9 5 4 0 2 2 0 0 6 2 0 1 0 0 1 0 0

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2006

OF THE CONDITION AND AFFAIRS OF THE

Neighborhood Health Plan of Rhode Island

NAIC Group Code _____ (Current Period) _____ (Prior Period) NAIC Company Code 95402 Employer's ID Number 05-0477052

Organized under the Laws of Rhode Island, State of Domicile or Port of Entry Rhode Island

Country of Domicile United States

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

Incorporated/Organized 12/09/1993 Commenced Business 12/01/1994

Statutory Home Office 299 Promenade Street (Street and Number), Providence, RI 02908 (City or Town, State and Zip Code)

Main Administrative Office 299 Promenade Street (Street and Number)
Providence, RI 02908 (City or Town, State and Zip Code) 401-459-6000 (Area Code) (Telephone Number)

Mail Address 299 Promenade Street (Street and Number or P.O. Box), Providence, RI 02908 (City or Town, State and Zip Code)

Primary Location of Books and Records 299 Promenade Street (Street and Number)
Providence, RI 02908 (City or Town, State and Zip Code) 401-459-6663 (Area Code) (Telephone Number)

Internet Website Address http://www.nhpri.org/

Statutory Statement Contact Richard J Silva (Name) 401-459-6663 (Area Code) (Telephone Number) (Extension)
rsilva@nhpri.org (E-mail Address) 401-459-6043 (FAX Number)

Policyowner Relations Contact _____ (Street and Number)
_____, _____ (City or Town, State and Zip Code) 401-459-6000 (Area Code) (Telephone Number) (Extension)

OFFICERS

Name	Title	Name	Title
Mark Reynolds	Chief Executive Officer	Raymond Sessler	Chief Operating Officer
Karen Fifer Ferry	Chief Financial Officer	Leon McTyeire Johnston MD	Chief Medical Officer

OTHER OFFICERS

Raymond Lavoie	Chairman	Maria Montanaro	Vice Chairman
Kerrie Jones Clark #	Treasurer	James Hooley #	Secretary

DIRECTORS OR TRUSTEES

Maria Montanaro	Merill Thomas	Dennis Michael Roy	Nancy Turmbull
Kerrie Jones Clark	Raymond Joseph Lavoie	William Hochstrasser-Walsh	Jennifer Hosmer MD
Mark Reynolds	Charlotte Taylor	James Hooley	Gregory Young
Pablo Rodrigguez MD #	Brenda Dowlatshahi #		

State of .....

County of ..... **ss**

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

Mark Reynolds Chief Executive Officer	Karen Fifer Ferry Chief Financial Officer	Raymond Sessler Chief Operating Officer

Subscribed and sworn to before me this
_____ day of _____, _____

_____

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	25,800,958		25,800,958	20,993,074
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 ($ (3,125,131) , Schedule E, Part 1), cash equivalents ($ 36,535,886 , Schedule E, Part 2) and short-term investments ($ 11,610,428 , Schedule DA)	45,021,182		45,021,182	31,156,829
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	59,465	59,465	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	70,881,605	59,465	70,822,140	52,149,903
11. Title plants less $ ..... charged off (for Title Insurers only)			0	0
12. Investment income due and accrued	599,311		599,311	287,543
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,369,919		1,369,919	1,417,733
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 premium			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	122,547		122,547	219,374
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	535,076		535,076	2,497,770
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software	360,835	229,882	130,953	84,816
19. Furniture and equipment, including health care delivery assets ($)	193,372	193,372	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care ($ 1,136,263) and other amounts receivable	1,136,263	313,215	823,048	0
23. Aggregate write-ins for other than invested assets	887,428	733,890	153,538	48,487
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	76,086,356	1,529,824	74,556,532	56,705,626
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	76,086,356	1,529,824	74,556,532	56,705,626
DETAILS OF WRITE-INS				
0901. Security Deposits	59,465	59,465	0	0
0902.				
0903.				
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)	59,465	59,465	0	0
2301. Other Receivable	14,901	8,265	6,636	10,523
2302. Claims deposited with contracted facility	146,902	0	146,902	37,964
2303. Prepaid Expenses	587,497	587,497	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	138,128	138,128	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	887,428	733,890	153,538	48,487

