

**ASSETS**

		Current Period			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1.	Bonds .....	756,794		756,794	353,971
2.	Stocks: .....				
2.1	Preferred stocks .....				
2.2	Common stocks .....				
3.	Mortgage loans on real estate: .....				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A): .....				
4.1	Properties occupied by the company (less \$..... encumbrances) .....			(a).....	
4.2	Properties held for the production of income (less \$..... encumbrances) .....				
4.3	Properties held for sale (less \$..... encumbrances) .....				
5.	Cash (\$.....) and short-term investments (\$.....) .....	2,136,046		2,136,046	3,165,557
6.	Other long-term invested assets .....				
7.	Receivable for securities .....				
8.	Aggregate write-ins for invested assets .....				
9.	Subtotal cash and invested assets (Lines 1 to 8) .....	2,892,840		2,892,840	3,519,528
10.	Accident and health premiums due and unpaid .....	739,443		739,443	973,396
11.	Health care receivables .....	3,732,869	3,118,281	614,588	4,255,321
12.	Amounts recoverable from reinsurers .....	20,989		20,989	278,677
13.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
14.	Investment income due and accrued .....	15,761		15,761	4,288
15.	Amounts due from parent, subsidiaries and affiliates .....	908,600		908,600	800,000
16.	Amounts receivable relating to uninsured accident and health plans .....				
17.	Furniture and equipment .....				
18.	Amounts due from agents .....				
19.	Federal and foreign income tax recoverable and interest thereon (including \$..... net deferred tax asset) .....				
20.	Electronic data processing equipment and software .....				
21.	Other nonadmitted assets .....				
22.	Aggregate write-ins for other than invested assets .....	336,223		336,223	
23.	Total assets (Lines 9 plus 10 through 22) .....	8,646,725	3,118,281	5,528,444	9,831,210
DETAILS OF WRITE-INS					
0801	.....				
0802	.....				
0803	.....				
0898.	Summary of remaining write-ins for Line 8 from overflow page .....				
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above) .....				
2201.	Other receivables .....	336,223		336,223	
2202	.....				
2203	.....				
2298.	Summary of remaining write-ins for Line 22 from overflow page .....				
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above) .....	336,223		336,223	

(a) \$..... health care delivery assets included in Line 4.1, Column 3.

