



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

American Health, Inc.

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 11152 Employer's ID Number 66-0593034

Organized under the Laws of Puerto Rico, State of Domicile or Port of Entry Puerto Rico

Country of Domicile Puerto Rico

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

Incorporated/Organized 12/06/2000 Commenced Business 05/01/2001

Statutory Home Office PO Box 11320 (Street and Number), San Juan, PR 00922-1320 (City or Town, State and Zip Code)

Main Administrative Office Metro Office Park, Microsoft Building (Street and Number)
Guaynabo, PR 00969 (City or Town, State and Zip Code) 787-620-1919-4071 (Area Code) (Telephone Number)

Mail Address PO Box 11320 (Street and Number or P.O. Box), San Juan, PR 00922-1320 (City or Town, State and Zip Code)

Primary Location of Books and Records Metro Office Park, Microsoft Building (Street and Number)
Guaynabo, PR 00969 (City or Town, State and Zip Code) 787-620-1919-4071 (Area Code) (Telephone Number)

Internet Website Address www.ahmpr.com

Statutory Statement Contact Yumac Ismael Velez (Name) 787-620-1919-4071 (Area Code) (Telephone Number) (Extension)
yuvelez@ahmpr.com (E-mail Address) 787-620-0929 (FAX Number)

OFFICERS

Name	Title	Name	Title
<u>Joseph Robert Driscoll</u>	<u>Director and Officer</u>	<u>Elaine Marie Schweitzer</u>	<u>Officer</u>
<u>Maria Del Carmen Rosario</u>	<u>Officer</u>		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Eugenio Belaval Eugene DuBose Hill III Armando Luis Munoz

State ofPUERTO RICO.....

ss

County ofSAN JUAN.....

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.

Joseph Robert Driscoll
Director and Officer

Elaine Marie Schweitzer
Officer

Maria Del Carmen Rosario
Officer

Subscribed and sworn to before me this 23 day of 03, 2010

a. Is this an original filing? Yes [X] No []

b. If no,

1. State the amendment number _____

2. Date filed 03/31/2010

3. Number of pages attached 999

Lisabel M. Rodriguez
Notary
01013000

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

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).....	22,916,188		22,916,188	4,709,478
2. Stocks (Schedule D):				
2.1 Preferred stocks	0		0	0
2.2 Common stocks	0		0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$14,936,822 , Schedule E, Part 1), cash equivalents (\$0 , Schedule E, Part 2) and short-term investments (\$0 , Schedule DA).....	14,936,822		14,936,822	9,780,276
6. Contract loans, (including \$premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	616,668	0	616,668	613,626
10. Subtotals, cash and invested assets (Lines 1 to 9)	38,469,678	0	38,469,678	15,103,380
11. Title plants less \$charged off (for Title Insurers only)			0	0
12. Investment income due and accrued	45,758	14,132	31,626	20,554
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	8,861,315	91,551	8,769,764	21,971,246
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premium).....			0	0
13.3 Accrued retrospective premium.....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	130,534		130,534	37,452
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset.....			0	0
17. Guaranty funds receivable or on deposit	40,153	40,153	0	0
18. Electronic data processing equipment and software	311	311	0	0
19. Furniture and equipment, including health care delivery assets (\$)	13,861	13,861	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates			0	0
22. Health care (\$2,755,673) and other amounts receivable.....	2,989,623	233,950	2,755,673	78,082
23. Aggregate write-ins for other than invested assets	62,885	60,703	2,182	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	50,614,118	454,661	50,159,457	37,210,714
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
26. Total (Lines 24 and 25)	50,614,118	454,661	50,159,457	37,210,714
DETAILS OF WRITE-INS				
0901. Certificates of Deposit with Insurance Commissioner.....	616,668		616,668	613,626
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	616,668	0	616,668	613,626
2301. Prepaid Expense.....	49,833	49,833	0	0
2302. Plan to Plan Receivables.....	11,736	9,554	2,182	0
2303. Deferred Licensing Cost.....	1,316	1,316	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	62,885	60,703	2,182	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	33,770,166		33,770,166	29,253,730
2. Accrued medical incentive pool and bonus amounts	3,361,521		3,361,521	1,832,214
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	775,102		775,102	846,038
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	2,137,119		2,137,119	640,451
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	2,128		2,128	28,402
13. Remittance and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	0		0	0
15. Amounts due to parent, subsidiaries and affiliates	1,560,412		1,560,412	1,434,783
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	616,668	0	616,668	613,626
22. Total liabilities (Lines 1 to 21)	42,223,116	0	42,223,116	34,649,244
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	18,750	18,750
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	1,389,582	1,392,624
27. Surplus notes	XXX	XXX	480,000	480,000
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	6,048,009	670,096
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	7,936,341	2,561,470
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	50,159,457	37,210,714
DETAILS OF WRITE-INS				
2101. Statutory Reserve	616,668		616,668	613,626
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	616,668	0	616,668	613,626
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	295,613	259,385
2. Net premium income (including \$0 non-health premium income).....	XXX	265,845,303	221,458,036
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	1,071	58,330
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	265,846,374	221,516,366
Hospital and Medical:			
9. Hospital/medical benefits	0	166,212,423	142,422,553
10. Other professional services			0
11. Outside referrals			0
12. Emergency room and out-of-area			0
13. Prescription drugs		47,179,070	43,351,226
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		6,252,575	3,224,425
16. Subtotal (Lines 9 to 15)	0	219,644,068	188,998,204
Less:			
17. Net reinsurance recoveries		510,182	37,452
18. Total hospital and medical (Lines 16 minus 17)	0	219,133,886	188,960,752
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$851,612 cost containment expenses.....		851,612	813,411
21. General administrative expenses.....		37,722,380	30,566,855
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		0	0
23. Total underwriting deductions (Lines 18 through 22)	0	257,707,878	220,341,018
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	8,138,496	1,175,348
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		792,688	437,252
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	792,688	437,252
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	0	0
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	8,931,184	1,612,600
31. Federal and foreign income taxes incurred	XXX	3,778,850	643,737
32. Net income (loss) (Lines 30 minus 31)	XXX	5,152,334	968,863
DETAILS OF WRITE-INS			
0601. Other Income.....	XXX	1,071	58,330
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	1,071	58,330
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior-reporting period	2,561,470	1,879,817
34. Net income or (loss) from Line 32	5,152,334	.968,863
35. Change in valuation basis of aggregate policy and claim reserves .....		.0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		.0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		.0
38. Change in net deferred income tax .....		.0
39. Change in nonadmitted assets	225,579	(186,922)
40. Change in unauthorized reinsurance .....	.0	.0
41. Change in treasury stock .....	.0	.0
42. Change in surplus notes .....	.0	.0
43. Cumulative effect of changes in accounting principles		(97,166)
44. Capital Changes:		
44.1 Paid in .....	.0	.0
44.2 Transferred from surplus (Stock Dividend) .....		.0
44.3 Transferred to surplus .....		.0
45. Surplus adjustments:		
45.1 Paid in	(3,042)	(3,122)
45.2 Transferred to capital (Stock Dividend) .....	.0	.0
45.3 Transferred from capital .....		.0
46. Dividends to stockholders .....		.0
47. Aggregate write-ins for gains or (losses) in surplus .....	.0	.0
48. Net change in capital & surplus (Lines 34 to 47)	5,374,871	.681,653
49. Capital and surplus end of reporting period (Line 33 plus 48)	7,936,341	2,561,470
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.0	.0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	279,049,717	206,884,832
2. Net investment income.....	561,576	372,050
3. Miscellaneous income.....	1,071	58,330
4. Total (Lines 1 through 3).....	279,612,364	207,315,212
5. Benefit and loss related payments.....	213,939,753	167,180,269
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	2,185,592	(993,079)
7. Commissions, expenses paid and aggregate write-ins for deductions.....	38,045,248	29,914,984
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	2,282,182	1,130,254
10. Total (Lines 5 through 9).....	256,452,775	197,232,428
11. Net cash from operations (Line 4 minus Line 10).....	23,159,589	10,082,784
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	0	0
12.2 Stocks.....	0	0
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	0	0
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	18,000,000	4,651,280
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	18,000,000	4,651,280
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	(18,000,000)	(4,651,280)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	(3,042)	(3,122)
16.3 Borrowed funds.....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	0
16.6 Other cash provided (applied).....	0	(612,759)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(3,042)	(615,881)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	5,156,547	4,815,623
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	9,780,275	4,964,652
19.2 End of year (Line 18 plus Line 19.1).....	14,936,822	9,780,275

