



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

Neighborhood Health Plan of Rhode Island

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

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

Country of Domicile United States

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

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

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

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

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

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

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

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

OFFICERS

Name	Title	Name	Title
<u>Mark Reynolds</u>	<u>Chief Executive Officer</u>	<u>Thomas Clark Phillip Jr. CPA</u>	<u>Chief Financial Officer</u>
<u>Leon McTyeire Johnston MD</u>	<u>Chief Medical Officer</u>	<u>Nancy Coburn</u>	<u>Chief Operating Officer</u>

OTHER OFFICERS

<u>Raymond Joseph Lavoie Jr.</u>	<u>Chairman</u>	<u>Maria Montanaro</u>	<u>Vice Chairman</u>
<u>Brenda Dowlatshahi</u>	<u>Secretary</u>	<u>Merrill Thomas #</u>	<u>Treasurer</u>

DIRECTORS OR TRUSTEES

<u>Maria Montanaro</u>	<u>William Hochstrasser-Walsh</u>	<u>Merrill Thomas</u>	<u>James Hooley</u>
<u>Brenda Dowlatshahi</u>	<u>Raymond Joseph Lavoie JR</u>	<u>Darrell A. Lee</u>	<u>Jane Hayward</u>
<u>Dennis Michael Roy</u>	<u>Mark Reynolds</u>	<u>Peter Bancroft</u>	<u>Pablo Rodriguez M.D.</u>
<u>M. Lamin Sarr</u>	<u>Doris De Los Santos #</u>		

State of Rhode Island

ss

County of _____

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

Mark Reynolds
Chief Executive Officer

Thomas Clark Phillip Jr. CPA
Chief Financial Officer

Leon McTyeire Johnston MD
Chief Medical Officer

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

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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	32,184,023		32,184,023	37,357,672
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	1,904,530		1,904,530	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$(5,238,418) , Schedule E, Part 1), cash equivalents (\$11,397,753 , Schedule E, Part 2) and short-term investments (\$57,769,032 , Schedule DA).....	63,928,367		63,928,367	59,845,033
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	79,362	79,362	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	98,096,282	79,362	98,016,920	97,202,705
11. Title plants less \$charged off (for Title Insurers only)			0	0
12. Investment income due and accrued	252,060		252,060	448,057
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	2,061,074		2,061,074	1,408,369
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			0	0
13.3 Accrued retrospective premium.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	1,068,456		1,068,456	151,267
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans	134,969		134,969	569,790
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset.....			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software	587,063	441,006	146,057	192,884
19. Furniture and equipment, including health care delivery assets (\$0)	325,191	325,191	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 (\$6,628,317) and other amounts receivable.....	7,014,059	385,742	6,628,317	15,447,738
23. Aggregate write-ins for other than invested assets	472,352	438,727	33,625	397,956
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	110,011,506	1,670,028	108,341,478	115,818,766
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	110,011,506	1,670,028	108,341,478	115,818,766
DETAILS OF WRITE-INS				
0901. Security Deposits.....	79,362	79,362	0	0
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	79,362	79,362	0	0
2301. Other Receivable.....	42,743	9,118	33,625	196,381
2302. Prepaid Expenses.....	21,600	21,600	0	0
2303. Leasehold Improvements.....	408,009	408,009	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	201,575
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	472,352	438,727	33,625	397,956

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$611,475 reinsurance ceded)	37,985,787		37,985,787	42,643,614
2. Accrued medical incentive pool and bonus amounts	4,508,553		4,508,553	3,251,774
3. Unpaid claims adjustment expenses	906,649		906,649	1,453,262
4. Aggregate health policy reserves	11,400,000		11,400,000	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	27,613,318		27,613,318	24,092,563
9. General expenses due or accrued	3,161,066		3,161,066	2,615,727
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	1,017,647		1,017,647	869,763
13. Remittance and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Payable for securities	1,611,430		1,611,430	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	1,323,162		1,323,162	3,071,141
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	89,527,612	0	89,527,612	77,997,844
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		0
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX		0
27. Surplus notes	XXX	XXX	1,500,000	1,500,000
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	17,313,866	36,320,923
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	18,813,866	37,820,923
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	108,341,478	115,818,767
DETAILS OF WRITE-INS				
2101. Unearned Grant Liability			0	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)	0	0	0	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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	922,359	837,627
2. Net premium income (including \$0 non-health premium income).....	XXX	337,045,189	253,839,262
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	1,459,519	2,604,166
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	338,504,708	256,443,428
Hospital and Medical:			
9. Hospital/medical benefits		133,454,228	105,403,208
10. Other professional services		62,150,814	44,138,615
11. Outside referrals		47,428,507	28,675,593
12. Emergency room and out-of-area		26,382,661	17,839,545
13. Prescription drugs		47,573,707	34,430,172
14. Aggregate write-ins for other hospital and medical.....	0	(6,470,000)	0
15. Incentive pool, withhold adjustments and bonus amounts.....		5,981,259	5,648,714
16. Subtotal (Lines 9 to 15)	0	316,501,176	236,135,847
Less:			
17. Net reinsurance recoveries		2,996,764	1,020,701
18. Total hospital and medical (Lines 16 minus 17)	0	313,504,412	235,115,146
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$6,258,798 cost containment expenses.....		8,844,106	8,132,945
21. General administrative expenses.....		25,453,722	15,642,425
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		11,400,000	0
23. Total underwriting deductions (Lines 18 through 22)	0	359,202,240	258,890,516
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(20,697,532)	(2,447,088)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		1,033,346	2,473,968
26. Net realized capital gains (losses) less capital gains tax of \$		116,179	11,137
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,149,525	2,485,105
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$0) (amount charged off \$180,218)].....		(180,218)	(140,122)
29. Aggregate write-ins for other income or expenses	0	566	42,626
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	(19,727,659)	(59,479)
31. Federal and foreign income taxes incurred	XXX	0	0
32. Net income (loss) (Lines 30 minus 31)	XXX	(19,727,659)	(59,479)
DETAILS OF WRITE-INS			
0601. Department of Human Services Incentive Income.....	XXX	1,099,282	1,146,345
0602. Other Program Revenue.....	XXX	336,150	489,225
0603. Grant Revenue.....	XXX	24,087	425,175
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	543,421
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	1,459,519	2,604,166
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. Stop Loss Recoveries from DHS.....		(1,003,574)	0
1402. Risk Share Recoveries from DHS.....		(5,466,426)	0
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	(6,470,000)	0
2901. Miscellaneous Income.....		566	4,706
2902. Community Access Program Grant Revenue.....		0	0
2903. Rent Income.....		0	37,920
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	566	42,626