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)	22,137,057		22,137,057	16,617,236
2. Accrued medical incentive pool and bonus amounts	408,855		408,855	274,340
3. Unpaid claims adjustment expenses	883,269		883,269	621,651
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	18,233,848		18,233,848	17,388,810
9. General expenses due or accrued	2,652,908		2,652,908	1,543,684
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	122,060		122,060	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittance 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	0
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	2,055,142		2,055,142	0
21. Aggregate write-ins for other liabilities (including $ ..... current)	0	0	0	72,138
22 Total liabilities (Lines 1 to 21)	46,493,139	0	46,493,139	36,517,859
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		0
25 Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX		0
27. Surplus notes	XXX	XXX	1,500,000	1,500,000
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	26,563,393	18,687,767
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24 $ .....)	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25 $ .....)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	28,063,393	20,187,767
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	74,556,532	56,705,626
DETAILS OF WRITE-INS				
2101. Unearned Grant Liability			0	72,138
2102.				
2103.				
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)	0	0	0	72,138
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	816,658	817,315
2.	Net premium income (including $ 0 non-health premium income)	XXX	180,924,532	167,794,569
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	2,276,151	2,510,521
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	183,200,683	170,305,090
	Hospital and Medical:			
9.	Hospital/medical benefits		74,778,700	66,023,251
10.	Other professional services		33,632,275	31,706,210
11.	Outside referrals		15,686,563	14,168,702
12.	Emergency room and out-of-area		13,478,246	11,220,341
13.	Prescription drugs		21,970,743	22,776,891
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		3,392,179	4,095,021
16.	Subtotal (Lines 9 to 15)	0	162,938,706	149,990,416
	Less:			
17.	Net reinsurance recoveries		1,097,356	363,270
18.	Total hospital and medical (Lines 16 minus 17)	0	161,841,350	149,627,146
19.	Non-health claims (net)		0	0
20.	Claims adjustment expenses, including $ 4,443,661 cost containment expenses		6,825,562	5,635,617
21.	General administrative expenses		8,860,541	7,023,114
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	177,527,453	162,285,877
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	5,673,230	8,019,213
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,324,051	1,182,533
26.	Net realized capital gains (losses) less capital gains tax of $		(57,799)	(5,075)
27.	Net investment gains (losses) (Lines 25 plus 26)	0	2,266,252	1,177,458
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]		(117,187)	(154,394)
29.	Aggregate write-ins for other income or expenses	0	58,525	62,351
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	7,880,820	9,104,628
31.	Federal and foreign income taxes incurred	XXX		0
32.	Net income (loss) (Lines 30 minus 31)	XXX	7,880,820	9,104,628
	DETAILS OF WRITE-INS			
0601.	Department of Human Services Incentive Income	XXX	1,003,554	810,905
0602.	Other Program Revenue	XXX	571,049	599,628
0603.	Grant Revenue	XXX	192,156	528,422
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	509,392	571,566
0699.	Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	2,276,151	2,510,521
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.				
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	0
2901.	Miscellaneous Income	0	1,645	5,471
2902.	Community Access Program Grant Revenue			0
2903.	Rent Income	0	56,880	56,880
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	58,525	62,351

STATEMENT OF REVENUE AND EXPENSES (continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT:		
33.	Capital and surplus prior-reporting period	20,187,767	12,139,686
34.	Net income or (loss) from Line 32	7,880,820	9,104,628
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 $		0
37.	Change in net unrealized foreign exchange capital gain or (loss)		0
38.	Change in net deferred income tax		0
39.	Change in nonadmitted assets	(5,194)	(556,547)
40.	Change in unauthorized reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	(500,000)
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		0
47.	Aggregate write-ins for gains or (losses) in surplus	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	7,875,626	8,048,081
49.	Capital and surplus end of reporting period (Line 33 plus 48)	28,063,393	20,187,767
	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

		1 Current Year To Date	2 Prior Year Ended December 31
	Cash from Operations		
1.	Premiums collected net of reinsurance	181,953,242	171,451,586
2.	Net investment income	2,052,680	1,143,412
3.	Miscellaneous income	2,276,151	2,518,310
4.	Total (Lines 1 through 3)	186,282,073	175,113,308
5.	Benefits and loss related payments	156,090,187	144,676,482
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		0
7.	Commissions, expenses paid and aggregate write-ins for deductions	10,911,244	15,772,093
8.	Dividends paid to policyholders		0
9.	Federal and foreign income taxes paid (recovered) $ net of tax on capital gains (losses)	0	0
10.	Total (Lines 5 through 9)	167,001,431	160,448,575
11.	Net cash from operations (Line 4 minus Line 10)	19,280,642	14,664,733
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	10,624,939	1,912,400
	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	135,715	219,485
	12.7 Miscellaneous proceeds	462	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	10,761,116	2,131,885
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	11,574,206	11,651,813
	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	136,177	561,366
	13.7 Total investments acquired (Lines 13.1 to 13.6)	11,710,383	12,213,179
14.	Net increase (or decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(949,267)	(10,081,294)
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	(500,000)
	16.2 Capital and paid in surplus, less treasury stock	0	0
	16.3 Borrowed funds	0	(72,139)
	16.4 Net deposits on deposit-type contracts and other insurance liabilities		0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	(510,209)	54,657
17.	Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(510,209)	(517,482)
	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)	17,821,166	4,065,957
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	31,156,830	27,090,873
	19.2 End of year (Line 18 plus Line 19.1)	48,977,995	31,156,830

