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2011

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**ANNUAL STATEMENT**  
For the Year Ending December 31, 2011  
OF THE CONDITION AND AFFAIRS OF THE  
**Gateway Health Plan of Ohio, Inc.**

NAIC Group Code	0812 (Current Period)	0812 (Prior Period)	NAIC Company Code	12325	Employer's ID Number	30-0282076
Organized under the Laws of		Ohio	State of Domicile or Port of Entry		Ohio	
Country of Domicile		United States of America				
Licensed as business type:	Life, Accident & Health <input type="checkbox"/>	Property/Casualty <input type="checkbox"/>	Hospital, Medical & Dental Service or Indemnity <input type="checkbox"/>			
	Dental Service Corporation <input type="checkbox"/>	Vision Service Corporation <input type="checkbox"/>	Health Maintenance Organization <input checked="" type="checkbox"/>			
	Other <input type="checkbox"/>	Is HMO Federally Qualified? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>				
Incorporated/Organized	11/05/2004		Commenced Business	09/01/2005		
Statutory Home Office	600 Grant St Fl 41, US Steel Tower (Street and Number)		, Pittsburgh, PA 15219-2713 (City or Town, State and Zip Code)			
Main Administrative Office	600 Grant St Fl 41, US Steel Tower Pittsburgh, PA 15219-2713 (Street and Number) (City or Town, State and Zip Code)		(412)255-4640			
Mail Address	600 Grant St Fl 41, US Steel Tower (Street and Number or P.O. Box)		Pittsburgh, PA 15219-2713 (City or Town, State and Zip Code)			
Primary Location of Books and Records	c/o Thompson Hine LLP, 41 S High St, Suite 1700 (Street and Number)					
	Columbus, OH 43215-6101 (City or Town, State and Zip Code)		(614)469-3268 (Area Code) (Telephone Number)			
Internet Website Address	www.gatewayhealthplan.com					
Statutory Statement Contact	Cecil Eric Huss (Name) ehuss@gatewayhealthplan.com (E-Mail Address)		(412)255-1315 (Area Code)(Telephone Number)(Extension) (412)255-4670 (Fax Number)			

## OFFICERS

<u>Name</u>	<u>Title</u>
Charles Michael Blackwood	President
Karen Arcidiacono Barringer	Secretary
Cecil Eric Huss	Treasurer

## OTHERS - VICE PRESIDENTS

# BOARD OF DIRECTORS

Nanette Paden DeTurk  
Mark T Bullock #  
Joseph Hugh Bradley  
Horatio Ray Welch Jr.  
Michael George Warfel  
Sandra Ruth Tomlinson

State of Pennsylvania  
County of Allegheny ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the 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.

(Signature)  
Charles Michael Blackwood  
(Printed Name)  
1.  
President  
(Title)

(Signature)  
Karen Arcidiacono Barringer  
(Printed Name)  
2.  
Secretary  
(Title)

(Signature)  
Cecil Eric Huss  
(Printed Name)  
3.  
Treasurer  
(Title)

Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 2012

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

Yes[X] No[ ]

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(Notary Public Signature)

**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) .....	458,191		458,191	461,066
2. Stocks (Schedule D)				
2.1 Preferred stocks .....				
2.2 Common Stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....3,943 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....1,930,023 Schedule DA) .....	1,933,966		1,933,966	3,685,566
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	2,392,157		2,392,157	4,146,632
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	9,112		9,112	9,194
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....				
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....				
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets (\$.....0) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....	145		145	
25. Aggregate write-ins for other than invested assets .....				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,401,414		2,401,414	4,155,826
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	2,401,414		2,401,414	4,155,826
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. <b>TOTALS</b> (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepaid Expenses .....				
2502. Prepaid Reinsurance .....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. <b>TOTALS</b> (Lines 2501 through 2503 plus 2598) (Line 25 above) .....				

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....				11,860
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....				151
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				21,973
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				
9. General expenses due or accrued .....	13,715		13,715	25,721
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittances and items not allocated .....				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....				2,406
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
20. Reinsurance in unauthorized companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				125,976
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. TOTAL Liabilities (Lines 1 to 23) .....	13,715		13,715	188,087
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		
26. Common capital stock .....	XXX	XXX	1,500	1,500
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	4,034,735	5,634,735
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	(1,648,536)	(1,668,496)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	XXX	XXX		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	2,387,699	3,967,739
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	XXX	XXX	2,401,414	4,155,826
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	XXX	XXX	XXX
1. Member Months .....	XXX .....	XXX .....	XXX .....
2. Net premium income (including \$.....0 non-health premium income) .....	XXX .....	1,270	(44)
3. Change in unearned premium reserves and reserve for rate credits .....	XXX .....	XXX .....	XXX .....
4. Fee-for-service (net of \$.....0 medical expenses) .....	XXX .....	XXX .....	XXX .....
5. Risk revenue .....	XXX .....	XXX .....	XXX .....
6. Aggregate write-ins for other health care related revenues .....	XXX .....	XXX .....	XXX .....
7. Aggregate write-ins for other non-health revenues .....	XXX .....	XXX .....	XXX .....
8. TOTAL Revenues (Lines 2 to 7) .....	XXX .....	1,270	(44)
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....	.....	(11,102)	(149,607)
10. Other professional services .....	.....	.....	.....
11. Outside referrals .....	.....	.....	.....
12. Emergency room and out-of-area .....	.....	.....	.....
13. Prescription drugs .....	.....	.....	(2,359)
14. Aggregate write-ins for other hospital and medical .....	.....	.....	.....
15. Incentive pool, withhold adjustments and bonus amounts .....	.....	.....	.....
16. Subtotal (Lines 9 to 15) .....	.....	(11,102)	(151,966)
<b>Less:</b>			
17. Net reinsurance recoveries .....	.....	.....	.....
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....	.....	(11,102)	(151,966)
19. Non-health claims (net) .....	.....	.....	.....
20. Claims adjustment expenses, including \$.....0 cost containment expenses .....	.....	.....	4,106
21. General administrative expenses .....	.....	1,044	7,859
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....	.....	.....	.....
23. TOTAL Underwriting Deductions (Lines 18 through 22) .....	.....	(10,058)	(140,001)
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX .....	11,328	139,957
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....	.....	5,574	12,657
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....	.....	.....	.....
27. Net investment gains (losses) (Lines 25 plus 26) .....	.....	5,574	12,657
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....1,420)] .....	.....	.....	(1,420)
29. Aggregate write-ins for other income or expenses .....	.....	.....	.....
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 .....	15,482	152,614
31. Federal and foreign income taxes incurred .....	XXX .....	.....	.....
32. Net income (loss) (Lines 30 minus 31) .....	XXX .....	15,482	152,614
<b>DETAILS OF WRITE-INS</b>			
0601. .....	XXX .....	.....	.....
0602. Prior Year Income Tax Refund .....	XXX .....	.....	.....
0603. .....	XXX .....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX .....	.....	.....
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX .....	.....	.....
0701. .....	XXX .....	.....	.....
0702. .....	XXX .....	.....	.....
0703. .....	XXX .....	.....	.....
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX .....	.....	.....
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	XXX .....	.....	.....
1401. DME .....	.....	.....	.....
1402. .....	.....	.....	.....
1403. .....	.....	.....	.....
1498. Summary of remaining write-ins for Line 14 from overflow page .....	.....	.....	.....
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	.....	.....	.....
2901. Write-off claims software costs .....	.....	.....	.....
2902. Sanctions .....	.....	.....	.....
2903. .....	.....	.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page .....	.....	.....	.....
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....	.....	.....	.....

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	3,967,739	3,846,489
34. Net income or (loss) from Line 32 .....	15,482	152,614
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		(29,859)
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	4,478	(1,505)
40. Change in unauthorized reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		
43. Cumulative effect of changes in accounting principles .....		
44. Capital Changes:		
44.1 Paid in .....		
44.2 Transferred from surplus (Stock Dividend) .....		
44.3 Transferred to surplus .....		
45. Surplus adjustments:		
45.1 Paid in .....	(1,600,000)	
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....		
48. Net change in capital and surplus (Lines 34 to 47) .....	(1,580,040)	121,250
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	2,387,699	3,967,739
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		

**CASH FLOW**

		1 Current Year	2 Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	(20,703)	1,935
2.	Net investment income .....	8,087	15,340
3.	Miscellaneous income .....		
4.	Total (Lines 1 through 3) .....	(12,616)	17,275
5.	Benefit and loss related payments .....	(3,575)	39,628
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	140,153	16,503
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....		
10.	Total (Lines 5 through 9) .....	136,578	56,131
11.	Net cash from operations (Line 4 minus Line 10) .....	(149,194)	(38,856)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....		
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....		
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		29,859
13.7	Total investments acquired (Lines 13.1 to 13.6) .....		29,859
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....		(29,859)
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....	(1,600,000)	
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....		
16.6	Other cash provided (applied) .....	(2,406)	11,126
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(1,602,406)	11,126
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(1,751,600)	(57,589)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	3,685,566	3,743,155
19.2	End of year (Line 18 plus Line 19.1) .....	1,933,966	3,685,566

