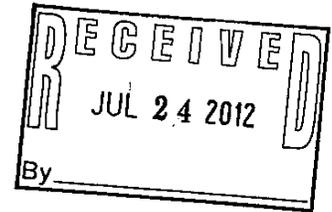


**QUARTERLY STATEMENT**



**OF THE**

**PHA Group Benefit Association**

of \_\_\_\_\_

in the state of \_\_\_\_\_

**Ohio**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**Ohio**

**FOR THE QUARTER ENDED**

**June 30, 2012**



00115201220100102

# HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2012  
OF THE CONDITION AND AFFAIRS OF THE

## PHA Group Benefit Plan

NAIC Group Code 0000 (Current Period) 0000 (Prior Period) NAIC Company Code 00115 Employer's ID Number 26-0060256

Organized under the Laws of \_\_\_\_\_ State of Domicile or Port of Entry Ohio

Country of Domicile \_\_\_\_\_

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

Incorporated/Organized March 29, 2005 Commenced Business January 1, 2009

Statutory Home Office 2115 Leiter, Suite 400 (Street and Number) Miamisburg, OH 45342 (City or Town, State and Zip Code)

Main Administrative Office 2115 Leiter, Suite 400 (Street and Number)

Miamisburg, OH 45342 (City or Town, State and Zip Code) 937-384-6951 (Area Code) (Telephone Number)

Mail Address 2115 Leiter, Suite 400 (Street and Number or P.O. Box) Miamisburg, OH 45342 (City or Town, State and Zip Code)

Primary Location of Books and Records 2115 Leiter, Suite 400 (Street and Number) Miamisburg, OH 45342 (City or Town, State and Zip Code) 937-384-6951 (Area Code) (Telephone Number)

Internet Website Address www.khnetwork.org

Statutory Statement Contact Patrick J. Kennick (Name) 937-384-6951 (Area Code) (Telephone Number) (Extension)

patrick.kennick@khnetwork.org (E-Mail Address) 937-384-6949 (Fax Number)

### OFFICERS

	Name	Title
1.	<u>Patrick J. Kennick</u>	<u>President</u>
2.	<u>Michael C. Albert, M.D.</u>	<u>Vice Chairman</u>
3.	<u>Bradley Mader</u>	<u>Secretary/Treasurer</u>

### VICE-PRESIDENTS

Name	Title	Name	Title

### DIRECTORS OR TRUSTEES

<u>Ronald S. Klein, M.D.</u>	<u>Anil K. Agarwal, M.D.</u>	<u>Debra K. Sowald, Psy. D.</u>	<u>Michael C. Albert, M.D.</u>
<u>Steven W. Crawford, M.D.</u>	<u>Stephen K. Waterbrook, M.D.</u>	<u>Alex Rintoul</u>	<u>Robert Bloom, M.D.</u>
<u>A. Patrick Jonas, M.D.</u>	<u>Steven L. Dona, D.O.</u>	<u>Carolyn Peterson</u>	<u>Bradley Mader</u>

State of \_\_\_\_\_  
County of \_\_\_\_\_ ss

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

(Signature)	(Signature)	(Signature)
<u>Patrick J. Kennick</u>	<u>Michael C. Albert, M.D.</u>	<u>Bradley Mader</u>
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Vice Chairman	Secretary/Treasurer
(Title)	(Title)	(Title)

## ASSETS

	Current Statement Date			December 31 Prior Year Net Admitted Assets
	1	2	3	
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
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 (\$ 188,884), cash equivalents (\$ 0), and short-term investments (\$ 0)	188,884		188,884	711,685
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	188,884		188,884	711,685
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued				
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				926
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	2,784		2,784	264,223
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				189,060
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)	191,668		191,668	1,165,894
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	191,668		191,668	1,165,894

DETAILS OF WRITE-IN LINES				
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. ....				