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-term Care	12 Other Health	13 Other Non-Health
1. Net premium income	180,924,532	0	0	0	0	0	0	180,924,532	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0												
3. Fee-for-service (net of $ medical expenses)	0												XXX
4. Risk revenue	0												XXX
5. Aggregate write-ins for other health care related revenues	2,276,151	0	0	0	0	0	0	2,276,151	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	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	183,200,683	0	0	0	0	0	0	183,200,683	0	0	0	0	0
8. Hospital/medical/ benefits	74,778,700							74,778,700					XXX
9. Other professional services	33,632,275							33,632,275					XXX
10. Outside referrals	15,686,563							15,686,563					XXX
11. Emergency room and out-of-area	13,478,246							13,478,246					XXX
12. Prescription Drugs	21,970,743							21,970,743					XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	3,392,179							3,392,179					XXX
15. Subtotal (Lines 8 to 14)	162,938,706	0	0	0	0	0	0	162,938,706	0	0	0	0	XXX
16. Net reinsurance recoveries	1,097,356							1,097,356					XXX
17. Total hospital and medical (Lines 15 minus 16)	161,841,350	0	0	0	0	0	0	161,841,350	0	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ 4,443,661 cost containment expenses	6,825,562							6,825,562					
20. General administrative expenses	8,860,541							8,860,541					
21. Increase in reserves for accident and health contracts	0												XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	177,527,453	0	0	0	0	0	0	177,527,453	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	5,673,230	0	0	0	0	0	0	5,673,230	0	0	0	0	0
DETAILS OF WRITE-INS													
0501. Grant Revenue	192,156							192,156					XXX
0502. DHS Incentive Revenue	1,003,554							1,003,554					XXX
0503. Connect Care Revenue	571,050							571,050					XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	509,391	0	0	0	0	0	0	509,391	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	2,276,151	0	0	0	0	0	0	2,276,151	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	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	XXX	XXX	XXX	0
1301.													XXX
1302.													XXX
1303.													XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	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	0	0	0	XXX

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				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid	182,487,884		1,563,352	180,924,532
8. Stop Loss				0
9. Disability Income				0
10. Long-term care				0
11. Other health				0
12. Health subtotal (Lines 1 through 11)	182,487,884	0	1,563,352	180,924,532
13. Life				0
14. Property/Casualty				0
15. Totals (Lines 12 to 14)	182,487,884	0	1,563,352	180,924,532

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other Health	13 Other Non-Health
1. Payments during the year:													
1.1 Direct	154,026,706							154,026,706					
1.2 Reinsurance assumed	0												
1.3 Reinsurance ceded	0												
1.4 Net	154,026,706	0	0	0	0	0	0	154,026,706	0	0	0	0	0
2. Paid medical incentive pools and bonuses	2,160,308							2,160,308					
3. Claim liability December 31, current year from Part 2A:													
3.1 Direct	22,137,057	0	0	0	0	0	0	22,137,057	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
3.4 Net	22,137,057	0	0	0	0	0	0	22,137,057	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	0		
4.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	408,855							408,855					
6. Net healthcare receivables (a)	0												
7. Amounts recoverable from reinsurers December 31, current year	0							0					
8. Claim liability December 31, prior year from Part 2A:													
8.1 Direct	16,617,236	0	0	0	0	0	0	16,617,236	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
8.4 Net	16,617,236	0	0	0	0	0	0	16,617,236	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	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	274,340	0	0	0	0	0	0	274,340	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:													
12.1 Direct	159,546,527	0	0	0	0	0	0	159,546,527	0	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
12.4 Net	159,546,527	0	0	0	0	0	0	159,546,527	0	0	0	0	0
13. Incurred medical incentive pools and bonuses	2,294,823	0	0	0	0	0	0	2,294,823	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 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan Premium	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other Health	13 Other Non-Health
1. Reported in Process of Adjustment:													
1.1. Direct	4,410,718						0	4,410,718					
1.2. Reinsurance assumed	0												
1.3. Reinsurance ceded	0												
1.4. Net	4,410,718	0	0	0	0	0	0	4,410,718	0	0	0	0	0
2. Incurred but Unreported:													
2.1. Direct	17,726,339						0	17,726,339					
2.2. Reinsurance assumed	0												
2.3. Reinsurance ceded	0												
2.4. Net	17,726,339	0	0	0	0	0	0	17,726,339	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:													
3.1. Direct	0						0	0					
3.2. Reinsurance assumed	0												
3.3. Reinsurance ceded	0												
3.4. Net	0	0	0	0	0	0	0	0	0	0	0	0	0
4. TOTALS:													
4.1. Direct	22,137,057	0	0	0	0	0	0	22,137,057	0	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0	0	0	0
4.4. Net	22,137,057	0	0	0	0	0	0	22,137,057	0	0	0	0	0