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....	.....	.....
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**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7	8	9	10
1. Net premium income .....	1,270							1,270		
2. Change in unearned premium reserves and reserve for rate credit .....										
3. Fee-for-service (net of \$.....0 medical expenses) .....									XXX	
4. Risk revenue .....									XXX	
5. Aggregate write-ins for other health care related revenues .....									XXX	
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6) .....	1,270						1,270			
8. Hospital/medical benefits .....	(11,102)						(10,000)	(1,102)		XXX
9. Other professional services .....									XXX	
10. Outside referrals .....									XXX	
11. Emergency room and out-of-area .....									XXX	
12. Prescription drugs .....									XXX	
13. Aggregate write-ins for other hospital and medical .....									XXX	
14. Incentive pool, withhold adjustments and bonus amounts .....									XXX	
15. Subtotal (Lines 8 to 14) .....	(11,102)						(10,000)	(1,102)		XXX
16. Net reinsurance recoveries .....									XXX	
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	(11,102)						(10,000)	(1,102)		XXX
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....0 cost containment expenses .....										
20. General administrative expenses .....	1,044							1,044		
21. Increase in reserves for accident and health contracts .....										XXX
22. Increase in reserves for life contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22) .....	(10,058)						(8,956)	(1,102)		
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	11,328						10,226	1,102		
<b>DETAILS OF WRITE-INS</b>										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....										XXX
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										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 .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX		XXX
1301. DME .....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....										XXX
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....										XXX

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	1,270	.....	.....	1,270
7. Title XIX - Medicaid .....	.....	.....	.....	.....
8. Other health .....	.....	.....	.....	.....
9. Health subtotal (Lines 1 through 8) .....	1,270	.....	.....	1,270
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11) .....	1,270	.....	.....	1,270

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct .....	758						1,860	(1,102)		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	758						1,860	(1,102)		
2. Paid medical incentive pools and bonuses .....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....										
6. Net healthcare receivables (a) .....										
7. Amounts recoverable from reinsurers December 31, current year .....										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	11,860						11,860			
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	11,860						11,860			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....										
11. Amounts recoverable from reinsurers December 31, prior year .....										
12. Incurred benefits:										
12.1 Direct .....	(11,102)						(10,000)	(1,102)		
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....										
12.4 Net .....	(11,102)						(10,000)	(1,102)		
13. Incurred medical incentive pools and bonuses .....										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. Incurred but Unreported:										
2.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. TOTALS										
4.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

**NONE**

## 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 December 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) .....	.....	.....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	(2,618)	.....	.....	.....	(2,618)	11,860
7. Title XIX - Medicaid .....	(1,102)	.....	.....	.....	(1,102)	.....
8. Other health .....	.....	.....	.....	.....	.....	.....
9. Health subtotal (Lines 1 to 8) .....	(3,720)	.....	.....	.....	(3,720)	11,860
10. Healthcare receivables (a) .....	.....	.....	.....	.....	.....	4,478
11. Other non-health .....	.....	.....	.....	.....	.....	.....
12. Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	(3,720)	.....	.....	.....	(3,720)	7,382

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Grand Total**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	3,037	3,037	3,037	3,037	3,037
2. 2007 .....	16,908	18,702	18,819	18,816	18,815
3. 2008 .....	XXX	131	190	190	190
4. 2009 .....	XXX	XXX	508	550	547
5. 2010 .....	XXX	XXX	XXX	XXX	XXX
6. 2011 .....	XXX	XXX	XXX	XXX	XXX

**Section B - Incurred Health Claims**

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 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	3,275	3,051	3,037	3,037	3,037
2. 2007 .....	19,278	18,825	18,819	18,816	18,815
3. 2008 .....	XXX	339	192	190	190
4. 2009 .....	XXX	XXX	711	562	547
5. 2010 .....	XXX	XXX	XXX	XXX	XXX
6. 2011 .....	XXX	XXX	XXX	XXX	XXX

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2007 .....	105	18,815	40	0.213	18,855	17,957.143	.....	.....	18,855	17,957.143
2. 2008 .....	351	190	72	37.895	262	74.644	.....	.....	262	74.644
3. 2009 .....	660	547	.....	.....	547	82.879	.....	.....	547	82.879
4. 2010 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 2011 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . . NONE

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Title XVIII - Medicare**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.....	.....	.....	.....	.....
2. 2007 .....	..... 29	..... 32	..... 32	..... 32	..... 32
3. 2008 .....	..... XXX	..... 131	..... 190	..... 190	..... 190
4. 2009 .....	..... XXX	..... XXX	..... 508	..... 550	..... 547
5. 2010 .....	..... XXX	..... XXX	..... XXX	..... XXX	.....
6. 2011 .....	..... XXX	..... XXX	..... XXX	..... XXX	.....

**Section B - Incurred Health Claims**

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 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.....	.....	.....	.....	.....
2. 2007 .....	..... 63	..... 34	..... 32	..... 32	..... 32
3. 2008 .....	..... XXX	..... 339	..... 192	..... 190	..... 190
4. 2009 .....	..... XXX	..... XXX	..... 711	..... 562	..... 547
5. 2010 .....	..... XXX	..... XXX	..... XXX	..... XXX	.....
6. 2011 .....	..... XXX	..... XXX	..... XXX	..... XXX	.....

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2007 .....	..... 71	..... 32	.....	.....	..... 32	..... 45.070	.....	.....	..... 32	..... 45.070
2. 2008 .....	..... 351	..... 190	..... 18	..... 9.474	..... 208	..... 59.259	.....	.....	..... 208	..... 59.259
3. 2009 .....	..... 660	..... 547	.....	.....	..... 547	..... 82.879	.....	.....	..... 547	..... 82.879
4. 2010 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 2011 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

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

**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	3,037	3,037	3,037	3,037	3,037
2. 2007 .....	16,879	18,670	18,787	18,784	18,783
3. 2008 .....	XXX				
4. 2009 .....	XXX	XXX			
5. 2010 .....	XXX	XXX	XXX		
6. 2011 .....	XXX	XXX	XXX	XXX	

**Section B - Incurred Health Claims**

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 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	3,275	3,051	3,037	3,037	3,037
2. 2007 .....	19,215	18,791	18,787	18,784	18,783
3. 2008 .....	XXX				
4. 2009 .....	XXX	XXX			
5. 2010 .....	XXX	XXX	XXX		
6. 2011 .....	XXX	XXX	XXX	XXX	

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2007 .....	34	18,783	40	0.213	18,823	55,361.765			18,823	55,361.765
2. 2008 .....			54		54				54	
3. 2009 .....										
4. 2010 .....										
5. 2011 .....										

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other ..... NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other ..... NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expsn Ratios - Other ..... NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve ..... NONE

# 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)					
2. Salaries, wages and other benefits					
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4. Legal fees and expenses					
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services					
7. Traveling expenses					
8. Marketing and advertising				250	250
9. Postage, express and telephone				1,282	1,282
10. Printing and office supplies					
11. Occupancy, depreciation and amortization					
12. Equipment					
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services					
15. Boards, bureaus and association fees				1,165	1,165
16. Insurance, except on real estate					
17. Collection and bank service charges					
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulator authority licenses and fees					
23.4 Payroll taxes					
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					6,102
25. Aggregate write-ins for expenses					
26. TOTAL Expenses Incurred (Lines 1 to 25)			1,043	16,099	(a) 17,142
27. Less expenses unpaid December 31, current year			11,829	1,886	13,715
28. Add expenses unpaid December 31, prior year		151	23,391	2,330	25,872
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)		151	12,605	16,543	29,299
<b>DETAILS OF WRITE-INS</b>					
2501.					
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)					

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) .....	24,000	21,439
1.1 Bonds exempt from U.S. tax .....	(a) .....	.....	.....
1.2 Other bonds (unaffiliated) .....	(a) .....	.....	.....
1.3 Bonds of affiliates .....	(a) .....	.....	.....
2.1 Preferred stocks (unaffiliated) .....	(b) .....	.....	.....
2.11 Preferred stocks of affiliates .....	(b) .....	.....	.....
2.2 Common stocks (unaffiliated) .....	.....	.....	.....
2.21 Common stocks of affiliates .....	.....	.....	.....
3. Mortgage loans .....	(c) .....	.....	.....
4. Real estate .....	(d) .....	.....	.....
5. Contract loans .....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	(e) .....	211	233
7. Derivative instruments .....	(f) .....	.....	.....
8. Other invested assets .....	.....	.....	.....
9. Aggregate write-ins for investment income .....	.....	.....	.....
10. Total gross investment income .....	24,211	.....	21,672
11. Investment expenses .....	(g) .....	16,098	.....
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 .....	.....	.....	.....
16. Total deductions (Lines 11 through 15) .....	.....	.....	16,098
17. Net Investment income (Line 10 minus Line 16) .....	.....	.....	5,574

**DETAILS OF WRITE-INS**

0901. ....	.....	.....	.....
0902. ....	.....	.....	.....
0903. ....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....
1501. ....	.....	.....	.....
1502. ....	.....	.....	.....
1503. ....	.....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....	.....
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....	.....	.....	.....

