



**HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2007
OF THE CONDITION AND AFFAIRS OF THE**

Neighborhood Health Plan of Rhode Island

NAIC Group Code 0000 , 0000 NAIC Company Code 95402 Employer's ID Number 05-0477052
(Current Period) (Prior Period)

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 St , Providence, RI 02908
(Street and Number) (City or Town, State and Zip Code)

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

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

Primary Location of Books and Records 299 Promenade St
(Street and Number) Providence, RI 02908
(City or Town, State and Zip Code) 401-459-6124
(Area Code) (Telephone Number)

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

Statutory Statement Contact Glenn Wang 401-459-6124
(Name) (Area Code) (Telephone Number) (Extension)
gwang@nhpri.org 401-459-6043
(E-mail Address) (FAX Number)

OFFICERS

Name	Title	Name	Title
<u>Mark Reynolds</u>	<u>Chief Executive Officer</u>	<u>Scott O'Gorman</u>	<u>Chief Financial Officer</u>
<u>Leon McTyeire Johnston MD</u>	<u>Chief Medical Officer</u>	<u>Nancy Coburn #</u>	<u>Chief Operating Officer</u>

OTHER OFFICERS

<u>Maria Montanaro</u>	<u>Vice Chairman</u>	<u>James Hooley</u>	<u>Secretary</u>
<u>Raymond Joseph Lavoie JR</u>	<u>Chairman</u>	<u>Kerrie Jones Clark</u>	<u>Treasurer</u>

DIRECTORS OR TRUSTEES

<u>Maria Montanaro</u>	<u>William Hochstrasser-Walsh</u>	<u>Merrill Thomas</u>	<u>James Hooley</u>
<u>Brenda Dowlatshahi</u>	<u>Raymond Joseph Lavoie JR</u>	<u>Darrell A. Lee #</u>	<u>Jennifer Hosmer M.D.</u>
<u>Dennis Michael Roy</u>	<u>Mark Reynolds</u>	<u>Pablo Rodriguez M.D.</u>	<u>Kerrie Jones Clark</u>
<u>M. Lamin Sarr #</u>			

State of

ss

County of

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

Scott O'Gorman
Chief Financial Officer

Leon McTyeire Johnston MD
Chief Medical Officer

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

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 2007 OF THE Neighborhood Health Plan of Rhode Island

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).....	25,163,473		25,163,473	25,800,958
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	233,271		233,271	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 (\$ (2,139,744) , Schedule E, Part 1), cash equivalents (\$12,256,526 , Schedule E, Part 2) and short-term investments (\$29,998,830 , Schedule DA).....	40,115,612		40,115,612	45,021,182
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)	65,571,821	59,465	65,512,356	70,822,140
11. Title plants less \$charged off (for Title Insurers only)			0	0
12. Investment income due and accrued	543,632		543,632	599,311
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	2,573,569		2,573,569	1,388,794
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	486,609		486,609	122,547
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	136,897		136,897	535,076
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	785,455	606,858	178,597	130,953
19. Furniture and equipment, including health care delivery assets (\$)	261,215	261,215	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 (\$2,105,684) and other amounts receivable.....	2,498,827	393,143	2,105,684	844,951
23. Aggregate write-ins for other than invested assets	881,523	840,536	40,987	6,636
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	73,739,548	2,161,217	71,578,331	74,450,408
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	73,739,548	2,161,217	71,578,331	74,450,408
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.....	45,313	4,326	40,987	6,636
2302. Prepaid Expenses.....	540,847	540,847	0	0
2303. Leasehold Improvements.....	295,363	295,363	0	0
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)	881,523	840,536	40,987	6,636

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).....

{~@ FCELL("ASSETS", "C", "01", 10)

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	22,461,637		22,461,637	19,734,801
2. Accrued medical incentive pool and bonus amounts	4,090,698		4,090,698	1,400,982
3. Unpaid claims adjustment expenses	858,799		858,799	883,269
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	18,233,848
9. General expenses due or accrued	3,044,917		3,044,917	2,527,909
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	122,060
12. Amounts withheld or retained for the account of others	749,892		749,892	610,129
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	2,229,816		2,229,816	2,780,693
21. Aggregate write-ins for other liabilities (including \$ current)	34,447	0	34,447	118,651
22. Total liabilities (Lines 1 to 21)	33,470,206	0	33,470,206	46,412,342
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	36,608,123	26,538,066
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	38,108,123	28,038,066
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	71,578,329	74,450,408
DETAILS OF WRITE-INS				
2101. Unearned Grant Liability	34,447		34,447	118,651
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)	34,447	0	34,447	118,651
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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	795,060	816,658
2. Net premium income (including \$0 non-health premium income).....	XXX	187,641,076	180,924,532
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	2,287,720	2,157,501
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	189,928,796	183,082,033
Hospital and Medical:			
9. Hospital/medical benefits	0	74,302,481	74,842,022
10. Other professional services		34,185,123	33,632,275
11. Outside referrals		14,420,261	15,529,917
12. Emergency room and out-of-area		14,584,858	13,478,246
13. Prescription drugs		22,607,451	21,970,743
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		6,087,657	3,392,179
16. Subtotal (Lines 9 to 15)	0	166,187,831	162,845,382
Less:			
17. Net reinsurance recoveries		781,740	1,097,356
18. Total hospital and medical (Lines 16 minus 17)	0	165,406,091	161,748,026
19. Non-health claims (net).....		0	0
20. Claims adjustment expenses, including \$4,945,150 cost containment expenses.....	0	7,506,019	6,825,562
21. General administrative expenses.....		9,303,444	8,860,546
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	182,215,554	177,434,134
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	7,713,242	5,647,899
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	0	3,088,748	2,324,051
26. Net realized capital gains (losses) less capital gains tax of \$4,920		4,920	(57,799)
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,093,668	2,266,252
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		(162,515)	(117,187)
29. Aggregate write-ins for other income or expenses	0	57,057	58,525
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	10,701,452	7,855,489
31. Federal and foreign income taxes incurred	XXX	0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	10,701,452	7,855,489
DETAILS OF WRITE-INS			
0601. Department of Human Services Incentive Income.....	XXX	1,024,198	1,003,554
0602. Other Program Revenue.....	XXX	582,075	571,049
0603. Grant Revenue.....	XXX	95,868	73,505
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	585,579	509,393
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	2,287,720	2,157,501
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.....		177	1,645
2902. Community Access Program Grant Revenue.....			0
2903. Rent Income.....		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	57,057	58,525