NONE

NONE

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	29,502		29,502	1,070,000
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				2
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued				
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized 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				
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				
23. Aggregate write-ins for other liabilities (including \$ 0 current)				
24. Total liabilities (Lines 1 to 23)	29,502		29,502	1,070,002
25. Aggregate write-ins for special surplus funds	XXX	XXX		
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	651,105	620,000
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	(488,939)	(524,108)
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	162,166	95,892
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	191,668	1,165,894

DETAILS OF WRITE-IN LINES				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	<b>NONE</b>			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	XXX	XXX		
2502.		XXX		
2503.	<b>NONE</b>	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	<b>NONE</b>	XXX		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.	XXX	XXX		
3002.		XXX		
3003.	<b>NONE</b>	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	<b>NONE</b>	XXX		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
	1. Member Months	X X X		4,011
2. Net premium income (including \$ 0 non-health premium income)	X X X	1,522	3,293,030	7,490,251
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	1,522	3,293,030	7,490,251
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits		(73,016)	1,288,386	4,071,259
10. Other professional services			733,959	2,413,770
11. Outside referrals				24,082
12. Emergency room and out-of-area			326,081	61,094
13. Prescription drugs			413,887	1,119,701
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		(73,016)	2,762,313	7,689,906
<b>Less:</b>				
17. Net reinsurance recoveries			73,990	388,468
18. Total hospital and medical (Lines 16 minus 17)		(73,016)	2,688,323	7,301,438
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 0 cost containment expenses				
21. General administrative expenses		63,048	212,448	447,715
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)		(9,968)	2,900,771	7,749,153
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	11,490	392,259	(258,902)
25. Net investment income earned		166	1,287	2,299
26. Net realized capital gains (losses) less capital gains tax of \$ 0				
27. Net investment gains (losses) (Lines 25 plus 26)		166	1,287	2,299
28. Net gain or (loss) from agents' or premium balances charged off [ (amount recovered \$ 0) (amount charged off \$ 0) ]				
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)	X X X	11,656	393,546	(256,603)
31. Federal and foreign income taxes incurred	X X X			
32. Net income (loss) (Lines 30 minus 31)	X X X	11,656	393,546	(256,603)

DETAILS OF WRITE-IN LINES				
0601.		X X X		
0602.	<b>NONE</b>	X X X		
0603.		X X X		
0698. Summary of remaining write-ins for Line 06 from overflow page		X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)		X X X		
0701.	<b>NONE</b>	X X X		
0702.		X X X		
0703.		X X X		
0798. Summary of remaining write-ins for Line 07 from overflow page		X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
1401.	<b>NONE</b>			
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.				

## STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year	95,892	361,992	361,992
34. Net income or (loss) from Line 32	11,656	393,546	(256,603)
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		
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	23,513	14,016	(9,497)
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	31,105		
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
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)	66,274	407,562	(266,100)
49. Capital and surplus end of reporting period (Line 33 plus 48)	162,166	769,554	95,892

DETAILS OF WRITE-IN LINES			
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)			

NONE

**CASH FLOW**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	25,961	3,016,504	7,613,347
2. Net investment income	166	1,287	2,299
3. Miscellaneous income			
4. Total (Lines 1 to 3)	26,127	3,017,791	7,615,646
5. Benefit and loss related payments	516,983	2,247,400	7,168,798
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	63,050	171,798	447,713
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)	580,033	2,419,198	7,616,511
11. Net cash from operations (Line 4 minus Line 10)	(553,906)	598,593	(865)
<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			
13.7 Total investments acquired (Lines 13.1 to 13.6)			
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)			
<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	31,105		
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)			
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	31,105		
<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)	(522,801)	598,593	(865)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	711,685	712,550	712,550
19.2 End of period (Line 18 plus Line 19.1)	188,884	1,311,143	711,685

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001	Contribution of employee salary, benefits, and associated expenses by Physician Hospital Alliance		
20.0002			
20.0003			

### EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Amounts for Period:										
Amounts Written										
Amounts Earned of Health Care Services										
Amount of Health Care Services	(73,016)	(73,016)								

Amount of Medicare Title XVIII exempt from state taxes or fees \$ 0



## UNDERWRITING AND INVESTMENT EXHIBIT

### ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date			Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 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 Dec. 31 of Prior Year	4 On Claims Incurred During the Year			
and medical)	914,723		29,502		944,225	1,070,002	
Benefits Plan							
8)	914,723		29,502		944,225	1,070,002	
9)						52,761	
and bonus amounts							
12)	914,723		29,502		944,225	1,017,241	

Plans or advances to providers not yet expensed.

## NOTES TO FINANCIAL STATEMENTS

1. **Summary of Significant Accounting Policies**  
 A. Reconciliation of the Company's net inc. and capital & surplus between NAIC SAP and the state of ... is shown below.