(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (b) Includes \$.....0 accrual of discount less \$.....0 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 \$.....0 paid for accrued interest on purchases.  
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.  
 (i) Includes \$.....0 depreciation on real estate and \$.....0 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 .....	.....	.....	.....	.....	.....
1.1 Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2 Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3 Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1 Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11 Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2 Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21 Common stocks of affiliates .....	.....	.....	.....	.....	.....
3. Mortgage loans .....	.....	.....	.....	.....	.....
4. Real estate .....	.....	.....	.....	.....	.....
5. Contract loans .....	.....	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7. Derivative instruments .....	.....	.....	.....	.....	.....
8. Other invested assets .....	.....	.....	.....	.....	.....
9. Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10. Total capital gains (losses) .....	.....	.....	.....	.....	.....

**N O N E****DETAILS OF WRITE-INS**

0901. ....	.....	.....	.....	.....
0902. ....	.....	.....	.....	.....
0903. ....	.....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	.....	.....	.....	.....

**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	.....	.....	.....
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.....	.....	.....
2.2 Common stocks .....	.....	.....	.....
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.....	.....	.....
3.2 Other than first liens .....	.....	.....	.....
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.....	.....	.....
4.2 Properties held for the production of income .....	.....	.....	.....
4.3 Properties held for sale .....	.....	.....	.....
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....	.....	.....	.....
6. Contract loans .....	.....	.....	.....
7. Derivatives (Schedule DB) .....	.....	.....	.....
8. Other invested assets (Schedule BA) .....	.....	.....	.....
9. Receivables for securities .....	.....	.....	.....
10. Securities lending reinvested collateral assets (Schedule DL) .....	.....	.....	.....
11. Aggregate write-ins for invested assets .....	.....	.....	.....
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.....	.....	.....
13. Title plants (for Title insurers only) .....	.....	.....	.....
14. Invested income due and accrued .....	.....	.....	.....
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	.....	.....	.....
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	.....	.....	.....
15.3 Accrued retrospective premiums .....	.....	.....	.....
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.....	.....	.....
16.2 Funds held by or deposited with reinsured companies .....	.....	.....	.....
16.3 Other amounts receivable under reinsurance contracts .....	.....	.....	.....
17. Amounts receivable relating to uninsured plans .....	.....	.....	.....
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.....	.....	.....
18.2 Net deferred tax asset .....	.....	.....	.....
19. Guaranty funds receivable or on deposit .....	.....	.....	.....
20. Electronic data processing equipment and software .....	.....	.....	.....
21. Furniture and equipment, including health care delivery assets .....	.....	.....	.....
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.....	.....	.....
23. Receivables from parent, subsidiaries and affiliates .....	.....	.....	.....
24. Health care and other amounts receivable .....	.....	4,478	4,478
25. Aggregate write-ins for other than invested assets .....	.....	.....	.....
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	.....	4,478	4,478
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.....	.....	.....
28. Total (Lines 26 and 27) .....	.....	4,478	4,478
<b>DETAILS OF WRITE-INS</b>			
1101. .....	.....	.....	.....
1102. .....	.....	.....	.....
1103. .....	.....	.....	.....
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.....	.....	.....
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.....	.....	.....
2501. .....	.....	.....	.....
2502. .....	.....	.....	.....
2503. .....	.....	.....	.....
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.....	.....	.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	.....	.....	.....

17    **Exhibit 1 - Enrollment By Product Type .....** **NONE**

18    **Exhibit 2 - Accident and Health Premiums .....** **NONE**

## **Notes to Financial Statements**

### **1. Summary of Significant Accounting Policies**

A. The accompanying financial statements of Gateway Health Plan of Ohio, Inc. (“GHPOI”) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (“the Department”). The Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under Ohio insurance law and regulations. The National Association of Insurance Commissioners' (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the State of Ohio.

A reconciliation of GHPOI's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio is shown below

	2011	2010
(1) Net income Ohio state basis:	\$ 15,482	(\$152,614)
(2) State Prescribed Practices (Income):	0	0
(3) State Permitted Practices (Income):	0	0
(4) Net Income, NAIC SAP:	\$ 15,482	(\$152,614)
(5) Statutory Surplus Ohio state basis:	\$2,387,699	\$3,967,739
(6) State Prescribed Practices (Surplus):	0	0
(7) State Permitted Practices (Surplus):	0	0
(8) Statutory Surplus, NAIC SAP:	\$2,387,699	\$3,967,739

B. Preparation of the financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting policies that materially affect assets, liabilities, capital and surplus or results of operations include: GHPOI is currently in a run-off status for services it provided for Medicare managed care under contract with Centers for Medicare & Medicaid Services (“CMS”).

In addition, GHPOI uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific interest method.
- (3) GHPOI does not hold common stocks.
- (4) GHPOI does not hold preferred stocks.
- (5) GHPOI does not hold any mortgage loans on real estate.
- (6) GHPOI does not hold any loan-backed securities.
- (7) GHPOI does not hold any investments in subsidiaries, controlled or affiliated investments.
- (8) GHPOI does not hold any investments in joint ventures, partnerships and limited liability companies.
- (9) GHPOI does not hold any derivatives instruments.
- (10) GHPOI does not have any premium deficiency reserves.
- (11) GHPOI does not have any outstanding claims or claim adjustment expenses.
- (12) GHPOI has not modified its capitalization policy from the prior period.
- (13) GHPOI does not have pharmaceutical rebate receivables.

### **2. Accounting Changes and Corrections of Errors**

A. None.

### **3. Business Combinations and Goodwill**

A. No statutory purchases occurred as of December 31, 2011.

B. No statutory mergers occurred as of December 31, 2011.

C. No transactions involving assumption of reinsurance occurred as of December 31, 2011.

D. GHPOI did not have, and therefore did not record impairment losses as of December 31, 2011.

## **Notes to Financial Statements**

### **4. Discontinued Operations**

In March 2009, GHPOI notified CMS of its intention to discontinue its Medicare Assured operations in Ohio. GHPOI's members were disenrolled from the plan as of January 1, 2010. GHPOI has accrued for anticipated medical expenses (IBNR), claims processing expenses, and administrative expenses related to the discontinuation of operations. GHPOI's Medicare Assured operations have been classified as Discontinued Operations and will be reported consistently with its reporting of continuing operations. At the time of this statement, there have been no transactions recorded outside of those that would arise during continuing operations. Therefore, there is no balance sheet or income statement impact at this time.

### **5. Investments**

- A. Mortgage Loans – Not Applicable.
- B. Debt Restructuring – Not Applicable.
- C. Reverse Mortgages – Not Applicable.
- D. Loan-Backed Securities – Not Applicable.
- E. Repurchase Agreements – Not Applicable.
- F. Real Estate – Not Applicable.
- G. Low Income Housing Tax Credits – Not Applicable.

### **6. Joint Ventures, Partnerships and Limited Liability Companies**

- A. GHPOI has no investments in joint ventures, partnerships, or limited liability companies.
- B. Not applicable.

### **7. Investment Income**

- A. Due and accrued income was excluded from surplus on the following basis:  
All investment income due and accrued with amounts that are over 90 days past due are excluded.
- B. No investment income was excluded from the financial statements.

### **8. Derivative Instruments**

None

### **9. Income Taxes**

- A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

(1) The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities:

	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
<b>Deferred tax Assets:</b>									
Discounting of losses & loss adjustment expense	0	0	0	214	0	214	(214)	0	(214)
Other Liabilities	0	0	0	0	0	0	0	0	0
Change in unearned premium reserve	0	0	0	0	0	0	0	0	0
Contingency Reserve	0	0	0	0	0	0	0	0	0
Start-Up Costs Amortization	45,245	0	45,245	50,416	0	50,416	(5,171)	0	(5,171)
Federal NOL Carryforward	514,257	0	514,257	522,111	0	522,111	(7,854)	0	(7,854)
Other than Temporarily Impaired Investments	0	0	0	0	0	0	0	0	0
Unrealized capital losses (net)	0	0	0	0	0	0	0	0	0
Receivables from affiliates and uncoll. premiums	0	0	0	1,522	0	1,522	(1,522)	0	(1,522)
Other	3,241	0	3,241	3,241	0	3,241	0	0	0
<b>Gross Deferred Tax Assets</b>	<b>562,743</b>	<b>0</b>	<b>562,743</b>	<b>577,504</b>	<b>0</b>	<b>577,504</b>	<b>(14,761)</b>	<b>0</b>	<b>(14,761)</b>
Statutory Valuation Allowance	(562,743)	0	(562,743)	(569,682)	0	(569,682)	6,939	0	6,939
Adjusted Gross Deferred Tax asset	0	0	0	7,822	0	7,822	(7,822)	0	(7,822)
Nonadmitted deferred tax assets	0	0	0	0	0	0	0	0	0
<b>Admitted deferred tax assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,822</b>	<b>0</b>	<b>7,822</b>	<b>(7,822)</b>	<b>0</b>	<b>(7,822)</b>
<b>Deferred tax liabilities:</b>									
Unrealized Capital Gains (Net)	0	0	0	0	0	0	0	0	0
Other	0	0	0	7,822	0	7,822	(7,822)	0	(7,822)
<b>Total deferred tax liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,822</b>	<b>0</b>	<b>7,822</b>	<b>(7,822)</b>	<b>0</b>	<b>(7,822)</b>
Net admitted deferred tax asset	(0)	0	(0)	0	0	0	(0)	0	(0)
<b>Increase/(decrease) in nonadmitted asset</b>	<b>0</b>								