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	6
	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior 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 Premiums					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid	16,808,002	137,218,704	125,339	22,011,718	16,933,341	16,617,236
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	16,808,002	137,218,704	125,339	22,011,718	16,933,341	16,617,236
10. Healthcare receivables (a)					0	
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	274,340	1,885,968		408,855	274,340	274,340
13. Totals (Lines 9 - 10 + 11 + 12)	17,082,342	139,104,672	125,339	22,420,573	17,207,681	16,891,576

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	990	1,626	1,545	0	
2. 2002	14,064	15,981	15,981	0	
3. 2003	XXX	390	451	0	
4. 2004	XXX	XXX	583	26	
5. 2005	XXX	XXX	XXX	0	
6. 2006	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims - Hospital and Medical

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	2	3	4	5
1. Prior					
2.					
3.	XXX				
4.	XXX	XXX			
5.	XXX	XXX	XXX		
6.	XXX	XXX	XXX	XXX	

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2002	12,655	0		0.0	0	0.0			0	0.0
2. 2003	432	0		0.0	0	0.0			0	0.0
3. 2004	720	0		0.0	0	0.0			0	0.0
4. 2005	0	0		0.0	0	0.0			0	0.0
5. 2006		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 - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	14,731	216,783	216,783	216,783	216,783
2. 2002	88,405	102,729	102,719	102,719	102,719
3. 2003	XXX	96,674	110,208	110,208	110,208
4. 2004	XXX	XXX	113,943	128,780	128,780
5. 2005	XXX	XXX	XXX	134,019	151,101
6. 2006	XXX	XXX	XXX	XXX	156,186

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 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	118	118	118	118	118
2. 2002	112	129	129	129	129
3. 2003	XXX	109	126	126	126
4. 2004	XXX	XXX	115	129	130
5. 2005	XXX	XXX	XXX	132	149
6. 2006	XXX	XXX	XXX	XXX	162

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 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2002	116,660	102,719	0	0.0	102,719	88.0	18,438	0	121,157	103.9
2. 2003	119,813	110,208	3,986	3.6	114,194	95.3	13,952	274	128,420	107.2
3. 2004	133,563	128,780	4,513	3.5	133,293	99.8	15,859	312	149,463	111.9
4. 2005	167,795	151,101	5,636	3.7	156,737	93.4	16,617	622	173,976	103.7
5. 2006	180,925	156,186	6,826	4.4	163,012	90.1	22,546	883	186,441	103.0

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 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	15,721	218,409	218,328	216,783	216,783
2. 2002	102,469	118,710	118,700	102,719	102,719
3. 2003	XXX	97,064	110,659	110,208	110,208
4. 2004	XXX	XXX	114,526	128,806	128,780
5. 2005	XXX	XXX	XXX	134,019	151,101
6. 2006	XXX	XXX	XXX	XXX	156,186

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 2002	2 2003	3 2004	4 2005	5 2006
1. Prior	118	118	118	118	118
2. 2002	112	129	129	129	129
3. 2003	XXX	109	126	126	126
4. 2004	XXX	XXX	115	129	130
5. 2005	XXX	XXX	XXX	132	149
6. 2006	XXX	XXX	XXX	XXX	162

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. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2002	129,316	102,719	0	0.0	102,719	79.4	18,438	0	121,157	93.7
2. 2003	120,245	110,208	3,986	3.6	114,194	95.0	13,952	274	128,420	106.8
3. 2004	134,283	128,780	4,513	3.5	133,293	99.3	15,859	312	149,463	111.3
4. 2005	167,795	151,101	5,636	3.7	156,737	93.4	16,617	622	173,976	103.7
5. 2006	180,925	156,186	6,826	4.4	163,012	90.1	22,546	883	186,441	103.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