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	265,845,303	(670)	0	0	0	0	265,845,973	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	1,070	0	0	0	0	0	1,070	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	265,846,373	(670)	0	0	0	0	265,847,043	0	0	0
8. Hospital/medical/ benefits	166,212,423	(858)					166,213,281			XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription Drugs	47,179,070						47,179,070			XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	6,252,575						6,252,575			XXX
15. Subtotal (Lines 8 to 14)	219,644,068	(858)	0	0	0	0	219,644,926	0	0	XXX
16. Net reinsurance recoveries	510,182						510,182			XXX
17. Total hospital and medical (Lines 15 minus 16)	219,133,886	(858)	0	0	0	0	219,134,744	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 851,612 cost containment expenses	851,612						851,612			
20. General administrative expenses	37,722,380						37,722,380			
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	257,707,878	(858)	0	0	0	0	257,708,736	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	8,138,495	188	0	0	0	0	8,138,307	0	0	0
DETAILS OF WRITE-INS										
0501. OTHER INCOME	1,070						1,070			XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	1,070	0	0	0	0	0	1,070	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

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STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	(670)			(670)
2. Medicare Supplement .....				.0
3. Dental Only.....				.0
4. Vision Only.....				.0
5. Federal Employees Health Benefits Plan .....				.0
6. Title XVIII - Medicare .....	.265,845,973			.265,845,973
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8) .....	.265,845,303	.0	.0	.265,845,303
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	265,845,303	0	0	265,845,303

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	208,875,057	59,240					208,815,817			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0						0			
1.4 Net	208,875,057	59,240	0	0	0	0	208,815,817	0	0	0
2. Paid medical incentive pools and bonuses	4,723,268						4,723,268			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	33,770,166	272,222	0	0	0	0	33,497,944	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	33,770,166	272,222	0	0	0	0	33,497,944	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0					0			
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	3,361,521						3,361,521			
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0						0			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	29,253,730	331,462	0	0	0	0	28,922,268	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	29,253,730	331,462	0	0	0	0	28,922,268	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	1,832,214	0	0	0	0	0	1,832,214	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	37,452	0	0	0	0	0	37,452	0	0	0
12. Incurred Benefits:										
12.1 Direct	213,391,493	0	0	0	0	0	213,391,493	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	(37,452)	0	0	0	0	0	(37,452)	0	0	0
12.4 Net	213,428,945	0	0	0	0	0	213,428,945	0	0	0
13. Incurred medical incentive pools and bonuses	6,252,575	0	0	0	0	0	6,252,575	0	0	0

