



**HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2008
OF THE CONDITION AND AFFAIRS OF THE**

UnitedHealthcare of New England, Inc.

NAIC Group Code 0707 , 0707 NAIC Company Code 95149 Employer's ID Number 05-0413469
(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 11/14/1984 Commenced Business 12/27/1984

Statutory Home Office 475 Kilvert Street, Suite 310 , Warwick, RI 02886-1392
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 48 Monroe Turnpike
(Street and Number) Trumbull, CT 06611 203-459-6000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 48 Monroe Turnpike , Trumbull, CT 06611
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 48 Monroe Turnpike
(Street and Number) Trumbull, CT 06611 203-459-7424
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.unitedhealthcare.com

Statutory Statement Contact Robert Noel Dellacorte 203-459-7424
(Name) (Area Code) (Telephone Number) (Extension)
robert_n_dellacorte@uhc.com 203-452-4690
(E-mail Address) (FAX Number)

OFFICERS

Name	Title	Name	Title
<u>Stephen John Farrell</u>	<u>President and Chief Executive Officer</u>	<u>Juanita Valarae Bolland Luis</u>	<u>Assistant Secretary</u>
<u>Robert Noel Dellacorte</u>	<u>VP - Finance and Assistant Treasurer</u>		

OTHER OFFICERS

<u>Patricia Anne Bowen #</u>	<u>Secretary</u>	<u>Timothy Gilbert Caron</u>	<u>Assistant Secretary</u>
<u>Carmel Colica</u>	<u>Assistant Secretary</u>	<u>Robert Worth Oberrender</u>	<u>Treasurer</u>
<u>Mary Lynn Stanislav</u>	<u>Assistant Secretary</u>		

DIRECTORS OR TRUSTEES

<u>Jeffrey Donald Alter</u>	<u>Stephen John Farrell</u>	<u>William John Golden #</u>
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State ofRhode Island.....

ss

County ofKent.....

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.

Stephen John Farrell
President and Chief Executive Officer

Juanita Valarae Bolland Luis
Assistant Secretary

Robert Noel Dellacorte
VP - Finance and Assistant Treasurer

Subscribed and sworn to before me this
18 day of February, 2009

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 _____

Claudette Levesque
Notary
May 14, 2011

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).....	156,627,689		156,627,689	149,953,896
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	13,835,625		13,835,625	9,673,168
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 (\$ (6,723,408) , Schedule E, Part 1), cash equivalents (\$ 0 , Schedule E, Part 2) and short-term investments (\$ 12,999,040 , Schedule DA).....	6,275,632		6,275,632	7,366,986
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	176,738,946	0	176,738,946	166,994,050
11. Title plants less \$ charged off (for Title Insurers only)			0	0
12. Investment income due and accrued	1,994,927		1,994,927	1,959,005
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	4,076,209	142,094	3,934,115	2,737,373
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.....	58,755		58,755	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	7,297,862		7,297,862	7,877,137
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts	1,695,162		1,695,162	1,392,087
15. Amounts receivable relating to uninsured plans	1,299,112		1,299,112	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	1,780,551
16.2 Net deferred tax asset.....	1,938,013	400,763	1,537,250	987,099
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care (\$ 3,526,113) and other amounts receivable.....	3,705,918	179,805	3,526,113	0
23. Aggregate write-ins for other than invested assets	343,377	343,377	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	199,148,281	1,066,039	198,082,242	183,727,302
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	199,148,281	1,066,039	198,082,242	183,727,302
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Prepaids.....	343,377	343,377	0	0
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	343,377	343,377	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$9,552,376 reinsurance ceded)	43,286,350		43,286,350	39,519,536
2. Accrued medical incentive pool and bonus amounts	156,128		156,128	171,742
3. Unpaid claims adjustment expenses	875,119		875,119	825,014
4. Aggregate health policy reserves	33,952		33,952	2,062,130
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves	991,683		991,683	1,516,557
8. Premiums received in advance	13,825,409		13,825,409	3,491,808
9. General expenses due or accrued	571,495		571,495	773,313
10.1 Current federal and foreign income tax payable and interest thereon (including				
\$ on realized capital gains (losses))	494,400		494,400	0
10.2 Net deferred tax liability	0		0	0
11. Ceded reinsurance premiums payable	10,460,541		10,460,541	9,569,775
12. Amounts withheld or retained for the account of others			0	18,771
13. Remittance and items not allocated	467,956		467,956	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	0		0	0
15. Amounts due to parent, subsidiaries and affiliates	1,461,936		1,461,936	2,854,092
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	3,627,275
21. Aggregate write-ins for other liabilities (including \$ current)	6,725	0	6,725	0
22. Total liabilities (Lines 1 to 21)	72,631,694	0	72,631,694	64,430,013
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	5,862,835	5,862,835
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	12,000,000	12,000,000
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	107,587,713	101,434,454
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	125,450,548	119,297,289
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	198,082,242	183,727,302
DETAILS OF WRITE-INS				
2101. Escheatments	6,725		6,725	0
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)	6,725	0	6,725	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	1,117,266	1,263,781
2. Net premium income (including \$0 non-health premium income).....	XXX	381,501,198	378,116,743
3. Change in unearned premium reserves and reserve for rate credits	XXX	(238,792)	(2,295,842)
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	381,262,406	375,820,901
Hospital and Medical:			
9. Hospital/medical benefits		339,178,442	350,085,562
10. Other professional services		1,106,786	300,446
11. Outside referrals			0
12. Emergency room and out-of-area			0
13. Prescription drugs		53,710,611	49,238,593
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		316,986	350,832
16. Subtotal (Lines 9 to 15)	0	394,312,825	399,975,433
Less:			
17. Net reinsurance recoveries		83,383,583	103,756,225
18. Total hospital and medical (Lines 16 minus 17)	0	310,929,242	296,219,208
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$2,253,241 cost containment expenses.....		6,577,831	6,333,939
21. General administrative expenses.....		46,358,366	45,415,406
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		(807,000)	365,700
23. Total underwriting deductions (Lines 18 through 22)	0	363,058,439	348,334,253
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	18,203,967	27,486,648
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	0	7,712,997	8,902,606
26. Net realized capital gains (losses) less capital gains tax of \$0		(296,414)	21,660
27. Net investment gains (losses) (Lines 25 plus 26)	0	7,416,583	8,924,266
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	(19,858)	(20,259)
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	25,600,692	36,390,655
31. Federal and foreign income taxes incurred	XXX	9,010,005	11,310,036
32. Net income (loss) (Lines 30 minus 31)	XXX	16,590,687	25,080,619
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
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. Fines and Penalties.....		(20,000)	(20,259)
2902. Other Revenue.....		142	0
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	(19,858)	(20,259)

STATEMENT OF REVENUE AND EXPENSES (continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior-reporting period	119,297,289	91,347,476
34. Net income or (loss) from Line 32	16,590,687	25,080,619
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 \$	(1,158)	0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax	950,916	(1,070,126)
39. Change in nonadmitted assets	(157,098)	593,215
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	12,625,960
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders	(11,929,729)	(9,134,700)
47. Aggregate write-ins for gains or (losses) in surplus	699,641	(145,155)
48. Net change in capital & surplus (Lines 34 to 47)	6,153,259	27,949,813
49. Capital and surplus end of reporting period (Line 33 plus 48)	125,450,548	119,297,289
DETAILS OF WRITE-INS		
4701. Prior Period Adjustment.....	699,641	(145,155)
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)	699,641	(145,155)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	388,196,663	366,660,607
2. Net investment income.....	8,584,968	8,483,150
3. Miscellaneous income.....	142	0
4. Total (Lines 1 through 3).....	<u>396,781,773</u>	<u>375,143,757</u>
5. Benefit and loss related payments.....	310,138,223	295,696,680
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	58,584,194	55,860,850
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	6,735,054	11,652,935
10. Total (Lines 5 through 9).....	<u>375,457,471</u>	<u>363,210,465</u>
11. Net cash from operations (Line 4 minus Line 10).....	<u>21,324,302</u>	<u>11,933,292</u>
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	40,545,318	11,823,934
12.2 Stocks.....	314,716,763	329,892,388
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	<u>355,262,081</u>	<u>341,716,322</u>
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	48,424,564	74,505,129
13.2 Stocks.....	318,879,220	316,122,455
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	16	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	<u>367,303,800</u>	<u>390,627,584</u>
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).....	<u>(12,041,719)</u>	<u>(48,911,262)</u>
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	12,625,960
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.....	11,929,729	9,134,700
16.6 Other cash provided (applied).....	1,555,792	(845,934)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	<u>(10,373,937)</u>	<u>2,645,326</u>
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).....	<u>(1,091,354)</u>	<u>(34,332,644)</u>
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	7,366,986	41,699,630
19.2 End of year (Line 18 plus Line 19.1).....	<u>6,275,632</u>	<u>7,366,986</u>