NONE

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Stop Loss	10 Disability Income	11 Long-Term Care	12 Other
POLICY RESERVE												
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	0	0	0
6. Totals (Gross)	0	0	0	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	0	0	0
CLAIM RESERVE												
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	0	0	0	0	0
12. Totals (Gross)	0	0	0	0	0	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	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	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	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	0	0	0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ for occupancy of own building)	303,846	131,556	514,887		950,289
2. Salaries, wages and other benefits	3,539,262	1,998,654	6,986,979		12,524,895
3. Commissions (less $ ceded plus $ assumed)					0
4. Legal fees and expenses	37,965	16,438	64,334		118,737
5. Certifications and accreditation fees	0	0	0		0
6. Auditing, actuarial and other consulting services	446,376	193,268	756,415		1,396,059
7. Traveling expenses	15,200	6,581	25,758		47,539
8. Marketing and advertising	208,147	90,121	352,718		650,986
9. Postage, express and telephone	79,093	34,245	134,029		247,367
10. Printing and office supplies	176,634	76,477	299,318		552,429
11. Occupancy, depreciation and amortization	79,230	34,304	134,260		247,794
12. Equipment	282,102	122,142	478,040		882,284
13. Cost or depreciation of EDP equipment and software	177,506	76,855	300,796		555,157
14. Outsourced services including EDP, claims, and other services	223,520	96,778	378,769		699,067
15. Boards, bureaus and association fees	14,940	6,469	25,317		46,726
16. Insurance, except on real estate	63,472	27,482	107,558		198,512
17. Collection and bank service charges	7,951	3,443	13,474	87,448	112,316
18. Group service and administration fees			0		0
19. Reimbursements by uninsured plans	(1,475,222)	(790,752)	(2,593,083)		(4,859,057)
20. Reimbursements from fiscal intermediaries			0		0
21. Real estate expenses			0		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	26,157	11,325	44,324		81,806
23.4 Payroll taxes	237,482	159,145	292,906		689,533
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere				140,441	140,441
25. Aggregate write-ins for expenses	0	87,370	543,742	0	631,112
26. Total expenses incurred (Lines 1 to 25)	4,443,661	2,381,901	8,860,541	227,889	(a) 15,913,992
27. Less expenses unpaid December 31, current year		883,269	2,652,908		3,536,177
28. Add expenses unpaid December 31, prior year	0	621,651	1,543,684	0	2,165,335
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year	0	0	0		0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	4,443,661	2,120,283	7,751,317	227,889	14,543,150
DETAIL OF WRITE-INS					
2501. Conferences, Training, and Tuition		35,471	220,751		256,222
2502. Recruitment Fees		13,856	86,231		100,087
2503. Meeting		38,043	236,760		274,803
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above)	0	87,370	543,742	0	631,112

(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) 1,063,010	1,100,389
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 205,639	185,193
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 972,050	1,266,358
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	2,240,699	2,551,940
11.	Investment expenses		(g) 227,889
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h) 0
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total (Lines 11 through 15)		227,889
17.	Net Investment Income - (Line 10 minus Line 16)		2,324,051
	DETAILS OF WRITE-INS		
0901.			
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)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Total (Lines 1501 through 1503 plus 1598) (Line 15, above)		0

(a) Includes $ (54,689) accrual of discount less $ (14,292) amortization of premium and less $ 72,952 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued dividends on purchases.
(c) Includes $ accrual of discount less $ 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 $ 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 $ 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 Unrealized Increases (Decreases) by Adjustment	4 Total
1.	U.S. Government bonds	(57,799)			(57,799)
1.1	Bonds exempt from U.S. tax				0
1.2	Other bonds (unaffiliated)				0
1.3	Bonds of affiliates	0	0	0	0
2.1	Preferred stocks (unaffiliated)				0
2.11	Preferred stocks of affiliates	0	0	0	0
2.2	Common stocks (unaffiliated)				0
2.21	Common stocks of affiliates	0	0	0	0
3.	Mortgage loans				0
4.	Real estate				0
5.	Contract loans				0
6.	Cash, cash equivalents and short-term investments				0
7.	Derivative instruments				0
8.	Other invested assets				0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0
10.	Total capital gains (losses)	(57,799)	0	0	(57,799)
	DETAILS OF WRITE-INS				
0901.					
0902.					
0903.					
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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Nonadmitted Assets	3 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	59,465	59,465	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	59,465	59,465	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	13,798	13,798
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
13.3 Accrued retrospective premium	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	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software	229,882	60,631	(169,251)
19. Furniture and equipment, including health care delivery assets	193,372	11,884	(181,488)
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable	313,215	745,029	431,814
23. Aggregate write-ins for other than invested assets	733,890	633,823	(100,067)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	1,529,824	1,524,630	(5,194)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
26. Total (Lines 24 and 25)	1,529,824	1,524,630	(5,194)
DETAILS OF WRITE-INS			
0901. Security Deposits	59,465	59,465	0
0902.			
0903.			
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)	59,465	59,465	0
2301. Other Receivables	8,265	54,107	45,842
2302. Prepaid Expenses	0	394,943	394,943
2303. A/R Cap Grant	587,497	0	(587,497)
2398. Summary of remaining write-ins for Line 23 from overflow page	138,128	184,773	46,645
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	733,890	633,823	(100,067)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	68,413	67,567	68,089	67,747	68,294	816,658
2. Provider Service Organizations	0					
3. Preferred Provider Organizations	0					
4. Point of Service	0					
5. Indemnity Only	0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	68,413	67,567	68,089	67,747	68,294	816,658
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