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

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STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	6,070,019						6,070,019			
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	6,070,019	0	0	0	0	0	6,070,019	0	0	0
2. Incurred but Unreported:										
2.1. Direct	27,367,346	272,222					27,095,124			
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	27,367,346	272,222	0	0	0	0	27,095,124	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	332,801						332,801			
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	332,801	0	0	0	0	0	332,801	0	0	0
4. TOTALS:										
4.1. Direct	33,770,166	272,222	0	0	0	0	33,497,944	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	33,770,166	272,222	0	0	0	0	33,497,944	0	0	0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	59,240		272,222		331,462	331,462
2. Medicare Supplement					0	0
3. Dental Only.....					0	0
4. Vision Only.....					0	0
5. Federal Employees Health Benefits Plan Premiums					0	0
6. Title XVIII - Medicare	21,452,569	186,853,065	875,874	32,622,070	22,328,443	28,922,268
7. Title XIX - Medicaid.....					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	21,511,809	186,853,065	1,148,096	32,622,070	22,659,905	29,253,730
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts	978,669	3,744,600	81,987	3,279,534	1,060,656	1,832,214
13. Totals (Lines 9 - 10 + 11 + 12)	22,490,478	190,597,665	1,230,083	35,901,604	23,720,561	31,085,944

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

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

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

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	1,112	.0	.0	.0	
2. 2005 .....	.0	4,428	.0	.0	
3. 2006	XXX	1,710	1,721	.0	
4. 2007	XXX	XXX	6,325	.79	.59
5. 2008	XXX	XXX	XXX	1,957	.0
6. 2009	XXX	XXX	XXX	XXX	0

Section B – Incurred Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	NONE				
2. 2005					
3. 2006					
4. 2007					
5. 2008					
6. 2009					

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005 .....	.0	.0		.0	.0	.0			.0	.0
2. 2006 .....	.0	.0		.0	.0	.0			.0	.0
3. 2007 .....	.0	.0		.0	.0	.0			.0	.0
4. 2008 .....	.0	.0		.0	.0	.0			.0	.0
5. 2009		0		.0	0	.0			0	.0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

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

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior .....	.0	.0	.0	.0	
2. 2005 .....	.0	.0	.0	.0	
3. 2006	XXX	.0	.0	.0	
4. 2007	XXX	XXX	.0	8,365	
5. 2008	XXX	XXX	XXX	156,648	21,453
6. 2009	XXX	XXX	XXX	XXX	186,853

Section B - Incurred Health Claims - Medicare

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior					
2. 2005					
3. 2006	XXX				
4. 2007	XXX	XXX			
5. 2008	XXX	XXX	XXX		21,453
6. 2009	XXX	XXX	XXX	XXX	197,681

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005 .....	.0	.0		0.0	.0	0.0			.0	0.0
2. 2006 .....	.0	.0		0.0	.0	0.0			.0	0.0
3. 2007 .....	.0	.0	.0	0.0	.0	0.0	.0		.0	0.0
4. 2008 .....	.0	21,453		0.0	21,453	0.0	1,230		22,683	0.0
5. 2009		186,853	851	0.5	187,704	0.0	35,902		223,606	0.0

STATEMENT AS OF ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

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

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	1,112	.0	.0	.0	.0
2. 2005 .....	.0	4,428	.0	.0	.0
3. 2006	XXX	1,710	1,721	.0	.0
4. 2007	XXX	XXX	6,325	8,444	59
5. 2008	XXX	XXX	XXX	158,605	21,453
6. 2009	XXX	XXX	XXX	XXX	186,853

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior .....	.0	.0	.0	.0	.0
2. 2005 .....	.0	.0	.0	.0	.0
3. 2006	XXX	.0	.0	.0	.0
4. 2007	XXX	XXX	.0	.0	.0
5. 2008	XXX	XXX	XXX	.0	21,453
6. 2009	XXX	XXX	XXX	XXX	197,681

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 Col. (3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 Col. (5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 Col. (9/1) Percent
1. 2005 .....	.0	.0	.0	0.0	.0	0.0	.0	.0	.0	0.0
2. 2006 .....	.0	.0	.0	0.0	.0	0.0	.0	.0	.0	0.0
3. 2007 .....	.0	.0	.0	0.0	.0	0.0	.0	.0	.0	0.0
4. 2008 .....	.0	21,453	.0	0.0	21,453	0.0	1,230	.0	22,683	0.0
5. 2009	0	186,853	851	0.5	187,704	0.0	35,902	0	223,606	0.0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

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

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

NONE

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$for occupancy of own building).....			1,824,367		1,824,367
2. Salaries, wages and other benefits.....			19,273,804		19,273,804
3. Commissions (less \$ceded plus \$assumed.....)			870,180		870,180
4. Legal fees and expenses.....			258,033		258,033
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....			4,932,884		4,932,884
7. Traveling expenses.....					0
8. Marketing and advertising.....			2,412,465		2,412,465
9. Postage, express and telephone.....			1,202,005		1,202,005
10. Printing and office supplies.....			1,495,795		1,495,795
11. Occupancy, depreciation and amortization.....			2,599,848		2,599,848
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....	851,612				851,612
15. Boards, bureaus and association fees.....					0
16. Insurance, except on real estate.....			590,815		590,815
17. Collection and bank service charges.....			183,512		183,512
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....					0
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....					0
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	2,078,672	0	2,078,672
26. Total expenses incurred (Lines 1 to 25).....	851,612	0	37,722,380	0	(a) 38,573,992
27. Less expenses unpaid December 31, current year.....			775,102		775,102
28. Add expenses unpaid December 31, prior year.....	0	0	846,038	0	846,038
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year.....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	851,612	0	37,793,316	0	38,644,928
DETAIL OF WRITE-INS					
2501. Other expense.....			2,078,672		2,078,672
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above)	0	0	2,078,672	0	2,078,672