**LIABILITIES, CAPITAL AND SURPLUS**

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded) .....	..... 1,228,958	.....	..... 1,228,958	..... 3,369,944
2.	Accrued medical incentive pool and bonus payments .....	.....	.....	.....	.....
3.	Unpaid claims adjustment expenses .....	..... 45,895	.....	..... 45,895	..... 266,500
4.	Aggregate policy reserves .....	.....	.....	.....	.....
5.	Aggregate claim reserves .....	.....	.....	.....	.....
6.	Premiums received in advance .....	..... 664,728	.....	..... 664,728	..... 644,208
7.	General expenses due or accrued .....	..... 35,507	.....	..... 35,507	.....
8.	Federal and foreign income tax payable and interest thereon (including \$..... on realized capital gains (losses) (including \$..... net deferred tax liability) .....	.....	.....	.....	.....
9.	Amounts withheld or retained for account of others .....	.....	.....	.....	.....
10.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current) .....	.....	.....	.....	.....
11.	Amounts due to parent, subsidiaries and affiliates .....	..... 249,877	.....	..... 249,877	..... 421,253
12.	Payable for securities .....	.....	.....	.....	.....
13.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers) .....	.....	.....	.....	.....
14.	Reinsurance in unauthorized companies .....	.....	.....	.....	.....
15.	Net adjustments in assets and liabilities due to foreign exchange rates .....	.....	.....	.....	.....
16.	Liability for amounts held under uninsured accident and health plans .....	.....	.....	.....	.....
17.	Aggregate write-ins for other liabilities (including \$..... current) .....	..... 1,418,685	.....	..... 1,418,685	..... 1,966,019
18.	Total liabilities (Lines 1 to 17) .....	..... 3,643,650	.....	..... 3,643,650	..... 6,667,924
19.	Common capital stock .....	..... X X X .....	..... X X X .....	.....	.....
20.	Preferred capital stock .....	..... X X X .....	..... X X X .....	.....	.....
21.	Gross paid in and contributed surplus .....	..... X X X .....	..... X X X .....	..... 7,300,449	..... 3,863,856
22.	Surplus notes .....	..... X X X .....	..... X X X .....	..... 53,039	..... 53,039
23.	Aggregate write-ins for other surplus funds .....	..... X X X .....	..... X X X .....	.....	.....
24.	Unassigned funds (surplus) .....	..... X X X .....	..... X X X .....	..... (5,468,693)	..... (753,609)
25.	Less treasury stock, at cost:	..... X X X .....	..... X X X .....	.....	.....
	25.1 ... .. shares common (value included in Line 19 \$.....)	..... X X X .....	..... X X X .....	.....	.....
	25.2 ... .. shares preferred (value included in Line 20 \$.....)	..... X X X .....	..... X X X .....	.....	.....
26.	Total capital and surplus (Lines 19 to 24, Less 25) .....	..... X X X .....	..... X X X .....	..... 1,884,795	..... 3,163,286
27.	Total liabilities, capital and surplus (Lines 18 and 26) .....	..... X X X .....	..... X X X .....	..... 5,528,445	..... 9,831,210
DETAILS OF WRITE-INS					
1701.	Liability to Member Hospitals (Non-claim liability) .....	..... 1,418,685	.....	..... 1,418,685	..... 1,180,358
1702.	Other current liabilities .....	.....	.....	.....	..... 785,661
1703	.....	.....	.....	.....	.....
1798.	Summary of remaining write-ins for Line 17 from overflow page .....	.....	.....	.....	.....
1799.	TOTALS (Lines 1701 through 1703 plus 1798) (Line 17 above) .....	..... 1,418,685	.....	..... 1,418,685	..... 1,966,019
2301	.....	..... X X X .....	..... X X X .....	.....	.....
2302	.....	..... X X X .....	..... X X X .....	.....	.....
2303	.....	..... X X X .....	..... X X X .....	.....	.....
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	..... X X X .....	..... X X X .....	.....	.....
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	..... X X X .....	..... X X X .....	.....	.....