## Notes to Financial Statements

(2) The Amount of each result or component of the calculation by tax character:

	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted Adjusted Gross DTA (paragraph 10a.)	0	0	0	0	0	0	0	0	0
Admitted Adjusted Gross DTA (paragraph 10b.)	0	0	0	0	0	0	0	0	0
Admitted Adjusted Gross DTA (paragraph 10c.)	0	0	0	7,822	0	7,822	(7,822)	0	(7,822)
Total Admitted Deferred Tax Asset	0	0	0	7,822	0	7,822	(7,822)	0	(7,822)
Less: Gross Deferred Tax Liabilities			0			7,822			(7,822)
Net admitted deferred tax asset			(0)			0			(0)

(3) Income tax expense for 2011, 2010 and 2009 that is available for recoupment in the event of future net losses.

Year	Ordinary	Capital	Total
2009	0	0	0
2010	0	0	0
2011	0	0	0
	0	0	0
	0	0	0

(4) For the year ended December 31, 2011 and 2010, GHPOI has not elected to admit Deferred Tax Assets pursuant to paragraph 10e

(5) For the years ending December 31, 2011 and 2010, GHPOI has not employed any tax planning strategies to admit deferred tax assets.

(6) The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non admitted assets as the change in Nonadmitted assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement).

	Dec. 31 2011	Dec. 31 2010	Change
Total deferred tax assets	0	7,822	(7,822)
Total deferred tax liabilities	0	7,822	(7,822)
Net deferred tax asset (liability)	0	0	0
Tax effect of unrealized gains (losses)			0
Change in net deferred income tax			0

B. Deferred tax liabilities not recognized - Not Applicable.

C. The provisions for incurred taxes on earnings for the years ended December 31 are:

	<u>2011</u>	<u>2010</u>
Federal taxes reported in federal & foreign income taxes incurred	\$ 0	\$ 0
D. The provision for federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to income before income taxes. The significant items causing this difference are as follows:		

	<u>2011</u>	<u>2010</u>
Provision computed at statutory rate	\$5,264	\$ 51,889
Change in temporary differences recorded		
directly to surplus	1,522	(512)
Change in valuation allowance	(6,939)	(51,223)
Other	<u>153</u>	<u>(154)</u>
	<u>\$ 0</u>	<u>\$ 0</u>
Federal and foreign income taxes incurred	\$ 0	\$ 0
Change in net deferred income taxes	<u>0</u>	<u>0</u>
Total statutory income taxes	<u>\$ 0</u>	<u>\$ 0</u>

## **Notes to Financial Statements**

As of December 31, 2011 and 2010, GHPOI recorded a valuation allowance of \$570,598 and \$569,682, respectively.

In November 2011, the NAIC adopted SSAP No. 101, Income Taxes, a replacement of SSAP No. 10R and SSAP No. 10. The new guidance is not effective until January 1, 2012. GHPOI does not expect adoption of the new guidance to have a material impact on the admitted deferred tax asset.

- E. (1) As of December 31, 2011 GHPOI had a federal net operating loss carryforward of \$1,512,162. The carryforward begins expiring in 2026. GHPOI recognized a full valuation allowance due to the uncertainty of realizing a tax benefit for these net operating loss carryforwards.
- (2) There were no income tax expenses for 2011 or 2010 that are available for recoupment in the event of future net losses.
- (3) GHPOI has no deposits admitted under Section 6603 of the Internal Revenue Services Code.

F. GHPOI's federal income tax return is not consolidated with any other entities.

### **10. Information Concerning Parent, Subsidiaries and Affiliates**

- A. GHPOI is a wholly owned subsidiary of GHP,LP.
- GHP,LP is a limited partnership; its general partners are Highmark Ventures Inc., formerly known as Alliance Ventures Inc., a subsidiary of Highmark Inc ("Highmark") and Mercy Health Plan. The limited partners are Highmark and Mercy Health Plan – see Schedule Y for organizational structure. GHPOI files the statutory statements using Highmark's NAIC group code.
- B&C GHPOI paid an extraordinary dividend to GHP,LP on May 3, 2011, totaling \$1,600,000.
- D. A net inter-company payable between GHPOI and GHP,LP totaled \$0 at December 31, 2011 and (\$40) at December 31, 2010. The balances represent inter-company activity in the normal course of business. Additionally, a net inter-company receivable/(payable) between GHPOI and Gateway Health Plan, Inc. ("GHPI") totaled \$0 at December 31, 2011 and (\$2,365) at December 31, 2010. The balances represent inter-company activity in the normal course of business.
- E. None.
- F. During 2011 GHPOI and GHP,LP operated under a Program Services Agreement. GHP,LP is to provide the following broad outline of services per the agreement: general administration, specific finance functions, claims services, member education, member services, regulatory reporting, provider services, utilization management, case management, quality assurance and improvement, credentialing, grievance and appeals, and use/advancing of relationships and goodwill.
- G. GHPOI is a wholly owned subsidiary of GHP,LP. GHP,LP is a limited partnership; its general partners are Highmark Ventures Inc., formerly known as Alliance Ventures Inc. (a subsidiary of Highmark) and Mercy Health Plan. The limited partners are Highmark and Mercy Health Plan.
- H. GHPOI has no ownership in upstream entities.
- I. GHPOI has no investments in SCA entities.
- J. GHPOI has no investments in SCA entities.
- K. GHPOI has no investments in foreign SCA entities.
- L. GHPOI has no investments in downstream non-insurance holding companies.

### **11. Debt**

- A - B. GHPOI has no capital note obligations.

### **12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

GHPOI has no Retirement Plan, Deferred Compensation Plan or Post-Retirement Plan.

### **13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

- (1) GHPOI has 1,500 shares of common stock issued and outstanding at December 31, 2011 with a par value of \$1.00 each. No preferred stock has been issued by GHPOI.
- (2) GHPOI has no preferred stock outstanding.
- (3) There are no restrictions placed on GHPOI's surplus, except risk-based capital requirements imposed by the NAIC, the Department, and GHPOI's regulatory agreement.
- (4) GHPOI paid an extraordinary dividend to GHP,LP on May 3, 2011, totaling \$1,600,000.

## **Notes to Financial Statements**

- (5) Ordinary Dividend Restrictions – Not Applicable
- (6) There were no restrictions placed on the GHPOI's surplus, including for whom the surplus is being held.
- (7) GHPOI has no advances of surplus not repaid nor does GHPOI hold stock of affiliated companies for specific reasons.
- (8) The amount of stock held by the GHPOI for special purposes is \$0.
- (9) There were no changes in the balance of special surplus funds from the prior year.
- (10) Unassigned funds (surplus) were not changed by unrealized gains and losses.
- (11) GHPOI has no surplus notes.
- (12) No quasi-reorganizations have taken place as of December 31, 2011.

**14. Contingencies**

Not Applicable.

**15. Leases**

GHPOI has no leases.

**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**

- A. Not applicable.
- B. Not applicable.
- C. No wash sales.

**18. Gains or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

- A) ASO Plans – None
- B) ASC Plans – None
- C) Medicare or Similarly Structured Cost Based Reimbursement Contract
  - a. GHPOI has recorded no Medicare Part D at December 31, 2011.
  - b. As of December 31, 2011, GHPOI has recorded receivables from the following payor whose account balances are greater than 10% of GHPOI's amounts receivable from uninsured accident and health plans or \$10,000: Not Applicable
  - c. GHPOI has recorded no Medicare Part D allowances and reserves for adjustment of recorded revenues at December 31, 2011.
  - d. GHPOI has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Not Applicable.

**20. Fair Value Measurements**

Not Applicable.

**21. Other Items**

- A. Extraordinary items – Approval was obtained from the Ohio Department of Insurance of a \$1,600,000 extraordinary dividend from GHPOI to GHP, LP during the second quarter 2011. The funding for this dividend occurred on May 3, 2011.
- B. Troubled Debt Restructuring Debtors – None
- C. Other Disclosures – In October 2011, one of GHP,LP's limited partners, Highmark Inc. ("Highmark"), entered into an affiliation agreement with West Penn Allegheny Health System, Inc. ("WPAHS") with respect to a proposed affiliation between the two companies. If the transactions contemplated by the affiliation agreement are consummated, WPAHS and Highmark will become affiliated companies under a common ultimate parent entity ("UPE"), a newly formed Pennsylvania nonprofit corporation. UPE will be one of the ultimate parent's of the GHP,LP. Consummation of the affiliation is subject to various conditions, including regulatory approvals. Such regulatory approvals include, specifically, approval of the resulting change in one of the ultimate parent's of GHP,LP that will result from the affiliation.