STATEMENT OF REVENUE AND EXPENSES (continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior-reporting period	37,820,924	38,108,125
34. Net income or (loss) from Line 32	(19,727,659)	(59,479)
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 \$	1,690	0
37. Change in net unrealized foreign exchange capital gain or (loss)		0
38. Change in net deferred income tax		0
39. Change in nonadmitted assets	718,912	(227,723)
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles		0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)		0
44.3 Transferred to surplus		0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital		0
46. Dividends to stockholders		0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital & surplus (Lines 34 to 47)	(19,007,057)	(287,202)
49. Capital and surplus end of reporting period (Line 33 plus 48)	18,813,867	37,820,924
DETAILS OF WRITE-INS		
4701. ROUNDING		0
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	351,318,707	279,091,557
2. Net investment income.....	1,465,200	2,641,248
3. Miscellaneous income.....	1,459,519	2,604,166
4. Total (Lines 1 through 3).....	354,243,426	284,336,971
5. Benefit and loss related payments.....	320,641,003	228,533,629
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	35,791,912	23,299,161
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	0	0
10. Total (Lines 5 through 9).....	356,432,915	251,832,790
11. Net cash from operations (Line 4 minus Line 10).....	(2,189,489)	32,504,182
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	36,653,894	26,015,000
12.2 Stocks.....	1,556,185	233,271
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.....	3,947	2,722
12.7 Miscellaneous proceeds.....	1,611,430	1
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	39,825,456	26,250,994
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	31,602,179	38,272,491
13.2 Stocks.....	3,460,715	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	19,897
13.7 Total investments acquired (Lines 13.1 to 13.6).....	35,062,894	38,292,388
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).....	4,762,562	(12,041,394)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	1,510,261	(733,366)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	1,510,261	(733,366)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	4,083,334	19,729,422
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	59,845,034	40,115,612
19.2 End of year (Line 18 plus Line 19.1).....	63,928,368	59,845,034

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	337,045,189	0	0	0	0	0	0	337,045,189	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	1,459,519	0	0	0	0	0	0	1,459,519	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)	338,504,708	0	0	0	0	0	0	338,504,708	0	0
8. Hospital/medical/ benefits	133,454,228							133,454,228		XXX
9. Other professional services	62,150,814							62,150,814		XXX
10. Outside referrals	47,428,507							47,428,507		XXX
11. Emergency room and out-of-area	26,382,661							26,382,661		XXX
12. Prescription Drugs	47,573,707							47,573,707		XXX
13. Aggregate write-ins for other hospital and medical	(6,470,000)	0	0	0	0	0	0	(6,470,000)	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	5,981,259							5,981,259		XXX
15. Subtotal (Lines 8 to 14)	316,501,176	0	0	0	0	0	0	316,501,176	0	XXX
16. Net reinsurance recoveries	2,996,764							2,996,764		XXX
17. Total hospital and medical (Lines 15 minus 16)	313,504,412	0	0	0	0	0	0	313,504,412	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 6,258,798 cost containment expenses	8,844,106							8,844,106		
20. General administrative expenses	25,453,722							25,453,722		
21. Increase in reserves for accident and health contracts	11,400,000							11,400,000		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)	359,202,240	0	0	0	0	0	0	359,202,240	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(20,697,532)	0	0	0	0	0	0	(20,697,532)	0	0
DETAILS OF WRITE-INS										
0501. DHS Incentive Income	1,099,282							1,099,282		XXX
0502. Other Program Revenue	336,150							336,150		XXX
0503. Grant Revenue	24,087							24,087		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)	1,459,519	0	0	0	0	0	0	1,459,519	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. Stop Loss Recoveries from DHS	(1,003,574)							(1,003,574)		XXX
1302. Risk Shre Recoveries from DHS	(5,466,426)							(5,466,426)		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)	(6,470,000)	0	0	0	0	0	0	(6,470,000)	0	XXX

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STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....				.0
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....				.0
7. Title XIX - Medicaid.....	338,103,051		1,057,862	337,045,189
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	338,103,051	.0	1,057,862	337,045,189
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	338,103,051	0	1,057,862	337,045,189

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	315,236,149							315,236,149		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	669,881							669,881		
1.4 Net	314,566,268	0	0	0	0	0	0	314,566,268	0	0
2. Paid medical incentive pools and bonuses	4,724,479							4,724,479		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	38,597,262	0	0	0	0	0	0	38,597,262	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	611,475	0	0	0	0	0	0	611,475	0	0
3.4 Net	37,985,787	0	0	0	0	0	0	37,985,787	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	4,508,553							4,508,553		
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	2,385,289							2,385,289		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	43,313,495	0	0	0	0	0	0	43,313,495	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	669,881	0	0	0	0	0	0	669,881	0	0
8.4 Net	42,643,614	0	0	0	0	0	0	42,643,614	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	3,251,774	0	0	0	0	0	0	3,251,774	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	310,519,916	0	0	0	0	0	0	310,519,916	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	2,996,764	0	0	0	0	0	0	2,996,764	0	0
12.4 Net	307,523,152	0	0	0	0	0	0	307,523,152	0	0
13. Incurred medical incentive pools and bonuses	5,981,258	0	0	0	0	0	0	5,981,258	0	0