(a) Includes management fees of \$ 37,287,882 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a).....	.....
1.1 Bonds exempt from U.S. tax	(a)..... 335,988	..... 335,988
1.2 Other bonds (unaffiliated)	(a).....	.....
1.3 Bonds of affiliates	(a)..... 0	.....
2.1 Preferred stocks (unaffiliated)	(b)..... 0	.....
2.11 Preferred stocks of affiliates	(b)..... 0	.....
2.2 Common stocks (unaffiliated)	..... 0	.....
2.21 Common stocks of affiliates	..... 0	.....
3. Mortgage loans	(c).....	.....
4. Real estate	(d).....	.....
5. Contract loans	.....	.....
6. Cash, cash equivalents and short-term investments	(e)..... 438,601	..... 456,700
7. Derivative instruments	(f).....	.....
8. Other invested assets	.....	.....
9. Aggregate write-ins for investment income	..... 0	..... 0
10. Total gross investment income	774,589	792,688
11. Investment expenses		(g).....
12. Investment taxes, licenses and fees, excluding federal income taxes		(g).....
13. Interest expense		(h).....
14. Depreciation on real estate and other invested assets		(i).....
15. Aggregate write-ins for deductions from investment income		..... 0
16. Total deductions (Lines 11 through 15)		..... 0
17. Net investment income (Line 10 minus Line 16)		792,688
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	..... 0	..... 0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		..... 0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

- (a) Includes \$ 206,710 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5. Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	.....	.....	..... 0	.....	.....
1.1 Bonds exempt from U.S. tax	.....	.....	..... 0	.....	.....
1.2 Other bonds (unaffiliated)	.....	.....	..... 0	.....	.....
1.3 Bonds of affiliates	..... 0	.....	..... 0	..... 0	..... 0
2.1 Preferred stocks (unaffiliated)	..... 0	.....	..... 0	..... 0	..... 0
2.11 Preferred stocks of affiliates	..... 0	.....	..... 0	..... 0	..... 0
2.2 Common stocks (unaffiliated)	..... 0	.....	..... 0	..... 0	..... 0
2.21 Common stocks of affiliates	..... 0	.....	..... 0	..... 0	..... 0
3. Mortgage loans	..... 0	.....	..... 0	..... 0	..... 0
4. Real estate	..... 0	.....	..... 0	..... 0	..... 0
5. Contract loans	.....	.....	..... 0	.....	.....
6. Cash, cash equivalents and short-term investments	..... 0	.....	..... 0	..... 0	..... 0
7. Derivative instruments	.....	.....	..... 0	.....	.....
8. Other invested assets	..... 0	.....	..... 0	..... 0	..... 0
9. Aggregate write-ins for capital gains (losses)	..... 0	.....	..... 0	..... 0	..... 0
10. Total capital gains (losses)	0	0	0	0	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	..... 0	..... 0	..... 0	..... 0	..... 0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)	0	0	0	0	0

NONE

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule-E Part 1), cash equivalents (Schedule-E Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only).....	0	0	0
12. Investment income due and accrued	14,132	7,105	(7,027)
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	91,551	39,883	(51,668)
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset.....	0	0	0
17. Guaranty funds receivable or on deposit	40,153	40,153	0
18. Electronic data processing equipment and software.....	311	5,196	4,885
19. Furniture and equipment, including health care delivery assets.....	13,861	19,332	5,471
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable.....	233,950	568,571	334,621
23. Aggregate write-ins for other than invested assets	60,703	0	(60,703)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	454,661	680,240	225,579
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
26. Total (Lines 24 and 25)	454,661	680,240	225,579
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. PREPAID EXPENSE.....	49,833	0	(49,833)
2302. PLAN TO PLAN RECEIVABLE.....	9,554	0	(9,554)
2303. DEFERRED LICENSING COST.....	1,316	0	(1,316)
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	60,703	0	(60,703)

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	20,479	21,972	24,529	26,029	28,866	295,613
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	.0					
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	20,479	21,972	24,529	26,029	28,866	295,613
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

EXHIBIT 7 PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	8,047,979	3.8	178,782	.619.4	8,047,979	
2. Intermediaries .....	.0	.0.0	.0	.0.0	.0	
3. All other providers	8,823,812	4.2	213,190	.738.6	8,823,812	
4. Total capitation payments	16,871,791	8.0	391,972	1,357.9	16,871,791	.0
Other Payments:						
5. Fee-for-service	195,237,683	92.0	XXX	XXX	195,237,683	
6. Contractual fee payments .....	.0	.0.0	XXX	XXX		
7. Bonus/withhold arrangements - fee-for-service .....	.0	.0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments .....	.0	.0.0	XXX	XXX		
9. Non-contingent salaries .....	.0	.0.0	XXX	XXX		
10. Aggregate cost arrangements .....	.0	.0.0	XXX	XXX		
11. All other payments .....	.0	.0.0	XXX	XXX		
12. Total other payments	195,237,683	92.0	XXX	XXX	195,237,683	.0
13. Total (Line 4 plus Line 12)	212,109,474	100 %	XXX	XXX	212,109,474	.0

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
NONE					
9999999 Totals			XXX	XXX	XXX

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	12,264		6,895	5,369	5,369	
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment	204,678		195,875	8,803	8,803	
6. Total	216,942	0	202,770	14,172	14,172	0

NOTES TO FINANCIAL STATEMENTS

AMERICAN HEALTH, INC
(A Wholly-Owned Subsidiary of Socios Mayores en Salud, Inc.)

NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2009 AND 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

American Health, Inc. (the “Company”), a wholly-owned subsidiary of Socios Mayores en Salud, Inc. (“SMS” and the Parent), is a corporation organized under the laws of the Commonwealth of Puerto Rico on December 6, 2000 to provide health insurance coverage following the provisions of Chapter 19 of the Insurance Code of Puerto Rico (the “Insurance Code”). From the year ended December 31, 2001 until July 31, 2004, the Company devoted all of its efforts to raise capital, acquire or lease property and equipment, develop internal policies and procedures, set up information systems, establish provider fee schedules, contract and develop provider networks, research the market and to file and obtain the Certificate of Authority (license) from the Insurance Commissioner of the Commonwealth of Puerto Rico (the “Commissioner”). Health Services operations commenced on August 1, 2004.