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE UnitedHealthcare of New England, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	381,501,198	71,953,107	0	0	0	0	198,682,540	110,865,551	0	0
2. Change in unearned premium reserves and reserve for rate credit	(238,792)						(238,792)			
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	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	381,262,406	71,953,107	0	0	0	0	198,443,748	110,865,551	0	0
8. Hospital/medical/ benefits	339,178,442	119,451,658					141,785,487	77,941,297		XXX
9. Other professional services	1,106,786	298,320					858,466	(50,000)		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription Drugs	53,710,611	19,222,504					14,673,539	19,814,568		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	316,986							316,986		XXX
15. Subtotal (Lines 8 to 14)	394,312,825	138,972,482	0	0	0	0	157,317,492	98,022,851	0	XXX
16. Net reinsurance recoveries	83,383,583	82,899,316						484,267		XXX
17. Total hospital and medical (Lines 15 minus 16)	310,929,242	56,073,166	0	0	0	0	157,317,492	97,538,584	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 2,253,241 cost containment expenses	6,577,831	1,566,055					2,337,246	2,674,530		
20. General administrative expenses	46,358,366	12,815,529					22,442,691	11,100,146		
21. Increase in reserves for accident and health contracts	(807,000)	(807,000)								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)	363,058,439	69,647,750	0	0	0	0	182,097,429	111,313,260	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	18,203,967	2,305,357	0	0	0	0	16,346,319	(447,709)	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		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

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	181,116,143		109,163,036	71,953,107
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare	198,897,798		215,258	198,682,540
7. Title XIX - Medicaid.....	111,207,423		341,872	110,865,551
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	491,221,364	.0	109,720,166	381,501,198
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	491,221,364	0	109,720,166	381,501,198

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2008 OF THE UnitedHealthcare of New England, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	395,990,999	142,878,535					158,815,850	94,296,614		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	86,606,427	86,122,160					484,267			
1.4 Net	309,384,572	56,756,375	0	0	0	0	158,815,850	93,812,347	0	0
2. Paid medical incentive pools and bonuses	332,601							332,601		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	52,838,726	15,998,336	0	0	0	0	20,737,241	16,103,149	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	9,552,376	9,552,376	0	0	0	0	0	0	0	0
3.4 Net	43,286,350	6,445,960	0	0	0	0	20,737,241	16,103,149	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	1,288,581	494,831					171,261	622,489		
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	296,899	296,899	0	0	0	0	0	0	0	0
4.4 Net	991,682	197,932	0	0	0	0	171,261	622,489	0	0
5. Accrued medical incentive pools and bonuses, current year	156,128							156,128		
6. Net healthcare receivables (a)	2,893,531	(8,702)					282,238	2,619,995		
7. Amounts recoverable from reinsurers December 31, current year	7,297,862	7,297,862								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	51,295,405	19,712,862	0	0	0	0	21,245,612	10,336,931	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	11,775,869	11,775,869	0	0	0	0	0	0	0	0
8.4 Net	39,519,536	7,936,993	0	0	0	0	21,245,612	10,336,931	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	1,933,531	694,957	0	0	0	0	879,113	359,461	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	416,974	416,974	0	0	0	0	0	0	0	0
9.4 Net	1,516,557	277,983	0	0	0	0	879,113	359,461	0	0
10. Accrued medical incentive pools and bonuses, prior year	171,742	0	0	0	0	0	0	171,742	0	0
11. Amounts recoverable from reinsurers December 31, prior year	7,877,137	7,877,137	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	393,995,839	138,972,585	0	0	0	0	157,317,389	97,705,865	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	83,683,584	83,199,317	0	0	0	0	0	484,267	0	0
12.4 Net	310,312,255	55,773,268	0	0	0	0	157,317,389	97,221,598	0	0
13. Incurred medical incentive pools and bonuses	316,987	0	0	0	0	0	0	316,987	0	0

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

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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	21,632,928	7,011,076					8,127,042	6,494,810		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	4,186,213	4,186,213								
1.4. Net	17,446,715	2,824,863	0	0	0	0	8,127,042	6,494,810	0	0
2. Incurred but Unreported:										
2.1. Direct	31,205,798	8,987,260					12,610,199	9,608,339		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	5,366,163	5,366,163								
2.4. Net	25,839,635	3,621,097	0	0	0	0	12,610,199	9,608,339	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	52,838,726	15,998,336	0	0	0	0	20,737,241	16,103,149	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	9,552,376	9,552,376	0	0	0	0	0	0	0	0
4.4. Net	43,286,350	6,445,960	0	0	0	0	20,737,241	16,103,149	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2008 OF THE UnitedHealthcare of New England, Inc.

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	6,460,139	50,875,451	370,722	6,273,170	6,830,861	8,214,975
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	18,302,691	140,513,158	503,201	20,405,301	18,805,892	22,124,725
7. Title XIX - Medicaid.....	8,166,975	85,945,372	639,215	16,086,424	8,806,190	10,696,393
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	32,929,805	277,333,981	1,513,138	42,764,895	34,442,943	41,036,093
10. Healthcare receivables (a).....	(6,518)	3,627,843		84,593	(6,518)	812,387
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts	171,744	160,857	(1)	156,129	171,743	171,742
13. Totals (Lines 9 - 10 + 11 + 12)	33,108,067	273,866,995	1,513,137	42,836,431	34,621,204	40,395,448

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

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

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior	23,227	(75)	0	0	23,152
2. 2004	82,292	12,827	(257)	0	94,861
3. 2005	XXX	78,525	10,227	196	88,948
4. 2006	XXX	XXX	68,105	7,210	75,404
5. 2007	XXX	XXX	XXX	61,414	67,786
6. 2008	XXX	XXX	XXX	XXX	50,875

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior	16,178	23,152	23,152	23,152	23,152
2. 2004	105,801	95,403	94,861	94,861	94,861
3. 2005	XXX	89,849	88,957	88,948	88,948
4. 2006	XXX	XXX	76,230	75,717	75,404
5. 2007	XXX	XXX	XXX	69,229	68,012
6. 2008	XXX	XXX	XXX	XXX	57,293

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. 2004	106,565	94,861	157	0.2	95,018	89.2			95,018	89.2
2. 2005	114,504	88,948	147	0.2	89,095	77.8			89,095	77.8
3. 2006	100,531	75,404	125	0.2	75,529	75.1			75,529	75.1
4. 2007	87,684	67,786	269	0.4	68,055	77.6	226	8	68,289	77.9
5. 2008	71,953	50,875	867	1.7	51,742	71.9	6,418	195	58,355	81.1

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

Section A - Paid Health Claims - Medicare

	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
Year in Which Losses Were Incurred					
1. Prior	13,277	(83)	0	0	13,194
2. 2004	78,837	14,280	(463)	0	92,654
3. 2005	XXX	100,044	18,397	487	118,928
4. 2006	XXX	XXX	125,419	18,743	144,571
5. 2007	XXX	XXX	XXX	136,480	154,373
6. 2008	XXX	XXX	XXX	XXX	140,513

Section B - Incurred Health Claims - Medicare

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
Year in Which Losses Were Incurred					
1. Prior	14,119	13,194	13,194	13,194	13,194
2. 2004	85,434	93,184	92,654	92,654	92,654
3. 2005	XXX	120,280	118,517	118,928	118,928
4. 2006	XXX	XXX	148,116	144,351	144,571
5. 2007	XXX	XXX	XXX	158,414	155,085
6. 2008	XXX	XXX	XXX	XXX	160,710