STATEMENT OF REVENUE AND EXPENSES (continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior-reporting period	28,038,066	20,187,767
34. Net income or (loss) from Line 32	10,701,452	7,855,489
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	(631,393)	(5,184)
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		0
47. Aggregate write-ins for gains or (losses) in surplus	0	(6)
48. Net change in capital & surplus (Lines 34 to 47)	10,070,059	7,850,299
49. Capital and surplus end of reporting period (Line 33 plus 48)	38,108,125	28,038,066
DETAILS OF WRITE-INS		
4701. ROUNDING		(6)
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	(6)

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	168,100,393	181,920,569
2. Net investment income	3,170,000	2,081,264
3. Miscellaneous income	2,287,720	2,157,501
4. Total (Lines 1 through 3)	173,558,113	186,159,334
5. Benefit and loss related payments	161,694,262	157,820,129
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	16,575,081	9,755,540
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0
10. Total (Lines 5 through 9)	178,269,343	167,575,669
11. Net cash from operations (Line 4 minus Line 10)	(4,711,230)	18,583,665
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	20,735,000	6,539,543
12.2 Stocks	246,005	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	147,694	135,715
12.7 Miscellaneous proceeds	0	462
12.8 Total investment proceeds (Lines 12.1 to 12.7)	21,128,699	6,675,720
13. Cost of investments acquired (long-term only):		
13.1 Bonds	20,117,908	11,474,206
13.2 Stocks	479,276	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	147,954	136,177
13.7 Total investments acquired (Lines 13.1 to 13.6)	20,745,138	11,610,383
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	383,561	(4,934,663)
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	0	0
16.6 Other cash provided (applied).....	(577,901)	215,351
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)	(577,901)	215,351
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(4,905,570)	13,864,353
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	45,021,182	31,156,830
19.2 End of year (Line 18 plus Line 19.1)	40,115,612	45,021,182

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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	187,641,076	0	0	0	0	0	0	187,641,076	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	2,287,720	0	0	0	0	0	0	2,287,720	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)	189,928,796	0	0	0	0	0	0	189,928,796	0	0
8. Hospital/medical/ benefits	74,302,481							74,302,481		XXX
9. Other professional services	34,185,123							34,185,123		XXX
10. Outside referrals	14,420,261							14,420,261		XXX
11. Emergency room and out-of-area	14,584,858							14,584,858		XXX
12. Prescription Drugs	22,607,451							22,607,451		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	6,087,657							6,087,657		XXX
15. Subtotal (Lines 8 to 14)	166,187,831	0	0	0	0	0	0	166,187,831	0	XXX
16. Net reinsurance recoveries	781,740							781,740		XXX
17. Total hospital and medical (Lines 15 minus 16)	165,406,091	0	0	0	0	0	0	165,406,091	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 4,945,150 cost containment expenses	7,506,019							7,506,019		
20. General administrative expenses	9,303,444							9,303,444		
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	
23. Total underwriting deductions (Lines 17 to 22)	182,215,554	0	0	0	0	0	0	182,215,554	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	7,713,242	0	0	0	0	0	0	7,713,242	0	0
DETAILS OF WRITE-INS										
0501. Department of Human Services Incentive Income	1,024,198							1,024,198		XXX
0502. Other Program Revenue	582,075							582,075		XXX
0503. Grant Revenue	95,868							95,868		XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	585,579	0	0	0	0	0	0	585,579	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	2,287,720	0	0	0	0	0	0	2,287,720	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		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	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	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	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

7

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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.....	188,592,142	.0	951,066	187,641,076
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	188,592,142	.0	951,066	187,641,076
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	188,592,142	0	951,066	187,641,076

8

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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	157,373,338							157,373,338		
1.2 Reinsurance assumed .....	.0									
1.3 Reinsurance ceded	781,740							781,740		
1.4 Net	156,591,598	0	0	0	0	0	0	156,591,598	0	0
2. Paid medical incentive pools and bonuses	3,397,941							3,397,941		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	22,461,637	0	0	0	0	0	0	22,461,637	0	0
3.2 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	22,461,637	0	0	0	0	0	0	22,461,637	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....	.0									
4.2 Reinsurance assumed .....	.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
5. Accrued medical incentive pools and bonuses, current year	4,090,698							4,090,698		
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	19,734,801	0	0	0	0	0	0	19,734,801	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	19,734,801	0	0	0	0	0	0	19,734,801	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	1,400,982	0	0	0	0	0	0	1,400,982	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	160,100,174	0	0	0	0	0	0	160,100,174	0	0
12.2 Reinsurance assumed .....	.0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	781,740	0	0	0	0	0	0	781,740	0	0
12.4 Net	159,318,434	0	0	0	0	0	0	159,318,434	0	0
13. Incurred medical incentive pools and bonuses	6,087,657	0	0	0	0	0	0	6,087,657	0	0

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

6

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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 & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	2,403,401							2,403,401		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	2,403,401	0	0	0	0	0	0	2,403,401	0	0
2. Incurred but Unreported:										
2.1. Direct	20,058,236							20,058,236		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	20,058,236	0	0	0	0	0	0	20,058,236	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	22,461,637	0	0	0	0	0	0	22,461,637	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	22,461,637	0	0	0	0	0	0	22,461,637	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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 Premiums .....					.0	.0
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid.....	16,906,759	139,684,839	634,591	21,827,046	17,541,350	19,734,801
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	16,906,759	139,684,839	634,591	21,827,046	17,541,350	19,734,801
10. Healthcare receivables (a).....					.0	.0
11. Other non-health.....					.0	.0
12. Medical incentive pools and bonus amounts	1,400,982	1,996,959	.0	4,090,698	1,400,982	1,400,982
13. Totals (Lines 9 - 10 + 11 + 12)	18,307,741	141,681,798	634,591	25,917,744	18,942,332	21,135,783