## **Notes to Financial Statements**

- D. Nature of any portion of the balance that is reasonably possible to be uncollectible – None
- E. Business Interruption Insurance Recoveries – None
- F. State Transferable Tax Credit – None
- G. Subprime-Mortgage-Related Risk Exposure – None
- H. Retained Assets – None

### **22. Events Subsequent**

#### Type I. – Recognized Subsequent Events

Subsequent events have been considered through 2/28/2012 for the statutory statement issued on December 31, 2011.

None

#### Type II. – Nonrecognized Subsequent Events

Subsequent events have been considered through 2/28/2012 for the statutory statement issued on December 31, 2011.

None

### **23. Reinsurance**

- A. Reinsurance Ceded – None
- B. Uncollectible Reinsurance – None
- C. Commutation of Ceded Reinsurance - None

### **24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not Applicable.

### **25. Change in Incurred Claims and Claim Adjustment Expenses**

Reserves as of December 31, 2010 were \$11,860. As of December 31, 2011, (\$3,569) has been paid/(received) for incurred claims and claims adjustment expenses attributable to insured events of prior years. There are no reserves remaining for prior years on the Medicare line of business. Therefore, there has been a (\$15,580) unfavorable/(favorable) prior-year development since December 31, 2010 to December 31, 2011. The increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

### **26. Inter-company Pooling Arrangements**

Not Applicable.

### **27. Structured Settlements**

Not applicable for Health entities.

## **Notes to Financial Statements**

### **28. Healthcare Receivables**

#### A. Pharmacy Rebate Receivable:

The rebates accrued were an estimate based on historical rebates received per member per month (PMPM) and current volume.

GHPOI was primarily responsible for billing the rebates; however, Argus Health Systems, Inc. (“Argus”) was responsible for billing a few of the manufacturers directly. The majority of pharmacies sent payment for the rebates to GHPOI via wire-transfer.

Quarter	Estimated Rebates as Reported on FS *	Rebates Billed or Confirmed **	Actual Rebates Received Within		
			90 Days of Billing	91-180 Days of Billing	> 180 Days of Billing
12/31/11	0	0	0	0	0
09/30/11	0	0	0	0	0
06/30/11	0	0	0	0	0
03/31/11	0	0	0	0	0
12/31/10	0	0	0	0	0
09/30/10	0	0	0	0	0
06/30/10	0	0	0	0	0
03/31/10	2,762	0	0	0	0
12/31/09	3,138	0	0	0	0
09/30/09	4,822	3,090	2,814	0	0
06/30/09	5,589	3,399	3,412	50	0
03/31/09	4,605	3,290	3,398	0	0

\* Estimated pharmacy rebates as reported on Financial Statements represents the admitted rebate receivable as reported on the financial statements.

\*\* Pharmacy rebates billed or confirmed represents rebates billed or confirmed in the quarter.

#### B. Not Applicable.

### **29. Participating Policies**

Not Applicable.

### **30. Premium Deficiency Reserves**

Not Applicable.

### **31. 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[X]  No[ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?  Yes[X]  No[ ]  N/A[ ]  
..... Ohio.....

1.3 State Regulating?  Yes[ ]  No[X]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?  Yes[ ]  No[X]

2.2 If yes, date of change:  12/31/2009.....  
 12/31/2009.....  
 03/11/2011.....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.  12/31/2009.....

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.  12/31/2009.....

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).  03/11/2011.....

3.4 By what department or departments?  OHIO DEPARTMENT OF INSURANCE

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[X]  N/A[X]

3.6 Have all of the recommendations within the latest financial examination report been complied with?  Yes[X]  No[ ]  N/A[ ]

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:  Yes[ ]  No[X]

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:  Yes[ ]  No[X]

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.  Yes[ ]  No[X]

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:  0.000%

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  0.000%  
 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)  Yes[ ]  No[X]

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

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.  Yes[ ]  No[X]

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?  Yes[ ]  No[X]

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.  Yes[ ]  No[X]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	..... Yes[ ] <input checked="" type="checkbox"/> No[X] .....	..... Yes[ ] <input checked="" type="checkbox"/> No[X] .....	..... Yes[ ] <input checked="" type="checkbox"/> No[X] .....	..... Yes[ ] <input checked="" type="checkbox"/> No[X] .....	..... Yes[ ] <input checked="" type="checkbox"/> No[X] .....

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? None - ODI approved exemption  Yes[ ]  No[X]

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?  Yes[ ]  No[X]

10.2 If response to 10.1 is "yes," provide information related to this exemption:  Yes[ ]  No[X]

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?  Yes[ ]  No[X]

10.4 If response to 10.3 is "yes," provide information related to this exemption:  Yes[ ]  No[X]

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?  Yes[X]  No[ ]  N/A[ ]

10.6 If the answer to 10.5 is "NO" or "N/A" please explain: None - ODI approved exemption  Yes[ ]  No[X]

11. 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? None - ODI approved exemption  Yes[ ]  No[X]

**GENERAL INTERROGATORIES (Continued)**

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?  Yes [ ]  No [X] \$ 0

12.11 Name of real estate holding company  
12.12 Number of parcels involved  
12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  Yes [ ]  No [ ]  N/A [X]

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?  Yes [ ]  No [ ]  N/A [X]

13.3 Have there been any changes made to any of the trust indentures during the year?  Yes [ ]  No [ ]  N/A [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?  Yes [ ]  No [ ]  N/A [X]

14.1 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.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended?  Yes [ ]  No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).  Yes [ ]  No [X]

14.3 Have any provisions of the code of ethics been waived for any of the specified officers?  Yes [ ]  No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  Yes [ ]  No [X]

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below?  Yes [ ]  No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.  Yes [ ]  No [X]

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001	.....	.....	.....	.....

**BOARD OF DIRECTORS**

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?  Yes [X]  No [ ]

17. 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 [ ]

18. 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 [ ]

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?  Yes [ ]  No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): \$ 0

20.11 To directors or other officers  
20.12 To stockholders not officers  
20.13 Trustees, supreme or grand (Fraternal only)

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans): \$ 0

20.21 To directors or other officers  
20.22 To stockholders not officers  
20.23 Trustees, supreme or grand (Fraternal only)

21.1 Were any assets reported in this 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]

21.2 If yes, state the amount thereof at December 31 of the current year: \$ 0

21.21 Rented from others  
21.22 Borrowed from others  
21.23 Leased from others  
21.24 Other

22.1 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]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment  
22.22 Amount paid as expenses  
22.23 Other amounts paid

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

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

**INVESTMENT**

24.1 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 24.3)  Yes [X]  No [ ]

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

24.3 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 17 where this information is also provided)

24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.

24.6 If answer to 24.4 is no, report amount of collateral for other programs.

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?  Yes [ ]  No [ ]  N/A [X]

**GENERAL INTERROGATORIES (Continued)**

25.1 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 21.1 and 24.3).

Yes[X] No[ ]

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

25.21 Subject to repurchase agreements	\$ .....	0
25.22 Subject to reverse repurchase agreements	\$ .....	0
25.23 Subject to dollar repurchase agreements	\$ .....	0
25.24 Subject to reverse dollar repurchase agreements	\$ .....	0
25.25 Pledged as collateral	\$ .....	0
25.26 Placed under option agreements	\$ .....	0
25.27 Letter stock or securities restricted as to sale	\$ .....	0
25.28 On deposit with state or other regulatory body	\$ .....	0
25.29 Other	\$ .....	458,191

25.3 For category (25.27) provide the following:

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

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[ ] No[X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

Yes[ ] No[X]

27.1 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]

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

\$ ..... 0

28. 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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]

28.01 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
PNC Bank, NA .....	Pittsburgh, PA .....
Mellon Bank, NA .....	Pittsburgh, PA .....

28.02 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)
.....	.....	.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[ ] No[X]

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

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

28.05 Identify all investment advisers, broker/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
.....	.....	.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[ ] No[X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total .....	.....	.....

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

**GENERAL INTERROGATORIES (Continued)**

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
.....	.....	.....	.....

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	2,388,214	2,506,523	118,309
30.2 Preferred stocks .....			
30.3 Totals .....	2,388,214	2,506,523	118,309

30.4 Describe the sources or methods utilized in determining the fair values  
From Custodian's Year end statements.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]  
31.2 If the answer to 31.1 is 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[X] No[ ] N/A[ ]  
31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[ ]  
32.2 If no, list exceptions:

**OTHER**

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 0  
33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

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

34.1 Amount of payments for legal expenses, if any? \$ ..... 0  
34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 0  
35.2 List the name of 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 department of government during the period covered by this statement.

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

**GENERAL INTERROGATORIES (Continued)****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	1,270	(44)
2.2 Premium Denominator	1,270	(44)
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator		33,833
2.5 Reserve Denominator		33,833
2.6 Reserve Ratio (2.4 / 2.5)		1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No [ ]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ] No [ ] N/A [X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [ ] No [X]

5.2 If no, explain:

No enrollment. In run-out.