**NET INCOME**

	2012	2011	State of Domicile
01. PHA Group Benefit Plan state basis (Page 4, Line 32, Columns 2 & 4)	\$ 11,656	(256,603)	OHIO
02. State Prescribed Practices that increase/(decrease) NAIC SAP:			

	Net Income 2012	Net Income 2011	State of Domicile
Details of Depreciation of Fixed Assets			
.....			
Totals (Lines 01A0201 through 01A0225)	\$		

03. State Permitted Practices that increase/(decrease) NAIC SAP:

	Net Income 2012	Net Income 2011	State of Domicile
Details of Depreciation of Home Office Property			
.....			
Totals (Lines 01A0301 through 01A0325)	\$		

04. NAIC SAP.....(1 - 2 - 3 = 4)

	\$ 11,656	(256,603)	OHIO
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**SURPLUS**

	2012	2011	State of Domicile
05. PHA Group Benefit Plan state basis (Page 3, Line 33, Columns 3 & 4)	\$ 162,166	95,892	OHIO
06. State Prescribed Practices that increase/(decrease) NAIC SAP:			

	Surplus 2012	Surplus 2011	State of Domicile
Goodwill, net; Fixed Assets, Net			
.....			
Totals (Lines 01A0601 through 01A0625)	\$		

07. State Permitted Practices that increase/(decrease) NAIC SAP:

	Surplus 2012	Surplus 2011	State of Domicile
Home Office Property			
.....			
Totals (Lines 01A0701 through 01A0725)	\$		

08. NAIC SAP.....(5 - 6 - 7 = 8)

	\$ 162,166	95,892	OHIO
--	------------	--------	------

## GENERAL INTERROGATORIES

### PART 1 – COMMON INTERROGATORIES

#### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

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

2.2 If yes, date of change: \_\_\_\_\_

3. Have there been any substantial changes in the organizational chart since the prior quarter end?  
If yes, complete the Schedule Y – Part 1 – organizational chart. Yes [ ] No [ X ]

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?  
If yes, attach an explanation. Yes [ ] No [ ] N/A [ X ]

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_

6.2 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. \_\_\_\_\_

6.3 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). \_\_\_\_\_

6.4 By what department or departments?  
.....  
.....  
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [ X ]

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

7.1 Has this 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 ]

7.2 If yes, give full information  
.....

## GENERAL INTERROGATORIES

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

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

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9.1 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?

- (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.

Yes [ ] No [X]

9.11 If the response to 9.1 is No, please explain:

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

9.2 Has the code of ethics for senior managers been amended?

Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

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

9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

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

## FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ ] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$ \_\_\_\_\_

## INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [ ] No [X]

## GENERAL INTERROGATORIES

13. Amount of real estate and mortgages held in short-term investments: \$ \_\_\_\_\_

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ _____	\$ _____
14.22 Preferred Stock .....	\$ _____	\$ _____
14.23 Common Stock .....	\$ _____	\$ _____
14.24 Short-Term Investments .....	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate .....	\$ _____	\$ _____
14.26 All Other .....	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

15.2 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 [ ]

16. 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 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ ] No [X]

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

1 Name of Custodian(s)	2 Custodian Address
.....	.....
.....	.....

16.2 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)
.....	.....	.....
.....	.....	.....

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [ ] No [ ]

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

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

### GENERAL INTERROGATORIES

16.5 Identify all investment advisors, 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	2  Name(s)	3  Address
..... .....	..... .....	..... .....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [ ] No [X]

17.2 If no, list exceptions:

.....  
.....

## GENERAL INTERROGATORIES

### PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent ..... %
  - 1.2 A&H cost containment percent ..... %
  - 1.3 A&H expense percent excluding cost containment expenses ..... %
- 2.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ \_\_\_\_\_
- 2.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ \_\_\_\_\_

### SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
		NONE			



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

**PART 1 - ORGANIZATIONAL CHART**

**SCHEDULE Y**

**PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM**

3	4	5	6	7	8	9	10	11	12	13	14	15
NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	
					<b>NONE</b>							

Explanation
<b>NONE</b>

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

**Explanation:**

Question 1: We don't provide Medicare Part D Coverage.

