAL CARE PLUS MANAGEMENT, CORP.	36-3512545
24	DENTICARE, INC.	76-0039628
25	EMPHESSYS INSURANCE COMPANY	31-0935772
26	EMPHESSYS, INC.	61-1237697
27	HEALTH VALUE MANAGEMENT, INC.	61-1223418
28	HUMANA ACTIVE OUTLOOK, INC.	20-4835394
29	HUMANA ADVANTAGECARE PLAN, INC.	65-1137990
30	HUMANA BENEFIT PLAN OF ILLINOIS, INC.	37-1326199
31	HUMANA EMPLOYERS HEALTH PLAN OF GEORGIA, INC. HUMANA GOVERNMENT NETWORK SERVICES, INC. (fka HUMANA	58-2209549
32	MILITARY PHARMACY SERVICES, INC.)	20-1717441
33	HUMANA HEALTH BENEFIT PLAN OF LOUISIANA, INC.	72-1279235
34	HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.	61-1041514
35	HUMANA HEALTH PLAN INTERESTS, INC.	71-0732385
36	HUMANA HEALTH PLAN OF CALIFORNIA, INC.	26-3473328
37	HUMANA HEALTH PLAN OF OHIO, INC.	31-1154200
38	HUMANA HEALTH PLAN OF TEXAS, INC.	61-0994632
39	HUMANA HEALTH PLAN, INC.	61-1013183
40	HUMANA INNOVATION ENTERPRISES, INC.	61-1343791
41	HUMANA INSURANCE COMPANY	39-1263473
42	HUMANA INSURANCE COMPANY OF KENTUCKY	61-1311685
43	HUMANA INSURANCE COMPANY OF NEW YORK	20-2888723
44	HUMANA MARKETPOINT, INC.	61-1343508
45	HUMANA MEDICAL PLAN OF UTAH, INC.	20-8411422
46	HUMANA MEDICAL PLAN, INC.	61-1103898
47	HUMANA MILITARY DENTAL SERVICES, INC.	27-1323221
48	HUMANA MILITARY HEALTHCARE SERVICES, INC.	61-1241225
49	HUMANA PHARMACY, INC.	61-1316926
50	HUMANA VETERANS HEALTHCARE SERVICES, INC.	20-8418853
51	HUMANA WISCONSIN HEALTH ORGANIZATION INSURANCE CO.	39-1525003
52	HUMANA/COMPBENEFITS, INC.	59-1843760
53	HUMANACARES, INC.	65-0274594
54	HUMANADENTAL INSURANCE COMPANY	39-0714280
55	HUMANADENTAL, INC.	61-1364005
56	HUMCO, INC.	61-1239538

NOTES TO FINANCIAL STATEMENTS

57	HUM-e-FL, INC.	61-1383567	
58	HUM-HOLDINGS INTERNATIONAL, INC.	26-3583438	
59	INFOCUS TECHNOLOGY, INC.	42-1575099	
60	KMG AMERICA CORPORATION	20-1377270	
61	MANAGED CARE INDEMNITY, INC.	61-1232669	
62	PHP COMPANIES, INC.	62-1552091	
63	PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.	62-1546662	
64	PREFERRED HEALTH PARTNERSHIP, INC.	62-1250945	
65	PRESERVATION ON MAIN, INC.	20-1724127	
66	SENSEI, INC.	20-3355580	
67	TEXAS DENTAL PLANS, INC.	74-2352809	
68	THE DENTAL CONCERN, INC.	52-1157181	
69	THE DENTAL CONCERN, LTD	36-3654697	
70	ULTIMATE OPTICAL, INC.	65-0856480	1

FOOTNOTE:

BLANK = TAX PERIOD 1/1/09 THROUGH 12/31/09 OR DATE OF INCORPORATION THROUGH 12/31/09

1 = TAX PERIOD 1/1/09 THROUGH MERGER DATE OF 12/31/09 (FILED 12/31/09, EFFECTIVE 1/4/10)

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

Dividends of \$30 million were paid to Humana Inc. on April 30, 2009. The Department of Insurance was notified prior to the payment of this dividend.

11. Debt

Capital Notes

The Company has no capital notes outstanding.

All other Debt

The Company has no debentures outstanding.

The Company does not have any reverse repurchase agreements.

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

Defined Benefit Plan

Not Applicable.

Defined Contribution Plan

Not Applicable.

C. Multiemployer Plans

Not Applicable.

D. Consolidated/Holding Company Plans

The Company employees are eligible to participate in the Humana Retirement and Savings Plan ("the Plan"), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.

Humana Inc.'s total contributions paid to the Savings and Retirement accounts of the Humana Retirement and Savings Plan were \$109.3 million for 2009. As of December 31, 2009 the fair market value of the Humana Retirement and Savings Plan's assets was \$1.3 billion.

E. Postemployment Benefits and Compensated Absences

Not Applicable.

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable

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

- 1) The Company has \$.01 par value common stock with 100,000 shares authorized and 90,200 shares issued and outstanding.
- 2) The Company has no preferred stock outstanding.
- 3) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution exceeds the Company's prior year net operating profits and realized capital gains plus ten percent of available and accumulated surplus funds delivered from realized net operating profits and net realized capital gains.
- 4) Not Applicable.
- 5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 7) Not Applicable.
- 8) Not Applicable.

NOTES TO FINANCIAL STATEMENTS

- 9) Not Applicable.
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$196,573.
- 11) Not Applicable.
- 12) Not Applicable.
- 13) Not Applicable.

14. Contingencies

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

C. Gain Contingencies

Not Applicable.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

E. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Plan does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations and cash flows.

The Company is not aware of any other material contingent liabilities as of December 31, 2009.

15. Leases

A. Lessee Operating Lease

Not Applicable.

B. Other Leases

Not Applicable.

16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentration of Credit Risk

- 1) The Company has no investment in Financial Instruments with Off Balance Sheet Risk.
- 2) The Company has no investment in Financial Instruments with Concentration Credit Risk.

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

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

Not Applicable.

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

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2009:

	(1)		(2)		(3)	
	ASO Uninsured Plans		Uninsured Portion of Partially Insured Plans		Total ASO	
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$	(19,133)	\$	-	\$	(19,133)
b. Total net other income or expenses (including interest paid to or received from plans)	\$	-	\$	-	\$	-
c. Net gain or (loss) from operations	\$	(19,133)	\$	-	\$	(19,133)
d. Total claim payment volume	\$	-	\$	-	\$	-

NOTES TO FINANCIAL STATEMENTS

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not Applicable.

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

Not Applicable.

20. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring

Not Applicable.

C. Other Disclosures

Not Applicable.

D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium Balances, Bill Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

Not Applicable.

E. Business Interruption Insurance Recoveries

Not Applicable.

F. State Transferable Tax Credits

Not Applicable.

G. Hybrid Securities

Not Applicable.

H. Subprime Mortgage Related Risk Exposure

The Company consults with its external investment managers to assess its subprime mortgage related risk exposure. Certain characteristics are utilized to determine if a mortgage-backed security has subprime exposure. The main characteristics reviewed when determining this are the collateral and structure of the security, the loan purpose, loan documentation, occupancy, geographical location, loan size and type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans. Management's practices include reviewing quantitative and qualitative credit models that analyze loan-level collateral composition, historical underwriter performance trends, the impact of macroeconomic factors, and issuer risks; as well as reviewing the estimation of security cash flows and monthly model calibrations.

(1) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

(2) Indirect exposure to sub-prime mortgage risk through investments in the following securities:

- a. Residential mortgage backed securities – No substantial exposure noted.
- b. Collateralized debt obligations – No substantial exposure noted.
- c. Structured Securities (including principal protected notes) – No substantial exposure noted.
- d. Debt Securities of companies with significant sub-prime exposure – No substantial exposure noted
- e. Equity securities of companies with significant sub-prime exposure – No substantial exposure noted.
- f. Other Assets – No substantial exposure noted.

(3) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

Not Applicable.

(4) Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

21. Events Subsequent

The Company is not aware of any events or transactions occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition. Subsequent events have been considered through 2/22/2010 for the statutory statement issued on 2/22/2010.

22. Reinsurance

NOTES TO FINANCIAL STATEMENTS

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 10.0 percent 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 10.0 percent 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 credits?

Yes () No (X)

- 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 is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- 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? \$0

- (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 premium 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. \$0

- (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? \$0

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Not Applicable.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments for its Medicare business through a mathematical approach using an algorithm based upon settlement procedures defined by contracts with CMS.
- B. The Company records accrued retrospective premium as an adjustment to earned premiums.
- C. Not Applicable.

24. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2008 were \$0. As of December 31, 2009, \$0.2 million has been received for incurred claims and claim adjustment expenses attributable to insured events of prior years. There are no reserves remaining for prior years as a result of reestimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$0.2 million favorable prior-year development since December 31, 2008. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies.

NOTES TO FINANCIAL STATEMENTS

25. InterCompany Pooling Arrangements

Not Applicable.

26. Structured Settlements

Not Applicable.

27. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not Applicable.

B. Risk Sharing Receivables

Not Applicable.

28. Participating Policies

Not Applicable.

29. Premium Deficiency Reserves

As of December 31, 2009, the Company had no liabilities related to premium deficiency reserves.

30. Anticipated Salvage and Subrogation

As of December 31, 2009, Preferred Health Partnership of Tennessee, Inc. had no liabilities related to premium deficiency reserves.

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 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 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
- 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.12/31/2005
- 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.12/31/2005
- 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).07/19/2004
- 3.4 By what department or departments? Tennessee Department of 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
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 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 No
- 4.12 renewals? Yes No
- 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 No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 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
- 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
- 7.2 If yes,
- 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
.....
.....
.....
.....
.....

GENERAL INTERROGATORIES

- 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 locations (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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?.....
PricewaterhouseCoopers LLC, 500 West Main, Suite 1800, Louisville, Kentucky 40202-4287.....
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?.....
Frank Murray Amrine, Actuarial Director and Appointed Actuary, 500 West Main Street, Louisville, KY 40202.....
- 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 companyN/A.....
- 11.12 Number of parcels involved.....0
- 11.13 Total book/adjusted carrying value..... \$0
- 11.2 If yes, provide explanation.....
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 []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 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 [] No [X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).....
- 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 []

GENERAL INTERROGATORIES

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 \$
 - 19.22 Borrowed from others \$
 - 19.23 Leased from others \$
 - 19.24 Other \$
- 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 \$
 - 20.22 Amount paid as expenses \$
 - 20.23 Other amounts paid \$
- 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: \$

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).....
Description of Securities Lending Program is included in number 16 of the Notes to the Financial Statement.....
- 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 [X] No [] N/A []
- 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. \$
- 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 \$7,034,376
 - 23.29 Other \$0
- 23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....
.....
.....
.....

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? If no, attach a description with this statement. Yes [] No [] N/A [X]
- 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 [X]
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$

GENERAL INTERROGATORIES

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
JP Morgan Chase.....	4 New York Plaza, 15th Floor, New York, NY. 10004-2413 Attn: Herb Spaulding.....

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)

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

1 Central Registration Depository 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		0

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

GENERAL INTERROGATORIES

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.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	24,272,331	24,573,237	300,906
28.2 Preferred stocks.....	0		0
28.3 Totals	24,272,331	24,573,237	300,906

28.4 Describe the sources or methods utilized in determining the fair values:.....
 Fair value of actively traded debt and equity securities are based on quoted market prices.....

29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [] No [X]

29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [X] No []

29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:..

30.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?..... Yes [] No []

30.2 If no, list exceptions:.....

OTHER

31.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$925

31.2 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
INGENIX ST ANTHONY PUBLISHING INC.....	\$925

32.1 Amount of payments for legal expenses, if any? \$2,636

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
HOLIFIELD AND ASSOCIATES.....	\$2,636

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0

33.2 List the name of the 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 departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

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? \$
- 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. \$
- 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 lives0
- 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 lives0
- 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 lives0
- 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 lives0

2. Health Test:

	1		2
	Current Year		Prior Year
2.1 Premium Numerator	\$0		\$0
2.2 Premium Denominator	\$0		\$0
2.3 Premium Ratio (2.1/2.2)	.....0.000		.....0.000
2.4 Reserve Numerator	\$0		\$0
2.5 Reserve Denominator	\$0		\$0
2.6 Reserve Ratio (2.4/2.5)	.....0.000		.....0.000

- 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, 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, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
- 5.2 If no, explain:
HMO stop-loss is not required for Prepaid Dental Plan
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$0
- 5.32 Medical Only \$0
- 5.33 Medicare Supplement \$0
- 5.34 Dental and 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:
Provider contracts include hold harmless and continuation of benefits provisions.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service data 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 year0
- 8.2 Number of providers at end of reporting year0
- 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 months0
- 9.22 Business with rate guarantees over 36 months0

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract? Yes [] No [X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$.....
- 10.22 Amount actually paid for year bonuses \$.....
- 10.23 Maximum amount payable withholds \$.....
- 10.24 Amount actually paid for year withholds \$.....
- 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. \$.....867,210
- 11.5 Is this amount included as part of a contingency reserve in stockholders equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation.
 First 150 million in earned premiums x 4% with the remaining premiums at 1.5%
- 12.1 List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
.....
.....
.....
.....
.....

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

FIVE - YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	24,966,759	57,183,591	57,311,890	55,712,857	59,028,032
2. Total liabilities (Page 3, Line 22)	8,562	12,501,794	18,162,657	22,160,311	23,683,129
3. Statutory surplus	867,210	6,715,961	6,837,598	6,583,291	7,247,122
4. Total capital and surplus (Page 3, Line 31)	24,958,197	44,681,797	39,149,233	33,552,546	35,344,903
Income Statement (Page 4)					
5. Total revenues (Line 8)	0	0	3,653,634	29	4,822,730
6. Total medical and hospital expenses (Line 18)	(8,921,977)	(224,625)	(151,997)	(636,635)	(1,741,816)
7. Claims adjustment expenses (Line 20)	0	(6,110)	1,159,954	591,262	0
8. Total administrative expenses (Line 21)	0	(3,141,243)	2,239,962	980,865	0
9. Net underwriting gain (loss) (Line 24)	8,921,977	3,371,978	405,715	(935,463)	6,564,546
10. Net investment gain (loss) (Line 27)	1,488,790	261,478	2,242,198	2,341,783	2,309,007
11. Total other income (Lines 28 plus 29)	0	25,000	0	0	0
12. Net income (loss) (Line 32)	10,620,192	5,184,194	2,755,259	1,125,698	9,122,977
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	10,369,810	2,367,324	1,961,891	(2,500,850)	(309,097)
Risk-Based Capital Analysis					
14. Total adjusted capital	24,958,197	44,681,797	39,149,233	33,552,547	35,344,903
15. Authorized control level risk-based capital	79,158	112,325	99,977	66,454	63,373
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	0	0	0	0	0
17. Total member months (Column 6, Line 7)	0	0	0	0	0
Operating Percentage (Page 4)					
(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 19)	0.0	0.0	0.0	0.0	0.0
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23)	0.0	0.0	0.0	0.0	0.0
23. Total underwriting gain (loss) (Line 24)	0.0	0.0	0.0	0.0	0.0
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	(8,921,977)	(224,625)	(151,998)	(636,635)	(741,816)
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	0	0	0	0	1,000,000
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []

If no, please explain:



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Preferred Health Partnership of Tennessee, Inc.

2.

(LOCATION)

NAIC Group Code 0119

BUSINESS IN THE STATE OF Tennessee

DURING THE YEAR 2009

NAIC Company Code 95749

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	0									
2. First Quarter	0									
3. Second Quarter	0									
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	0									
Total Member Ambulatory Encounters for Year:										
7. Physician	0									
8. Non-Physician	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written (b)	0									
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	0									
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	(8,921,977)								(8,921,977)	
18. Amount Incurred for Provision of Health Care Services	(8,921,977)								(8,921,977)	

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons under indemnity only products 0

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$ 0

29.TN



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Preferred Health Partnership of Tennessee, Inc.

2.