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

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	Col. (3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2+3)	Col. (5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Adjustment Expense Incurred (Col. 5+7+8)	Col. (9/1) Percent
1. 2004	120,328	92,654	133	0.1	92,787	77.1	13,194	13,194	92,787	77.1
2. 2005	144,223	118,928	171	0.1	119,099	82.6	93,184	92,654	119,099	82.6
3. 2006	173,489	144,571	208	0.1	144,779	83.5	120,280	118,517	144,779	83.5
4. 2007	202,306	154,373	455	0.3	154,828	76.5	148,116	148,116	155,566	76.9
5. 2008	198,683	140,513	1,370	1.0	141,883	71.4	20,196	374	162,453	81.8

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior	3,535	(3)	.0	.0	3,533
2. 2004	61,421	498	(292)	.0	61,627
3. 2005	XXX	64,667	11,586	210	76,462
4. 2006	XXX	XXX	64,142	7,744	71,910
5. 2007	XXX	XXX	XXX	63,734	72,049
6. 2008	XXX	XXX	XXX	XXX	86,106

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior	9,991	3,533	3,533	3,533	3,533
2. 2004	58,735	64,236	61,627	61,627	61,627
3. 2005	XXX	75,050	76,850	76,462	76,462
4. 2006	XXX	XXX	74,174	73,718	71,910
5. 2007	XXX	XXX	XXX	72,769	72,624
6. 2008	XXX	XXX	XXX	XXX	102,413

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. 2004	77,162	61,627	179	0.3	61,806	80.1			61,806	80.1
2. 2005	87,574	76,462	222	0.3	76,684	87.6			76,684	87.6
3. 2006	89,723	71,910	209	0.3	72,119	80.4			72,119	80.4
4. 2007	84,951	72,049	477	0.7	72,526	85.4	575	11	73,112	86.1
5. 2008	110,865	86,106	1,588	1.8	87,694	79.1	16,307	271	104,272	94.1

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2008 OF THE UnitedHealthcare of New England, Inc.

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior	40,039	(161)	0	0	39,879
2. 2004	222,550	27,605	(1,012)	0	249,142
3. 2005	XXX	243,236	40,210	893	284,338
4. 2006	XXX	XXX	257,666	33,697	291,885
5. 2007	XXX	XXX	XXX	261,628	294,208
6. 2008	XXX	XXX	XXX	XXX	277,494

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior	40,288	39,879	39,879	39,879	39,879
2. 2004	249,970	252,823	249,142	249,142	249,142
3. 2005	XXX	285,179	284,324	284,338	284,338
4. 2006	XXX	XXX	298,520	293,786	291,885
5. 2007	XXX	XXX	XXX	300,412	295,721
6. 2008	XXX	XXX	XXX	XXX	320,416

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. 2004	304,055	249,142	469	0.2	249,611	82.1	0	0	249,611	82.1
2. 2005	346,301	284,338	540	0.2	284,878	82.3	0	0	284,878	82.3
3. 2006	363,743	291,885	542	0.2	292,427	80.4	0	0	292,427	80.4
4. 2007	374,940	294,208	1,201	0.4	295,409	78.8	1,513	35	296,957	79.2
5. 2008	381,501	277,494	3,825	1.4	281,319	73.7	42,921	840	325,080	85.2

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	33,952	33,952							
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)	33,952	33,952	.0	.0	.0	.0	.0	.0	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	33,952	33,952	.0	.0	.0	.0	.0	.0	.0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits	1,288,582	494,832					171,261	622,489	
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (Gross)	1,288,582	494,832	.0	.0	.0	.0	171,261	622,489	.0
13. Reinsurance ceded	296,899	296,899							
14. Totals (Net) (Page 3, Line 7)	991,683	197,933	0	0	0	0	171,261	622,489	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

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building).....	29,227	39,899	329,850		398,976
2. Salaries, wages and other benefits.....	1,359,650	2,289,200	19,543,743		23,192,593
3. Commissions (less \$ ceded plus \$ assumed.....)			2,056,706		2,056,706
4. Legal fees and expenses.....	3,637	10,981	48,410		63,028
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	56,300	170,237	1,549,240		1,775,777
7. Traveling expenses.....	82,694	143,739	1,518,739		1,745,172
8. Marketing and advertising.....	355,140	744,730	8,655,265		9,755,135
9. Postage, express and telephone.....	188,922	493,205	5,313,790		5,995,917
10. Printing and office supplies.....	17,406	38,022	361,605		417,033
11. Occupancy, depreciation and amortization.....	6,414	9,225	70,045		85,684
12. Equipment.....	2,318	3,187	26,003		31,508
13. Cost or depreciation of EDP equipment and software.....	35,801	174,607	919,381		1,129,789
14. Outsourced services including EDP, claims, and other services.....	1,263	20,663	30,580		52,506
15. Boards, bureaus and association fees.....	840	2,847	19,379		23,066
16. Insurance, except on real estate.....	13,345	11,945	679,560		704,850
17. Collection and bank service charges.....	397	6,323	54,180		60,900
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
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.....			2,837,153		2,837,153
23.2 State premium taxes.....			620,774		620,774
23.3 Regulatory authority licenses and fees.....	215	3,425	123,404		127,044
23.4 Payroll taxes.....	90,563	138,229	1,080,579		1,309,371
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....				101,858	101,858
25. Aggregate write-ins for expenses.....	9,110	24,125	519,980	0	553,215
26. Total expenses incurred (Lines 1 to 25).....	2,253,242	4,324,589	46,358,366	101,858	53,038,055
27. Less expenses unpaid December 31, current year.....		875,119	571,495		1,446,614
28. Add expenses unpaid December 31, prior year.....	0	825,014	773,313	0	1,598,327
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)	2,253,242	4,274,484	46,560,184	101,858	53,189,768
DETAIL OF WRITE-INS					
2501. Other Miscellaneous.....	9,110	24,125	519,980		553,215
2502.					
2503.					
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)	9,110	24,125	519,980	0	553,215

(a) Includes management fees of \$ 45,751,159 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) 176,335	174,959
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 6,098,314	6,135,613
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	633,608	633,608
2.21 Common stocks of affiliates	0	0
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 870,675	870,675
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	7,778,932	7,814,855
11. Investment expenses		(g) 101,858
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		101,858
17. Net investment income (Line 10 minus Line 16)		7,712,997
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. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		0

- (a) Includes \$ 141,503 accrual of discount less \$ 1,049,396 amortization of premium and less \$ 242,107 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 \$ 5,086 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 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	61,095		61,095		
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	865,660	(1,223,169)	(357,509)	(1,158)	
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	926,755	(1,223,169)	(296,414)	(1,158)	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	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	142,094	0	(142,094)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset.....	400,763	0	(400,763)
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	0	0	0
19. Furniture and equipment, including health care delivery assets.....	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	179,805	812,386	632,581
23. Aggregate write-ins for other than invested assets	343,377	96,555	(246,822)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	1,066,039	908,941	(157,098)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	1,066,039	908,941	(157,098)
DETAILS OF WRITE-INS			
0901.			
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)	0	0	0
2301. Prepaids.....	343,377	96,555	(246,822)
2302.			
2303.			
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)	343,377	96,555	(246,822)

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.....	48,741	48,681	45,650	43,404	41,097	532,154
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	48,639	47,142	48,814	49,639	50,933	585,112
7. Total	97,380	95,823	94,464	93,043	92,030	1,117,266
DETAILS OF WRITE-INS						
0601. Medicare.....	18,649	18,678	18,578	18,649	18,655	224,392
0602. Medicaid.....	29,990	28,464	30,236	30,990	32,278	360,720
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)	48,639	47,142	48,814	49,639	50,933	585,112

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

The financial statements of UnitedHealthcare of New England, Inc. (the “Company” or “UHC-NE”) are presented based on accounting practices prescribed or permitted by the State of Rhode Island Department of Business Regulation Insurance Division (the “Department”).