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

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STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	6,708,605							6,708,605		
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0							0		
1.4. Net	6,708,605	0	0	0	0	0	0	6,708,605	0	0
2. Incurred but Unreported:										
2.1. Direct	31,888,657							31,888,657		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	611,475							611,475		
2.4. Net	31,277,182	0	0	0	0	0	0	31,277,182	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	38,597,262	0	0	0	0	0	0	38,597,262	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	611,475	0	0	0	0	0	0	611,475	0	0
4.4. Net	37,985,787	0	0	0	0	0	0	37,985,787	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					.0	.0
2. Medicare Supplement .....					.0	.0
3. Dental Only.....					.0	.0
4. Vision Only.....					.0	.0
5. Federal Employees Health Benefits Plan Premiums .....					.0	.0
6. Title XVIII - Medicare .....					.0	.0
7. Title XIX - Medicaid.....	42,676,851	269,504,129	83,238	37,902,549	42,760,089	42,643,613
8. Other health .....					.0	.0
9. Health subtotal (Lines 1 to 8).....	42,676,851	269,504,129	83,238	37,902,549	42,760,089	42,643,613
10. Healthcare receivables (a).....					.0	.0
11. Other non-health.....					.0	.0
12. Medical incentive pools and bonus amounts	1,444,764	3,279,715	1,807,010	2,701,544	3,251,774	3,251,774
13. Totals (Lines 9 - 10 + 11 + 12)	44,121,615	272,783,844	1,890,248	40,604,093	46,011,863	45,895,387

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

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

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

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	27	27	27	27	27
2. 2005 .....	.0	.0	.0	.0	.0
3. 2006	XXX	.0	.0	.0	.0
4. 2007	XXX	XXX	.0	.0	.0
5. 2008	XXX	XXX	XXX	.0	.0
6. 2009	XXX	XXX	XXX	XXX	0

Section B – Incurred Health Claims - 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 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	27	27	27	27	27
2. 2005 .....	.0	.0	.0	.0	.0
3. 2006	XXX	.0	.0	.0	.0
4. 2007	XXX	XXX	.0	.0	.0
5. 2008	XXX	XXX	XXX	.0	.0
6. 2009	XXX	XXX	XXX	XXX	0

Section 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. 2005 .....	.0	.0	.1	.0.0	.1	.0.0		.0	.1	.0.0
2. 2006 .....	.0	.0		.0.0	.0	.0.0			.0	.0.0
3. 2007 .....	.0	.0		.0.0	.0	.0.0			.0	.0.0
4. 2008 .....	.0	.0		.0.0	.0	.0.0			.0	.0.0
5. 2009	0	0		0.0	0	0.0			0	0.0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

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

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	11,571	11,594	11,594	11,594	11,594
2. 2005	134,263	151,355	151,346	151,346	151,346
3. 2006	XXX	140,427	158,747	158,735	158,696
4. 2007	XXX	XXX	141,682	163,562	164,124
5. 2008	XXX	XXX	XXX	193,904	237,502
6. 2009	XXX	XXX	XXX	XXX	272,784

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	11,369	11,594	11,594	11,594	11,594
2. 2005	151,881	152,197	151,346	151,346	151,346
3. 2006	XXX	161,525	159,332	158,735	158,696
4. 2007	XXX	XXX	167,600	165,359	165,027
5. 2008	XXX	XXX	XXX	238,002	238,490
6. 2009	XXX	XXX	XXX	XXX	313,388

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. 2005	167,795	151,346	5,843	3.9	157,188	93.7			157,188	93.7
2. 2006	180,925	158,696	6,920	4.4	165,616	91.5			165,616	91.5
3. 2007	187,641	164,124	7,549	4.6	171,673	91.5	903		172,576	92.0
4. 2008	253,839	237,502	8,386	3.5	245,888	96.9	988	2	246,878	97.3
5. 2009	337,045	272,784	7,476	2.7	280,260	83.2	40,604	904	321,768	95.5

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

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

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	11,598	11,621	11,621	11,621	11,621
2. 2005	134,263	151,355	151,346	151,346	151,346
3. 2006	XXX	140,427	158,747	158,735	158,696
4. 2007	XXX	XXX	141,682	163,562	164,124
5. 2008	XXX	XXX	XXX	193,904	237,502
6. 2009	XXX	XXX	XXX	XXX	272,784

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	11,396	11,621	11,621	11,621	11,621
2. 2005	151,881	152,197	151,346	151,346	151,346
3. 2006	XXX	161,525	159,332	158,735	158,696
4. 2007	XXX	XXX	167,600	165,359	165,027
5. 2008	XXX	XXX	XXX	238,002	238,490
6. 2009	XXX	XXX	XXX	XXX	313,388

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. 2005	167,795	151,346	5,844	3.9	157,189	93.7	.0	.0	157,189	93.7
2. 2006	180,925	158,696	6,920	4.4	165,616	91.5	.0	.0	165,616	91.5
3. 2007	187,641	164,124	7,549	4.6	171,673	91.5	903	.0	172,576	92.0
4. 2008	253,839	237,502	8,386	3.5	245,888	96.9	988	.2	246,878	97.3
5. 2009	337,045	272,784	7,476	2.7	280,260	83.2	40,604	904	321,768	95.5

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	.0								
2. Additional policy reserves (a)	11,400,000							11,400,000	
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)	11,400,000	.0	.0	.0	.0	.0	.0	11,400,000	.0
7. Reinsurance ceded .....	.0								
8. Totals (Net) (Page 3, Line 4)	11,400,000	.0	.0	.0	.0	.0	.0	11,400,000	.0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	.0								
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (Gross) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Includes \$11,400,000 premium deficiency reserve.