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

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	17,607	17,526	17,526	17,526	17,526
2. 2003	390	451	451	451	451
3. 2004	XXX	583	609	609	609
4. 2005	XXX	XXX	0	0	0
5. 2006	XXX	XXX	XXX	0	0
6. 2007	XXX	XXX	XXX	XXX	0

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 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	17,607	17,526	17,526	17,526	17,526
2. 2003	390	451	451	451	451
3. 2004	XXX	583	609	609	609
4. 2005	XXX	XXX	0	0	0
5. 2006	XXX	XXX	XXX	0	0
6. 2007	XXX	XXX	XXX	XXX	0

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. 2003.....	432	451	0	0.0	451	104.4	0	0	451	104.4
2. 2004.....	720	609	0	0.0	609	84.6	0	0	609	84.6
3. 2005.....	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2006.....	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2007.....	0	0	0	0.0	0	0.0	0	0	0	0.0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	319,512	319,502	319,502	301,064	301,064
2. 2003	96,674	110,208	110,208	96,256	96,256
3. 2004	XXX	113,943	128,780	112,921	112,921
4. 2005	XXX	XXX	134,019	134,484	134,475
5. 2006	XXX	XXX	XXX	133,640	151,948
6. 2007	XXX	XXX	XXX	XXX	141,682

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 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	112,000	129,000	129,000	129,000	129,000
2. 2003	109,000	126,000	126,000	126,000	126,000
3. 2004	XXX	115,000	129,000	130,000	130,000
4. 2005	XXX	XXX	132,000	149,000	149,000
5. 2006	XXX	XXX	XXX	154,650	152,583
6. 2007	XXX	XXX	XXX	XXX	167,600

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. 2003	119,813	96,256	618	0.6	96,874	80.9		0	96,874	80.9
2. 2004	133,563	112,921	4,667	4.1	117,588	88.0		0	117,588	88.0
3. 2005	167,795	134,475	5,843	4.3	140,318	83.6		0	140,318	83.6
4. 2006	180,925	151,948	6,964	4.6	158,912	87.8	635	0	159,547	88.2
5. 2007	187,641	141,682	6,702	4.7	148,384	79.1	25,918	859	175,160	93.3

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	337,119	337,028	337,028	318,590	318,590
2. 2003	97,064	110,659	110,659	96,707	96,707
3. 2004	XXX	114,526	129,389	113,530	113,530
4. 2005	XXX	XXX	134,019	134,484	134,475
5. 2006	XXX	XXX	XXX	133,640	151,948
6. 2007	XXX	XXX	XXX	XXX	141,682

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 2003	2 2004	3 2005	4 2006	5 2007
1. Prior	129,607	146,526	146,526	146,526	146,526
2. 2003	109,390	126,451	126,451	126,451	126,451
3. 2004	XXX	115,583	129,609	130,609	130,609
4. 2005	XXX	XXX	132,000	149,000	149,000
5. 2006	XXX	XXX	XXX	154,650	152,583
6. 2007	XXX	XXX	XXX	XXX	167,600

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. 2003	120,245	96,707	618	0.6	97,325	80.9	0	0	97,325	80.9
2. 2004	134,283	113,530	4,667	4.1	118,197	88.0	0	0	118,197	88.0
3. 2005	167,795	134,475	5,843	4.3	140,318	83.6	0	0	140,318	83.6
4. 2006	180,925	151,948	6,964	4.6	158,912	87.8	635	0	159,547	88.2
5. 2007	187,641	141,682	6,702	4.7	148,384	79.1	25,918	859	175,160	93.3

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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
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
12. Totals (Gross) .....	.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
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

(a) Includes \$ premium deficiency reserve.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building).....	338,336	126,738	550,011		1,015,085
2. Salaries, wages and other benefits.....	4,340,718	2,505,848	8,271,492		15,118,058
3. Commissions (less \$ ceded plus \$ assumed.....)					0
4. Legal fees and expenses.....	66,258	24,820	107,711		198,789
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	337,285	126,344	548,303		1,011,932
7. Traveling expenses.....	11,447	4,288	18,609		34,344
8. Marketing and advertising.....	272,952	102,246	443,721		818,919
9. Postage, express and telephone.....	100,270	37,560	163,003		300,833
10. Printing and office supplies.....	162,786	60,978	264,631		488,395
11. Occupancy, depreciation and amortization.....	73,069	27,371	118,784		219,224
12. Equipment.....	265,014	99,272	430,816		795,102
13. Cost or depreciation of EDP equipment and software.....	257,232	96,357	418,167		771,756
14. Outsourced services including EDP, claims, and other services.....	279,109	104,552	453,731		837,392
15. Boards, bureaus and association fees.....	25,165	9,427	40,909		75,501
16. Insurance, except on real estate.....	67,476	25,276	109,691		202,443
17. Collection and bank service charges.....	8,423	3,155	13,693	87,448	112,719
18. Group service and administration fees.....	0		0		0
19. Reimbursements by uninsured plans.....	(1,958,440)	(1,048,349)	(3,684,467)	0	(6,691,256)
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.....	30,923	11,583	50,269		92,775
23.4 Payroll taxes.....	267,127	174,328	500,203		941,658
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....				199,033	199,033
25. Aggregate write-ins for expenses.....	0	69,075	484,167	0	553,242
26. Total expenses incurred (Lines 1 to 25).....	4,945,150	2,560,869	9,303,444	286,481	(a) 17,095,944
27. Less expenses unpaid December 31, current year.....		858,799	3,044,917		3,903,716
28. Add expenses unpaid December 31, prior year.....	0	883,269	2,527,909	0	3,411,178
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	4,945,150	2,585,339	8,786,436	286,481	16,603,406
DETAIL OF WRITE-INS					
2501. Conferences, Training, and Tuition.....		41,287	289,391		330,678
2502. Recruitment Fees.....		18,575	130,196		148,771
2503. Meeting.....		9,213	64,580		73,793
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	69,075	484,167	0	553,242