Effective December 31, 2007, SMS, a wholly owned subsidiary of Socios Mayores en Salud Holdings, Inc., acquired 100% of the Company’s common stock.

The Company provides Medicare Advantage Plan (“The Plan”) coverage to residents of Puerto Rico who are eligible for Medicare benefits. The Plan offered by the Company provides plan members with full Medicare benefits plus coverage of Medicare deductibles and co-payment amounts and additional benefits that Medicare does not provide. The Company operates as a Health Maintenance Organization whereby members will be covered for care provided by physicians, hospitals and other healthcare providers.

The Company offers the Plan pursuant to a contract with the United States Centers for Medicare and Medicaid Services (“CMS”), a federal agency within the U.S. Department of Health and Human Services. Under the terms of this contract, CMS pays the Company a fixed amount for each Medicare member of the Company’s coordinated care plan and the Company provides the members with coverage for the healthcare services provided. The contract expired on December 31, 2009, and can be renewed annually for a period of one year, as defined in the contract agreement. The contact was renewed effective January 1, 2010 for a period of one year.

In addition, the Company provides Medicare Platino (“Platino Plan”) to eligible members pursuant to a contract agreement between the Puerto Rico Health Insurance Administration (“ASES”) and the Company. The Platino Plan offered by the Company provides members with full Medicare benefits plus coverage of Medicare similar to those provided by the Government Health Insurance Plan (“GHIP”). The Company provides such services through a premium paid by the Commonwealth of Puerto Rico to cover the benefits required by the GHIP, which extend beyond those offered by the Medicare coverage.

NOTES TO FINANCIAL STATEMENTS

The contract expired on December 31, 2009, and can be renewed annually for a period of one year, as defined in the contract agreement. The contract was renewed effective January 1, 2010 for a period of one year.

Basis of presentation – The accompanying statutory financial statements of the Company have been prepared in accordance with accounting practices prescribed or permitted by the Commissioner, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The Company adopted the National Association of Insurance Commissioners' statutory accounting practices (NAIC SAP) as the basis of its statutory accounting practices, as long as they do not contradict the provisions of the Insurance Code or the Circular Letters issued by the Commissioner.

The Commissioner has the right to permit other specific practices that may deviate from prescribed practices. Prescribed statutory accounting practices (SAP) include a variety of publications of the National Association of Insurance Commissioners (NAIC) including its codification initiative contained in its accounting practices and procedures manual, as well as state laws, regulations, and general and administrative rules.

Non-admitted assets - Certain assets designated as non-admitted have been excluded from the statutory statements of admitted assets, liabilities and capital and surplus by a charge to unassigned surplus.

The non-admitted assets charged to unassigned surplus during 2009 and 2008 are as follows:

	<u>2009</u>	<u>2008</u>
Healthcare receivables	\$ 164,102	\$ 502,551
Premiums receivable	105,683	39,883
Other receivables	79,402	73,125
Other assets	51,148	-
Deposits	40,153	40,153
Furniture and equipment	14,172	24,528
Total	<u>\$ 454,660</u>	<u>\$ 680,240</u>

Depreciation expense on the related furniture and equipment designated as non-admitted assets amounted to \$10,357 and \$99,005 for the years ended December 31, 2009 and 2008 respectively, and was charged against the operations and presented as part of selling and administrative expenses. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets

NOTES TO FINANCIAL STATEMENTS

Investment in debt security – Debt Securities are valued in accordance with rules promulgated by NAIC. Bonds eligible for amortization under such rules are stated at amortized cost. Common stocks are carried at estimated fair value. Adjustments reflecting the unrealized appreciation or depreciation of common stocks are shown as a component of surplus and are not included in the determination of the net gain from operations. Short-term investments have a maturity of less than one year and are stated at cost.

Realized gains or losses on the sale of investments are included in operations and are derived using the specific-identification method for determining the cost of securities sold. Interest and dividend income is recognized when earned. Premiums and discounts are amortized or accreted over the life of the investment as an adjustment to yield using the effective-interest method.

Cash and cash short-term investments - For purposes of the accompanying statutory statements of cash flows and statutory financial statements presentation, the Company defines cash and short-term investments as cash in banks, investments and certificates of deposits with maturity dates of one year or less from acquisition date. Short-term investments are defined as short-term highly liquid investments that are readily convertible into known amount of cash and are so near their maturity that they represent insignificant risk of changes in value because of changes in interest rates.

Use of estimates – The preparation of the statutory financial statements requires management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statutory financial statements and the reported amounts of revenue and expenses during the period. Significant items subject to such estimates and assumptions include the carrying amount of Medicare risk adjustment revenue and medical claim liabilities. Actual results could differ from those estimates.

Revenue Recognition - Substantially all of the Company's premium revenues are received from the Centers for Medicare and Medicaid Services (CMS). Revenues are recorded ratably over the period of coverage based on anticipated CMS reimbursement rates and the number and expected Medicare and Medicaid eligible enrollees. Actual amounts received from CMS are subject to adjustment based on subsequent review of members' eligibility or retroactive adjustment of reimbursement rates. An estimate is made of such retroactive adjustments based on historical trends, premiums billed, number of members, expected eligibility and other information. Such estimates are regularly reviewed and updated and any resulting adjustments are included in the current period's results.

Premium receivables – Premium receivables are recognized following the provisions of SSAP No. 84 *Certain Health Care Receivables and Receivables Under Government Insured Plans*. This statement establishes the statutory accounting principles for pharmaceutical rebates receivables, claims overpayment, loan and advances to providers, capitation arrangement, risk sharing receivable and amounts receivable under government insured plans.