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	299,741	0.423	299,741	0.423
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	10,446,264	14.750	10,446,264	14.750
1.3 Foreign 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		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
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	10,685,002	15.087	10,685,002	15.087
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 rated by the SVO)	4,369,950	6.170	4,369,950	6.170
2.2 Unaffiliated foreign securities		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	45,021,183	63.569	45,021,183	63.569
9. Other invested assets		0.000		0.000
10. Total invested assets	70,822,140	100.000	70,822,140	100.000

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 [X]

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 [ ] NA [X]

1.3 State Regulating? ..... Rhode Island

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 [X] No [ ]

2.2 If yes, date of change: 12/19/2006

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. 12/31/2001

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). 05/15/2003

3.4 By what department or departments? RI Department of Business Regulation, Insurance Division .....

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 [X]

4.12 renewals? ..... Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? ..... Yes [ ] No [X]

4.22 renewals? ..... Yes [ ] No [X]

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

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

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

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

6.2 If yes, give full information .....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [X]

7.2 If yes,

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 or 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 location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.]

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
   Lefkowitz, Garfield, Chiampi & DiRienzo PC
   10 Weybosset Street
   Suite 700
   Providence, RI 02903

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? .....
    Mr. Jeremy Palmer
    Proncipal and Consulting Actuary
    Milliman, Inc.
    111 Monument Circle, Suite 601
    Indianapolis, IN 16204-6128

11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [X]

11.11 Name of real estate holding company .....

11.12 Number of parcels involved .....

11.13 Total book/adjusted carrying value ..... $.....

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 [ ] NA [ ]

BOARD OF DIRECTORS

13. 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 [ ]

14. 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 [ ]

15. 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 likely to conflict with the official duties of such person? ..... Yes [X] No [ ]

FINANCIAL

16.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11 To directors or other officers .. $.....

16.12 To stockholders not officers ... $.....

16.13 Trustees, supreme or grand (Fraternal only) ..... $.....

16.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21 To directors or other officers ... $.....

16.22 To stockholders not officers .... $.....

16.23 Trustees, supreme or grand (Fraternal only) ..... $.....

17.1 Were any of the assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in this statement? ..... Yes [ ] No [X]

17.2 If yes, state the amount thereof at December 31 of the current year:

17.21 Rented from others ..... $.....

17.22 Borrowed from others ..... $.....

17.23 Leased from others ..... $.....

17.24 Other ..... $.....

18.1 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]

18.2 If answer is yes,

18.21 Amount paid as losses or risk adjustment ..... $.....

18.22 Amount paid as expenses ..... $.....

18.23 Other amounts paid ..... $.....

19.1 Does the reporting entity report any amounts due from the parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ ] No [X]

19.2 If yes, indicated any amounts receivable from parent included in the Page 2 amount: ..... $.....

GENERAL INTERROGATORIES

INVESTMENT

20.1 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, except as shown by Schedule E - Part 3 - Special Deposits? ..... Yes [ ] No [X]

20.2 If no, give full and complete information relating thereto:

Bonds in the possession of broker, Merrill Lynch

21.1 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, except as shown on the Schedule E - Part 3 - Special Deposits, 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 17.1) ..... Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21	Loaned to others	$
21.22	Subject to repurchase agreements	$
21.23	Subject to reverse repurchase agreements	$
21.24	Subject to dollar repurchase agreements	$
21.25	Subject to reverse dollar repurchase agreements	$
21.26	Pledged as collateral	$
21.27	Placed under option agreements	$
21.28	Letter stock or other securities restricted as to sale	$
21.29	Other	$

21.3 For category (21.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

22.1 Does the reporting entity have any hedging transactions reported on Schedule DB? ..... Yes [ ] No [X]

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

23.1 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]

23.2 If yes, state the amount thereof at December 31 of the current year. ..... $

GENERAL INTERROGATORIES

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 – General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [X] No [ ]

24.01 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
Merrill Lynch	1 Citizens Plaza Suite 1000 Providence, RI 02903

24.02 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)	2 Complete Explanation(s)

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? ..... Yes [ ] No [X]

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

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

24.05 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	2 Address
7691	Merrill Lynch	1 Citizens Plaza Suite 1000 Providence, RI 02903

25.1 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 [X]

25.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
25.2999 TOTAL		0

25.3 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

26. 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 (+)
26.1 Bonds	0		0
26.2 Preferred stocks	0		0
26.3 Totals	0	0	0

26.4 Describe the sources or methods utilized in determining fair values:

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

27.2 If no, list the exceptions:

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? ..... $ .....