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

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

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$0 for occupancy of own building).....	309,687	123,459	916,642		1,349,788
2. Salaries, wages and other benefits.....	3,947,526	1,622,348	11,801,297		17,371,171
3. Commissions (less \$ceded plus \$assumed.....)	0	0	0		0
4. Legal fees and expenses.....	77,023	30,706	227,979		335,708
5. Certifications and accreditation fees.....			1,650		1,650
6. Auditing, actuarial and other consulting services.....	421,119	167,882	1,246,468		1,835,469
7. Traveling expenses.....	7,244	2,888	21,441		31,573
8. Marketing and advertising.....	133,516	53,227	395,192		581,935
9. Postage, express and telephone.....	65,965	26,297	195,248		287,510
10. Printing and office supplies.....	133,227	53,112	394,337		580,676
11. Occupancy, depreciation and amortization.....	83,398	33,247	246,849		363,494
12. Equipment.....	198,933	79,306	588,820		867,059
13. Cost or depreciation of EDP equipment and software.....	271,883	108,388	804,744		1,185,015
14. Outsourced services including EDP, claims, and other services.....	515,173	205,377	1,524,857		2,245,407
15. Boards, bureaus and association fees.....	13,335	5,316	39,471		58,122
16. Insurance, except on real estate.....	68,043	27,126	201,401		296,570
17. Collection and bank service charges.....	13,436	5,357	39,770	87,481	146,044
18. Group service and administration fees.....	0	0	0		0
19. Reimbursements by uninsured plans.....	(269,106)	(111,159)	(1,094,421)		(1,474,686)
20. Reimbursements from fiscal intermediaries.....	0	0	0		0
21. Real estate expenses.....	0	0	0		0
22. Real estate taxes.....	0	0	0		0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			6,762,061		6,762,061
23.3 Regulatory authority licenses and fees.....	6,756	2,693	19,996		29,445
23.4 Payroll taxes.....	261,640	112,882	753,820		1,128,342
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....				273,839	273,839
25. Aggregate write-ins for expenses.....	0	36,856	366,100	0	402,956
26. Total expenses incurred (Lines 1 to 25).....	6,258,798	2,585,308	25,453,722	361,320	(a) 34,659,148
27. Less expenses unpaid December 31, current year.....		906,649	3,161,066		4,067,715
28. Add expenses unpaid December 31, prior year.....	0	1,453,262	2,615,727	0	4,068,989
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)	6,258,798	3,131,921	24,908,383	361,320	34,660,422
DETAIL OF WRITE-INS					
2501. Conferences, Training, and Tuition.....		23,160	230,053		253,213
2502. Recruitment Fees.....		6,969	69,222		76,191
2503. Meeting.....		6,727	66,825		73,552
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above)	0	36,856	366,100	0	402,956

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 768,575	570,712
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 475,160	551,098
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	4,121	4,121
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 343,146	268,735
7. Derivative instruments	(f)	
8. Other invested assets		0
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,591,002	1,394,666
11. Investment expenses		(g) 361,320
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)		361,320
17. Net investment income (Line 10 minus Line 16)		1,033,346
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 \$ 23,223 accrual of discount less \$ 259,080 amortization of premium and less \$ 180,625 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 \$ 45,856 accrual of discount less \$ 48,805 amortization of premium and less \$ 29,457 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	74,433		74,433	1,690	
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	37,799		37,799		
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	3,947	0	3,947	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)	116,179	0	116,179	1,690	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	79,362	79,362	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	79,362	79,362	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	5,468	5,468
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.....	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software.....	441,006	849,649	408,643
19. Furniture and equipment, including health care delivery assets.....	325,191	440,491	115,300
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.....	385,742	147,967	(237,775)
23. Aggregate write-ins for other than invested assets	438,727	866,003	427,276
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	1,670,028	2,388,940	718,912
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	1,670,028	2,388,940	718,912
DETAILS OF WRITE-INS			
0901. Security Deposits.....	79,362	79,362	0
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	79,362	79,362	0
2301. Other Receivables.....	9,118	9,740	622
2302. Prepaid Expenses.....	21,600	309,910	288,310
2303. Leasehold Improvements.....	408,009	546,353	138,344
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)	438,727	866,003	427,276

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	74,680	74,910	76,216	77,381	80,647	922,359
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	74,680	74,910	76,216	77,381	80,647	922,359
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies.

Basis of presentation and statutory accounting practices:

Neighborhood Health Plan of Rhode Island (Neighborhood) statutory financial statements are presented on the basis of accounting practices prescribed or permitted by Rhode Island Department of Business Regulation (DBR). The State of Rhode Island has adopted the National Association of Insurance Commissioners' statutory accounting practices (NAIC SAP) as the basis of its statutory accounting practices (SAP). In addition, DBR has the right to permit other specified practices that may deviate from prescribed practices. At December 31, 2009 and 2008, Neighborhood has not requested permission to deviate from any accounting practices required by NAIC SAP.

Use of estimates:

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

Premium revenue and contingency:

Subscriber/member contracts are executed principally with the Rhode Island Department of Human Services (the State) to service members of the RItE Care and Rhody Health Partners (RHP) programs. For the years ended December 31, 2009 and 2008, Neighborhood earned approximately 100% and 100%, respectively, of premium revenues to service members of the RItE Care or RHP programs. Upon expiration of each RItE Care or RHP contract, Neighborhood submits a proposal to the State to renew the contract. Unlike a commercial product line, premium rates are not fully under the control of Neighborhood, but are principally set by the State. The present RItE Care and RHP contracts between Neighborhood and the State expire on June 30, 2010 and March 31, 2010, respectively. The agreement may be terminated by either party within ninety days. Premiums are due monthly and are recognized as revenue during the period in which Neighborhood is obligated to provide services to members.

Medical and hospital expense recognition:

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

NOTES TO FINANCIAL STATEMENTS

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

Premium Deficiency Reserve:

When the expected claims payments and administration costs exceed the premiums to be collected for the remainder of a contract period, a premium deficiency reserve is recognized by recording an additional liability for the deficiency, with a corresponding charge to operations.