NOTES TO FINANCIAL STATEMENTS

Medical and other expenses payable and medical costs recognition - Medical costs are accrued as services are rendered, including an estimate for claims incurred but not yet reported ("IBNR") which is determined using certain actuarial reports, management estimates and other statistics. The liability for claims payable includes claims in process and an estimate for incurred but not yet reported claims. Although the degree of variability inherent in the estimates of claims incurred but not yet reported is significant and subject to change in the near term, management believes that the estimate is adequate. The estimated reserve is continually reviewed and as adjustments to the reserve become necessary, such adjustments are reflected in current operations.

Income taxes - Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SAP, the amount permitted to be recognized is more restrictive and, the effect on the deferred tax asset and liabilities of a change in tax rates is recognized in the accompanying statutory statement of changes in capital and surplus in the period that include the enactment date.

Tax credits purchased are initially recorded at cost. Gain on tax credits are deferred until the value of the tax credits utilized exceeds its cost. Losses on tax credits are recognized when known. Gains and losses on tax credits utilized are reflected in other income in the accompanying statutory statements of revenues and expenses.

2. DEPOSIT WITH THE COMMISSIONER OF INSURANCE

The Insurance Code requires health service organization authorized to do business in Puerto Rico to make an initial deposit of \$600,000 as a guarantee to healthcare plan members and healthcare service providers. This amount cannot be liquidated or used in the Company's operations unless previously approved by the Commissioner of Insurance.

Certificates of Deposits in the amount of \$616,000 and \$613,000 as of December 31, 2009 and 2008, respectively, were deposited with the Commissioner of Insurance to comply with the deposit requirements of the Insurance Code. Such deposits are included as part of the Company's liabilities in the accompanying statutory financial statements

NOTES TO FINANCIAL STATEMENTS

3. CASH AND SHORT TERM INVESTMENTS

Cash and cash equivalents at December 31, 2009 and 2008 consist of:

	2009	2008
Cash in bank	\$ 1,174,479	\$ 1,772,080
Overnight investment deposits	8,989,396	4,972,429
Certificate of deposit with maturities	4,772,947	3,035,766
Total cash and cash equivalents	\$14,936,822	\$ 9,780,275

4. INVESTMENTS IN DEBT SECURITY

Investments in debt securities at December 31, 2009 consist of obligations of the Puerto Rico government instrumentalities. The Company regularly monitors and evaluates the difference between the costs and estimated fair value of investments. For investments with a fair value below cost, the process includes evaluating the length of the time and the extent to which cost exceeds fair value, the prospect and financial conditions of the issuer, and the Company's intent and ability to retain the investment to allow recovery in fair value, among other factors.

Consequently, if an investment's cost exceeds its fair value solely due to changes in interest rates, impairment may not be appropriate. If after monitoring and analyzing, the Company determines that a decline in the estimated fair value of any fixed income or equity security below cost is other than temporary, the carrying amount of the security is reduced to its fair value. The impairment is charged to operations and a new cost basis for the security is established. No impairments were identified nor recognized by the Company during the year ended December 31, 2009.

5. FAIR VALUE MEASUREMENTS

The Company adopted the provisions of the Fair Value Measurements Topic of the Financial Accounting Standards Board *Accounting Standards Codification*, which expand disclosures about fair value measurements in financial statements based on hierarchical levels directly related to the amount of subjectivity associated with the inputs used to determine the fair value of financial instruments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The various inputs that may be used to determine the value of the Company's investments are summarized in three broad levels. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

NOTES TO FINANCIAL STATEMENTS

Hierarchical levels, as defined by the Fair Value Measurements Topic of the Financial Accounting Standards Board *Accounting Standards Codification* and directly related to the amount of subjectivity associated with the inputs to fair valuation of financial instruments, are as follows:

Level 1 – Quoted prices in active markets for identical instruments.

Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an instrument at the end of the period), unobservable inputs may be used.

The Company's assets measured at fair value on a recurring basis as of December 31, 2009 and 2008 consist of investments in obligations of government instrumentalities of the Commonwealth of Puerto Rico, which are classified as level 1 because fair value has been determined based on quoted market prices.

6. MEDICARE PAYMENT SYSTEM

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 made numerous changes to the Medicare payment system. Under the current Medicare risk adjustment formula, Medicare Advantage Plans are paid by CMS based on a member health condition and demographic data. The CMS payments related to member health condition (risk adjustment revenues) are based on health diagnoses data submitted to CMS by the Medicare Advantage Plans. After January 1 of each year, CMS adjusts the monthly risk adjustment payments based on the health diagnoses two times – once in July of the current year and in a final retroactive settlement made in August of the following year. During August 2009, the Company received final additional risk adjustment revenues of \$22,784,000 related to the year ended December 31, 2008.

For the year ended December 31, 2009 the Company has estimated Medicare risk adjustment revenues to be received in the final 2009 risk adjustment settlement of approximately \$6,140,000. This balance is included in premium receivable as of December 31, 2009 in the accompanying financial statements and is expected to be collected during August 2010.

NOTES TO FINANCIAL STATEMENTS

7. MEDICAL CLAIMS PAYABLE

Medical claims at December 31, 2009 and 2008 consist of:

	2009	2008
Incurring but not reported claims	\$ 32,157,072	\$ 27,344,424
Reported but not paid claims	1,126,696	1,756,921
Accounts payable and accrued expenses to physicians	3,847,919	1,984,599
Total	\$ 37,131,687	\$ 31,085,944

The activity in medical claims payable during the years ended December 31, 2009 and 2008 was as follows:

	2009	2008
Balance, beginning of year	\$ 31,085,944	\$ 8,492,051
Provision for claims	219,985,498	189,774,162
Sub-total	251,071,442	198,266,213
Payments related to:		
Current period insured events	(191,449,277)	(158,815,688)
Prior period insured events	(22,490,478)	(8,364,581)
Total claims paid	(213,939,755)	(167,180,269)
Balance, end of year	\$ 37,131,687	\$ 31,085,944

8. SURPLUS NOTE

The surplus note consists of an unsecured loan advance from the Parent Company bearing interest at 3%. Proceeds were used to create a voluntary reserve to guarantee payments to providers under the Medicaid and Medicare Advantage plan. The Parent Company agreed, and the Company obtained approval from the Commissioner, to convert such loan into a surplus note as defined by the Insurance Code. Under the Insurance Code surplus notes and related accrued interest can not be paid without prior approval by the Commissioner.