(LOCATION)

NAIC Group Code 0119

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2009

NAIC Company Code 95749

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	0	0	0	0	0	0	0	0	0	0
2. First Quarter	0	0	0	0	0	0	0	0	0	0
3. Second Quarter	0	0	0	0	0	0	0	0	0	0
4. Third Quarter	0	0	0	0	0	0	0	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	0	0	0	0	0	0	0	0	0	0
Total Member Ambulatory Encounters for Year:										
7. Physician	0	0	0	0	0	0	0	0	0	0
8. Non-Physician	0	0	0	0	0	0	0	0	0	0
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0	0	0	0	0	0	0	0	0	0
11. Number of Inpatient Admissions	0	0	0	0	0	0	0	0	0	0
12. Health Premiums Written (b)	0	0	0	0	0	0	0	0	0	0
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned	0	0	0	0	0	0	0	0	0	0
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	(8,921,977)	0	0	0	0	0	0	0	(8,921,977)	0
18. Amount Incurred for Provision of Health Care Services	(8,921,977)	0	0	0	0	0	0	0	(8,921,977)	0

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons under indemnity only products 0

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$ 0

29.GT

Schedule S - Part 1 - Section 2

NONE

Schedule S - Part 2

NONE

Schedule S - Part 3 - Section 2

NONE

Schedule S - Part 4

NONE

Schedule S - Part 5

NONE

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	24,662,930		24,662,930
2. Accident and health premiums due and unpaid (Line 13).....	0		0
3. Amounts recoverable from reinsurers (Line 14.1).....	0		0
4. Net credit for ceded reinsurance.....	XXX	0	0
5. All other admitted assets (Balance).....	303,829		303,829
6. Total assets (Line 26)	24,966,759	0	24,966,759
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1).....	0	0	0
8. Accrued medical incentive pool and bonus payments (Line 2).....	0		0
9. Premiums received in advance (Line 8).....	0		0
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17).....	0		0
11. Reinsurance in unauthorized companies (Line 18).....	0		0
12. All other liabilities (Balance).....	8,562		8,562
13. Total liabilities (Line 22).....	8,562	0	8,562
14. Total capital and surplus (Line 31).....	24,958,197	XXX	24,958,197
15. Total liabilities, capital and surplus (Line 32)	24,966,759	0	24,966,759
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid.....	0		
17. Accrued medical incentive pool.....	0		
18. Premiums received in advance	0		
19. Reinsurance recoverable on paid losses	0		
20. Other ceded reinsurance recoverables	0		
21. Total ceded reinsurance recoverables	0		
22. Premiums receivable	0		
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
24. Unauthorized reinsurance	0		
25. Other ceded reinsurance payables/offsets	0		
26. Total ceded reinsurance payables/offsets	0		
27. Total net credit for ceded reinsurance	0		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							8 Total Columns 2 Through 7	9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums			
1. Alabama	AL	N							0	0
2. Alaska	AK	N							0	0
3. Arizona	AZ	N							0	0
4. Arkansas	AR	N							0	0
5. California	CA	N							0	0
6. Colorado	CO	N							0	0
7. Connecticut	CT	N							0	0
8. Delaware	DE	N							0	0
9. District of Columbia	DC	N							0	0
10. Florida	FL	N							0	0
11. Georgia	GA	N							0	0
12. Hawaii	HI	N							0	0
13. Idaho	ID	N							0	0
14. Illinois	IL	N							0	0
15. Indiana	IN	N							0	0
16. Iowa	IA	N							0	0
17. Kansas	KS	N							0	0
18. Kentucky	KY	N							0	0
19. Louisiana	LA	N							0	0
20. Maine	ME	N							0	0
21. Maryland	MD	N							0	0
22. Massachusetts	MA	N							0	0
23. Michigan	MI	N							0	0
24. Minnesota	MN	N							0	0
25. Mississippi	MS	N							0	0
26. Missouri	MO	N							0	0
27. Montana	MT	N							0	0
28. Nebraska	NE	N							0	0
29. Nevada	NV	N							0	0
30. New Hampshire	NH	N							0	0
31. New Jersey	NJ	N							0	0
32. New Mexico	NM	N							0	0
33. New York	NY	N							0	0
34. North Carolina	NC	N							0	0
35. North Dakota	ND	N							0	0
36. Ohio	OH	N							0	0
37. Oklahoma	OK	N							0	0
38. Oregon	OR	N							0	0
39. Pennsylvania	PA	N							0	0
40. Rhode Island	RI	N							0	0
41. South Carolina	SC	N							0	0
42. South Dakota	SD	N							0	0
43. Tennessee	TN	L			0				0	0
44. Texas	TX	N							0	0
45. Utah	UT	N							0	0
46. Vermont	VT	N							0	0
47. Virginia	VA	N							0	0
48. Washington	WA	N							0	0
49. West Virginia	WV	N							0	0
50. Wisconsin	WI	N							0	0
51. Wyoming	WY	N							0	0
52. American Samoa	AS	N							0	0
53. Guam	GU	N							0	0
54. Puerto Rico	PR	N							0	0
55. U.S. Virgin Islands	VI	N							0	0
56. Northern Mariana Islands	MP	N							0	0
57. Canada	CN	N							0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	0	0	0	0	0	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	0
61. Total (Direct Business)	(a) 1	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
5801.	XXX								0	0
5802.	XXX								0	0
5803.	XXX								0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.:

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

**SCHEDULE T – PART 2
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN**

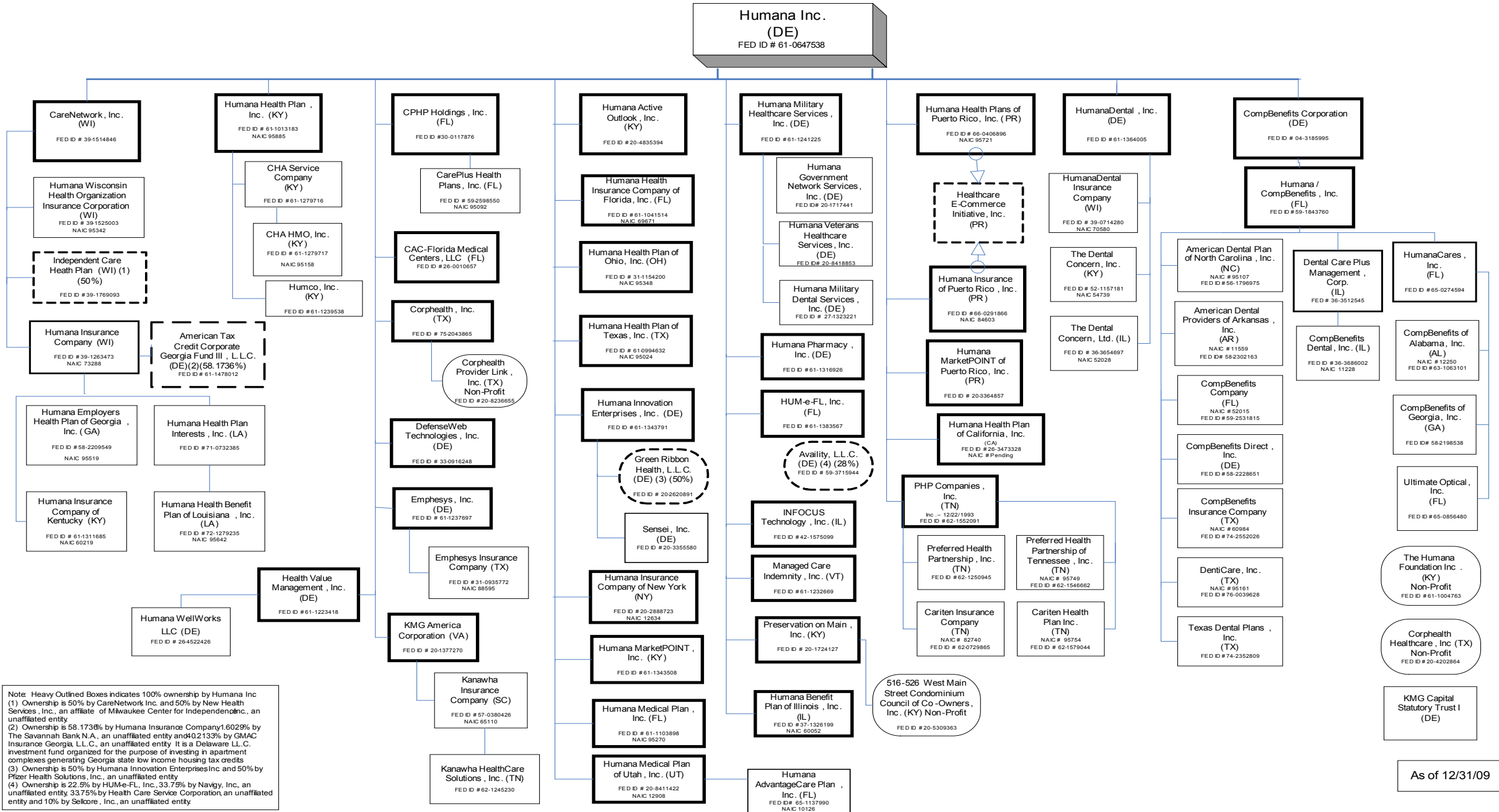
Allocated By States and Territories

States, Etc		Direct Business Only					Totals
		1 Life (Group and individual)	2 Annuities (Group and individual)	3 Disability Income (Group and individual)	4 Long-Term Care (Group and individual)	5 Deposit-Type Contracts	
1	Alabama	AL					0
2	Alaska	AK					0
3	Arizona	AZ					0
4	Arkansas	AR					0
5	California	CA					0
6	Colorado	CO					0
7	Connecticut	CT					0
8	Delaware	DE					0
9	District of Columbia	DC					0
10	Florida	FL					0
11	Georgia	GA					0
12	Hawaii	HI					0
13	Idaho	ID					0
14	Illinois	IL					0
15	Indiana	IN					0
16	Iowa	IA					0
17	Kansas	KS					0
18	Kentucky	KY					0
19	Louisiana	LA					0
20	Maine	ME					0
21	Maryland	MD					0
22	Massachusetts	MA					0
23	Michigan	MI					0
24	Minnesota	MN					0
25	Mississippi	MS					0
26	Missouri	MO					0
27	Montana	MT					0
28	Nebraska	NE					0
29	Nevada	NV					0
30	New Hampshire	NH					0
31	New Jersey	NJ					0
32	New Mexico	NM					0
33	New York	NY					0
34	North Carolina	NC					0
35	North Dakota	ND					0
36	Ohio	OH					0
37	Oklahoma	OK					0
38	Oregon	OR					0
39	Pennsylvania	PA					0
40	Rhode Island	RI					0
41	South Carolina	SC					0
42	South Dakota	SD					0
43	Tennessee	TN					0
44	Texas	TX					0
45	Utah	UT					0
46	Vermont	VT					0
47	Virginia	VA					0
48	Washington	WA					0
49	West Virginia	WV					0
50	Wisconsin	WI					0
51	Wyoming	WY					0
52	American Samoa	AS					0
53	Guam	GU					0
54	Puerto Rico	PR					0
55	U.S. Virgin Islands	VI					0
56	Northern Mariana Islands	MP					0
57	Canada	CN					0
58	Other Alien	OT					0
59	Totals		0	0	0	0	0

NONE

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE Y

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)
69671	61-1041514	Humana Health Insurance Co FL, Inc.					81,505,227	216,891,436			298,396,663	
00000	61-1343508	Humana Marketpoint, Inc.					341,412,037				341,412,037	
00000	61-1241225	Humana Military Healthcare Services, Inc.					(27,714,050)				(27,714,050)	
95270	61-1103898	Humana Medical Plan, Inc.	192,000,000				(460,301,279)	(216,891,436)			(485,192,715)	
95885	61-1013183	Humana Health Plan, Inc.					(230,069,062)	(136,149,966)			(366,219,028)	
95348	31-1154200	Humana Health Plan of Ohio, Inc.	4,000,000				(26,985,622)	(242,815,788)			(265,801,410)	
95024	61-0994632	Humana Health Plan of Texas, Inc.	5,000,000				(44,161,965)	(354,991,822)			(394,153,787)	
54739	52-1157181	The Dental Concern, Inc.	800,000				(2,227,063)				(1,427,063)	
00000	61-0647538	Humana Inc.	(774,050,000)	131,917,329			962,812,926				320,680,255	
00000	61-1232669	Managed Care Indemnity, Inc.	60,000,000				28,900,000				88,900,000	
00000	61-1223418	Health Value Management, Inc.					(32,474,293)				(32,474,293)	
95342	39-1525003	Humana WI Health Org. Insurance Corp.	5,000,000				(19,167,007)	(99,206,956)			(113,373,963)	
73288	39-1263473	Humana Insurance Company	320,000,000				(287,554,482)	980,419,338			1,012,864,856	
52028	39-3654697	The Dental Concern, Ltd.	250,000				61,278				311,278	
95519	58-2209549	Humana Employers Health Plan of GA, Inc.					(22,517,369)	(147,254,806)			(169,772,175)	
70580	39-0714280	HumanaDental Insurance Company	22,000,000				(19,833,268)				2,166,732	
88595	31-0935772	Empheys Insurance Company					(253,417)				(253,417)	
60219	61-1311605	Humana Insurance Company of Kentucky					(1,962,379)				(1,962,379)	
00000	66-0291866	PCA Insurance Group of Puerto Rico, Inc.					(457,144)				(457,144)	
00000	66-0406896	PCA Health Plans of Puerto Rico, Inc.					(1,249,422)				(1,249,422)	
95642	72-1279235	Humana Health Benefit Plan of LA, Inc.					(107,975,007)				(107,975,007)	
95092	59-2598550	CarePlus Health Plans, Inc.	20,000,000				(45,824,648)				(25,824,648)	
12634	20-2888723	Humana Insurance Company of New York					(17,456,353)				(17,456,353)	
95158	61-1279717	CHA HMO					204,894				204,894	
00000	61-1383567	HUM-e-FL, Inc.									0	
00000	20-3364857	Humana MarketPOINT of Puerto Rico, Inc.									0	
00000	58-93028	Humana Health Enterprises UK Ltd.									(12,917,329)	
00000	26-0010657	CAC-Florida Medical Centers, LLC					(4,469,037)				(4,469,037)	
00000	61-1316926	Humana Pharmacy, Inc.					(2,951,357)				(2,951,357)	
00000	61-1343791	Humana Innovation Enterprises, Inc.					(2,419)				(2,419)	
00000	20-2620891	Green Ribbon Health, LLC					14,454				14,454	
00000	75-2043865	Corphealth, Inc.					(2,398,613)				(2,398,613)	
00000	20-1377270	KMG America Corporation									(115,000,000)	
65110	57-0380426	Kanawha Insurance Co.					(5,516,153)				(5,516,153)	
00000	74-2352809	Texas Dental Plans, Inc.					(33,943)				(33,943)	
12908	20-8411422	Humana Medical Plan of Utah					(489,382)				(489,382)	
95107	56-1796975	American Dental Plan of NC					(133,922)				(133,922)	
11559	58-2302163	American Dental Providers of AR					(38,054)				(38,054)	
12250	63-1063101	CompBenefits of Alabama	500,000				(75,037)				424,963	
52015	59-2531815	CompBenefits Company					(21,690,097)				(21,690,097)	
95161	76-0039628	DentiCare, Inc.	2,000,000				(4,576,771)				(2,576,771)	
11228	36-3686002	CompBenefits Dental, Inc.	1,500,000				(3,522,624)				(2,022,624)	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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 filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING

Responses

- | | |
|---|---------------|
| 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..... |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC 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 is not filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING

- | | |
|--|--------------|
| 10. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? |NO..... |
| 11. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? |NO..... |
| 12. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? |NO..... |
| 13. Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? |NO..... |
| 14. 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..... |
| 15. 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..... |
| 16. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? |NO..... |






APRIL FILING

- | | |
|---|--------------|
| 17. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? |NO..... |
| 18. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? |NO..... |
| 19. 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..... |






Explanation:

- 10. This type of business is not written.
- 11. This type of business is not written.
- 12. This type of business is not written.
- 13. This type of business is not written.
- 14. This type of business is not written.
- 15. This type of business is not written.
- 16. This type of business is not written.
- 17. This type of business is not written.
- 18. This type of business is not written.
- 19. This type of business is not written.

Bar code:

- | | |
|-----|---|
| 10. |  |
| 11. |  |
| 12. |  |
| 13. |  |
| 14. |  |

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- 15. 
9 5 7 4 9 2 0 0 9 3 7 0 0 0 0 0 0
- 16. 
9 5 7 4 9 2 0 0 9 3 6 5 0 0 0 0 0
- 17. 
9 5 7 4 9 2 0 0 9 3 0 6 0 0 0 0 0
- 18. 
9 5 7 4 9 2 0 0 9 2 1 1 5 9 0 0 0
- 19. 
9 5 7 4 9 2 0 0 9 2 1 3 0 0 0 0 0

OVERFLOW PAGE FOR WRITE-INS

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	6,915,466	28.040	6,915,466	28.040
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies		0.000		0.000
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	1,713,689	6.948	1,713,689	6.948
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations	10,851,990	44.001	10,851,990	44.001
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA		0.000		0.000
1.512 Issued or guaranteed by FNMA and FHLMC		0.000		0.000
1.513 All other		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000		0.000
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		0.000		0.000
1.523 All other		0.000		0.000
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	298,958	1.212	298,958	1.212
2.2 Unaffiliated non-U.S. securities (including Canada)		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (including \$ _____ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (including \$ _____ property acquired in satisfaction of debt)		0.000	0	0.000
6. Contract loans		0.000	0	0.000
7. Receivables for securities		0.000	0	0.000
8. Cash, cash equivalents and short-term investments	4,882,827	19.798	4,882,827	19.798
9. Other invested assets		0.000		0.000
10. Total invested assets	24,662,930	100.000	24,662,930	100.000

SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

1. Book/adjusted carrying value, December 31 of prior year.....		.0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 6).....	.0	
2.2 Additional investment made after acquisition (Part 2, Column 9).....	.0	.0
3. Current year change in encumbrances:		
3.1 Totals, Part 1, Column 13.....	.0	
3.2 Totals, Part 3, Column 11.....	.0	.0
4. Total gain (loss) on disposals, Part 3, Column 18.....		.0
5. Deduct amounts received on disposals, Part 3, Column 15.....		.0
6. Total foreign exchange change in book/adjusted carrying value:		
6.1 Totals, Part 1, Column 15.....	.0	
6.2 Totals, Part 3, Column 13.....	.0	.0
7. Deduct current year's other than temporary impairment recognized:		
7.1 Totals, Part 1, Column 12.....	.0	
7.2 Totals, Part 3, Column 10.....	.0	.0
8. Deduct current year's depreciation:		
8.1 Totals, Part 1, Column 11.....	.0	
8.2 Totals, Part 3, Column 9.....	.0	.0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8).....		.0
10. Deduct total nonadmitted amounts.....		.0
11. Statement value at end of current period (Line 9 minus Line 10).....		.0

NONE

SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

1. Book value/recorded investment excluding accrued interest, December 31 of prior year.....		.0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 7).....	.0	
2.2 Additional investment made after acquisition (Part 2, Column 8).....	.0	.0
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 12.....	.0	
3.2 Totals, Part 3, Column 11.....	.0	.0
4. Accrual of discount.....		.0
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 9.....	.0	
5.2 Totals, Part 3, Column 8.....	.0	.0
6. Total gain (loss) on disposals, Part 3, Column 18.....		.0
7. Deduct amounts received on disposals, Part 3, Column 15.....		.0
8. Deduct amortization of premium and mortgage interest points and commitment fees.....		.0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1 Totals, Part 1, Column 13.....	.0	
9.2 Totals, Part 3, Column 13.....	.0	.0
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 11.....	.0	
10.2 Totals, Part 3, Column 10.....	.0	.0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10).....		.0
12. Total valuation allowance.....		.0
13. Subtotal (Line 11 plus Line 12).....		.0
14. Deduct total nonadmitted amounts.....		.0
15. Statement value of mortgages owned at end of current period (Line 13 minus Line 14).....		.0

NONE

SCHEDULE BA – VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year			0
2. Cost of acquired:			
2.1 Actual cost at time of acquisition (Part 2, Column 8)		.0	
2.2 Additional investment made after acquisition (Part 2, Column 9)		.0	0
3. Capitalized deferred interest and other:			
3.1 Totals, Part 1, Column 16		.0	
3.2 Totals, Part 3, Column 12		.0	0
4. Accrual of discount			
5. Unrealized valuation increase (decrease):			
5.1 Totals, Part 1, Column 13		.0	
5.2 Totals, Part 3, Column 9		.0	0
6. Total gain (loss) on disposals, Part 3, Column 19			0
7. Deduct amounts received on disposals, Part 3, Column 16			0
8. Deduct amortization of premium and depreciation			0
9. Total foreign exchange change in book/adjusted carrying value:			
9.1 Totals, Part 1, Column 17		.0	
9.2 Totals, Part 3, Column 14		.0	0
10. Deduct current year's other than temporary impairment recognized:			
10.1 Totals, Part 1, Column 15		.0	
10.2 Totals, Part 3, Column 11		.0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)			0
12. Deduct total nonadmitted amounts			0
13. Statement value at end of current period (Line 11 minus Line 12)			0

NONE

SCHEDULE D – VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year			32,632,846
2. Cost of bonds and stocks acquired, Part 3, Column 7			22,944,112
3. Accrual of discount			28,714
4. Unrealized valuation increase (decrease):			
4.1 Part 1, Column 12		.0	
4.2 Part 2, Section 1, Column 15		.0	
4.3 Part 2, Section 2, Column 13		.0	
4.4 Part 4, Column 11		.0	0
5. Total gain (loss) on disposals, Part 4, Column 19			739,329
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7			36,413,459
7. Deduct amortization of premium			151,440
8. Total foreign exchange change in book/adjusted carrying value:			
8.1 Part 1, Column 15		.0	
8.2 Part 2, Section 1, Column 19		.0	
8.3 Part 2, Section 2, Column 16		.0	
8.4 Part 4, Column 15		.0	0
9. Deduct current year's other than temporary impairment recognized:			
9.1 Part 1, Column 14		.0	
9.2 Part 2, Section 1, Column 17		.0	
9.3 Part 2, Section 2, Column 14		.0	
9.4 Part 4, Column 13		.0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)			19,780,102
11. Deduct total nonadmitted amounts			0
12. Statement value at end of current period (Line 10 minus Line 11)			19,780,102

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	6,915,466	7,034,367	6,923,683	6,900,000
	2. Canada				
	3. Other Countries				
	4. Totals	6,915,466	7,034,367	6,923,683	6,900,000
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	1,713,689	1,747,207	1,713,998	1,665,000
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	10,851,990	11,002,247	10,938,617	10,550,000
Industrial and Miscellaneous and Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States				
	9. Canada				
	10. Other Countries	298,958	297,188	298,942	300,000
	11. Totals	298,958	297,188	298,942	300,000
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	19,780,103	20,081,009	19,875,240	19,415,000
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States				
	15. Canada				
	16. Other Countries				
	17. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	0
	19. Total Preferred Stocks	0	0	0	0
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States				
	21. Canada				
	22. Other Countries				
	23. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	0
	25. Total Common Stocks	0	0	0	0
	26. Total Stocks	0	0	0	0
	27. Total Bonds and Stocks	19,780,103	20,081,009	19,875,240	

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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