Pharmaceutical rebates:

Pharmaceutical rebates are recorded as a reduction of medical and hospital expenses as earned, based in part on estimates using historical trends. At the years ended December 31, 2009 and 2008, \$153 and \$255 of pharmaceutical rebates are included in admitted health care receivables. For the years ended December 31, 2009 and 2008, approximately \$930 and \$543, of pharmaceutical rebates are added to aggregate write-ins for other health care related revenues and deducted from medical and hospital expenses, respectively.

Cash and cash equivalents and concentration of credit risk:

Neighborhood considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2009 and 2008, cash equivalents totaled \$11,398 and \$7,260, respectively. At December 31, 2009 and 2008, cash equivalents are comprised of: an ownership of a financial institution debt security purchased under a joint repurchase agreement in the amount of \$11,390 and \$7,259, respectively; travelers check in the amount of \$7 and \$1, respectively; the debt security at December 31, 2009 was repurchased by the financial institution on January 4, 2010.

At December 31, 2009 and 2008, Neighborhood had cash on deposit with financial institutions totaling (\$5,238) and (\$5,445), respectively.

Grants:

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

Reinsurance (stop-loss insurance):

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

NOTES TO FINANCIAL STATEMENTS

Contract acquisition and advertising costs:

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

Minimum and ongoing net worth requirement:

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

The greater of \$2,500 or the amount necessary to maintain the capital requirements of the National Association of Insurance Commissioners (NAIC) standards. Neighborhood was in compliance with the statutory net worth and total adjusted capital requirements as of December 31, 2008. As of December 31, 2009, Neighborhood's total adjusted capital is within company action level.

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

2. Accounting Changes and Correction of Errors

Not Applicable.

3. Business Combinations and Goodwill

Not Applicable.

4. Discontinued Operations

Neighborhood's Administrative Services Only (ASO) line of business discontinues at the end of 2009 because the unrelated third party decided not to renew its contract with CMS, and consequently the contract between the unrelated party and Neighborhood ends on December 31, 2009.

The total receivable related to this ASO line of business as of December 31, 2009 is \$135. Net reimbursement for administrative expense in excess of actual expense in 2009 is \$408, total member months in 2009 are 36,423. There will not be any material impacts to Neighborhood's Balance Sheet and Income Statement in 2010 due to this discontinued operation.

NOTES TO FINANCIAL STATEMENTS

5. Investments

- A. Mortgage loan, including Mezzanine Real Estate Loans: N/A
- B. Debt Restructuring: N/A
- C. Reverse Mortgages: N/A
- D. Loan-backed Securities: N/A
- E. Repurchase Agreements and/or Securities Lending Transactions: N/A
- F. Real Estate: N/A
- G. For Investments in low-income housing tax credit: N/A

6. Joint Ventures, Partnerships and Limited Liability Companies

Not Applicable

7. Investment Income

Investments are considered as held to maturity and are recorded at amortized cost. Certificates of deposit with remaining maturities of one year or less at the time of acquisition are considered cash. All other investments with maturities of one year or less at the time of acquisition are considered short-term. Amortization of any bond premium or discount is calculated using the constant yield interest method over the life of the bond. Accrued interest receivable as of December 31, 2009 and 2008 is investment income due and accrued in the amount of \$252 and \$448, respectively.

8. Derivative Instruments

Not Applicable.

9. Income Taxes

Not Applicable.

10. Information Concerning Parent, Subsidiaries, and Affiliates

A Neighborhood bylaw includes certain Rhode Island Community Health Centers to be "Members of the Corporation" so long as specific criteria continue to be met, which includes having in effect with Neighborhood a contract to provide health care services for Neighborhood's enrollees in exchange for payment. The Member of the Corporation contracts provide for capitation based reimbursement to manage and deliver primary care medical services and fee for service based reimbursement to deliver other medical services. For the years ended December 31, 2009 and 2008, medical and hospital expenses include

NOTES TO FINANCIAL STATEMENTS

\$16,894 and \$16,097, respectively, for medical services provided, and incentive arrangements earned, by such Members of the Corporation.

11. Debt

Not Applicable

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

Neighborhood sponsors a Safe Harbor 401(k) Profit Sharing Plan and Trust (the Plan) covering employees meeting certain age and length of service requirements. Neighborhood matches one hundred percent of the first three percent of a participant's eligible compensation and fifty percent of the next two percent of a participant's eligible compensation contribution. Employer contributions to the Plan included in administrative expenses, totaled \$520 and \$490 for the years ended December 31, 2009 and 2008, respectively.

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

Neighborhood does not have any capital stock or preferred stock.

As a condition of licensure as an HMO, Rhode Island general laws required Neighborhood to maintain a special deposit held by the General Treasurer for the benefit and protection of all enrollees of the HMO. The special deposit cannot be withdrawn without the permission of DBR. As of March 2008, the condition of licensure as an HMO was met, and the special deposit of \$2,617 held by the General Treasurer for protection against insolvency was released with DBR's permission in March 2008. No special deposit is required in 2009.

Total Capital and Surplus as of December 31, 2009 is \$19,376, which includes unsigned fund (surplus) of \$17,876 and a surplus note of \$1.5 million. The portion of surplus increased by cumulative unrealized gains is \$2.

On January 1, 2001, Neighborhood issued to Rhode Island Community Foundation a surplus note in the principal amount of \$2,000. The surplus note bears interest at 5.75% per annum, payable quarterly, requires principal payments of \$500 every five years commencing January 1, 2007, and matures January 21, 2021. Interest payments may be made upon Neighborhood meeting certain pre-established quarterly financial benchmarks. Otherwise, written permission of DBR is required. Principal payments require prior written approval of DBR.