The Department recognizes only statutory accounting practices prescribed or permitted by the State of Rhode Island for determining and reporting the financial condition and results of operations of an insurance company, and for determining its solvency under the Rhode Island Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) Accounting Practices and Procedures manual, version effective March 31, 2008 (“NAIC SAP”), has been adopted as a component of prescribed or permitted practices by the State of Rhode Island. The state has not adopted certain prescribed accounting practices that differ from those found in NAIC SAP. The Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Rhode Island is shown below:

	Dec-08
Net Income, Rhode Island basis	\$ 16,590,687
State Prescribed Practices:	\$ 0

Net Income, NAIC SAP	\$ 16,590,687
	=====
Statutory Surplus, Rhode Island basis	\$ 125,450,548
State Prescribed Practices:	\$ 0

Statutory Surplus, NAIC SAP	\$ 125,450,548
	=====

The significant accounting policies are as follows:

Accident and Health Premiums Due and Unpaid --- Health premiums are recognized as revenue during the period in which the Company is obligated to provide services to members, and are net of amounts estimated for terminations of members and groups. Premiums receivable are presented net of valuation allowances for estimated uncollectible amounts including balances over 90 days past due.

Reinsurance --- Reinsurance ceded premiums are reported as a reduction to commercial premiums, while related reinsurance recoveries are reported as deductions from incurred claims. Reinsurance premiums assumed are reported as an increase to premium revenue, while related reinsurance expenses are reported as an increase to incurred claims. The Company also reported funds held under reinsurance treaties.

Healthcare Receivables — The Company records healthcare receivables resulting from, among other things, pharmaceutical rebate receivables. In accordance with Statements of Statutory Accounting Principles No. 84 — Certain Health Care Receivables and Receivables Under Government Insured Plans, the Company has non-admitted any pharmaceutical rebates, net of allowances, that have not been collected within 90 days of the invoice or confirmation date. Pharmacy Rebates are reflected in incurred claims, net as change in healthcare receivables.

NOTES TO FINANCIAL STATEMENTS

Accrued Medical Incentive Pools— The Company records liabilities relating to certain providers that offer medical incentives.

Aggregate Health Claim Reserve— The Company records reserves relating to certain aggregate health claims such as extension of benefits.

Policyholder Dividends Payable— The Company reports dividends payable that are due to policyholders who are eligible in receiving refunds from the Company.

Receivable for Securities — The Company reports receivables for securities when investments are sold at the end of an accounting period and proceeds are received in the following month.

Investment Income Due and Accrued — Investment income earned as of the reporting date is reported as investment income due and accrued. Evaluations of the collectibility of the amounts are made in accordance with SSAP No. 34 — *Investment Income Due and Accrued*.

Net Investment and Other Income — Net investment income includes investment income collected during the period as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discounts on bonds and certain external investment management costs are also included in net investment and other income.

Premium Revenue and Premiums Received in Advance — Membership contracts are generally established on a yearly basis subject to cancellation by the individual, employer group or the Company upon thirty days written notice. Premiums are due monthly and are recognized as revenue during the period in which the Company is obligated to provide services to members, and are net of amounts estimated for terminations of members and groups. Premiums received in advance represent the portion of premiums received for which the Company is not obligated to provide services until a future date.

Investments --- Investments are reported at amounts prescribed by the NAIC. Short-term investments are stated at amortized cost, which approximates market value, and are comprised of securities which mature in one year or less from the time of acquisition. Bonds are stated at amortized cost with amortization of premium or discount calculated using the interest method.

Incurred Claims and Claims Adjustment Expenses --- Claims unpaid and claim adjustment expenses include an amount for costs incurred in providing care to a member and an amount, based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and, while management believes the amounts are adequate, the ultimate liabilities may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

General Administrative Expenses — The Company is charged a management fee by United Healthcare Services, Inc. ("UHS") for all administrative, selling, general and financial advisory services performed on its behalf. Marketing and other costs associated with the acquisition of plan member contracts are expensed as incurred. The Company is charged a fee by UHS for all marketing costs incurred on its behalf. Management fees are primarily allocated based on reported membership. State income taxes are included in general administrative expenses.

NOTES TO FINANCIAL STATEMENTS

Income Taxes — The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Accordingly, deferred tax assets and liabilities are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Deferred tax assets are limited to 1) the amount of federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse by the end of the subsequent calendar year, plus 2) the lesser of the remaining gross deferred tax assets expected to be realized within one year of the balance sheet date or 10% of capital and surplus excluding any net deferred tax assets, electronic data processing equipment and operating software and any net positive goodwill, plus 3) the amount of remaining gross deferred tax assets that can be offset against existing gross deferred tax liabilities. The remaining deferred tax assets are non-admitted. Under GAAP, state income taxes are included in the computation of deferred taxes, a deferred tax asset is recorded for the amount of gross deferred tax assets expected to be realized in future years, and a valuation allowance is established for deferred tax assets not realizable.

The Company is included in the consolidated United States federal income tax return filed by its ultimate parent United and the respective United Subsidiaries. The federal income tax is allocated to each of the companies in the consolidated group in a manner that approximates their liability on a separate tax company basis. A subsidiary is compensated for losses when the losses provide a tax benefit to the consolidated group.

Use of Estimates — The preparation of statutory-basis financial statements in conformity with accounting practices and procedures prescribed or permitted by the Department requires management to make estimates and assumptions that affect the amounts reported in the statutory-basis financial statements and notes to the statutory-basis financial statements. These estimates require management to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain. The Company adjusts these estimates as more current information becomes available. Actual results could differ materially from those estimates.

Recently Adopted Accounting Standards — Effective January 1, 2007 the NAIC adopted SAP No. 96, Settlement Requirements for Intercompany Transactions, An Amendment to SAP No. 25. This statement requires a provision for timely settlement of amounts owed with affiliates and other related parties including a specific due date. If amounts owed to the Company are not covered by a due date or the amounts owed are ninety days past the due date, uncollectible amounts shall be non-admitted. The Company reported no significant changes in the accompanying statutory statements of admitted assets, liabilities and capital and surplus as a result of adopting SAP No. 96.

Note 2 - Accounting Changes and Corrections of Errors

During 2008, an adjustment was made to income taxes recoverable relating to prior years totaling \$699,641. This prior period adjustment is classified on Page 5 – Statement of Revenue and Expenses on line 4701.

Note 3 – Business Combinations and Goodwill

The Company was not party to a business combination during the years ended December 31, 2008 and 2007 and does not carry goodwill on its statutory statements of admitted assets, liabilities and capital and surplus.

Note 4 – Discontinued Operations

NOTES TO FINANCIAL STATEMENTS

The Company did not discontinue any operations during the years ended December 31, 2008 and 2007.

Note 5 – Investments

N/A

Note 6 – Joint Ventures, Partnerships, and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies.

Note 7 – Investment Income

The Company has admitted all investment income due and accrued in the statutory statements of admitted assets, liabilities, and capital and surplus.

Note 8 – Derivative Instruments

The Company has no derivative instruments.

Note 9 – Income Taxes

The Company's operations are included in the consolidated federal income tax return of UnitedHealth Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis. Income taxes incurred in the current and prior years will be available for recoupment by the Company only in the event of future net losses of consolidated UnitedHealth Group. The Company receives a benefit at the federal rate in the current year for net losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the United States federal jurisdiction, various states, and foreign jurisdictions. The U.S. Internal Revenue Service (IRS) has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2007 and prior. UnitedHealth Group's 2008 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2003 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

A.

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

	2008	2007
Gross deferred tax assets	\$1,972,101	\$1,131,441
Gross deferred tax liabilities	(34,088)	(144,342)
Net deferred tax asset	1,938,013	987,099
Deferred tax asset nonadmitted	(400,763)	0
Net admitted deferred tax asset	\$1,537,250	\$987,099
Increase (Decrease) in nonadmitted asset	400,763	0

NOTES TO FINANCIAL STATEMENTS

B.

There are no unrecognized deferred tax liabilities.

C.