**Bar Code:**



115201236500102

**SCHEDULE A - VERIFICATION**  
Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**NONE**

**SCHEDULE B - VERIFICATION**  
Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

**NONE**

**SCHEDULE BA - VERIFICATION**  
Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

**NONE**

**SCHEDULE D - VERIFICATION**  
Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year		
2. Cost of bonds and stocks acquired		
3. Accrual of discount		

### SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
			<b>NONE</b>					
			<b>NONE</b>					

NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

NAIC 7 \$ 0; NAIC 8 \$ 0; NAIC 9 \$ 0; NAIC 10 \$ 0; NAIC 11 \$ 0; NAIC 12 \$ 0; NAIC 13 \$ 0; NAIC 14 \$ 0; NAIC 15 \$ 0; NAIC 16 \$ 0; NAIC 17 \$ 0; NAIC 18 \$ 0; NAIC 19 \$ 0; NAIC 20 \$ 0; NAIC 21 \$ 0; NAIC 22 \$ 0; NAIC 23 \$ 0; NAIC 24 \$ 0; NAIC 25 \$ 0; NAIC 26 \$ 0; NAIC 27 \$ 0; NAIC 28 \$ 0; NAIC 29 \$ 0; NAIC 30 \$ 0; NAIC 31 \$ 0; NAIC 32 \$ 0; NAIC 33 \$ 0; NAIC 34 \$ 0; NAIC 35 \$ 0; NAIC 36 \$ 0; NAIC 37 \$ 0; NAIC 38 \$ 0; NAIC 39 \$ 0; NAIC 40 \$ 0; NAIC 41 \$ 0; NAIC 42 \$ 0; NAIC 43 \$ 0; NAIC 44 \$ 0; NAIC 45 \$ 0; NAIC 46 \$ 0; NAIC 47 \$ 0; NAIC 48 \$ 0; NAIC 49 \$ 0; NAIC 50 \$ 0; NAIC 51 \$ 0; NAIC 52 \$ 0; NAIC 53 \$ 0; NAIC 54 \$ 0; NAIC 55 \$ 0; NAIC 56 \$ 0; NAIC 57 \$ 0; NAIC 58 \$ 0; NAIC 59 \$ 0; NAIC 60 \$ 0; NAIC 61 \$ 0; NAIC 62 \$ 0; NAIC 63 \$ 0; NAIC 64 \$ 0; NAIC 65 \$ 0; NAIC 66 \$ 0; NAIC 67 \$ 0; NAIC 68 \$ 0; NAIC 69 \$ 0; NAIC 70 \$ 0; NAIC 71 \$ 0; NAIC 72 \$ 0; NAIC 73 \$ 0; NAIC 74 \$ 0; NAIC 75 \$ 0; NAIC 76 \$ 0; NAIC 77 \$ 0; NAIC 78 \$ 0; NAIC 79 \$ 0; NAIC 80 \$ 0; NAIC 81 \$ 0; NAIC 82 \$ 0; NAIC 83 \$ 0; NAIC 84 \$ 0; NAIC 85 \$ 0; NAIC 86 \$ 0; NAIC 87 \$ 0; NAIC 88 \$ 0; NAIC 89 \$ 0; NAIC 90 \$ 0; NAIC 91 \$ 0; NAIC 92 \$ 0; NAIC 93 \$ 0; NAIC 94 \$ 0; NAIC 95 \$ 0; NAIC 96 \$ 0; NAIC 97 \$ 0; NAIC 98 \$ 0; NAIC 99 \$ 0; NAIC 00 \$ 0

**SCHEDULE DA - PART 1**  
Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999		<b>NONE</b>			

**SCHEDULE DA - VERIFICATION**  
Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	<b>NONE</b>	
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

## SCHEDULE DB - PART A - VERIFICATION

### Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)		
2.	Cost Paid/(Consideration Received) on additions		
3.	Unrealized Valuation increase/(decrease)		
4.	Total gain (loss) on termination recognized	<b>NONE</b>	
5.	Considerations received/(paid) on terminations		
6.	Amortization		
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item		
8.	Total foreign exchange change in Book/Adjusted Carrying Value		
9.	Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)		
10.	Deduct nonadmitted assets		
11.	Statement value at end of current period (Line 9 minus Line 10)		

## SCHEDULE DB - PART B - VERIFICATION

### Future Contracts

1.	Book/Adjusted carrying value, December 31 of prior year		
2.	Net cash deposits (Section 1, Broker Name/Net Cash Deposits Footnote)		
3.1	Change in variation margin on open contracts		
3.2	Add:		
	Change in adjustment to basis of hedged item		
3.21	Section 1, Column 17, current year to date minus		
3.22	Section 1, Column 17, prior year		
	Change in amount recognized		
3.23	Section 1, Column 16, current year to date minus	<b>NONE</b>	
3.24	Section 1, Column 16, prior year		
3.3	Subtotal (Line 3.1 minus Line 3.2)		
4.1	Variation margin on terminated contracts during the year		
4.2	Less:		
4.21	Amount used to adjust basis of hedged item		
4.22	Amount recognized		
4.3	Subtotal (Line 4.1 minus Line 4.2)		
5.	Dispositions gains (losses) on contracts terminated in prior year:		
5.1	Recognized		
5.2	Used to adjust basis of hedged items		
6.	Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)		
7.	Deduct total nonadmitted amounts		
8.	Statement value at end of current period (Line 6 minus Line 7)		