NOTES TO FINANCIAL STATEMENTS

9. RELATED PARTY TRANSACTIONS

The Company is part of a group of companies affiliated through common ownership and management and has significant transactions with companies in the affiliated group at terms and conditions established by management of the affiliated group.

Effective January 1, 2008, the Company entered into a Management Agreement with SMS in which SMS will provide management services for a period of 10 years to the Company. The services to be provided under the terms of this Agreement include claims processing and payments, participating provider services, management information system, member services, quality management services and marketing services, among others, as defined in the Agreement. In compensation for these services the Company will pay SMS a monthly fee as defined in the Agreement. During the years ended December 31, 2009 and 2008, the management fee charged by SMS to the Company for the above services amounted to approximately \$37,288,000 and \$29,961,000, respectively, which are included in costs and expenses in accompanying statements of revenues and expenses.

10. INCOME TAX

The Company is subject to the payment of Puerto Rico income tax at statutory rates ranging from 20% to 39%.

During 2009 the Company purchased a tax credit amounting to \$1,000,000 which was used to reduced 2009 income tax liability. The Company realized approximately \$128,000 in benefits on the purchase of this credit, which was charged to income in the accompanying statements of revenues and expenses for the year ended December 31, 2009.

On March 9, 2009 the Government of Puerto Rico signed into law Act No. 7, Special Act Declaring State of Fiscal Emergency and Establishing an Integrated Fiscal Stabilizing Plan to Save the Credit of Puerto Rico. The Act affects corporations operating in Puerto Rico by requiring a five percent (5%) surtax over the determined tax liability. These measures are effective for the tax years commencing after December 31, 2008 through December 31, 2011.

11. CONTINGENCIES

Regulators

The Company's current and past business practices are subject to review by the Commissioner, CMS and other local and federal regulatory authorities. These authorities regularly scrutinize the business practices of health and benefits companies. These reviews focus on numerous aspects of the business, including claim payments and competitive practices, commission payments, privacy issues, utilization, management and sales practices, and business associations with other entities, among others.

NOTES TO FINANCIAL STATEMENTS

During the year 2008 AHI was subject to an audit related to the 2007 operations by the Commissioner. During December 2009 the Commissioner issued an initial administrative order asserting deficiencies and seeking clarification on 2007 financial information. This order was followed by a final order in January 2010, dismissing all asserted deficiencies and declaring all 2007 issues to be fully resolved with no negative impact on the Company.

The administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996, as amended (“HIPAA”), apply to both the group and individual health insurance markets, including self-funded employee benefit plans. Federal regulations promulgated pursuant to HIPAA are now effective. These regulations include minimum standards for electronic transactions and code sets, and for the privacy and security of protected health information. During the year ended December 31, 2009 the Company was in compliance with all requirements of these regulations.

Legal

The Company is defendant in certain lawsuits arising in the normal course of business. In the opinion of management, with the advice of its legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the financial position and the results of operations of the Company.

12. CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk included cash and cash equivalents. The Company deposits in financial institutions at times exceeded the amount insured by the Federally Depository Insurance Corporation (“FDIC”). The risk is managed by maintaining all deposits in high quality financial institutions.

The Company provides its health plan to residents of Puerto Rico eligible for Medicare benefits under current Puerto Rico and federal laws and regulations and most of the premiums for the healthcare services provided are generated from a contract with CMS as described in Note 1. Changes in such laws and regulations could affect the premiums to be received by the Company under such contract and the population eligible to participate in the plan. Earned premium revenues relating to premiums received from CMS for the years ended December 31, 2009 and 2008 amounted to approximately \$259,000,000 and \$214,900,000, respectively, and the related receivables at December 31, 2009 and 2008 amounted to approximately \$6,691,000 and \$19,305,000, respectively.

NOTES TO FINANCIAL STATEMENTS

13. CAPITAL AND SURPLUS

Surplus is restricted as to payment of dividends by statutory limitations applicable to insurance companies. Such limitations restrict the payment of dividends by the insurance companies generally to unassigned surplus funds reported for statutory purposes.

As a health insurance organization, the Company is required to maintain a minimum capital as defined by the insurance code. At December 31, 2009 and 2008 the Company was in compliance with this requirement.

Effective January 5, 2010, the Commonwealth of Puerto Rico adopted Law No. 92 ("the Law") to add to Chapter 45 of the Insurance Code of Puerto Rico Risk Based Capital ("RBC") requirements to all insurance companies authorized to conduct business in Puerto Rico. Insurance companies are required to comply with the RBC requirements as adopted by the NAIC which includes the filing of an RBC report with the NAIC and the Commissioner each year on or before March 31 in order to determined compliance with such RBC requirements. The Law, which becomes effective for years beginning January 1, 2010 provides a RBC compliance transition period extending from 3 to 5 years. The Company is in the process of implementing a plan for the Company in order to ensure compliance with the requirements of the Law.

14. RECLASSIFICATIONS

Certain reclassifications were made in the 2008 statutory statement of admitted assets, liabilities and capital and surplus and statement of revenues and expenses to conform to the 2009 statutory financial statements presentations. These reclassifications did not affect capital and surplus or net income as previously reported.

15. INFORMATION UNDER U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (U.S. GAAP)

The accompanying statutory financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Commissioner of Insurance, which vary in some respects from GAAP. Accounting policies under statutory accounting practices used by the Company in preparing statutory financial statements are disclosed in note 1. Under GAAP, the following policies are used, which are the principal variances with statutory accounting practices:

- The GAAP accounting basis of investments in debt and equity securities is based upon classifications of the investments as held-to-maturity, trading, and available for sale. Held-to-maturity securities are accounted for at amortized cost. Trading and available-for-sale securities are carried at estimated fair value; trading securities unrealized gains or losses are included in earnings; and available-for-sale securities unrealized gains or losses are included in a separate component of stockholder's equity.