**STATEMENT OF REVENUE AND EXPENSES**

		Current Year to Date		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	33,948 .....	182,481 .....
2.	Net premium income .....	X X X .....	5,845,653 .....	35,695,202 .....
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....	.....	.....
4.	Fee-for-service (net of \$..... medical expenses) .....	X X X .....	.....	.....
5.	Risk revenue .....	X X X .....	.....	.....
6.	Aggregate write-ins for other health care related revenues .....	X X X .....	.....	.....
7.	TOTAL REVENUES (Lines 2 to 6) .....	X X X .....	5,845,653 .....	35,695,202 .....
<b>Medical and Hospital:</b>				
8.	Hospital/medical benefits .....	.....	5,506,255 .....	16,624,962 .....
9.	Other professional services .....	.....	21,716 .....	2,562,004 .....
10.	Outside referrals .....	.....	.....	9,314,586 .....
11.	Emergency room and out-of-area .....	.....	.....	3,591,864 .....
12.	Prescription drugs .....	.....	959,806 .....	6,338,175 .....
13.	Aggregate write-ins for other medical and hospital .....	.....	1,415,318 .....	(4,548,754) .....
14.	Incentive pool and withhold adjustments .....	.....	.....	.....
15.	Subtotal (Lines 8 to 14) .....	.....	7,903,095 .....	33,882,837 .....
<b>LESS:</b>				
16.	Net reinsurance recoveries .....	.....	136,106 .....	1,958,603 .....
17.	Total medical and hospital (Lines 15 minus 16) .....	.....	7,766,989 .....	31,924,234 .....
18.	Claims adjustment expenses .....	.....	.....	.....
19.	General administrative expenses .....	.....	869,404 .....	3,757,526 .....
20.	Increase in reserves for accident and health contracts .....	.....	.....	.....
21.	Total underwriting deductions (Lines 17 through 20) .....	.....	8,636,393 .....	35,681,760 .....
22.	Net underwriting gain or (loss) (Lines 7 minus 21) .....	X X X .....	(2,790,740) .....	13,442 .....
23.	Net investment income earned .....	.....	36,299 .....	111,300 .....
24.	Net realized capital gains or (losses) .....	.....	.....	.....
25.	Net investment gains or (losses) (Lines 23 plus 24) .....	.....	36,299 .....	111,300 .....
26.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....), (amount charged off \$.....)] .....	.....	.....	.....
27.	Aggregate write-ins for other income or expenses .....	.....	.....	.....
28.	Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) .....	.....	(2,754,441) .....	124,742 .....
29.	Federal and foreign income taxes incurred .....	X X X .....	.....	.....
30.	Net income (loss) (Lines 28 minus 29) .....	X X X .....	(2,754,441) .....	124,742 .....
<b>DETAILS OF WRITE-INS</b>				
0601	.....	X X X .....	.....	.....
0602	.....	X X X .....	.....	.....
0603	.....	X X X .....	.....	.....
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....	.....	.....
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....	.....	.....
1301.	Medical Indemnity Credit .....	.....	.....	(4,548,754) .....
1302.	Capitation Payments .....	.....	1,415,318 .....	.....
1303	.....	.....	.....	.....
1398.	Summary of remaining write-ins for Line 13 from overflow page .....	.....	.....	.....
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	.....	1,415,318 .....	(4,548,754) .....
2701	.....	.....	.....	.....
2702	.....	.....	.....	.....
2703	.....	.....	.....	.....
2798.	Summary of remaining write-ins for Line 27 from overflow page .....	.....	.....	.....
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above) .....	.....	.....	.....

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year to Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
31.	Capital and surplus prior reporting year .....	3,163,286	2,486,253
GAINS AND LOSSES TO CAPITAL & SURPLUS			
32.	Net income or (loss) from Line 30 .....	(2,754,441)	124,742
33.	Change in valuation basis of aggregate policy and claim reserves .....		
34.	Net unrealized capital gains and losses .....		
35.	Change in net unrealized foreign exchange capital gain or (loss) .....		
36.	Change in net deferred income tax .....		
37.	Change in nonadmitted assets .....	(1,960,643)	(1,175,631)
38.	Change in unauthorized reinsurance .....		
39.	Change in treasury stock .....		
40.	Change in surplus notes .....		
41.	Cumulative effect of changes in accounting principles .....		
42.	Capital Changes:		
42.1	Paid in .....	3,436,593	
42.2	Transferred from surplus (Stock Dividend) .....		
42.3	Transferred to surplus .....		
43.	Surplus adjustments:		
43.1	Paid in .....		823,698
43.2	Transferred to capital (Stock Dividend) .....		
43.3	Transferred from capital .....		
44.	Dividends to stockholders .....		
45.	Aggregate write-ins for gains or (losses) in surplus .....		904,224
46.	Net change in capital and surplus (Lines 32 to 45) .....	(1,278,491)	677,033
47.	Capital and surplus end of reporting period (Line 31 plus 46) .....	1,884,795	3,163,286
DETAILS OF WRITE-INS			
4501.	Minimum Member Hospital Additional Funds .....		904,224
4502	.....		
4503	.....		
4598.	Summary of remaining write-ins for Line 45 from overflow page .....		
4599.	TOTALS (Lines 4501 through 4503 plus 4598) (Line 45 above) .....		904,224