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

	2008	2007	Change
Current income tax expense	\$8,766,220	\$11,514,606	(2,748,386)
Tax on capital gains/(losses)	330,195	3,843	326,352
Prior year underaccrual/(overaccrual)	(86,410)	(208,413)	122,003
Federal income taxes incurred	\$ 9,010,005	\$11,310,036	2,300,031

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

	2008	2007	Change
Deferred tax assets:			
Accrued Expenses	\$70,000	\$70,000	0
Bad Debt	37,019	37,804	(785)
Unpaid Losses and CAE	294,416	283,609	10,807
Unearned Premiums	936,178	355,995	580,183
Investments	400,763	65,904	334,859
Fixed assets	0	0	0
Intangibles	0	0	0
Nonadmitted Assets	233,725	318,129	(84,405)
Total deferred tax assets	1,972,101	1,131,441	840,660
Nonadmitted deferred tax assets	(400,763)	0	(400,763)

Admitted deferred tax assets **1,571,338** **1,131,441**

Deferred tax liabilities:	2008	2007	Change
Investments	(\$34,088)	(\$110,532)	76,444
Prepaid Expenses		(33,810)	33,810
Total deferred tax liabilities	(34,088)	(144,342)	110,254

Net admitted deferred tax asset **\$1,537,250** **\$987,099**

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

	2008	2007
Change in deferred tax assets	\$840,660	(\$991,687)
Change in deferred tax liabilities	110,254	(78,438)

NOTES TO FINANCIAL STATEMENTS

Change in net deferred income tax	950,914	(1,070,125)
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D.

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

	Amount	Tax Effect	Effective Rate
Provision at the federal rate	\$26,500,692	\$8,960,242	35.00%
Tax-Exempt Interest	(2,569,367)	(899,278)	3.51%
Other Current-Year Items	(148,615)	(52,015)	0.20%
Tax Effect of Nonadmitted Assets	239,665	83,883	0.33%
Prior Year True-up	(245,015)	(85,755)	-0.33%
Other Prior-Period Corrections	148,615	52,014	0.20%
Total	\$23,025,975	\$8,059,091	31.48%

Current federal income tax provision	\$ 8,679,810	33.90%
Tax on capital gains/ (losses)	330,195	1.29%
Change in Net Deferred Income Tax	(950,914)	-3.71%
Total Statutory Income Taxes	\$ 8,059,091	31.48%

E.

At December 31, 2008, the Company had no net operating losses expiring through the year 2028. Income tax expense of \$9,044,400 and \$11,860,784 for 2008 and 2007, respectively, is available for recoupment in the event of future net losses.

F.

1)

The Company's operations are included in the consolidated federal income tax return of UnitedHealth Group Incorporated ("UHG"). Federal income taxes are paid to or refunded by UHG pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate-company basis. Income taxes incurred in the current and prior years will be available for recoupment by the Company only in the event of future net losses of consolidated UHG.

The following is a list of the entities that the Company's operating results are combined with on the federal income tax return:

Note 10 – Information Concerning Parent, Subsidiaries and Affiliates

A, B, & C.

The Company paid dividends of \$11,929,729 and \$9,134,700 to the Parent Company, United Healthcare Services, Inc, for the years ended December 31, 2008 and 2007.

NOTES TO FINANCIAL STATEMENTS

D.

At December 31, 2008, the amount reported on line 15 of page 3, \$1,461,936 is owed to the Company's parent, UnitedHealth Group, Inc.

E.

N/A

F.

The company is a wholly owned subsidiary of UHS, an HMO management corporation that provides services to the Company under the terms of a management agreement. UHS is a wholly owned subsidiary of UnitedHealth Group, Incorporated.

Pursuant to the terms of the management agreement, UHS will provide management services to the Company, until terminated upon the written agreement of both parties, for a fee based on a percentage of member premium and government program revenues. Management fees under this arrangement totaled approximately \$45,751,159 in 2008 and \$45,232,000 in 2007 and are included in the accompanying statutory statements of operations. In addition, UHS pays, on the Company's behalf, certain expenses not covered within the scope of the management agreement. UHS is reimbursed for these expenses by the Company. These expenses are included in the accompanying statutory statements of operations. Operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company has a contract with United Behavioral Health, a wholly owned subsidiary of UHS, to provide mental health and substance abuse services for its enrollees. Fees related to this agreement, which are calculated on a per-member per month basis, of approximately \$13,872,000 in 2008 and \$13,392,000 in 2007, are included in medical services expenses in the accompanying statutory statements of operations.

UHS contracts on behalf of the Company to provide administrative services related to pharmacy management and claims processing for its enrollees. Fees related to these agreements, which are calculated on a per claim basis, of approximately \$47,000 in 2008 and \$326,000 in 2007, are included in operating expenses in the accompanying statutory statements of operations. Additionally, UHS collects rebates on certain pharmaceutical products and remits the rebates to the Company based on the Company's member utilization; these rebates are included as a reduction of medical services expenses in the accompanying statutory statements of operations.

The company has an agreement with OPTUM, a division of UHS, to provide a 24-hour call-in-service, called Care24, an immediate access employee assistance program, to its enrollees. Fees related to this agreement, which are calculated on a per-member per-month basis, of approximately \$598,000 in 2008 and \$736,000 in 2007, are included in medical services expenses in the accompanying statutory statements of operations.

The Company has an agreement with Dental Benefit Providers ("DBP"), a wholly owned subsidiary of UHS, to provide dental care and assistance for its enrollees. Fees related to this agreement, which are calculated on a per-member per-month basis, of approximately \$704,300 in 2008 and \$1,287,000 in 2007, are included in medical services expenses in the accompanying statutory statements of operations. Additionally, the Company reimbursed DBP approximately \$134,000 in 2008 and \$182,000 in 2007 claims not covered by the agreement above, which are also included in medical services expenses in the accompanying statutory statements of operations.

NOTES TO FINANCIAL STATEMENTS

The Company has a reinsurance agreement with United HealthCare Insurance Company (“UHIC”), a wholly owned subsidiary of UHIC Holdings, Inc. (formerly known as Unimerica, Inc), which is a wholly owned subsidiary of UHS, to provide for insolvency protection and member out-of-area conversion privileges, and to cover certain hospital inpatient claims in excess of defined limits and small groups out-of-network coverage. This agreement terminated effective January 1, 2004, for commercial and Medicare products. Reinsurance premiums, which are calculated on a per member per month basis, were approximately \$229,900 in 2008 and \$234,900 in 2007 are netted against premium revenues in the accompanying statutory statements of operations. Reinsurance recoveries of approximately \$327,000 in 2008 and \$289,000 in 2007 are netted against medical services expenses in the accompanying statutory statements of operations.

Beginning March 30, 2004, with an effective date retroactive to January 1, 2004, the Company entered into a reinsurance agreement with UHIC through which 60% of earned commercial member premiums, medical services expenses, and operating expenses are transferred to UHIC. The Company transferred operating expenses of approximately \$17,490,090 in 2008 and \$19,756,277 in 2007 to UHIC under this agreement. As of December 31, 2008 and 2007, the Company recorded paid claim receivables related to this agreement of approximately \$7,297,800 and \$7,877,100 respectively, which is included in reinsurance receivables within the accompanying statutory statements of admitted assets, liabilities, and capital and surplus and recorded receivable related to change in reserve estimates of approximately \$9,552,376 in 2008 and \$12,192,000 in 2007, which are netted against medical services payable within the accompanying statutory statements of admitted assets, liabilities, and capital and surplus. The Company recorded operating expenses receivables of approximately \$1,695,100 in 2008 and \$1,392,000 in 2007, which is included in reinsurance receivables within the accompanying statutory statements of admitted assets, liabilities, and capital and surplus.

The Company contracts with United Resource Network, a division of UHS, to provide access to a network of transplant providers for its enrollees. Fees related to this agreement, which are calculated on a per-member per-month basis, of approximately \$81,700 in 2008 and \$160,000 in 2007, are included in medical services expenses in the accompanying statutory statements of operations.

The Company has a contract with Coordinated Vision Care, a division of UHS, to provide administrative services related to vision benefit management and claims processing for its enrollees. Fees related to this agreement, which are calculated on a per-member per-month basis, of approximately \$36,800 in 2008 and \$41,600 in 2007 are included in medical services expenses in the accompanying statutory statements of operations.

The Company contracts with ACN Group, Inc., a wholly owned subsidiary of UHS, to provide chiropractic and physical therapy services for its enrollees. Fees related to this agreement, which are calculated on a per-member per-month basis, of approximately \$181,900 in 2008 and \$191,000 in 2007 are included in medical services expenses in the accompanying statutory statements of operations.