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical	\$..... 0
5.32 Medical Only	\$..... 0
5.33 Medicare Supplement	\$..... 0
5.34 Dental & Vision	\$..... 0
5.35 Other Limited Benefit Plan	\$..... 0
5.36 Other	\$..... 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

No enrollment. In run-out

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

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	..... 0
8.2 Number of providers at end of reporting year	..... 0

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months	..... 0
9.22 Business with rate guarantees over 36 months	..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [ ] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses	\$..... 0
10.22 Amount actually paid for year bonuses	\$..... 0
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 [ ] No [X]
11.14 A Mixed Model (combination of above)?	Yes [ ] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth.

Ohio	..... 1,700,000
If yes, show the amount required.	Yes [ ] No [X]

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

11.6 If the amount is calculated, show the calculation.

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

1 Name of Service Area
.....

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:

\$..... 0
Yes [ ] No [X]

13.3 Do you act as an administrator for health savings accounts?

\$..... 0
Yes [ ] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$..... 0
Yes [ ] No [X]

**FIVE-YEAR HISTORICAL DATA**

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28)	2,401,414	4,155,826	4,232,405	5,421,730	7,748,693
2. TOTAL Liabilities (Page 3, Line 24)	13,715	188,087	385,916	488,321	2,822,408
3. Statutory surplus	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
4. TOTAL Capital and Surplus (Page 3, Line 33)	2,387,699	3,967,739	3,846,489	4,933,409	4,926,285
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8)	1,270	(44)	657,579	307,579	22,667,775
6. TOTAL Medical and Hospital Expenses (Line 18)	(11,102)	(151,966)	557,333	(132,820)	19,137,839
7. Claims adjustment expenses (Line 20)		4,106	126,302	266,289	1,578,353
8. TOTAL Administrative Expenses (Line 21)	1,044	7,859	120,961	516,589	2,610,083
9. Net underwriting gain (loss) (Line 24)	11,328	139,957	(147,017)	(342,479)	(658,500)
10. Net investment gain (loss) (Line 27)	5,574	12,657	29,137	165,272	412,562
11. TOTAL Other Income (Lines 28 plus 29)	(1,420)				(15,000)
12. Net income or (loss) (Line 32)	15,482	152,614	(117,881)	(176,158)	(260,938)
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11)	(149,194)	(38,856)	(173,454)	(1,784,903)	(3,446,254)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital	2,387,699	3,967,739	3,846,489	4,933,409	4,926,285
15. Authorized control level risk-based capital	2,576	7,850	312,491	313,626	1,216,126
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7)			56	60	8,854
17. TOTAL Members Months (Column 6, Line 7)			792	400	121,037
<b>OPERATING PERCENTAGE (Page 4)</b>					
(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 Line 19)	(874.2)	345,377.3	84.8	(43.2)	84.4
20. Cost containment expenses					0.3
21. Other claims adjustment expenses		(9,331.8)	19.2	86.6	6.7
22. TOTAL Underwriting Deductions (Line 23)	(792.0)	318,184.1	122.4	211.3	102.9
23. TOTAL Underwriting Gain (Loss) (Line 24)	892.0	(318,084.1)	(22.4)	(111.3)	(2.9)
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	(3,720)	47,010	171,920	1,542,149	3,057,395
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	7,382	198,976	325,720	2,013,221	3,074,879
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					

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[] N/A[X]

If no, please explain:

# **SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

## **ALLOCATED BY STATES AND TERRITORIES**

State, 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 Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama (AL) .....	N .....									
2. Alaska (AK) .....	N .....									
3. Arizona (AZ) .....	N .....									
4. Arkansas (AR) .....	N .....									
5. California (CA) .....	N .....									
6. Colorado (CO) .....	N .....									
7. Connecticut (CT) .....	N .....									
8. Delaware (DE) .....	N .....									
9. District of Columbia (DC) .....	N .....									
10. Florida (FL) .....	N .....									
11. Georgia (GA) .....	N .....									
12. Hawaii (HI) .....	N .....									
13. Idaho (ID) .....	N .....									
14. Illinois (IL) .....	N .....									
15. Indiana (IN) .....	N .....									
16. Iowa (IA) .....	N .....									
17. Kansas (KS) .....	N .....									
18. Kentucky (KY) .....	N .....									
19. Louisiana (LA) .....	N .....									
20. Maine (ME) .....	N .....									
21. Maryland (MD) .....	N .....									
22. Massachusetts (MA) .....	N .....									
23. Michigan (MI) .....	N .....									
24. Minnesota (MN) .....	N .....									
25. Mississippi (MS) .....	N .....									
26. Missouri (MO) .....	N .....									
27. Montana (MT) .....	N .....									
28. Nebraska (NE) .....	N .....									
29. Nevada (NV) .....	N .....									
30. New Hampshire (NH) .....	N .....									
31. New Jersey (NJ) .....	N .....									
32. New Mexico (NM) .....	N .....									
33. New York (NY) .....	N .....									
34. North Carolina (NC) .....	N .....									
35. North Dakota (ND) .....	N .....									
36. Ohio (OH) .....	L .....		1,270						1,270	
37. Oklahoma (OK) .....	N .....									
38. Oregon (OR) .....	N .....									
39. Pennsylvania (PA) .....	N .....									
40. Rhode Island (RI) .....	N .....									
41. South Carolina (SC) .....	N .....									
42. South Dakota (SD) .....	N .....									
43. Tennessee (TN) .....	N .....									
44. Texas (TX) .....	N .....									
45. Utah (UT) .....	N .....									
46. Vermont (VT) .....	N .....									
47. Virginia (VA) .....	N .....									
48. Washington (WA) .....	N .....									
49. West Virginia (WV) .....	N .....									
50. Wisconsin (WI) .....	N .....									
51. Wyoming (WY) .....	N .....									
52. American Samoa (AS) .....	N .....									
53. Guam (GU) .....	N .....									
54. Puerto Rico (PR) .....	N .....									
55. U.S. Virgin Islands (VI) .....	N .....									
56. Northern Marianas Islands (MP) .....	N .....									
57. Canada (CN) .....	N .....									
58. Aggregate other alien (OT) .....	XXX									
59. Subtotal .....	XXX		1,270						1,270	
60. Reporting entity contributions for Employee Benefit Plans .....	XXX									
61. TOTAL (Direct Business) .....	(a) 1		1,270						1,270	

**DETAILS OF WRITE-INS**

5801. ....	XXX									
5802. ....	XXX									
5803. ....	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page .....	XXX									
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	XXX									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

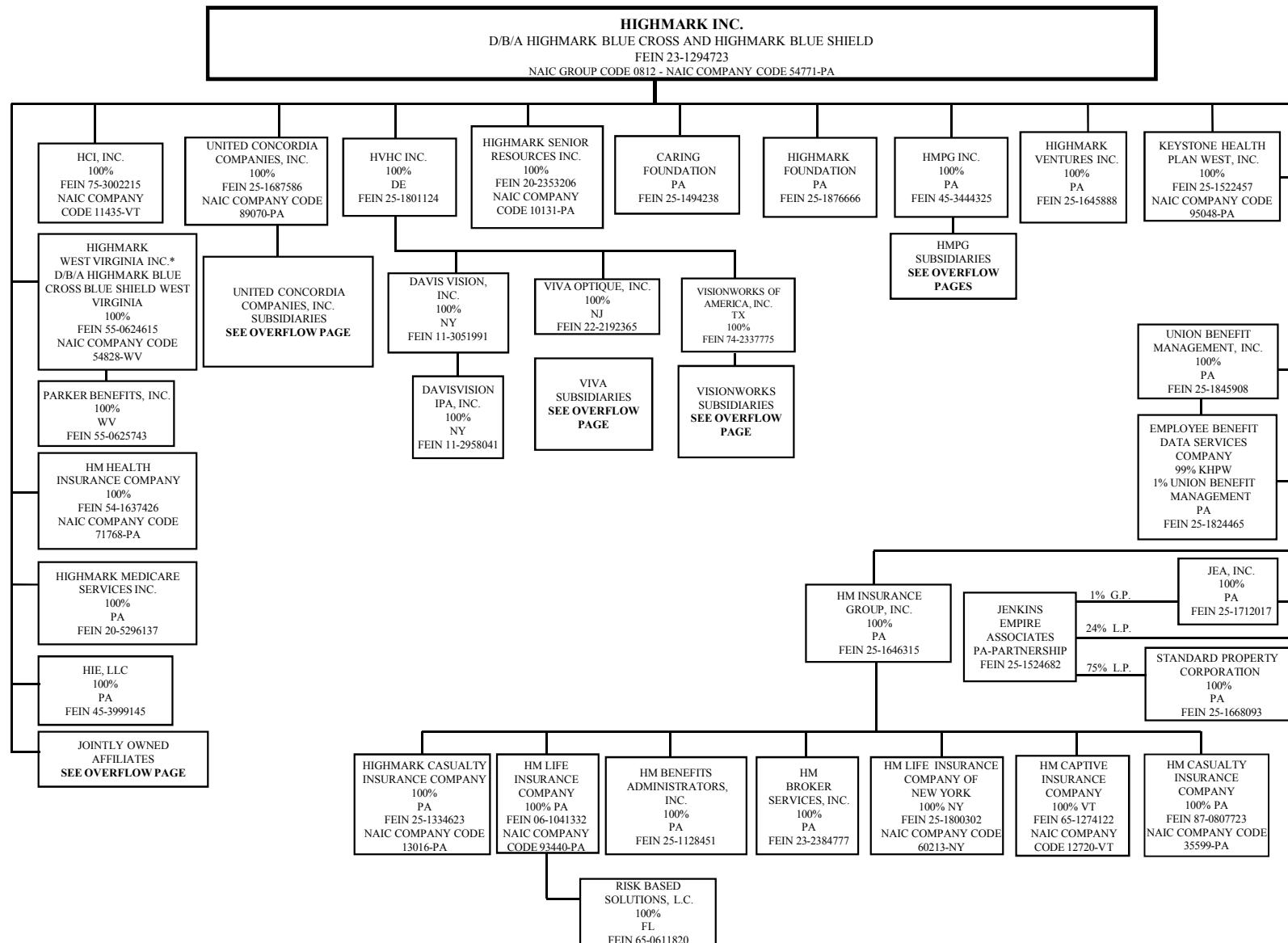
(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.:

# SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

## MEMBERS OF A HOLDING COMPANY GROUP

### PART 1 - ORGANIZATIONAL CHART

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

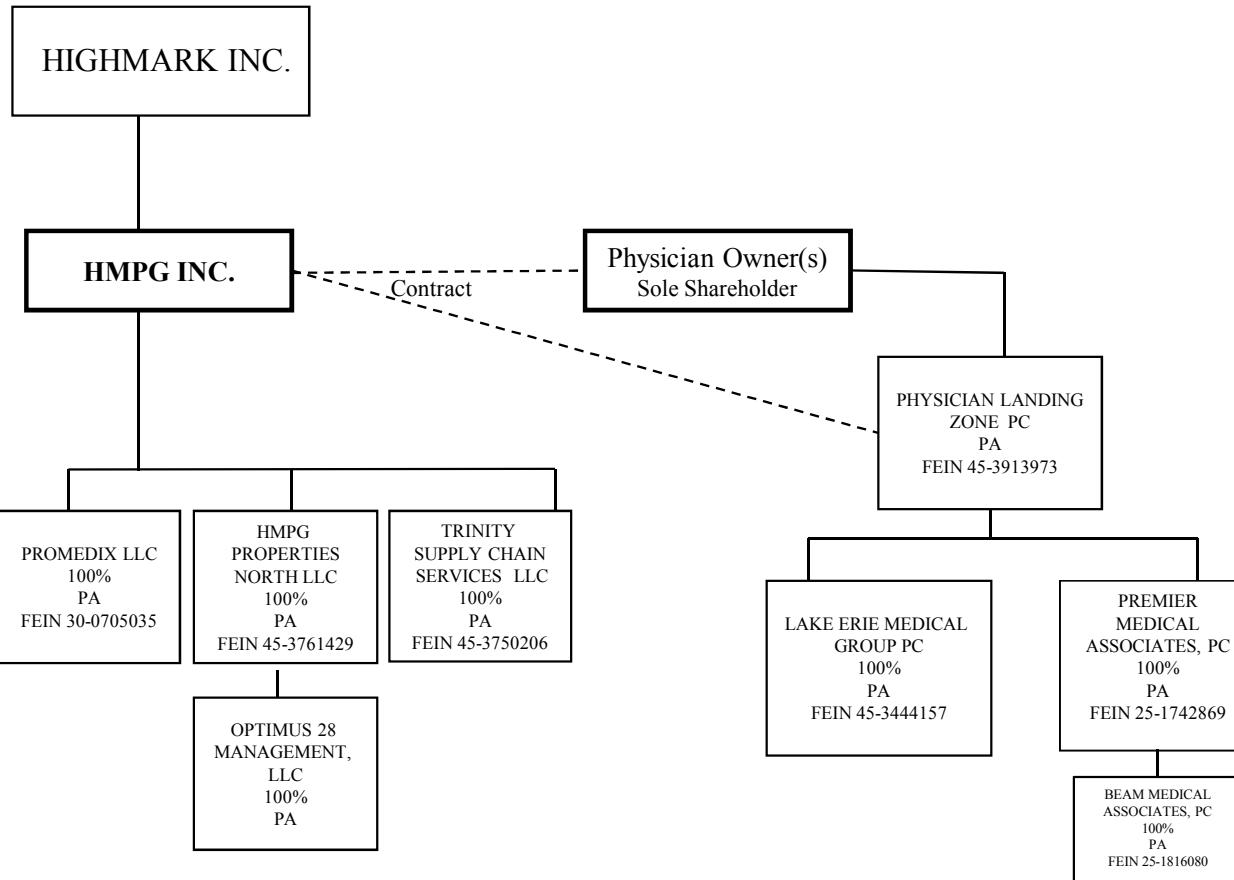


## **SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**

### **MEMBERS OF A HOLDING COMPANY GROUP**

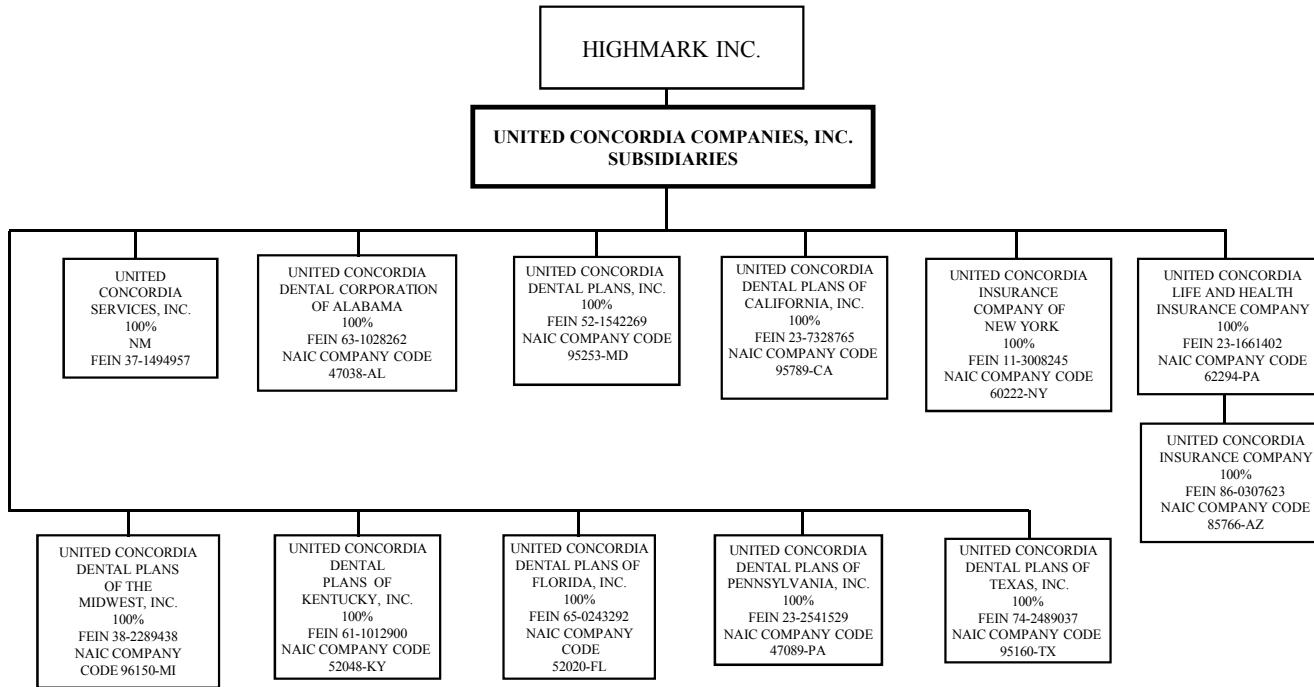
#### **PART 1 - ORGANIZATIONAL CHART**

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



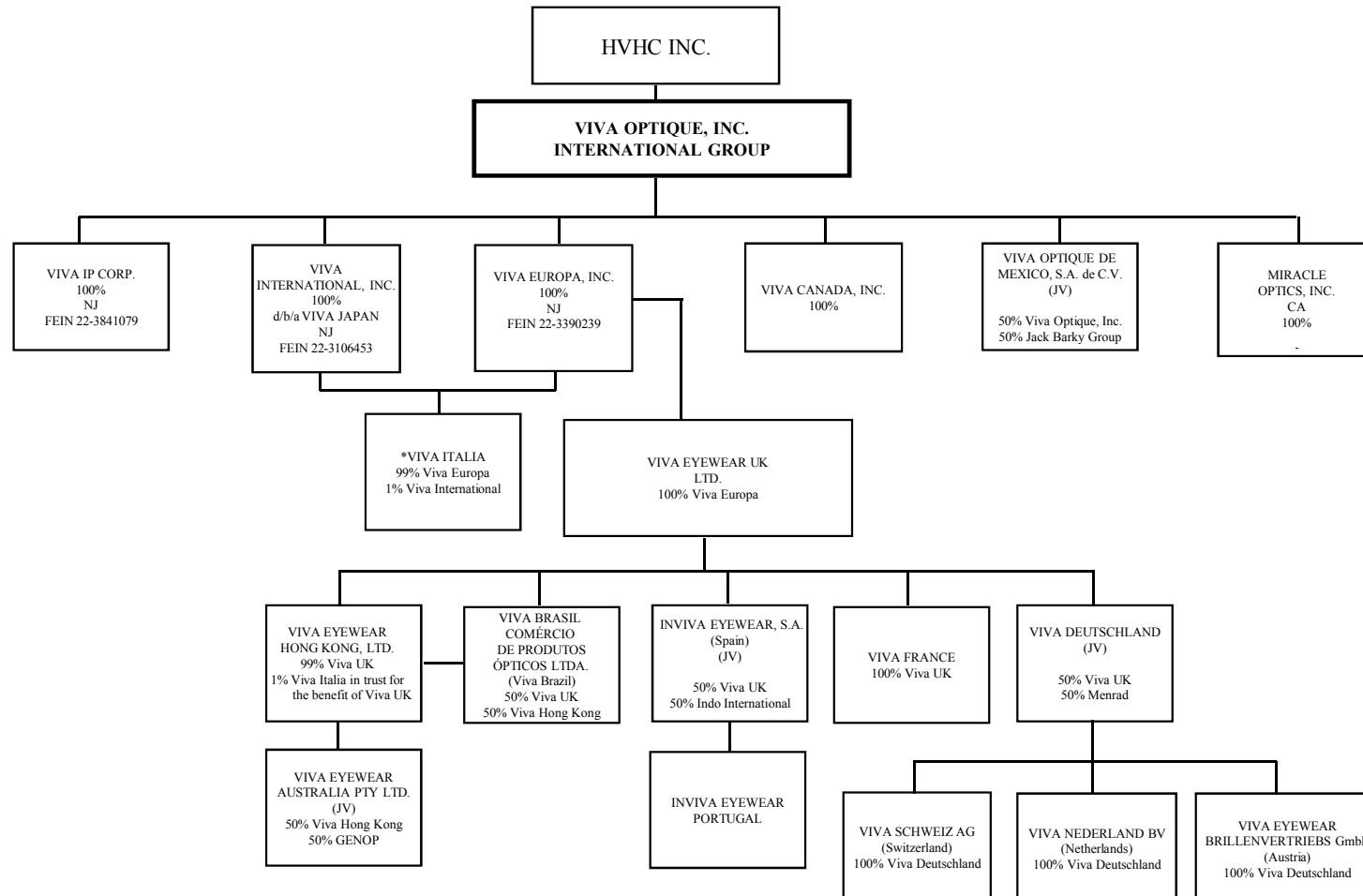
## **SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART**

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