14. Contingencies

NOTES TO FINANCIAL STATEMENTS

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

15. Leases

On July 16, 2003, Neighborhood entered into a 10 year operating lease agreement with Foundry Parcel Six Associates, LLC to lease approximately 44,328 sq feet of office space. On August 23, 2005, both parties entered into an agreement to amend that lease to include an additional 6,100 sq feet of office space. The termination date of the amended lease, July 2013, is the same as the original lease. Construction, and occupation, of the expanded space was completed in March 2006.

In September 2007, Neighborhood entered into a second operating lease with Foundry Parcel Six Associates, LLC to lease an additional 10,612 sq feet of office space. Construction, and occupation, was completed in June 2008. The lease term is from July 2008 to July 2013.

In addition to base rent, Neighborhood pays increases in real estate taxes and operating expenses over the base year amounts, as well as maintenance and insurance costs. Rental expense related to the leases totaled approximately \$1,196 and \$1,053 for the years ended December 31, 2009 and 2008.

The operating leases require Neighborhood to pay the lessor security deposits of \$59 and \$20 on the respective leases. The security deposits, together with any and all accrued interest, will be held by the lessor during the term of the leases.

At December 31, 2009 the annual minimum future lease payments under all non-cancelable operating leases with Foundry Parcel Six Associates, LLC, excluding real estate taxes and operating expenses, are:

<u>Year Ending December 31,</u>	<u>Amount</u>
2010	1,229
2011	1,241
2012	1,247
2013	729

In June 2001, Neighborhood entered into a Sale-Leaseback Agreement with an unrelated party. The agreement was amended on August 1, 2004 and May 26, 2005. Under the Sale-leaseback agreement, Neighborhood sold \$400 of furniture and equipment to, and leases

NOTES TO FINANCIAL STATEMENTS

the property from, through April 2009. The sale did not result in any gain or loss. The Sale-Leaseback agreement is accounted for as a non-cancelable operating lease since it does not provide for any continuing aspects of ownership involvement on the part of Neighborhood. Rental expenses related to the lease total approximately \$39 and \$107 for the years ended December 31, 2009 and 2008, respectively.

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

Not Applicable

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

Not Applicable

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

Neighborhood receives reimbursement for the cost of medical claims incurred under an Administrative Service Contract (ASC). In accordance with NAIC SAP Statement No. 47, the reimbursements for medical claims incurred, as well as the cost of medical claims incurred, are excluded from Neighborhood's statements of revenues and expenses. This ASC was replaced by an at-risk business model, effective July 2008. Gross reimbursement for medical costs incurred and administrative fees were \$40 and \$0, respectively, for the year ended December 31, 2009, and \$25,384 and \$2,071, respectively, for the year ended December 31, 2008. There is a loss of \$78 in 2009 related to the unsettled claims. Neighborhood will not be reimbursed for those claims if they are not paid within 365 days after ASC contract expired. At December 31, 2009, liability amount to the State resulting from overpayment under the ASC was \$1,323.

During 2005, Neighborhood entered into an Administrative Services Only (ASO) plan with an unrelated third party effective January 1, 2006. The third party reimburses Neighborhood in full for all actual administrative expenses incurred as defined in the contract. Expenses incurred by Neighborhood under the ASO plan are reported as expenses, and administrative fees and related expense reimbursements are presented as a deduction from expenses, in the accompanying statutory statements of revenues and expenses. There were no medical expenses related to this contract for the years ended December 31, 2009 and 2008. Gross reimbursement for administrative fees was \$1,553 and \$1,809, respectively, for the year ended December 31, 2009 and 2008. At December 31, 2009 and 2008, the amount receivable related to the ASO plan total \$135 and \$570, respectively. The total active

NOTES TO FINANCIAL STATEMENTS

members as of December 31, 2009 were 2,870. This ASO contract expires on December 31, 2009.

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

Not Applicable

20. Other Items

- A). Extraordinary Items: N/A
- B). Troubled Debt Restructuring: N/A

C). Other Disclosures: Neighborhood has commenced the implementation of a new core claims system to replace the current Diamond system. The contract with the new core system vendor – HealthEdge Software Inc. was signed on June 30, 2009. Total expense related to this project in 2009 is \$2,027. The target date for the new system to go live is November 2010. Neighborhood budgeted \$4,689 for this project in 2010.

D). Neighborhood has estimated uncollectible amounts for premiums of \$224 and \$142 at December 31 2009, and 2008 respectively. Neighborhood does not have any uncollectible amounts for uninsured plan.

- E). Business Interruption Insurance Recoveries: N/A
- F). State Transferable Tax Credits: N/A
- G). Subprime-Mortgage-related Risk Exposure: N/A

21. Events Subsequent

There are no subsequent events that occurred as of the March 1st 2010 filing date of Neighborhood's 2009 annual statement.

22. Reinsurance

- A. Ceded Reinsurance Report
Section 1 – General Interrogatories

- 1). Neighborhood does not own or control any of the reinsurers listed on Schedule S.
- 2). There are no policies issued by Neighborhood that are reinsured with a company chartered in a country other than USA that is owned in excess of 10% 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.

NOTES TO FINANCIAL STATEMENTS

Section 2 – Ceded Reinsurance Report – Part A

1). Neighborhood does not have any reinsurance agreements in effect under which reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits.

2). Neighborhood does not have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies.

Section 3 – Ceded Reinsurance Report – Part B

1). The estimated amount of the aggregate reduction in surplus of termination of all reinsurance agreements, by either party, is not applicable since it does not ceded its reinsurance.

2). Neighborhood does not executed or amended any existing agreements, 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.

B. Neighborhood does not experience a write-off for uncollectible reinsurance.

C. Neighborhood does not experience commutation of ceded reinsurance.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not Applicable

24. Change in Incurred Claims and Claim Adjustment Expenses

As a result of changes in estimates of prior years reported insured health care costs, medical and hospital expenses were increased by \$116 and decreased by \$2,773 during the year ended December 31, 2009 and 2008, respectively. The claim adjustment expenses were increased by \$4 and decreased by \$116 during the year ended December 31, 2009 and 2008, respectively. Changes in estimates of insured health care costs result from differences between initially anticipated and actual costs incurred or revised estimated costs to be incurred.