At December 31, 2008 and 2007, the Company reported a related party payable of \$1,461,900 and \$2,854,100 respectively, which is included in the statutory statements of admitted assets, liabilities, and capital and surplus. The balances are generally settled within 90 days from the incurred date. Amounts not settled within 90 days are considered a non-admitted asset and are excluded from the statutory statements of admitted assets, liabilities, and capital and surplus.

G.

N/A

NOTES TO FINANCIAL STATEMENTS

H.

N/A

I.

N/A

J.

N/A

Note 11 - Debt

The Company had no outstanding debt during 2008 and 2007 with third parties.

Note 12 – Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

The Company has no retirement plan, deferred compensation, and other benefit plans, since all personnel are employees of UHS, which provides services to the Company under the terms of a management agreement.

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

The Company has 100 shares authorized and 10 shares issued and outstanding of no par value common stock. The Company has no preferred stock outstanding.

Payment of dividends may be restricted by the Rhode Island Department of Business Regulation Insurance Division and Rhode Island law, which generally require that dividends be paid out of accumulated surplus.

The Company received approval from the Rhode Island Department of Business Regulation Insurance Division to distribute a dividend of \$11,929,729 in 2008 and \$9,134,700 in 2007 to its sole shareholder, UHS. The Company paid these amounts in full in December 2008 and December 2007.

Ordinary dividends equal to the lesser of the amount of prior year net income as shown on page 4, line 32 or 10% of the Statutory Surplus as of the most recent annual filing, may be paid by the Company after written notification has been sent to the state Health Insurance Commissioner.

Extraordinary dividends equal to amounts above the ordinary dividend distributions, outlined in section 3, require approval from the state of Rhode Island Insurance commissioner before distributions can be made.

There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

There were no amounts of stock held by the Company for special purposes.

There were no special surplus funds.

The portion of unassigned funds (surplus) represented or (reduced) by each item below is as follows:

NOTES TO FINANCIAL STATEMENTS

Unrealized gains and losses	\$ 1,158
Nonadmitted asset values	\$ (1,066,039)
Separate account business	\$ 0
Asset valuation reserves	\$ 0
Reinsurance in unauthorized companies	\$ 0

Note 14 – Contingencies

Because of the nature of the business, the Company is routinely made party to a variety of legal actions related to the design and management of its service offerings. The Company records liabilities for our estimates of probable costs resulting from these matters. These matters include, but are not limited to, claims relating to health care benefits coverage, medical malpractice actions, contract disputes and claims related to disclosure of certain business practices. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the accompanying statutory statements of admitted assets, liabilities, and capital and surplus or statutory statements operations.

Note 15 – Leases

According to the management agreement between the Company and UHS, operating leases for the rental of office facilities and equipment are the responsibility of UHS. Fees associated with the agreement are included in the Company's management fee.

Note 16 – Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

Note 17 – Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A) Transfer of Receivables Reported as Sales

No Change

B) Transfer and Servicing of Financial Assets

No Change

C) Wash Sales

N/A

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

The Company did not have any uninsured or partially insured accident and health plans.

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

NOTES TO FINANCIAL STATEMENTS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators.

Note 20 – Other Disclosures

1) The UHG investment policy limits investments in Asset Backed Securities, which includes the subprime issuers. Further, the policy limits investments in private-issuer mortgage securities to 10% of the portfolio, which also includes subprime issuers. UHG exposure to unrealized losses on subprime issuers is due only to changes in market prices. There are no realized losses due to not receiving anticipated cash flows. UHG holdings have maintained AAA credit ratings.

2) N/A

Note 21 – Events Subsequent

There are no events subsequent to December 31, 2008 that require disclosure.

Note 22 – Reinsurance

A.

Section 1 – General Interrogatories

Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company? No

Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? No

Section 2 – Ceded Reinsurance Report – Part A

Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? No

Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same insurer, exceed the total direct premium collected under the reinsured policies? No

Section 3 – Ceded Reinsurance Report – Part B

What in the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement? No

Note 23 – Retrospectively Rated Contracts & Contracts Subject to Redetermination

NOTES TO FINANCIAL STATEMENTS

A. The Company has Medicare business which is subject to a retrospective rating feature relating to Part D premiums. The Company has estimated accrued retrospective premiums related to Part D premiums based on guidelines determined by the Centers for Medicare and Medicaid Services (“CMS”). The formula is tiered and based on bid medical loss ratio.

B. The Company records accrued retrospective premium on line 3 – change in unearned premium reserves and reserve for rate credits on page 4 - Statement of Revenue and Expenses.

C. As of December 31, 2008, the amount of Part D premium subject to retrospective rating was \$11,609,365, representing 3% of total net premiums written.

Note 24 – Change in Incurred Claims and Claim Adjustment Expenses

The liability for claims unpaid at December 31, 2007, exceeded actual claims incurred in 2008 related to prior years by approximately \$5.8 million. The primary drivers consist of favorable development experienced in the actuarial models. The Company incurred claims adjustment expenses of approximately \$6,577,831 in 2008 and \$6,333,939 in 2007. The following tables disclose paid claims adjustment expenses, incurred claims adjustment expenses, and the balance in the unpaid claim adjustment expenses reserve, for the years ended December 31, 2008 and 2007:

	2008	2007
Total claims adjustment expenses incurred	\$ 6,577,831	\$ 6,333,939
Less current year unpaid claims adjustment expenses	(875,119)	(825,014)
Add prior year unpaid claims adjustment expenses	825,014	888,062
Total claims adjustment expenses paid	\$ 6,527,726	\$ 6,396,987

Note 25 – Intercompany Pooling Arrangements

The Company did not have any intercompany pooling arrangements in 2008 or 2007.

Note 26 – Structured Settlements

The Company did not have any structured settlements in 2008 or 2007.

Note 27 – Health Care Receivables

Pharmaceutical rebates receivable are recorded when reasonable estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions.

Note 28 – Participating Policies

The Company did not have any participating contracts in 2008 or 2007.

Note 29 – Premium Deficiency Reserves

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2008, the Company did not have a liability for premium deficiency reserves. As of December 31, 2007, the Company had a liability of \$928,000 for premium deficiency reserves, all of which was related to conversion groups. Premium deficiency reserves are included in medical payable in the statutory statements of admitted assets, liabilities, and capital and surplus. The Company did not consider anticipated investment income when calculating its premium deficiency reserve.

Note 30 – Anticipated Salvage and Subrogation

Due to the type of business being written, the Company has no salvage. As of December 31, 2008 and 2007, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of incurred but not yet reported claims.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA []
- 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 []
- 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).12/31/2005
- 3.4 By what department or departments? Rhode Island Department of Business Regulation.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes [] No [] NA []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] NA []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No []
- 4.12 renewals? Yes [] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []
- 7.2 If yes,
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney - in - fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney - in - fact).

1 Nationality	2 Type of Entity
.....
.....
.....
.....

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
OptumHealth Bank, Inc.....	Salt Lake City, Utah.....				Yes.....	

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, Minneapolis, MN
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?.....
Allen J. Sorbo, President, Chief Executive Officer and Chief Actuary of United Healthcare Insurance Company, an affiliate of United Healthcare of New England, Inc. Hartford, CT
- 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;
- a. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- b. Compliance with applicable governmental laws, rules and regulations;
- c. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- d. Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended?..... Yes [] No [X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes [] No [X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

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

GENERAL INTERROGATORIES

FINANCIAL

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

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)..... Yes [X] No []
- 22.2 If no, give full and complete information relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provide)
N/A
- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [] No []
- 22.5 If answer to 22.4 is YES, report amount of collateral \$
- 22.6 If answer to 22.4 is NO, report amount of collateral..... \$
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3) Yes [X] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$
 - 23.22 Subject to reverse repurchase agreements..... \$
 - 23.23 Subject to dollar repurchase agreements..... \$
 - 23.24 Subject to reverse dollar repurchase agreements.... \$
 - 23.25 Pledged as collateral..... \$
 - 23.26 Placed under option agreements..... \$
 - 23.27 Letter stock or securities restricted as to sale..... \$
 - 23.28 On deposit with state or other regulatory body \$1,140,082
 - 23.29 Other..... \$
- 23.3 For category (23.27) provide the following:

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

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

GENERAL INTERROGATORIES

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No []

26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank.....	801 Pennsylvania, Kansas City, MO 64105.....