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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1	1,006,370	6,915,466				7,921,836	32.6	28,246,902	54.0	7,921,836	
1.2 Class 2						0	0.0	0	0.0		
1.3 Class 3						0	0.0	0	0.0		
1.4 Class 4						0	0.0	0	0.0		
1.5 Class 5						0	0.0	0	0.0		
1.6 Class 6						0	0.0	0	0.0		
1.7 Totals	1,006,370	6,915,466	0	0	0	7,921,836	32.6	28,246,902	54.0	7,921,836	0
2. All Other Governments											
2.1 Class 1						0	0.0				
2.2 Class 2						0	0.0				
2.3 Class 3						0	0.0				
2.4 Class 4						0	0.0				
2.5 Class 5						0	0.0				
2.6 Class 6						0	0.0				
2.7 Totals	0	0	0	0	0	0	0.0			0	0
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 Class 1		1,390,000	323,689			1,713,689	7.1	1,400,000	2.7	1,713,689	
3.2 Class 2						0	0.0				
3.3 Class 3						0	0.0				
3.4 Class 4						0	0.0				
3.5 Class 5						0	0.0				
3.6 Class 6						0	0.0				
3.7 Totals	0	1,390,000	323,689	0	0	1,713,689	7.1	1,400,000	2.7	1,713,689	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1						0	0.0				
4.2 Class 2						0	0.0				
4.3 Class 3						0	0.0				
4.4 Class 4						0	0.0				
4.5 Class 5						0	0.0				
4.6 Class 6						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0			0	0
5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed											
5.1 Class 1	1,396,009	4,850,500	1,508,812	1,001,887		8,757,209	36.1	13,578,910	25.9	8,757,209	
5.2 Class 2		2,094,781				2,094,781	8.6	2,131,991	4.1	2,094,781	
5.3 Class 3						0	0.0	0	0.0		
5.4 Class 4						0	0.0	0	0.0		
5.5 Class 5						0	0.0	0	0.0		
5.6 Class 6						0	0.0	0	0.0		
5.7 Totals	1,396,009	6,945,282	1,508,812	1,001,887	0	10,851,990	44.7	15,710,901	30.0	10,851,990	0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1	3,485,858	199,089	99,869			3,784,816	15.6	5,809,010	11.1	3,784,816	
6.2 Class 2						0	0.0	1,175,125	2.2		
6.3 Class 3						0	0.0	0	0.0		
6.4 Class 4						0	0.0	0	0.0		
6.5 Class 5						0	0.0	0	0.0		
6.6 Class 6						0	0.0	0	0.0		
6.7 Totals	3,485,858	199,089	99,869	0	0	3,784,816	15.6	6,984,135	13.3	3,784,816	0
7. Credit Tenant Loans											
7.1 Class 1						0	0.0	0	0.0		
7.2 Class 2						0	0.0	0	0.0		
7.3 Class 3						0	0.0	0	0.0		
7.4 Class 4						0	0.0	0	0.0		
7.5 Class 5						0	0.0	0	0.0		
7.6 Class 6						0	0.0	0	0.0		
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. Hybrid Securities											
8.1 Class 1						0	0.0				
8.2 Class 2						0	0.0				
8.3 Class 3						0	0.0				
8.4 Class 4						0	0.0				
8.5 Class 5						0	0.0				
8.6 Class 6						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0			0	0
9. Parent, Subsidiaries and Affiliates											
9.1 Class 1						0	0.0	0	0.0		
9.2 Class 2						0	0.0	0	0.0		
9.3 Class 3						0	0.0	0	0.0		
9.4 Class 4						0	0.0	0	0.0		
9.5 Class 5						0	0.0	0	0.0		
9.6 Class 6						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	(d) 5,888,237	13,355,056	1,932,370	1,001,887	.0	22,177,550	91.4	XXX	XXX	22,177,550	.0
10.2 Class 2	(d) 0	2,094,781	0	0	.0	2,094,781	8.6	XXX	XXX	2,094,781	.0
10.3 Class 3	(d) 0	0	0	0	.0	0	0.0	XXX	XXX	0	.0
10.4 Class 4	(d) 0	0	0	0	.0	0	0.0	XXX	XXX	0	.0
10.5 Class 5	(d) 0	0	0	0	.0	0	0.0	XXX	XXX	0	.0
10.6 Class 6	(d) 0	0	0	0	.0	0	0.0	XXX	XXX	0	.0
10.7 Totals	5,888,237	15,449,837	1,932,370	1,001,887	.0	24,272,331	100.0	XXX	XXX	24,272,331	.0
10.8 Line 10.7 as a % of Col. 6	24.3	63.7	8.0	4.1	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	23,946,221	20,415,316	3,671,279	1,002,006		XXX	XXX	49,034,822	93.7	49,034,822	
11.2 Class 2		2,650,301	656,815			XXX	XXX	3,307,116	6.3	3,307,116	
11.3 Class 3						XXX	XXX				
11.4 Class 4						XXX	XXX				
11.5 Class 5						XXX	XXX				
11.6 Class 6						XXX	XXX				
11.7 Totals	23,946,221	23,065,617	4,328,094	1,002,006	.0	XXX	XXX	52,341,937	100.0	52,341,937	.0
11.8 Line 11.7 as a % of Col. 8	45.7	44.1	8.3	1.9	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	5,888,237	13,355,056	1,932,370	1,001,887		22,177,550	91.4	49,034,822	93.7	22,177,550	XXX
12.2 Class 2		2,094,781				2,094,781	8.6	3,307,116	6.3	2,094,781	XXX
12.3 Class 3						0	0.0	0		0	XXX
12.4 Class 4						0	0.0	0		0	XXX
12.5 Class 5						0	0.0	0		0	XXX
12.6 Class 6						0	0.0	0		0	XXX
12.7 Totals	5,888,237	15,449,837	1,932,370	1,001,887	.0	24,272,331	100.0	52,341,937	100.0	24,272,331	XXX
12.8 Line 12.7 as a % of Col. 6	24.3	63.7	8.0	4.1	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	24.3	63.7	8.0	4.1	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1						0	0.0			XXX	.0
13.2 Class 2						0	0.0			XXX	.0
13.3 Class 3						0	0.0			XXX	.0
13.4 Class 4						0	0.0			XXX	.0
13.5 Class 5						0	0.0			XXX	.0
13.6 Class 6						0	0.0			XXX	.0
13.7 Totals	0	0	0	0	.0	0	0.0	0	0.0	XXX	.0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$ _____ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.
 (b) Includes \$ _____ current year, \$ _____ prior year of bonds with Z designations and \$ _____ current year, \$ _____ 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 \$ _____ current year, \$ _____ prior year of bonds with 5* designations and \$ _____ current year, \$ _____ 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 \$ 4,492,228 ; NAIC 2 \$ _____ ; NAIC 3 \$ _____ ; NAIC 4 \$ _____ ; NAIC 5 \$ _____ ; NAIC 6 \$ _____

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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

Distribution by Type	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 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	1,006,370	6,915,466				7,921,836	32.6	28,246,902	54.0	7,921,836	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
1.7 Totals	1,006,370	6,915,466	0	0	0	7,921,836	32.6	28,246,902	54.0	7,921,836	0
2. All Other Governments											
2.1 Issuer Obligations						0	0.0				
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined						0	0.0				
2.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
2.5 Defined						0	0.0				
2.6 Other						0	0.0				
2.7 Totals	0	0	0	0	0	0	0.0			0	0
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations		1,390,000	323,689			1,713,689	7.1	1,400,000	2.7	1,713,689	
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined						0	0.0				
3.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
3.5 Defined						0	0.0				
3.6 Other						0	0.0				
3.7 Totals	0	1,390,000	323,689	0	0	1,713,689	7.1	1,400,000	2.7	1,713,689	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations						0	0.0				
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined						0	0.0				
4.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
4.5 Defined						0	0.0				
4.6 Other						0	0.0				
4.7 Totals	0	0	0	0	0	0	0.0			0	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations	1,396,009	6,945,282	1,508,812	1,001,887		10,851,990	44.7	15,710,901	30.0	10,851,990	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined						0	0.0	0	0.0		
5.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
5.5 Defined						0	0.0	0	0.0		
5.6 Other						0	0.0	0	0.0		
5.7 Totals	1,396,009	6,945,282	1,508,812	1,001,887	0	10,851,990	44.7	15,710,901	30.0	10,851,990	0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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

Distribution by Type	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 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	3,485,858	199,089	99,869			3,784,816	15.6	6,984,135	13.3	3,784,816	
6.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined						0	0.0	0	0.0		
6.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined						0	0.0	0	0.0		
6.6 Other						0	0.0	0	0.0		
6.7 Totals	3,485,858	199,089	99,869	0	0	3,784,816	15.6	6,984,135	13.3	3,784,816	0
7. Credit Tenant Loans											
7.1 Issuer Obligations						0	0.0		0.0		
7.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
7.7 Totals	0	0	0	0	0	0	0.0		13.3	0	0
8. Hybrid Securities											
8.1 Issuer Obligations						0	0.0				
8.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
8.3 Defined						0	0.0				
8.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
8.5 Defined						0	0.0				
8.6 Other						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0	0		0	0
9. Parent, Subsidiaries and Affiliates											
9.1 Issuer Obligations						0	0.0		0.0		
9.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0		0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined						0	0.0		0.0		
9.4 Other						0	0.0		0.0		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined						0	0.0		0.0		
9.6 Other						0	0.0		0.0		
9.7 Totals	0	0	0	0	0	0	0.0		0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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

Distribution by Type	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 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	5,888,237	15,449,837	1,932,370	1,001,887	0	24,272,331	100.0	XXX	XXX	24,272,331	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	5,888,237	15,449,837	1,932,370	1,001,887	0	24,272,331	100.0	XXX	XXX	24,272,331	0
10.8 Lines 10.7 as a % of Col. 6	24.3	63.7	8.0	4.1	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	23,946,221	23,065,617	4,328,094	1,002,006		XXX	XXX	52,341,937	100.0	52,341,937	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities						XXX	XXX				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined						XXX	XXX				
11.4 Other						XXX	XXX				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined						XXX	XXX				
11.6 Other						XXX	XXX				
11.7 Totals	23,946,221	23,065,617	4,328,094	1,002,006	0	XXX	XXX	52,341,937	100.0	52,341,937	0
11.8 Line 11.7 as a % of Col. 8	45.7	44.1	8.3	1.9	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	5,888,237	15,449,837	1,932,370	1,001,887		24,272,331	100.0	52,341,937	100.0	24,272,331	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0			0	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined						0	0.0			0	XXX
12.4 Other						0	0.0			0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined						0	0.0			0	XXX
12.6 Other						0	0.0			0	XXX
12.7 Totals	5,888,237	15,449,837	1,932,370	1,001,887	0	24,272,331	100.0	52,341,937	100.0	24,272,331	XXX
12.8 Line 12.7 as a % of Col. 6	24.3	63.7	8.0	4.1	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	24.3	63.7	8.0	4.1	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations						0	0.0			XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0			XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined						0	0.0			XXX	0
13.4 Other						0	0.0			XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined						0	0.0			XXX	0
13.6 Other						0	0.0		0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0		XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

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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	19,709,091	19,709,091	0	0	0
2. Cost of short-term investments acquired	66,169,372	66,169,372			
3. Accrual of discount	0				
4. Unrealized valuation increase (decrease)	0				
5. Total gain (loss) on disposals	0				
6. Deduct consideration received on disposals	82,086,233	82,086,233			
7. Deduct amortization of premium	0				
8. Total foreign exchange change in book/adjusted carrying value	0				
9. Deduct current year's other than temporary impairment recognized	0				
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	3,792,230	3,792,230	0	0	0
11. Deduct total nonadmitted amounts	0				
12. Statement value at end of current period (Line 10 minus Line 11)	3,792,230	3,792,230	0	0	0