28.2 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

29.1 Amount of payments for legal expenses, if any? ..... $ 118,737

29.2 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

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

30.2 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 ..... $

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. ..... $

1.6 Individual policies:

Most current three years:

1.61 Total premium earned ..... $ 0

1.62 Total incurred claims ..... $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned ..... $ 0

1.65 Total incurred claims ..... $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned ..... $ 0

1.72 Total incurred claims ..... $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned ..... $ 0

1.75 Total incurred claims ..... $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ 180,924,532	$ 167,794,569
2.2	Premium Denominator	$ 180,924,532	$ 167,794,569
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	$ 408,855	$ 274,340
2.5	Reserve Denominator	$ 22,545,912	$ 16,891,576
2.6	Reserve Ratio (2.4/2.5)	0.018	0.016

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? ..... Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? ..... Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? ..... Yes [X] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? ..... Yes [X] No [ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... $ 120,000

5.32 Medical Only ..... $

5.33 Medicare Supplement ..... $

5.34 Dental ..... $

5.35 Other Limited Benefit Plan ..... $ 165,000

5.36 Other ..... $

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:

7.1 Does the reporting entity set up its claim liability for provider services on a service date base? ..... Yes [X] No [ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 2,327

8.2 Number of providers at end of reporting year 2,338

9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months .....

9.22 Business with rate guarantees over 36 months .....

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract? ..... Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses	$	4,953,731
10.22 Amount actually paid for year bonuses	$	4,544,876
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 [X] No [ ]
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. ..... Rhode Island

11.4 If yes, show the amount required. ..... $ 2,365,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation.

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

1 Name of Service Area

FIVE-YEAR HISTORICAL DATA

	1 2006	2 2005	3 2004	4 2003	5 2002
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	74,556,532	56,705,626	44,298,551	28,183,940	29,119,284
2. Total liabilities (Page 3, Line 22)	46,493,139	36,517,859	32,158,865	19,959,067	21,399,910
3. Statutory surplus	0	0	0	0	0
4. Total capital and surplus (Page 3, Line 31)	28,063,393	20,187,767	12,139,686	8,224,873	7,719,374
Income Statement (Page 4)					
5. Total revenues (Line 8)	183,200,683	170,305,090	136,866,883	122,509,144	130,330,131
6. Total medical and hospital expenses (Line 18)	161,841,350	149,627,146	121,016,984	109,162,307	119,527,924
7. Claims adjustment expenses (Line 20)	6,825,562	5,635,617	3,410,673	3,754,506	0
8. Total administrative expenses (Line 21)	8,860,541	7,023,114	8,977,090	10,287,390	12,751,555
9. Net underwriting gain (loss) (Line 24)	5,673,230	8,019,213	3,462,136	(695,059)	(1,949,348)
10. Net investment gain (loss) (Line 27)	2,266,252	1,177,458	350,037	403,669	589,508
11. Total other income (Lines 28 plus 29)	(58,662)	(92,043)	107,855	337,693	154,084
12. Net income (loss) (Line 32)	7,880,820	9,104,628	3,920,028	46,303	(1,205,756)
Risk - Based Capital Analysis					
13. Total adjusted capital	28,063,393	20,187,767	12,139,686	8,224,873	7,719,374
14. Authorized control level risk-based capital	7,418,922	6,101,998	5,060,720	4,576,952	4,996,766
Enrollment (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	68,294	68,413	68,206	66,505	70,857
16. Total member months (Column 6, Line 7)	816,658	817,315	806,681	786,890	852,814
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
17. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical plus other non-health (Lines 18 plus 19)	89.5	89.2	0.0	0.0	0.0
19. Cost containment expenses	2.5	2.1	0.0	XXX	XXX
20. Other claims adjustment expenses	1.3	1.2	0.0	0.0	0.0
21. Total underwriting deductions (Line 23)	98.1	96.7	99.3	102.5	102.3
22. Total underwriting gain (loss) (Line 24)	3.1	4.8	2.6	(0.6)	(1.5)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 13, Col. 5)	17,207,681	13,692,840	14,317,214	16,980,625	15,919,846
24. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	16,891,576	15,946,316	14,221,891	18,438,309	17,694,531
Investments In Parent, Subsidiaries And Affiliates					
25. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
27. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)	0	0	0	0	0
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)	0	0	0	0	0
29. Affiliated mortgage loans on real estate	0	0	0	0	0
30. All other affiliated	0	0	0	0	0
31. Total of above Lines 25 to 30	0	0	0	0	0