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
104518.....	Deutsche Investment Management Americas Inc.....	345 Park Avenue, New York, NY 10154.....

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.....	169,626,729	169,914,332	287,603
28.2 Preferred stocks.....	0		0
28.3 Totals	169,626,729	169,914,332	287,603

28.4 Describe the sources or methods utilized in determining the 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 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?\$2,385

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?\$0

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	\$	381,501,198	\$	378,116,743
2.2 Premium Denominator	\$	381,501,198	\$	378,116,743
2.3 Premium Ratio (2.1/2.2)		1.000		1.000
2.4 Reserve Numerator	\$	44,468,113	\$	43,273,158
2.5 Reserve Denominator	\$	44,468,113	\$	43,269,965
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 [] No [X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$ 0
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental and vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
- Hold harmless clauses in provider agreements and continuation of coverage endorsements in reinsurance agreement
- 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 21,785
- 8.2 Number of providers at end of reporting year 26,666
- 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 [X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$
- 10.22 Amount actually paid for year bonuses \$
- 10.23 Maximum amount payable withholds \$
- 10.24 Amount actually paid for year withholds \$
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No [X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
- 11.14 A Mixed Model (combination of above) ? Yes [] No [X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such net worth. Rhode Island
- 11.4 If yes, show the amount required. \$ 34,048,292
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation.
- Minimum Net Worth is 275% of Authorized Control Level (ACL)
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Rhode Island Counties:.....
Kent.....
Providence.....
Washington.....
Bristol.....
Newport.....
Massachusetts Counties:.....
Barnstable.....
Berkshire.....
Bristol.....
Dukes.....
Essex.....
Franklin.....
Hampden.....
Hampshire.....
Middlesex.....
Nantucket.....
Norfolk.....
Plymouth.....
Suffolk.....
Worcester.....

FIVE-YEAR HISTORICAL DATA

	1 2008	2 2007	3 2006	4 2005	5 2004
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	198,082,242	183,727,302	171,038,781	165,780,249	169,122,319
2. Total liabilities (Page 3, Line 22)	72,631,694	64,430,013	79,691,305	74,594,141	81,206,701
3. Statutory surplus	34,048,292	32,328,211	23,531,678	33,924,652	34,071,051
4. Total capital and surplus (Page 3, Line 31)	125,450,548	119,297,289	91,347,476	91,186,107	87,915,618
Income Statement (Page 4)					
5. Total revenues (Line 8)	381,262,406	375,820,901	362,528,833	345,030,172	302,655,849
6. Total medical and hospital expenses (Line 18)	310,929,242	296,219,208	293,114,587	278,115,221	238,380,503
7. Claims adjustment expenses (Line 20)	6,577,831	6,333,939	9,386,512	6,661,560	12,337,265
8. Total administrative expenses (Line 21)	46,358,366	45,415,406	41,643,263	42,276,739	33,557,833
9. Net underwriting gain (loss) (Line 24)	18,203,967	27,486,648	18,174,121	17,955,852	18,447,587
10. Net investment gain (loss) (Line 27)	7,416,583	8,924,266	7,905,468	5,976,211	1,728,545
11. Total other income (Lines 28 plus 29)	(19,858)	(20,259)	0	398,848	0
12. Net income (loss) (Line 32)	16,590,687	25,080,619	17,944,050	17,077,911	13,436,132
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	21,324,302	11,933,292	20,549,977	0	0
Risk - Based Capital Analysis					
14. Total adjusted capital	125,450,548	119,297,289	91,347,476	91,186,107	87,915,618
15. Authorized control level risk-based capital	12,381,197	11,755,713	11,765,839	14,155,654	12,389,473
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	92,030	97,380	113,746	131,112	145,757
17. Total member months (Column 6, Line 7)	1,117,266	1,263,781	1,427,896	1,631,149	1,817,113
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)	81.6	78.8	80.9	80.6	78.8
20. Cost containment expenses	0.6	0.4	0.4	0.4	XXX
21. Other claims adjustment expenses	1.1	1.3	2.2	1.5	4.1
22. Total underwriting deductions (Line 23)	95.2	92.7	95.0	94.8	93.9
23. Total underwriting gain (loss) (Line 24)	4.8	7.3	5.0	5.2	6.1
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	34,621,204	37,015,779	40,058,534	30,148,605	40,469,096
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	40,395,448	40,396,152	44,144,425	36,715,500	52,412,848
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	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 7)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

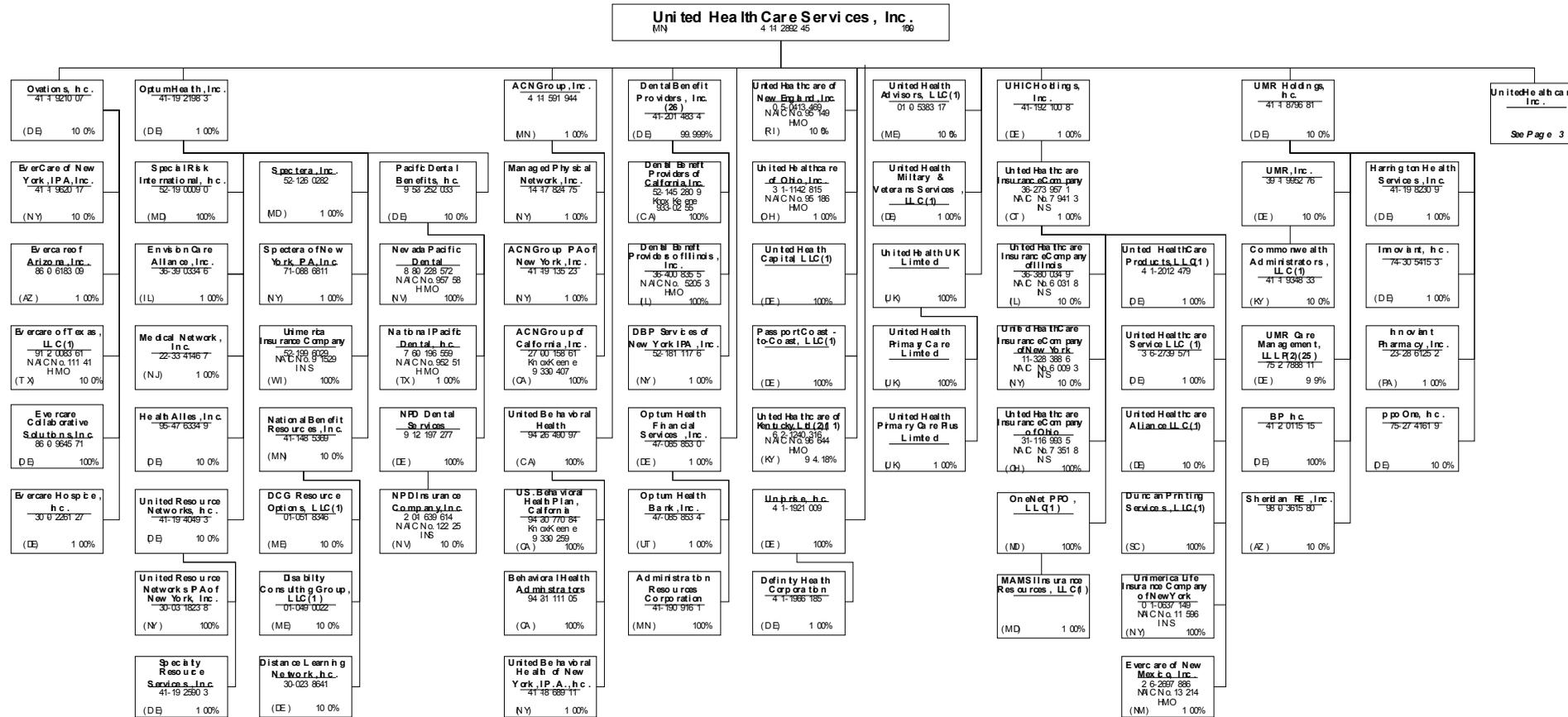
Allocated by States and Territories

States, Etc.	1 Active Status	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	L	39,755,348						39,755,348	.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	L	141,360,796	198,897,797	111,207,423				451,466,016	.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	181,116,144	198,897,797	111,207,423	.0	.0	.0	.0	491,221,364	.0
60. Reporting entity contributions for Employee Benefit Plans	XXX								.0	.0
61. Total (Direct Business)	(a) 2	181,116,144	198,897,797	111,207,423	0	0	0	0	491,221,364	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	.0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