(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) 1,295,228	1,330,546
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 172,964	194,363
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	6,618	6,618
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) 1,956,099	1,843,702
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	3,430,909	3,375,229
11. Investment expenses		(g) 286,481
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 (Lines 11 through 15)		286,481
17. Net Investment Income - (Line 10 minus Line 16)		3,088,748
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 \$ 28,745 accrual of discount less \$ 54,318 amortization of premium and less \$ 184,147 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 \$ 154,935 accrual of discount less \$ 6,981 amortization of premium and less \$ 200,958 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 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	5,180		5,180		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)			0		
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		
4. Real estate	0		0		0
5. Contract loans			0		
6. Cash, cash equivalents and short-term investments	(260)		(260)		
7. Derivative instruments			0		
8. Other invested assets			0		0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	4,920	0	4,920	0	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
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 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	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	0	0
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.....	606,858	229,882	(376,976)
19. Furniture and equipment, including health care delivery assets.....	261,215	193,372	(67,843)
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.....	393,143	313,215	(79,928)
23. Aggregate write-ins for other than invested assets	840,536	733,890	(106,646)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	2,161,217	1,529,824	(631,393)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	2,161,217	1,529,824	(631,393)
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.....	4,326	8,265	3,939
2302. Prepaid Expenses.....	540,847	587,497	46,650
2303. Leasehold Improvements.....	295,363	138,128	(157,235)
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)	840,536	733,890	(106,646)

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	68,294	66,270	66,056	66,045	65,927	795,060
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	68,294	66,270	66,056	66,045	65,927	795,060
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

1. Summary of Significant Accounting Policies.

Basis of presentation and statutory accounting practices:

NHPRI's statutory financial statements are presented on the basis of accounting practices prescribed or permitted by DBR. The State of Rhode Island has adopted the National Association of Insurance Commissioners' statutory accounting practices (NAIC SAP) as the basis of its statutory accounting practices (SAP). In addition, DBR has the right to permit other specified practices that may deviate from prescribed practices. At December 31, 2007 and 2006, NHPRI has not requested permission to deviate from any accounting practices required by NAIC SAP.

Use of estimates:

The preparation of financial statements in conformity with SAP requires management to make estimates and assumptions that affect the reported amounts of admitted assets and liabilities and disclosure of contingent admitted assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates particularly sensitive to material change in the near term include amounts recorded for the cost of medical and hospital services provided but not reported to NHPRI and risk share recoveries.

Premium revenue and contingency:

Subscriber/member contracts are executed principally with the Rhode Island Department of Human Services (the State) to service members of the RItE Care program. For the years ended December 31, 2007 and 2006, NHPRI earned approximately 100% and 100%, respectively, of premium revenues to service members of the RItE Care program. Upon expiration of each RItE Care contract, NHPRI submits a proposal to the State to renew the RItE Care contract. Unlike a commercial product line, premium rates are not fully under the control of NHPRI, but are principally set by the State. The present RItE Care contract between NHPRI and the State expires June 30, 2008. The agreement may be terminated by either party within ninety days. Premiums are due monthly and are recognized as revenue during the period in which NHPRI is obligated to provide services to members.

Medical and hospital expense recognition:

NHPRI contracts with some health care providers on a capitation basis for the provision of certain primary care services to its members. NHPRI records these capitation costs in the period incurred. NHPRI records costs incurred under primary care incentive programs in the period incurred.

The cost of non-capitated medical services and all hospital services provided or contracted for, including behavioral health and pharmacy, is generally on a fee for service basis and is accrued in the period in which it is provided to a member, based in part on estimates. The estimates are actuarially determined and include an accrual for medical and hospital service expenses provided but not yet reported to NHPRI.

Pharmaceutical rebates:

Pharmaceutical rebates are recorded as a reduction of medical and hospital expenses as earned, based in part on estimates using historical trends. At the years ended December 31, 2007 and 2006 \$0 of pharmaceutical rebates are included in health care receivables. For the years ended December 31, 2007 and 2006, approximately \$586 and \$509, of pharmaceutical rebates are added to aggregate write-ins for other health care related revenues and deducted from medical and hospital expenses, respectively.

Cash and cash equivalents and concentration of credit risk:

NHPRI considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2007 and 2006, cash equivalents totaled \$12,256 and \$36,536, respectively. At December 31, 2007 and 2006, cash equivalents are comprised of an ownership of a financial institution debt security purchased under a joint repurchase agreement in the amount of \$5,268 and \$12,218, respectively, and \$0 and

NOTES TO FINANCIAL STATEMENTS

\$1,989, respectively, of money market funds, neither of which are insured or otherwise collateralized, and \$0 and \$6,220, respectively, of money market funds with an investment broker which are fully insured through the brokers's insurance, \$6,988 and \$0, respectively, of commercial paper . The debt security at December 31, 2007 was repurchased by the financial institution on January 2, 2008.

At December 31, 2007 and 2006, NHPRI had cash on deposit with financial institutions totaling \$0 and \$0 respectively.

Grants:

Grant revenue is recognized when program expenditures are incurred within program guidelines. Grants are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which might arise as a result of these audits is not considered by NHPRI to be material.

Reinsurance (stop-loss insurance):

Reinsurance premiums are reported as a reduction of premiums earned and reinsurance recoveries are reported as a reduction of medical and hospital expenses. Reinsurance experience-rated refund deposits or liabilities contingent on future loss experience are not recorded as an asset or liability.

Contract acquisition and advertising costs:

NHPRI incurs costs for marketing of subscriber contracts and member enrollment, and community awareness, which are expensed as incurred.

Minimum and ongoing net worth requirement:

In accordance with DBR regulations, NHPRI is required to maintain at all times statutory net worth and total adjusted capital of:

The greater of \$2,500,000 or the amount necessary to maintain the capital requirements of the National Association of Insurance Commissioners (NAIC) standards. NHPRI was in compliance with the statutory net worth and total adjusted capital requirements as of December 31, 2007 and 2006.

The director may waive any of the net worth and/or total adjusted capital requirements whenever satisfied that the health maintenance organization has sufficient net worth and/or total adjusted capital and an adequate history of generating net income to assure its financial viability for the next year, or its performance and obligations are guaranteed by an organization with sufficient net worth and an adequate history of generating net income, or the assets of the health maintenance organization or its contracts with insurers, hospital or medical service corporations, governments, or other organizations are sufficient to reasonably assure the performance of its obligations; provided, however, that in no event shall the net worth requirement be less than one hundred thousand dollars (\$100,000).