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

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY

NONE

Schedule DB - Part C - VBY

NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

SCHEDULE E - VERIFICATION BETWEEN YEARS

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/Adjusted carrying value, December 31 of prior year.....	2,199,950	2,199,950	0
2. Cost of cash equivalents acquired.....	48	48	
3. Accrual of discount.....	0		
4. Unrealized valuation increase (decrease).....	0		
5. Total gain (loss) on disposals.....	0		
6. Deduct consideration received on disposals.....	1,500,000	1,500,000	
7. Deduct amortization of premium.....	0		
8. Total foreign exchange change in book/adjusted carrying value.....	0		
9. Deduct current year's other than temporary impairment recognized.....	0		
10. Book/Adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	699,998	699,998	0
11. Deduct total nonadmitted amounts.....	0		
12. Statement value at end of current period (Line 10 minus Line 11)	699,998	699,998	0

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

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest				Dates		
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	BOND CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
U.S. Governments - Issuer Obligations																					
912828-AP-5	UNITED STATES TREASURY GOVERNMENT	SD			1	1,233,807	106.8200	1,335,250	1,250,000	1,238,175		3,772			4.000	4.350	MN	6,492	50,000	10/31/2008	11/15/2012
912828-H0-6	UNITED STATES TREASURY GOVERNMENT	SD			1	203,485	103.5390	207,078	200,000	202,563		(792)			2.875	2.440	JJ	2,406	5,750	10/31/2008	01/31/2013
912828-HT-0	UNITED STATES TREASURY GOVERNMENT	SD			1	3,057,544	103.0310	3,090,930	3,000,000	3,042,542		(12,865)			2.750	2.280	FA	28,247	82,500	10/31/2008	02/28/2013
912828-HV-5	UNITED STATES TREASURY GOVERNMENT	SD			1	195,627	102.2730	204,546	200,000	196,727		945			2.500	3.030	MS	1,277	5,000	10/31/2008	03/31/2013
912828-KJ-8	UNITED STATES TREASURY GOVERNMENT	SD			1	2,233,220	97.6250	2,196,563	2,250,000	2,235,459		2,238			1.750	1.900	MS	10,060	19,688	04/23/2009	03/31/2014
01999999 - Total Bonds - U.S. Governments - Issuer Obligations						6,923,683	xxx	7,034,367	6,900,000	6,915,466	0	(6,702)	0	0	xxx	xxx	xxx	48,483	162,938	xxx	xxx
03999999 - Subtotals - U.S. Governments						6,923,683	xxx	7,034,367	6,900,000	6,915,466	0	(6,702)	0	0	xxx	xxx	xxx	48,483	162,938	xxx	xxx
U.S. States, Territories, Possessions (Direct and Guaranteed) - Issuer Obligations																					
373384-PJ-9	GEORGIA ST	MUNI			JFE	88,620	116.2680	87,201	75,000	88,584		(36)			5.000	2.610	JJ	94		12/11/2009	07/01/2018
658256-AB-5	NORTH CAROLINA ST	MUNI			JFE	235,378	116.2660	232,532	200,000	235,105		(273)			5.000	1.460	MS	1,972		12/11/2009	03/01/2015
837556-3B-1	SOUTH DAKOTA HSG DEV AUTH	MUNI			JFE	1,390,000	102.6960	1,427,474	1,390,000	1,390,000					4.000	4.000	MN	9,267	55,600	10/31/2008	05/01/2012
11999999 - Total Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations						1,713,998	xxx	1,747,207	1,665,000	1,713,689	0	(309)	0	0	xxx	xxx	xxx	11,333	55,600	xxx	xxx
17999999 - Subtotals - U.S. States, Territories and Possessions (Direct and Guaranteed)						1,713,998	xxx	1,747,207	1,665,000	1,713,689	0	(309)	0	0	xxx	xxx	xxx	11,333	55,600	xxx	xxx
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																					
116083-EP-7	BROWNSBURG IND SCH BLDG	MUNI			JFE	1,526,092	108.6920	1,537,992	1,415,000	1,508,812		(14,886)			5.000	3.670	FA	29,479	70,750	10/31/2008	08/01/2015
454623-M4-8	INDIANA BD BK	MUNI			2FE	1,288,260	104.0350	1,248,420	1,200,000	1,267,854		(17,562)			5.000	3.310	FA	25,000	60,000	10/31/2008	08/01/2013
478271-DS-5	JOHNSON CITY TN HEALTH & EDU	MUNI			16	849,749	112.8810	874,828	775,000	826,928		(19,648)			6.000	3.190	JJ	23,250	46,500	10/31/2008	07/01/2012
546071-AA-9	LOUISA VA INDL DEV AUTH	MUNI			1	1,002,050	100.1120	1,001,120	1,000,000	1,001,887		(119)			4.250	4.220	AO	10,625	42,500	10/31/2008	04/01/2022
546596-FM-4	LOUISVILLE AND JEFFERSON CTY	MUNI			1	1,403,623	105.3140	1,369,082	1,300,000	1,372,086		(27,168)			5.750	3.410	JJ	37,375	74,750	10/31/2008	07/01/2012
88045R-DY-5	TENNESSEE HSG DEV AGY	MUNI			JFE	1,120,000	101.4320	1,136,038	1,120,000	1,120,000					4.000	4.000	JJ	22,400	44,800	10/31/2008	01/01/2011
88045R-DZ-2	TENNESSEE HSG DEV AGY	MUNI			JFE	1,215,000	102.1450	1,241,062	1,215,000	1,215,000					4.000	4.000	JJ	24,300	48,600	10/31/2008	07/01/2011
880557-G9-8	TENN STATE SCHOOL BD AUTH	MUNI			JFE	975,000	102.9150	1,003,421	975,000	975,000					4.190	4.190	MN	6,809	40,853	10/31/2008	05/01/2011
927781-SZ-8	VIRGINIA COLLEGE BLDG AUTH	MUNI			JFE	168,644	111.9320	167,898	150,000	168,414		(230)			5.000	0.940	FA	292		12/11/2009	02/01/2013
92812U-MM-7	VIRGINIA ST HSG DEV AUTH COMM	MUNI			JFE	1,390,200	101.5990	1,422,386	1,400,000	1,396,009		5,026			4.000	4.380	AO	14,000	56,000	10/31/2008	10/01/2010
25999999 - Total Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations						10,938,617	xxx	11,002,247	10,550,000	10,851,990	0	(74,586)	0	0	xxx	xxx	xxx	193,530	484,753	xxx	xxx
31999999 - Subtotals - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies of Governments and Their Political Subdivisions						10,938,617	xxx	11,002,247	10,550,000	10,851,990	0	(74,586)	0	0	xxx	xxx	xxx	193,530	484,753	xxx	xxx
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																					
282640-R6-3	EKSPORT FINANCE CORPORATE		F	5	JFE	199,072	98.4690	196,938	200,000	199,089		17			3.000	3.100	MN	733		11/09/2009	11/17/2014
74727P-AJ-0	STATE OF QATAR CORPORATE		F	15	JFE	99,870	100.2500	100,250	100,000	99,869		(1)			4.000	4.020	JJ	411		11/17/2009	01/20/2015
32999999 - Total Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations						298,942	xxx	297,188	300,000	298,958	0	16	0	0	xxx	xxx	xxx	1,144	0	xxx	xxx
38999999 - Subtotals - Industrial and Miscellaneous (Unaffiliated)						298,942	xxx	297,188	300,000	298,958	0	16	0	0	xxx	xxx	xxx	1,144	0	xxx	xxx
77999999 - Subtotals - Issuer Obligations						19,875,240	xxx	20,081,009	19,415,000	19,780,103	0	(81,582)	0	0	xxx	xxx	xxx	254,489	703,290	xxx	xxx
83999999 Total Bonds						19,875,240	xxx	20,081,009	19,415,000	19,780,103	0	(81,582)	0	0	xxx	xxx	xxx	254,489	703,290	xxx	xxx

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Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