25. Inter-company Pooling Arrangements

Not Applicable

26. Structured Settlements

Not Applicable

27. Health Care Receivable

NOTES TO FINANCIAL STATEMENTS

Pharmaceutical rebates:

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

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of Invoicing / Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
December 31, 2009	\$200	\$153			
September 30, 2009	\$232	\$230			
June 30, 2009	\$240	\$230		\$131	
March 31, 2009	\$258	\$247		\$150	\$97
December 31, 2008	\$164	\$255		\$171	\$84
September 30, 2008	\$158	\$162		\$162	
June 30, 2008	\$161	\$159		\$159	
March 31, 2008	\$132	\$147		\$147	
December 31, 2007	\$181	\$151		\$151	
September 30, 2007	\$197	\$147		\$147	
June 30, 2007	\$221	\$165		\$165	
March 31, 2007	\$191	\$181		\$181	

Risk sharing receivables:

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

Calendar Year	Evaluation Year	Risk Share A/R as Estimated and reported in prior year	Risk Share A/R as Estimated and reported in current year	Risk Share A/R Invoiced	Risk Share A/R Not Invoiced	Actual Risk Share Collected in year invoiced	Actual Risk Share Collected in 1st year subsequent	Actual Risk Share Collected in 2nd year subsequent	Actual Risk Share Collected, All others
2009	2009	(2,676)	(1,178)	(1,178)	0	0			
	2010	N/A	3,953	-	3,953	0	N/A	N/A	N/A
2008	2008	N/A	2,886	2,902	0	0			
	2009	N/A	(2,676)	-	(2,676)	0	N/A	N/A	N/A
2007	2007	N/A	1,879	904	975	0	829	136	0
	2008	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A

In accordance with NAIC SAP #64, assets and liabilities can be offset and reported net if a valid right of setoff exists. Neighborhood's risk share and gain share arrangements with DHS meet the setoff criteria. The total Rite Care and RHP risk receivables are \$12,170 and \$5,338 at the year ended December 31, 2009, respectively. The total gain share liabilities for Substitute Care and Children with Special Needs are \$3,341 and \$8,551 at the year ended December 31, 2009, respectively.

28. Participating Policies

Not Applicable

NOTES TO FINANCIAL STATEMENTS

29. Premium Deficiency Reserve

As of December 31, 2009, Neighborhood has liabilities of \$11,400 related to premium deficiency reserves. The anticipated investment income was not considered when calculating Neighborhood's premium deficiency reserves.

30. Anticipated Salvage and Subrogation

Not Applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA [X]
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [X] No []
- 2.2 If yes, date of change: 11/24/2009
- 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). 05/22/2007
- 3.4 By what department or departments? RI Department of Business Regulation, Insurance Division.....
- 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 [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [X] 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 [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

GENERAL INTERROGATORIES

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, LLP, 200 Clarendon Street, Boston, MA 02116
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?
Robert M. Damler, Principal and Consulting Actuary, Milliman, Inc., 111 Monument Circle, Suite 601, Indianapolis, IN 16204-6128
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company
11.12 Number of parcels involved.....0
11.13 Total book/adjusted carrying value..... \$.....0
- 11.2 If yes, provide explanation
12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A
- 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 []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended?..... Yes [] No [X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes [] No [X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [] No [X]
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) \$
- 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) \$
- 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)
- 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 [] NA [X]
- 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 [] No [X]
- 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..... \$
 - 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
Comerica Bank.....	411 West Lafayette, Detroit, MI 48226.....
RBS Citizens, N.A.....	One Citizens Plaza, Providence, RI 02903.....

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [] No []

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Merrill Lynch.....	Comerica Bank.....	.07/01/2009.	New Investment broker

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

1 Central Registration Depository Number(s)	2 Name	3 Address
105997.....	Dwight Asset Management Company, LLC.....	100 Bank Street, Burlington, VT 05401.....
00000.....	RBS Citizens, N.A.....	One Citizens Plaza, Providence, RI 02903.....

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

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999	TOTAL	0

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

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

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
28.1 Bonds.....	89,953,054	90,232,683	279,629
28.2 Preferred stocks.....	0	0	0
28.3 Totals	89,953,054	90,232,683	279,629

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

Interactive Data Pricing Service.....

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

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

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

Use Interactive Data Pricing Service to determine the fair value of Schedule D.....

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

30.2 If no, list exceptions:

OTHER

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

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

1	2
Name	Amount Paid
.....

32.1 Amount of payments for legal expenses, if any?.....\$336,623

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

1	2
Name	Amount Paid
Gallitano & O'Connor, LLP.....	183,584
Chace, Rottenberg & Freeman, LLP.....	95,920

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

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	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	\$337,045,189	\$	.....253,839,262
2.2	Premium Denominator	\$337,045,189	\$	.....253,839,262
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$53,894,340	\$	.....45,895,387
2.5	Reserve Denominator	\$53,894,340	\$	.....45,895,388
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [X] No []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$300,000
- 5.32 Medical Only \$
- 5.33 Medicare Supplement \$
- 5.34 Dental and vision \$
- 5.35 Other Limited Benefit Plan \$
- 5.36 Other \$
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 Follow NAIC's RBC requirements
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes [X] No []
- 7.2 If no, give details:
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 2,914
- 8.2 Number of providers at end of reporting year 3,650
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months
- 9.22 Business with rate guarantees over 36 months

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract?..... Yes [X] No []
- 10.2 If yes:
- | | | | |
|--|---|----------|-----------|
| | 10.21 Maximum amount payable bonuses | \$ | 5,981,259 |
| | 10.22 Amount actually paid for year bonuses | \$ | 4,724,479 |
| | 10.23 Maximum amount payable withholds | \$ | 0 |
| | 10.24 Amount actually paid for year withholds | \$ | 0 |
- 11.1 Is the reporting entity organized as:
- | | | | |
|--|---|--|------------------|
| | 11.12 A Medical Group/Staff Model, | | Yes [] No [X] |
| | 11.13 An Individual Practice Association (IPA), or, | | Yes [X] No [] |
| | 11.14 A Mixed Model (combination of above) ? | | Yes [] No [X] |
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
State of Rhode Island
- 11.4 If yes, show the amount required. \$12,343,426
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
- 11.6 If the amount is calculated, show the calculation.