2. Accounting Changes and Corrections of Errors

Not Applicable

3. Business Combinations and Goodwill

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

NOTES TO FINANCIAL STATEMENTS

Not Applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

7. Investment Income

Investments are considered as held to maturity and are recorded at amortized cost. Certificates of deposit with remaining maturities of one year or less at the time of acquisition are considered cash. All other investments with maturities of one year or less at the time of acquisition are considered short-term. Amortization of any bond premium or discount is calculated using the constant yield interest method over the life of the bond. Accrued interest receivable as of December 31, 2007 and 2006 is investment income due and accrued in the amount of \$544 and \$599, respectively.

8. Derivative Instruments

Not Applicable

9. Income Taxes

Not Applicable

10. Information Concerning Parent, Subsidiaries, and Affiliates

An NHPRI bylaw includes certain Rhode Island Community Health Centers to be "Members of the Corporation" so long as specific criteria continue to be met, which includes having in effect with NHPRI a contract to provide health care services for NHPRI's enrollees in exchange for payment. The Member of the Corporation contracts provide for capitation based reimbursement to manage and deliver primary care medical services and fee for service based reimbursement to deliver other medical services. For the years ended December 31, 2007 and 2006, medical and hospital expenses include \$11,138 and \$10,997, respectively, for medical services provided, and incentive arrangements earned, by such Members of the Corporation.

11. Debt

Not Applicable

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

NHPRI sponsors a Safe Harbor 401(k) Profit Sharing Plan and Trust (the Plan) covering employees meeting certain age and length of service requirements. NHPRI matches one hundred percent of the first three percent of a participant's eligible compensation and fifty percent of the next two percent of a participant's eligible compensation contribution. Employer contributions to the Plan included in administrative expenses, totaled \$328 and \$120 for the years ended December 31, 2007 and 2006, respectively.

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

As a condition of licensure as an HMO, Rhode Island general laws require NHPRI to maintain a special deposit held by the General Treasurer for the benefit and protection of all enrollees of the HMO. The special deposit cannot be withdrawn without the permission of DBR. At December 31, 2007 and 2006, this special deposit is principally invested in a U.S. Treasury

NOTES TO FINANCIAL STATEMENTS

Bill with a par value of \$2,407 and \$2,365, respectively, which is recorded at amortized cost due to NHPRI's positive intent to hold the investment until maturity and convert it into a similar investment upon maturity. The U.S. Treasury Note outstanding at December 31, 2007 matures on February 28, 2008. At December 31, 2007, the special deposit also includes \$153 under a repurchase agreement.

14. Contingencies

Seven former employees have filed claims against NHPRI alleging employment based discrimination. NHPRI's legal counsel cannot determine the likelihood of an unfavorable outcome or the amount or range of possible loss. It is reasonably possible that the likelihood of an unfavorable outcome or the amount or range of potential loss might be determined in the near term.

15. Leases

On August 1, 2003, the existing operating lease between NHPRI and the lessor was terminated. NHPRI entered into a new lease with the same lessor, expiring July 2013. On March 24, 2006 NHPRI entered a new lease, replacing the existing lease, expiring on July 2013. The new lease agreement is related to expansion of the exiting space, construction was completed during 2006.

NHPRI entered an agreement with the same lessor for leasing an additional space of 10,612 square feet on the second floor of 297 Promenade Street in 2007. The lease term is from February 2008 to July 2013.

In addition to base rental, NHPRI pays the increase in real estate taxes and operating expenses over the base year amounts, as well as normal maintenance and insurance costs. Rental expense related to the lease totaled approximately \$1,015 and \$916 for the each of the years ended December 31, 2007 and 2006. The operating leases required NHPRI to deposit with the landlord \$59 and \$20. The security deposits, together with any and all interest accrued thereon, will be held by the landlord during the term of these leases.

At December 31, 2007, annual minimum future lease payments under the non-cancelable operating lease, excluding real estate tax and operating expense payments, are:

Year ending December 31,	Amount
2008	1,172
2009	1,199
2010	1,232
2011	1,244
2012	1,249
2013	732

In June 2001, NHPRI entered into a Sale-Leaseback Agreement with an unrelated party. Under the Sale-Leaseback Agreement, NHPRI sold \$400 of furniture and equipment to, and leases the property from, the unrelated party through April 2006. The sale did not result in any gain or loss. The Sale-Leaseback Agreement is accounted for as a non-cancelable operating lease since it does not provide for any continuing aspects of ownership involvement on the part of NHPRI. Approximate annual minimum future lease payments under the related non-cancelable lease total \$206 for the year ending December 31, 2008 and \$39 for the year ending December 31, 2009.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

Not Applicable

NOTES TO FINANCIAL STATEMENTS

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

Not Applicable

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

NHPRI receives reimbursement for the cost of medical claims incurred under an Administrative Service Contract. In accordance with NAIC SAP Statement No. 47, the reimbursements for medical claims incurred, as well as the cost of medical claims incurred, are excluded from NHPRI's statements of revenues and expenses. Gross reimbursement for medical costs incurred and administrative fees were \$49,502 and \$4,472, respectively, for the year ended December 31, 2007 and \$51,633 and \$3,325, respectively, for the year ended December 31, 2006. At December 31, 2007, liability amount to the State under the ASC total \$2,230. The total members as of 12/31/2007 were 6,944.

During 2005, NHPRI entered into an Administrative Services Only (ASO) plan with an unrelated third party effective January 1, 2006. The third party reimburses NHPRI in full for all actual administrative expenses incurred as defined in the contract. Expenses incurred by NHPRI under the ASO plan are reported as expenses, and administrative fees and related expense reimbursements are presented as a deduction from expenses, in the accompanying statutory statements of revenues and expenses. There were no medical expenses related to this contract for the years ended December 31, 2007 and 2006. At December 31, 2007 and 2006, the amount receivable related to the ASO plan total \$135 and \$533 respectively.