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
Bonds - U.S. Governments								
912828-KJ-8	UNITED STATES TREASURY GOVERNMENT		04/23/2009	BANK OF AMERICA		2,233,220	2,250,000	2,582
0399999 - Total - Bonds - U.S. Government						2,233,220	2,250,000	2,582
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)								
373384-PJ-9	GEORGIA ST MUNI		12/11/2009	CITIGROUP GLOBAL MARKETS INC		88,620	75,000	
658256-A8-5	NORTH CAROLINA ST MUNI		12/11/2009	WELLS FARGO		235,378	200,000	1,556
1799999 - Total - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)						323,998	275,000	1,556
Bonds - U.S. Special Revenue								
927781-SZ-8	VIRGINIA COLLEGE BLDG AUTH MUNI		12/11/2009	WELLS FARGO		168,644	150,000	
3199999 - Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						168,644	150,000	0
Bonds - Industrial and Miscellaneous (Unaffiliated)								
282640-R6-3	EKSPORT FINANCE CORPORATE	F	11/09/2009	BANK OF AMERICA		199,072	200,000	
74727P-AJ-0	STATE OF QATAR CORPORATE	F	11/17/2009	BARCLAYS CAPITAL		99,870	100,000	
3899999 - Total - Bonds - Industrial and Miscellaneous (Unaffiliated)						298,942	300,000	0
8399997 - Subtotals - Bonds - Part 3						3,024,804	2,975,000	4,138
8399998 - Summary item from Part 5 for Bonds						19,919,308	19,422,424	34,229
8399999 - Subtotals - Bonds						22,944,112	22,397,424	38,367
9999999 Totals						22,944,112	XXX	38,367

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - PART 4

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

1 CUSIP Identifi- cation	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. (11+12-13)	15 Total Foreign Exchange Change in B/A. C.V.																								
Bonds - U.S. Governments																																						
31359M-QV-8	FED NTL MTG ASSO FTST	AGCY	04/27/2009	CITIGROUP GLOBAL MARKETS INC		1,147,611	1,050,000.00	1,053,339	1,053,230		(245)		(245)		1,052,984		94,627	94,627	34,220	02/21/2013																		
31359M-WJ-8	FED NTL MTG ASSO FTST	AGCY	04/27/2009	GOLDMAN SACHS		608,649	550,000.00	548,614	548,624		92		92		548,716		59,933	59,933	13,637	10/15/2014																		
912828-CE-8	UNITED STATES TREASURY GOVERNMENT		04/15/2009	MATURITY		2,250,000	2,250,000.00	2,245,446	2,247,009		2,991		2,991		2,250,000			0	35,156	04/15/2009																		
0399999 - Bonds - U.S. Governments																																						
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																																						
837556-3B-1	SOUTH DAKOTA HSG DEV AUTH	MUNI	10/15/2009	CALLED SECURITY at 100.00%		10,000	10,000.00	10,000	10,000						10,000				382	05/01/2012																		
1799999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																																						
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																																						
452151-QK-2	ILLINOIS STATE	MUNI	04/27/2009	BLACKROCK INSTITUTIONAL MANAGEMENT		1,202,905	1,100,000.00	1,153,482	1,151,579		(3,809)		(3,809)		1,147,770		55,135	55,135	36,514	03/01/2013																		
49118N-BZ-7	KY ASSET LIABILITY MEMPHIS TENN ELEC	MUNI	06/24/2009	MORGAN STANLEY		1,032,560	1,000,000.00	999,990	999,987		(8)		(8)		999,980		32,580	32,580	30,628	09/01/2010																		
586158-MK-0	MUNI		12/03/2009	MERRILL LYNCH		1,751,340	1,500,000.00	1,600,320	1,598,957		(7,669)		(7,669)		1,591,288		160,052	160,052	76,458	12/01/2018																		
880557-N8-2	TENN STATE SCHOOL BD AUTH	MUNI	05/01/2009	MATURITY		1,200,000	1,200,000.00	1,203,780	1,202,445		(2,445)		(2,445)		1,200,000			0	24,000	05/01/2009																		
3199999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																																						
Bonds - Industrial and Miscellaneous (Unaffiliated)																																						
172967-CH-2	CITIGROUP INC CORPORATE		02/09/2009	MATURITY		800,000	800,000.00	768,992	787,676		12,324		12,324		800,000			0	14,500	02/09/2009																		
209615-CA-9	DOMINION RESOURCES GENERAL ELECTRIC CAPITAL CORP		04/27/2009	FIDELITY INVESTMENTS		655,577	650,000.00	656,981	656,815		(335)		(335)		656,480		(903)	(903)	13,451	12/01/2014																		
36962G-M6-8	CORPORATE KRAFT FOODS INC		04/27/2009	WALL STREET ACCESS		1,005,800	1,000,000.00	993,980	994,268		631		631		994,899		10,901	10,901	19,323	11/21/2011																		
50075N-AB-0	CORPORATE WALL STREET ACCESS		04/27/2009	FIRST TENNESSEE		524,355	500,000.00	519,355	518,310		(1,997)		(1,997)		516,312		8,043	8,043	13,984	11/01/2011																		
880591-DT-6	TEN VAL AUTH VERIZON COMMUNICATIONS	MUNI	04/27/2009	JP MORGAN CHASE BANK		2,285,080	2,000,000.00	2,227,300	2,217,219		(19,728)		(19,728)		2,197,491		87,589	87,589	58,469	05/23/2012																		
92344G-AV-8	CORPORATE WELLS FARGO & CO		04/27/2009	STIFEL NICOLAUS AND CO		764,475	750,000.00	742,035	742,296		522		522		742,817		21,658	21,658	13,581	06/01/2013																		
949746-CE-9	CORPORATE		04/27/2009			1,020,680	1,000,000.00	1,071,670	1,067,552		(8,336)		(8,336)		1,059,216		(38,536)	(38,536)	47,635	08/01/2011																		
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)																																						
8399997 - Subtotals - Bonds - Part 4																																						
8399998 - Summary item from Part 5 for Bonds																																						
8399999 - Subtotals - Bonds																																						
9999999 Totals																																						

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ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - PART 5

Showing all Long-Term Bonds and Stocks **ACQUIRED** During Year and Fully **DISPOSED OF** During Current Year

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stocks)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends	
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change In B./A. C.V. (12 + 13 - 14)	16 Total Foreign Exchange Change in B./A. C.V.						
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
31414K-5V-8	FED NTL MTG ASSO FNMA		02/20/2009	BANK OF AMERICA	04/27/2009	VARIOUS	17,847,424	18,335,439	18,541,622	18,322,909			(12,530)		(12,530)			218,713	218,713	159,146	29,994
31999999 - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
							17,847,424	18,335,439	18,541,622	18,322,909			0	(12,530)	0	0	0	218,713	218,713	159,146	29,994
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
06050B-AG-6	BANK OF AMERICA CORPORATE		02/25/2009	CITIGROUP GLOBAL MARKETS INC.	04/27/2009	GOLDMAN SACHS	500,000	497,388	504,745	497,514			126		126			7,231	7,231	2,625	933
38146F-AA-9	GOLDMAN SACHS & CO CORPORATE		02/20/2009	GOLDMAN SACHS	04/27/2009	DEUTSCHE BANK ALEX BROWN INC.	405,000	419,580	423,040	418,813			(767)		(767)			4,227	4,227	5,448	3,071
438516-AZ-9	HONEYWELL INTL CORPORATE		02/17/2009	JP MORGAN CHASE BANK	04/27/2009	WALL STREET ACCESS	125,000	124,554	126,654	124,551			(2)		(2)			2,102	2,102	1,215	
481247-AK-0	JP MORGAN CHASE CORPORATE		02/25/2009	CITIGROUP GLOBAL MARKETS INC.	04/27/2009	GOLDMAN SACHS	420,000	419,312	425,636	419,340			28		28			6,297	6,297	1,720	231
771196-AS-1	ROCHE HOLDING INC CORPORATE		02/18/2009	JP MORGAN CHASE BANK	04/27/2009	RBC CAPITAL MARKETS	125,000	123,035	132,730	123,049			14		14			9,681	9,681	1,354	
38999999 - Bonds - Industrial and Miscellaneous (Unaffiliated)																					
							1,575,000	1,583,869	1,612,805	1,583,267			0	(602)	0	0	0	29,538	29,538	12,362	4,236
83999998 - Subtotals - Bonds																					
							19,422,424	19,919,308	20,154,427	19,906,176			0	(13,132)	0	0	0	248,251	248,251	171,508	34,229
99999999 Totals																					
							19,919,308	20,154,427	19,906,176			0	(13,132)	0	(13,132)	0	0	248,251	248,251	171,508	34,229

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SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
NONE									
1999999 Totals						0	0	XXX	XXX

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$ _____
2. Total amount of intangible assets nonadmitted: \$ _____

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total				XXX	XXX

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, etc.	1 Type of Deposits	2 Purpose of Deposits	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					
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	B 001	6,915,466	7,034,367		
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. US Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Other Alien	OT	XXX	0	0	0	0
59. Total	XXX	XXX	6,915,466	7,034,367	0	0
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Sum of remaining write-ins for Line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Totals (Lines 5801 - 5803 + 5898) (Line 58 above)	XXX	XXX	0	0	0	0

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