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

1
Name of Service Area
Rhode Island.....

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

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	108,341,478	115,818,766	71,578,331	74,450,408	56,705,626
2. Total liabilities (Page 3, Line 22)	89,527,612	77,997,844	33,470,206	46,412,342	36,517,859
3. Statutory surplus	12,343,426	9,435,272	6,742,085	6,517,626	6,101,998
4. Total capital and surplus (Page 3, Line 31)	18,813,866	37,820,923	38,108,123	28,038,066	20,187,767
Income Statement (Page 4)					
5. Total revenues (Line 8)	338,504,708	256,443,428	189,928,796	183,082,033	170,305,090
6. Total medical and hospital expenses (Line 18)	313,504,412	235,115,146	165,406,091	161,748,026	149,627,146
7. Claims adjustment expenses (Line 20)	8,844,106	8,132,945	7,506,019	6,825,562	5,635,617
8. Total administrative expenses (Line 21)	25,453,722	15,642,425	9,303,444	8,860,546	7,023,114
9. Net underwriting gain (loss) (Line 24)	(20,697,532)	(2,447,088)	7,713,242	5,647,899	8,019,213
10. Net investment gain (loss) (Line 27)	1,149,525	2,485,105	3,093,668	2,266,252	1,177,458
11. Total other income (Lines 28 plus 29)	(179,652)	(97,496)	(105,458)	(58,662)	(92,043)
12. Net income (loss) (Line 32)	(19,727,659)	(59,479)	10,701,452	7,855,489	9,104,628
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(2,189,489)	32,504,182	(4,711,230)	18,583,665	14,664,733
Risk - Based Capital Analysis					
14. Total adjusted capital	18,813,866	37,820,923	38,108,123	28,038,066	20,187,767
15. Authorized control level risk-based capital	12,343,426	9,435,272	6,742,085	6,517,626	6,101,998
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	80,647	74,680	65,927	68,294	68,413
17. Total member months (Column 6, Line 7)	922,359	837,627	795,060	816,658	817,315
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)	93.0	92.6	88.2	89.4	89.2
20. Cost containment expenses	1.9	2.0	2.6	2.5	XXX
21. Other claims adjustment expenses	0.8	1.2	1.4	1.3	1.2
22. Total underwriting deductions (Line 23)	106.6	102.0	97.1	98.1	96.7
23. Total underwriting gain (loss) (Line 24)	(6.1)	(1.0)	4.1	3.1	4.8
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	46,011,863	23,531,934	18,942,332	17,207,681	13,692,840
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	45,895,387	26,552,335	21,135,783	16,891,576	15,946,316
Investments In Parent, Subsidiaries And Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, 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

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

Yes [] No []

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Neighborhood Health Plan of Rhode Island

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	N							0	0
2. Alaska	AK	N							0	0
3. Arizona	AZ	N							0	0
4. Arkansas	AR	N							0	0
5. California	CA	N							0	0
6. Colorado	CO	N							0	0
7. Connecticut	CT	N							0	0
8. Delaware	DE	N							0	0
9. District of Columbia	DC	N							0	0
10. Florida	FL	N							0	0
11. Georgia	GA	N							0	0
12. Hawaii	HI	N							0	0
13. Idaho	ID	N							0	0
14. Illinois	IL	N							0	0
15. Indiana	IN	N							0	0
16. Iowa	IA	N							0	0
17. Kansas	KS	N							0	0
18. Kentucky	KY	N							0	0
19. Louisiana	LA	N							0	0
20. Maine	ME	N							0	0
21. Maryland	MD	N							0	0
22. Massachusetts	MA	N							0	0
23. Michigan	MI	N							0	0
24. Minnesota	MN	N							0	0
25. Mississippi	MS	N							0	0
26. Missouri	MO	N							0	0
27. Montana	MT	N							0	0
28. Nebraska	NE	N							0	0
29. Nevada	NV	N							0	0
30. New Hampshire	NH	N							0	0
31. New Jersey	NJ	N							0	0
32. New Mexico	NM	N							0	0
33. New York	NY	N							0	0
34. North Carolina	NC	N							0	0
35. North Dakota	ND	N							0	0
36. Ohio	OH	N							0	0
37. Oklahoma	OK	N							0	0
38. Oregon	OR	N							0	0
39. Pennsylvania	PA	N							0	0
40. Rhode Island	RI	L		338,103,051					338,103,051	0
41. South Carolina	SC	N							0	0
42. South Dakota	SD	N							0	0
43. Tennessee	TN	N							0	0
44. Texas	TX	N							0	0
45. Utah	UT	N							0	0
46. Vermont	VT	N							0	0
47. Virginia	VA	N							0	0
48. Washington	WA	N							0	0
49. West Virginia	WV	N							0	0
50. Wisconsin	WI	N							0	0
51. Wyoming	WY	N							0	0
52. American Samoa	AS	N							0	0
53. Guam	GU	N							0	0
54. Puerto Rico	PR	N							0	0
55. U.S. Virgin Islands	VI	N							0	0
56. Northern Mariana Islands	MP	N							0	0
57. Canada	CN	N							0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	338,103,051	0	0	0	338,103,051	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0		
61. Total (Direct Business)	(a) 1	0	0	338,103,051	0	0	0	338,103,051	0	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 - Part 1

NONE

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