## SCHEDULE DB - PART C - SECTION 2

Replication (Synthetic Asset) Transactions Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replication (Synthetic Asset) Transactions Statement Value	Number of Positions	Total Replication (Synthetic Asset) Transactions Statement Value	Number of Positions	Total Replication (Synthetic Asset) Transactions Statement Value	Number of Positions	Total Replication (Synthetic Asset) Transactions Statement Value	Number of Positions	Total Replication (Synthetic Asset) Transactions Statement Value
on transactions										
f	XXX		XXX	<b>NONE</b>	XXX		XXX		XXX	
ss										
tion transactions	XXX									

## SCHEDULE DB VERIFICATION

### Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

Book/Adjusted Carrying Value Check

- 1. Part A, Section 1, Column 14 .....
- 2. Part B, Section 1, Column 14 .....
- 3. Total (Line 1 plus Line 2) .....
- 4. Part D, Column 5 .....
- 5. Part D, Column 6 .....
- 6. Total (Line 3 minus Line 4 minus Line 5) .....

**NONE**

Fair Value Check

- 7. Part A, Section 1, Column 16 .....
- 8. Part B, Section 1, Column 13 .....
- 9. Total (Line 7 plus Line 8) .....
- 10. Part D, Column 8 .....
- 11. Part D, Column 9 .....
- 12. Total (Line 9 minus Line 10 minus Line 11) .....

Potential Exposure Check

- 13. Part A, Section 1, Column 21 .....
- 14. Part B, Section 1, Column 19 .....
- 15. Part D, Column 11 .....
- 16. Total (Line 13 plus Line 14 minus Line 15) .....

## SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE







**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
			<b>NONE</b>					
				XXX		XXX		XXX

(a) market indicator 'U' provide: the number of such issues . . . . . 0.





### SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			19	20	
														Notional Amount	Description	Description of Hedged Item(s)			Schedule/Exhibit Identifier
						XXX	XXX	XXX	XXX	NONE	XXX	XXX							XXX

18		19		20	
Gain (Loss) Recognized in Current Year	Gain (Loss) Used to Adjust Basis of Hedged Item	Potential Exposure	Deferred	Hedge Effectiveness at Inception and at Quarter-end	(a)
					XXX

21	
Financial or Economic Impact of the Hedge at the End of the Reporting Period	Net Cash Deposits
NONE	



### SCHEDULE DL - PART 1

#### SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Designation/ Market Indicator	5 Fair Value	6 Book / Adjusted Carrying Value	7 Maturity Dates
<b>NONE</b>						

### SCHEDULE DL - PART 2

#### SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1  CUSIP Identification	2  Description	3  Code	4  NAIC Designation/ Market Indicator	5  Fair Value	6  Book / Adjusted Carrying Value	7  Maturity Dates
<b>NONE</b>						

## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
					6 First Month	7 Second Month	8 Third Month	
Open Depositories								
0199998 Deposits in ( ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Open Depositories	XXX	XXX	144		249,484	219,388	188,884	XXX
0199999 Total - Open Depositories	XXX	XXX	144		249,484	219,388	188,884	XXX
Suspended Depositories								
0299998 Deposits in ( ) depositories that do not exceed the allowable limit in any one depository (see Instructions) - Suspended Depositories	XXX	XXX						XXX
0299999 Total Suspended Depositories	XXX	XXX						XXX
0399999 Total Cash on Deposit	XXX	XXX	144		249,484	219,388	188,884	XXX
0499999 Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
NONE								

### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<b>NONE</b>							



00115201236500102

## MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0000

NAIC Company Code 00115

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected		XXX		XXX	
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid		XXX		XXX	
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	<b>NONE</b>		XXX	
6. Aggregate Policy Reserves - Change		XXX		XXX	XXX
7. Expenses Paid		XXX		XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ 0 due from CMS or \$ 0 due to CMS