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

Not Applicable

20. Other Items

Not Applicable

21. Events Subsequent

Not Applicable

22. Reinsurance

Section 1 – General Interrogatories

1. No
2. No

Section 2 – Ceded Reinsurance Report – Part A

1. No
2. No

Not Applicable

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not Applicable

24. Change in Incurred Claims and Claim Adjustment Expenses

As a result of changes in estimates of prior years reported insured health care costs, medical and hospital expenses were decreased by \$2,485 during the year ended December 31, 2007

NOTES TO FINANCIAL STATEMENTS

and increased by \$316 during the years ended December 31, 2006. Changes in estimates of insured health care costs result from differences between initially anticipated and actual costs incurred or revised estimated costs to be incurred.

25. Inter-company Pooling Arrangements

Not Applicable

26. Structured Settlements

Not Applicable

27. Health Care Receivables

Neighborhood Health Plan of Rhode Island
Notes to Statutory Statement
For the Calendar Year Beginning January 1, 2006 and Ending December 31, 2006

Pharmaceutical rebates:

In accordance with NAIC SAP Statement No. 84, the following is a summary of the required disclosures relating to pharmaceutical rebates:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/Confirmation
December 31, 2007	\$181				
September 30, 2007	197				
June 30, 2007	221	181		181	
March 31, 2007	191	181		181	
December 31, 2006	\$165	\$181		\$181	
September 30, 2006	110	182		182	
June 30, 2006	208	200		200	
March 31, 2006	215	192		192	
December 31, 2005	215	208		208	
September 30, 2005	219	137			171
June 30, 2005	205	168			179
March 31, 2005	205	182	8	53	97
December 31, 2004	249	187	62		122
September 30, 2004	246	245	44	156	5
June 30, 2004	246	267	8	245	14
March 31, 2004	245	261	7	206	48
December 31, 2003	248	261	34	121	107
September 30, 2003	251	238	11	201	26
June 30, 2003	268	258	51	73	134
March 31, 2003	273	240	42	180	18

Risk sharing receivables:

In accordance with NAIC SAP Statement No. 84, the following is a summary of the required disclosures relating to risk sharing activities receivables:

Calendar year	Evaluation period year ending	Risk sharing receivable as estimated and reported in the prior year	Risk sharing receivable as estimated and reported in the current year	Risk sharing receivable invoiced	Risk sharing receivable not invoiced	Actual risk sharing amounts collected in year invoiced	Actual risk sharing amounts collected in first year subsequent	Actual risk sharing amounts collected second year subsequent	Actual risk sharing amounts collected-all other
2007	2007	\$0	\$1,879	\$30	\$1,849	\$0	\$0	\$0	\$0
2006	2005	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2005	2004	3,144	0	924	0	924	867	0	0
2004	2003	5,311	3,144	11,692	1,709	7,139	0	0	0

28. Participating Policies

Not Applicable

29. Premium Deficiency Reserve

Not Applicable

30. Anticipated Salvage and Subrogation

Not Applicable

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	2,715,364	4.145	2,715,364	4.145
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	7,023,886	10.721	7,023,886	10.721
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	11,703,190	17.864	11,703,190	17.864
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)	2,824,797	4.312	2,824,797	4.312
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	1,129,507	1.724	1,129,507	1.724
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	40,115,611	61.234	40,115,611	61.234
9. Other invested assets		0.000		0.000
10. Total invested assets	65,512,355	100.000	65,512,355	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 [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.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).09/06/2007
- 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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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
Principal 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 []
- 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 []
- 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 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 []
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers .. \$
 - 18.12 To stockholders not officers ... \$
 - 18.13 Trustees, supreme or grand (Fraternal only) \$
- 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 ... \$
 - 18.22 To stockholders not officers \$
 - 18.23 Trustees, supreme or grand (Fraternal only) \$
- 19.1 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 []
- 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 []
- 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 the parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No []
- 21.2 If yes, indicated 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? Yes [] No []
- 22.2 If no, give full and complete information relating thereto:
- 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) Yes [] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Loaned to others \$
 - 23.22 Subject to repurchase agreements \$
 - 23.23 Subject to reverse repurchase agreements \$
 - 23.24 Subject to dollar repurchase agreements \$
 - 23.25 Subject to reverse dollar repurchase agreements \$
 - 23.26 Pledged as collateral \$
 - 23.27 Placed under option agreements \$
 - 23.28 Letter stock or other securities restricted as to sale ... \$
 - 23.29 On deposit with state or other regulatory body \$
 - 23.291 Other \$
- 23.3 For category (23.28) 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 []
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA []
If no, attach a description with this statement.
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No []
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$

GENERAL INTERROGATORIES

26. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [] No []

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
Merrill Lynch.....	One Citizens Plaza, Suite 1000, Providence, RI 02903.....
RBS Citizens, N.A.....	One Citizens Plaza, Providence, RI 02903.....

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)	2 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	2 Address
7691.....	Merrill Lynch.....	One Citizens Plaza, Suite 1000, Providence, RI 02903.....
.....	RBS Citizens, N.A.....	One Citizens Plaza, Providence, RI 02903.....

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.....	41,477,810	41,327,878	(149,932)
28.2 Preferred stocks.....	0		0
28.3 Totals	41,477,810	41,327,878	(149,932)

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

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

29.2 If no, list the exceptions:

OTHER

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$0

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

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

31.1 Amount of payments for legal expenses, if any?\$198,788

31.2 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
.....
.....