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

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

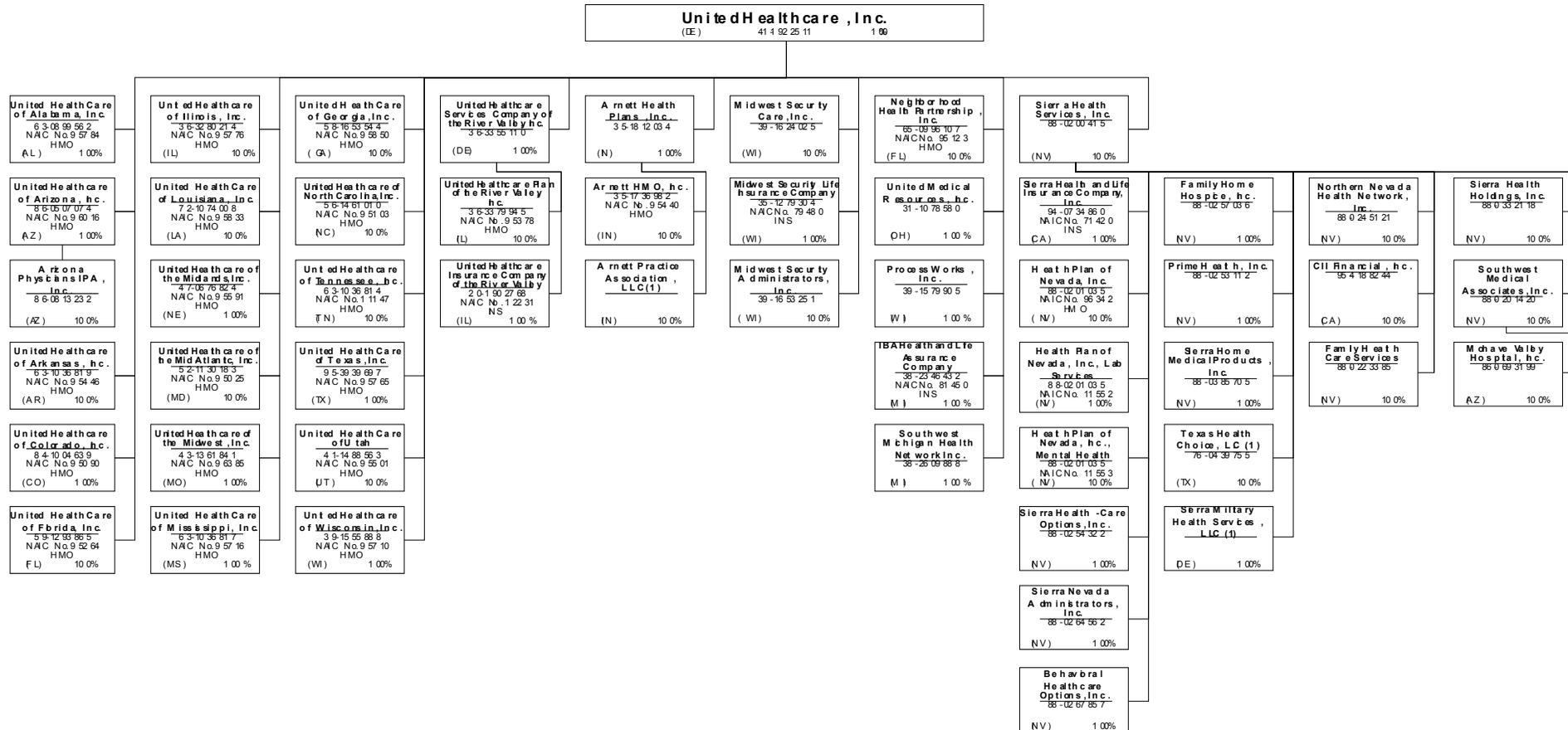
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



38.1

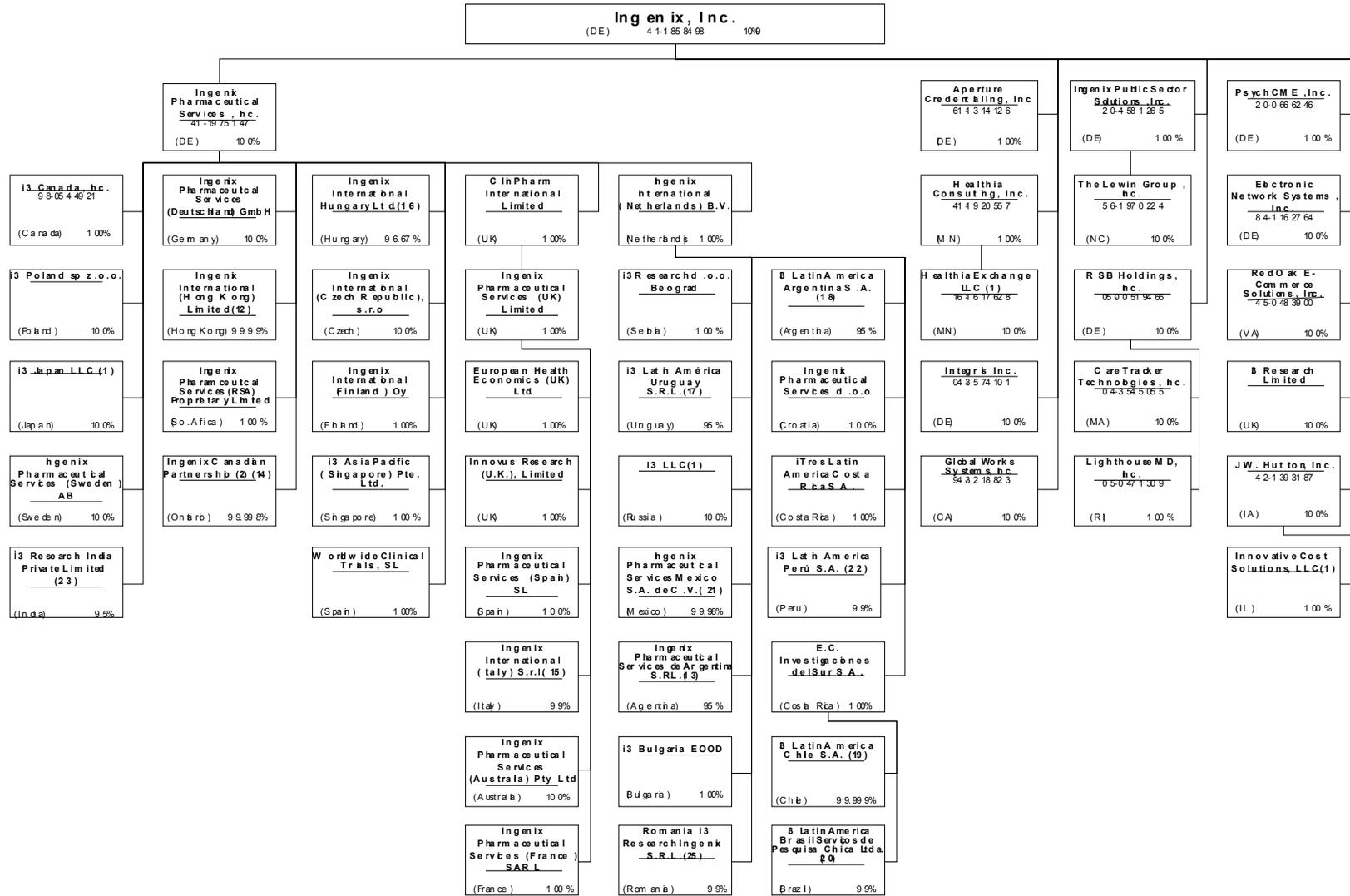
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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

PART 1 - ORGANIZATIONAL CHART



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

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