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	1. United States	21,431,008	18,020,556	21,423,747	21,450,000
Governments	2. Canada				
(Including all obligations guaranteed	3. Other Countries				
by governments)	4. Totals	21,431,008	18,020,556	21,423,747	21,450,000
States, Territories and Possessions	5. United States				
(Direct and guaranteed)	6. Canada				
	7. Other Countries				
	8. Totals	0	0	0	0
Political Subdivisions of States,	9. United States				
Territories and Possessions	10. Canada				
(Direct and guaranteed)	11. Other Countries				
	12. Totals	0	0	0	0
Special revenue and special assessment					
obligations and all non-guaranteed	13. United States				
obligations of agencies and authorities of	14. Canada				
governments and their political subdivisions	15. Other Countries				
	16. Totals	0	0	0	0
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals	0	0	0	0
Industrial and Miscellaneous and Credit Tenant	21. United States	4,369,950	4,295,376	4,570,872	4,377,000
Loans (unaffiliated)	22. Canada				
	23. Other Countries				
	24. Totals	4,369,950	4,295,376	4,570,872	4,377,000
Parent, Subsidiaries and Affiliates	25. Totals	0	0	0	0
	26. **Total Bonds**	25,800,958	22,315,932	25,994,619	25,827,000
PREFERRED STOCKS	27. United States				
Public Utilities (unaffiliated)	28. Canada				
	29. Other Countries				
	30. Totals	0	0	0	
Banks, Trust and Insurance Companies	31. United States				
(unaffiliated)	32. Canada				
	33. Other Countries				
	34. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	39. Totals	0	0	0	
	40. **Total Preferred Stocks**	0	0	0	
COMMON STOCKS	41. United States				
Public Utilities (unaffiliated)	42. Canada				
	43. Other Countries				
	44. Totals	0	0	0	
Banks, Trust and Insurance Companies	45. United States				
(unaffiliated)	46. Canada				
	47. Other Countries				
	48. Totals	0	0	0	
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	53. Totals	0	0	0	
	54. **Total Common Stocks**	0	0	0	
	55. **Total Stocks**	0	0	0	
	56. **Total Bonds and Stocks**	25,800,958	22,315,932	25,994,619	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year	20,993,078	7. Amortization of premium	
2. Cost of bonds and stocks acquired, Column 7, Part 3	15,490,622	8. Foreign Exchange Adjustment:	
3. Accrual of discount		8.1 Column 15, Part 1	0
4. Increase (decrease) by adjustment:		8.2 Column 19, Part 2, Sec. 1	0
4.1 Columns 12 - 14, Part 1	0	8.3 Column 16, Part 2, Sec. 2	0
4.2 Columns 15 - 17, Part 2, Sec. 1	0	8.4 Column 15, Part 4	0
4.3 Column 15, Part 2, Sec. 2	0	9. Book/adjusted carrying value at end of current period	29,886,360
4.4 Columns 11 - 13, Part 4	0	10. Total valuation allowance	
5. Total gain (loss), Column 19, Part 4	(57,799)	11. Subtotal (Lines 9 plus 10)	29,886,360
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	6,539,542	12. Total nonadmitted amounts	
		13. Statement value of bonds and stocks, current period	29,886,360

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only 3 Accident & Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life & Annuity Premiums & Deposit Type Contract Funds	8 Property/ Casualty Premiums
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	No	Yes			182,487,884			
41. South Carolina SC								
42. South Dakota SD								
43. Tennessee TN								
44. Texas TX								
45. Utah UT								
46. Vermont VT								
47. Virginia VA								
48. Washington WA								
49. West Virginia WV								
50. Wisconsin WI								
51. Wyoming WY								
52. American Samoa AS								
53. Guam GU								
54. Puerto Rico PR								
55. U.S. Virgin Islands VI								
56 Northern Mariana Islands MP								
57 Canada CN								
58. Aggregate other alien OT	XXX	XXX	0	0	0	0	0	0
59. Subtotal	XXX	XXX	0	0	182,487,884	0	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	XXX						
61. Total (Direct Business)	XXX	(a) 1	0	0	182,487,884	0	0	0
DETAILS OF WRITE-INS								
5801.	XXX	XXX						
5802.	XXX	XXX						
5803.	XXX	XXX						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	XXX	0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.:
(a) Insert the number of yes responses except for Canada and other Alien.

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

PART 1 - ORGANIZATIONAL CHART