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

32.2 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? \$ 0
- 1.31 Reason for excluding
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives 0

2. Health Test:

	1 Current Year		2 Prior Year	
2.1 Premium Numerator	\$	187,641,076	\$	180,924,532
2.2 Premium Denominator	\$	187,641,076	\$	180,924,532
2.3 Premium Ratio (2.1/2.2)		1.000		1.000
2.4 Reserve Numerator	\$	26,552,335	\$	21,135,783
2.5 Reserve Denominator	\$	26,552,335	\$	21,135,783
2.6 Reserve Ratio (2.4/2.5)		1.000		1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
- 4.2 If not previously filed, 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 \$ 470,000
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental \$ 0
- 5.35 Other Limited Benefit Plan \$ 417,000
- 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:
- 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 2,338
- 8.2 Number of providers at end of reporting year 3,623
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract? Yes No
- 10.2 If yes:
- | | | | |
|--|-------|---|------------------|
| | 10.21 | Maximum amount payable bonuses | \$.....6,087,657 |
| | 10.22 | Amount actually paid for year bonuses | \$.....3,397,941 |
| | 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 <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| | 11.13 | An Individual Practice Association (IPA), or, | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| | 11.14 | A Mixed Model (combination of above) ? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes 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
- 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 2007	2 2006	3 2005	4 2004	5 2003
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	71,578,331	74,450,408	56,705,626	44,298,551	28,183,940
2. Total liabilities (Page 3, Line 22)	33,470,206	46,412,342	36,517,859	32,158,865	19,959,067
3. Statutory surplus	0	0	0	0	0
4. Total capital and surplus (Page 3, Line 31)	38,108,123	28,038,066	20,187,767	12,139,686	8,224,873
Income Statement (Page 4)					
5. Total revenues (Line 8)	189,928,796	183,082,033	170,305,090	136,866,883	122,509,144
6. Total medical and hospital expenses (Line 18)	165,406,091	161,748,026	149,627,146	121,016,984	109,162,307
7. Claims adjustment expenses (Line 20)	7,506,019	6,825,562	5,635,617	3,410,673	3,754,506
8. Total administrative expenses (Line 21)	9,303,444	8,860,546	7,023,114	8,977,090	10,287,390
9. Net underwriting gain (loss) (Line 24)	7,713,242	5,647,899	8,019,213	3,462,136	(695,059)
10. Net investment gain (loss) (Line 27)	3,093,668	2,266,252	1,177,458	350,037	403,669
11. Total other income (Lines 28 plus 29)	(105,458)	(58,662)	(92,043)	107,855	337,693
12. Net income (loss) (Line 32)	10,701,452	7,855,489	9,104,628	3,920,028	46,303
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(4,711,230)	18,583,665			
Risk - Based Capital Analysis					
14. Total adjusted capital	38,108,123	28,038,066	20,187,767	12,139,686	8,224,873
15. Authorized control level risk-based capital	6,742,085	6,517,626	6,101,998	5,060,720	4,576,952
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	65,927	68,294	68,413	68,206	66,505
17. Total member months (Column 6, Line 7)	795,060	816,658	817,315	806,681	786,890
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)	88.2	89.4	89.2	0.0	0.0
20. Cost containment expenses	2.6	2.5	2.1	0.0	XXX
21. Other claims adjustment expenses	1.4	1.3	1.2	0.0	0.0
22. Total underwriting deductions (Line 23)	97.1	98.1	96.7	99.3	102.5
23. Total underwriting gain (loss) (Line 24)	4.1	3.1	4.8	2.6	(0.6)
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	18,942,332	17,207,681	13,692,840	14,317,214	16,980,625
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	21,135,783	16,891,576	15,946,316	14,221,891	18,438,309
Investments In Parent, Subsidiaries And Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 53, Col. 1)	0				
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 7)	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

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

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 21,009,858	20,951,989	21,003,941	21,003,000
	2. Canada			
	3. Other Countries			
	4. Totals 21,009,858	20,951,989	21,003,941	21,003,000
States, Territories and Possessions (Direct and guaranteed)	5. United States			
	6. Canada			
	7. Other Countries			
	8. Totals 0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States			
	10. Canada			
	11. Other Countries			
	12. Totals 0	0	0	0
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States			
	14. Canada			
	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 Loans (unaffiliated)	21. United States 4,153,615	4,113,604	4,222,617	4,198,236
	22. Canada			
	23. Other Countries			
	24. Totals 4,153,615	4,113,604	4,222,617	4,198,236
Parent, Subsidiaries and Affiliates	25. Totals 0	0	0	0
	26. Total Bonds 25,163,473	25,065,593	25,226,558	25,201,236
PREFERRED STOCKS				
Public Utilities (unaffiliated)	27. United States			
	28. Canada			
	29. Other Countries			
	30. Totals 0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	31. United States			
	32. Canada			
	33. Other Countries			
	34. Totals 0	0	0	0
Industrial and Miscellaneous (unaffiliated)	35. United States			
	36. Canada			
	37. Other Countries			
	38. Totals 0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals 0	0	0	0
	40. Total Preferred Stocks 0	0	0	0
COMMON STOCKS				
Public Utilities (unaffiliated)	41. United States			
	42. Canada			
	43. Other Countries			
	44. Totals 0	0	0	0
Banks, Trust and Insurance Companies (unaffiliated)	45. United States			
	46. Canada			
	47. Other Countries			
	48. Totals 0	0	0	0
Industrial and Miscellaneous (unaffiliated)	49. United States 233,271	233,271	233,271	
	50. Canada			
	51. Other Countries			
	52. Totals 233,271	233,271	233,271	
Parent, Subsidiaries and Affiliates	53. Totals 0	0	0	
	54. Total Common Stocks 233,271	233,271	233,271	
	55. Total Stocks 233,271	233,271	233,271	
	56. Total Bonds and Stocks 25,396,744	25,298,864	25,459,829	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks, prior year..... 25,800,958	7. Amortization of premium..... 54,319
2. Cost of bonds and stocks acquired, Column 7, Part 3 20,597,184	8. Foreign Exchange Adjustment:
3. Accrual of discount..... 28,745	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 25,396,743
4.4 Columns 11 - 13, Part 4 0	10. Total valuation allowance
5. Total gain (loss), Column 19, Part 4 5,180	11. Subtotal (Lines 9 plus 10) 25,396,743
6. Deduct consideration for bonds and stocks disposed of Column 7, Part 4 20,981,005	12. Total nonadmitted amounts
	13. Statement value of bonds and stocks, current period 25,396,743

ANNUAL STATEMENT FOR THE YEAR 2007 OF THE Neighborhood Health Plan of Rhode Island