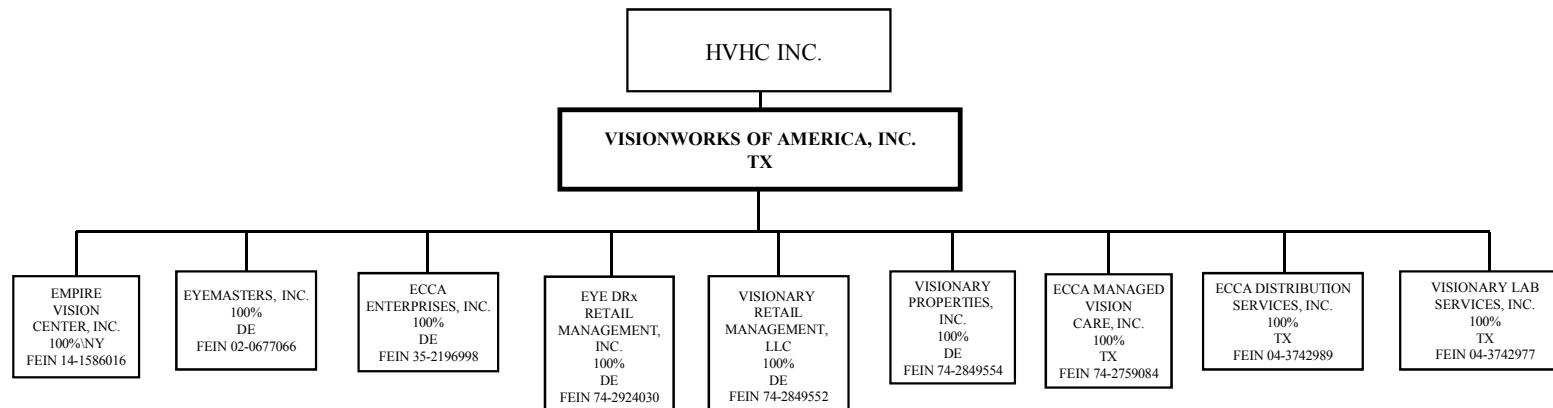
## **SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART**

### **SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATION CHART - CONTINUED**



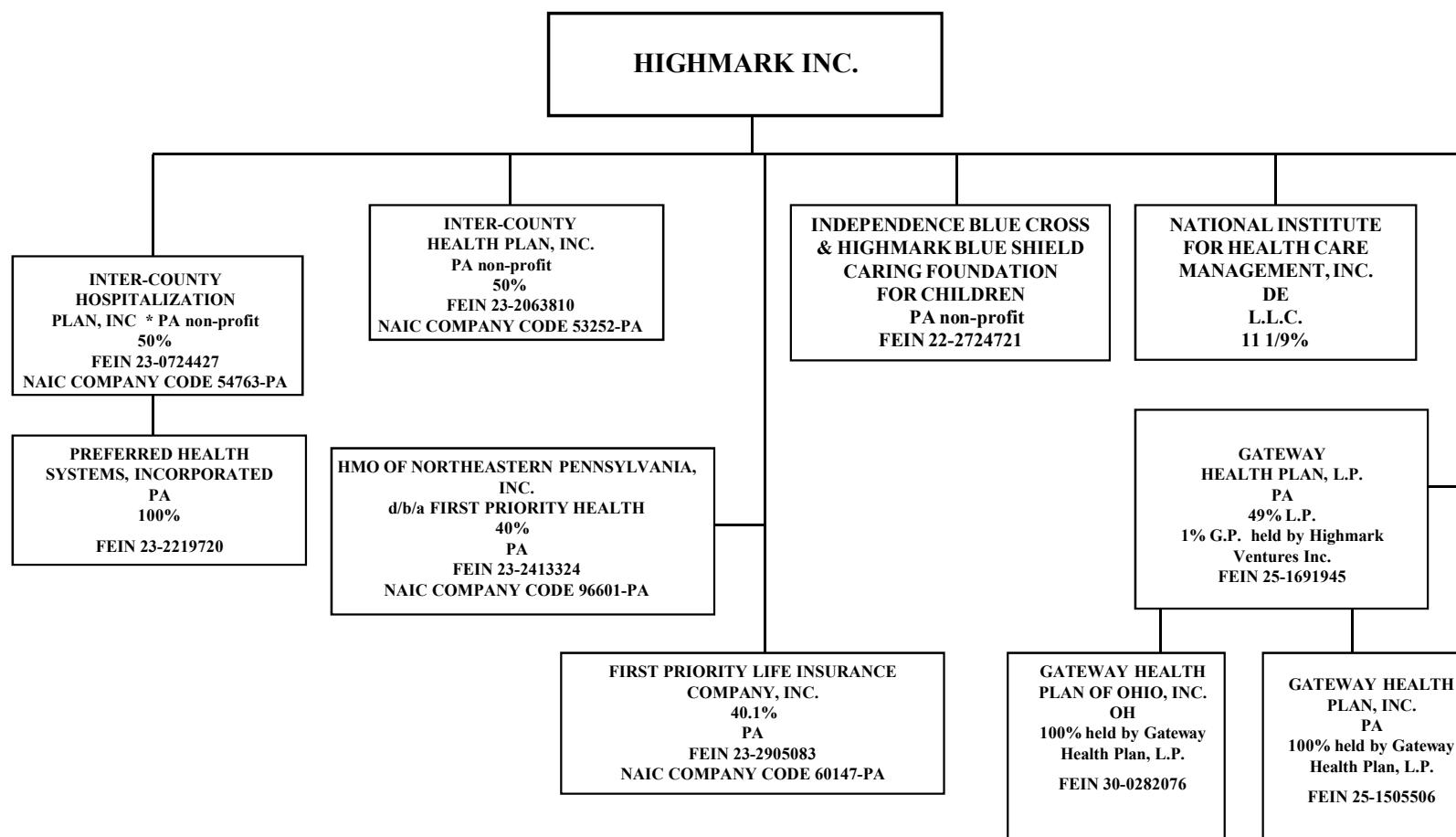
## **SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP PART 1 - ORGANIZATIONAL CHART**

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



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

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



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