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Is Insurer Licensed (Yes or No)	Direct Business Only							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	8 Total Columns 2 Through 7		
1. Alabama	AL								.0	.0
2. Alaska	AK								.0	.0
3. Arizona	AZ								.0	.0
4. Arkansas	AR								.0	.0
5. California	CA								.0	.0
6. Colorado	CO								.0	.0
7. Connecticut	CT								.0	.0
8. Delaware	DE								.0	.0
9. District of Columbia	DC								.0	.0
10. Florida	FL								.0	.0
11. Georgia	GA								.0	.0
12. Hawaii	HI								.0	.0
13. Idaho	ID								.0	.0
14. Illinois	IL								.0	.0
15. Indiana	IN								.0	.0
16. Iowa	IA								.0	.0
17. Kansas	KS								.0	.0
18. Kentucky	KY								.0	.0
19. Louisiana	LA								.0	.0
20. Maine	ME								.0	.0
21. Maryland	MD								.0	.0
22. Massachusetts	MA								.0	.0
23. Michigan	MI								.0	.0
24. Minnesota	MN								.0	.0
25. Mississippi	MS								.0	.0
26. Missouri	MO								.0	.0
27. Montana	MT								.0	.0
28. Nebraska	NE								.0	.0
29. Nevada	NV								.0	.0
30. New Hampshire	NH								.0	.0
31. New Jersey	NJ								.0	.0
32. New Mexico	NM								.0	.0
33. New York	NY								.0	.0
34. North Carolina	NC								.0	.0
35. North Dakota	ND								.0	.0
36. Ohio	OH								.0	.0
37. Oklahoma	OK								.0	.0
38. Oregon	OR								.0	.0
39. Pennsylvania	PA								.0	.0
40. Rhode Island	RI	Yes		188,592,142					188,592,142	.0
41. South Carolina	SC								.0	.0
42. South Dakota	SD								.0	.0
43. Tennessee	TN								.0	.0
44. Texas	TX								.0	.0
45. Utah	UT								.0	.0
46. Vermont	VT								.0	.0
47. Virginia	VA								.0	.0
48. Washington	WA								.0	.0
49. West Virginia	WV								.0	.0
50. Wisconsin	WI								.0	.0
51. Wyoming	WY								.0	.0
52. American Samoa	AS								.0	.0
53. Guam	GU								.0	.0
54. Puerto Rico	PR								.0	.0
55. U.S. Virgin Islands	VI								.0	.0
56. Northern Mariana Islands	MP								.0	.0
57. Canada	CN								.0	.0
58. Aggregate Other Alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0	.0
59. Subtotal		XXX	.0	.0	188,592,142	.0	.0	.0	188,592,142	.0
60. Reporting entity contributions for Employee Benefit Plans		XXX							.0	
61. Total (Direct Business)	(a) 1	0	0	188,592,142	0	0	0	0	188,592,142	0
DETAILS OF WRITE-INS										
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX	.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

(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

ALPHABETICAL INDEX

(http://www.naic.org/committees_e_app_blanks.htm)

ANNUAL STATEMENT BLANK

Exhibit of Nonadmitted Assets	16
Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 – Enrollment By Product Type for Health Business Only	17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18
Exhibit 3 – Health Care Receivables	19
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23
Exhibit 8 – Furniture, Equipment and Supplies Owned	24
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Premiums, Enrollment and Utilization (State Page)	30
Five-Year Historical Data	29
General Interrogatories	27
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	25
Overflow Page For Write-ins	55
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	31
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Verification Between Years	31
Schedule BA – Part 1	E06
Schedule BA – Part 2	E07
Schedule BA – Verification Between Years	31
Schedule D – Part 1	E08
Schedule D – Part 1A – Section 1	33
Schedule D – Part 1A – Section 2	36
Schedule D – Part 2 – Section 1	E09

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule D – Part 2 – Section 2	E10
Schedule D – Part 3	E11
Schedule D – Part 4	E12
Schedule D – Part 5	E13
Schedule D – Part 6 – Section 1	E14
Schedule D – Part 6 – Section 2	E14
Schedule D – Summary By Country	32
Schedule D – Verification Between Years	32
Schedule DA – Part 1	E15
Schedule DA – Part 2 – Verification Between Years	39
Schedule DB – Part A – Section 1	E16
Schedule DB – Part A – Section 2	E16
Schedule DB – Part A – Section 3	E17
Schedule DB – Part A – Verification Between Years	40
Schedule DB – Part B – Section 1	E17
Schedule DB – Part B – Section 2	E18
Schedule DB – Part B – Section 3	E18
Schedule DB – Part B – Verification Between Years	40
Schedule DB – Part C – Section 1	E19
Schedule DB – Part C – Section 2	E19
Schedule DB – Part C – Section 3	E20
Schedule DB – Part C – Verification Between Years	41
Schedule DB – Part D – Section 1	E20
Schedule DB – Part D – Section 2	E21
Schedule DB – Part D – Section 3	E21
Schedule DB – Part D – Verification Between Years	41
Schedule DB – Part E – Section 1	E22
Schedule DB – Part E – Verification	41
Schedule DB – Part F – Section 1	42
Schedule DB – Part F – Section 2	43
Schedule E – Part 1 – Cash	E23
Schedule E – Part 2 – Cash Equivalents	E24
Schedule E – Part 3 – Special Deposits	E25
Schedule S – Part 1 – Section 2	44
Schedule S – Part 2	45
Schedule S – Part 3 – Section 2	46
Schedule S – Part 4	47
Schedule S – Part 5	48
Schedule S – Part 6	49
Schedule T – Part 2 – Interstate Compact	51

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule T – Premiums and Other Considerations	50
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	52
Schedule Y - Part 2 – Summary of Insurer’s Transactions With Any Affiliates	53
Statement of Revenue and Expenses	4
Summary Investment Schedule	26
Supplemental Exhibits and Schedules Interrogatories	54
Underwriting and Investment Exhibit – Part 1	8
Underwriting and Investment Exhibit – Part 2	9
Underwriting and Investment Exhibit – Part 2A	10
Underwriting and Investment Exhibit – Part 2B	11
Underwriting and Investment Exhibit – Part 2C	12
Underwriting and Investment Exhibit – Part 2D	13
Underwriting and Investment Exhibit – Part 3	14