NOTES TO FINANCIAL STATEMENTS

- The GAAP basis statement of cash flows emphasizes the changes in cash and cash equivalents and presents the sources and uses of cash into three classifications which are operating, investing, and financing activities.
- Non-admitted assets under statutory accounting are not excluded from the GAAP basis balance sheet.
- The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the GAAP basis statements of revenue and expenses in the period that includes the enactment date.

A summary of the Company financial position under US GAAP extracted from its audited financial statements at December 31, 2009 and 2008 follows:

	<u>2009</u>	<u>2008</u>
Current assets	\$ 49,943,125	\$ 37,212,646
Other assets	<u>670,993</u>	<u>678,307</u>
Total	<u>\$ 50,614,118</u>	<u>\$ 37,890,953</u>
Current liabilities	\$ 41,556,048	\$ 33,999,617
Long-term liabilities	530,400	516,000
Stockholder's equity	<u>8,527,670</u>	<u>3,375,336</u>
Total	<u>\$ 50,614,118</u>	<u>\$ 37,890,953</u>
Premium revenues	<u>\$ 266,341,347</u>	<u>\$ 221,504,193</u>
Net Income	<u>\$ 5,152,334</u>	<u>\$ 968,862</u>

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [] No [X]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] NA [X]
- 1.3 State Regulating?
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.03/31/2007
- 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.12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).12/31/2008
- 3.4 By what department or departments? Commissioner of Insurance of Puerto Rico
- 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 [X] No [] NA []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] NA []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control0.0
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney - in - fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney - in - fact).

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

GENERAL INTERROGATORIES

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

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
HLB Morales Padillo & Co. - A&M Tower - Suite 700, 207 Del Parque Street, San Juan, PR 00912
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Milliman, Inc. - 1550 Liberty Ridge Drive Suite 200, Wayne, PA 19087-5572, USA
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company
11.12 Number of parcels involved 0
11.13 Total book/adjusted carrying value \$ 0
- 11.2 If yes, provide explanation

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] NA [X]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

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

GENERAL INTERROGATORIES

FINANCIAL

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

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3)..... Yes [X] No []
- 22.2 If no, give full and complete information relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provide)
- N/A
- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [] No [] NA [X]
- 22.5 If answer to 22.4 is YES, report amount of collateral \$.....0
- 22.6 If answer to 22.4 is NO, report amount of collateral..... \$.....0
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3) Yes [] No [X]
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$.....0
 - 23.22 Subject to reverse repurchase agreements..... \$.....0
 - 23.23 Subject to dollar repurchase agreements..... \$.....0
 - 23.24 Subject to reverse dollar repurchase agreements..... \$.....0
 - 23.25 Pledged as collateral..... \$.....0
 - 23.26 Placed under option agreements..... \$.....0
 - 23.27 Letter stock or securities restricted as to sale..... \$.....0
 - 23.28 On deposit with state or other regulatory body..... \$.....0
 - 23.29 Other..... \$.....0

23.3 For category (23.27) provide the following:

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

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] NA [X]
If no, attach a description with this statement.
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$.....0

GENERAL INTERROGATORIES

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

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

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

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

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

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....

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

27.2 If yes, complete the following schedule:

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

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

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

GENERAL INTERROGATORIES

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
28.1 Bonds.....	22,916,188	22,916,188	0
28.2 Preferred stocks.....	0		0
28.3 Totals	22,916,188	22,916,188	0

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

Obtained directly from brokers.....

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

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

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

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

30.2 If no, list exceptions:

OTHER

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

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

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

32.1 Amount of payments for legal expenses, if any?.....\$619

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

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

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

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

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

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
 1.2 If yes, indicate premium earned on U. S. business only \$ 0
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
 1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
 1.6 Individual policies:

Most current three years:
 1.61 Total premium earned \$ 0
 1.62 Total incurred claims \$ 0
 1.63 Number of covered lives 0
 All years prior to most current three years:
 1.64 Total premium earned \$ 0
 1.65 Total incurred claims \$ 0
 1.66 Number of covered lives 0

1.7 Group policies:
 Most current three years:
 1.71 Total premium earned \$ 0
 1.72 Total incurred claims \$ 0
 1.73 Number of covered lives 0
 All years prior to most current three years:
 1.74 Total premium earned \$ 0
 1.75 Total incurred claims \$ 0
 1.76 Number of covered lives 0

2. Health Test:

		1 Current Year		2 Prior Year
2.1	Premium Numerator	\$ 265,845,303	\$	221,458,036
2.2	Premium Denominator	265,845,303	\$	221,458,036
2.3	Premium Ratio (2.1/2.2)	1.000		1.000
2.4	Reserve Numerator	\$ 37,131,687	\$	31,085,944
2.5	Reserve Denominator	37,131,687	\$	31,085,944
2.6	Reserve Ratio (2.4/2.5)	1.000		1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [X] No []
 5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []
 5.2 If no, explain:

5.3 Maximum retained risk (see instructions)
 5.31 Comprehensive Medical \$ 100,000
 5.32 Medical Only \$ 0
 5.33 Medicare Supplement \$ 0
 5.34 Dental and vision \$ 0
 5.35 Other Limited Benefit Plan \$ 0
 5.36 Other \$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 The entity maintain \$600,000restricted fund reserve as required by the Puerto Rico Insurance Code.

7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes [X] No []
 7.2 If no, give details:

8. Provide the following information regarding participating providers:
 8.1 Number of providers at start of reporting year 6,668
 8.2 Number of providers at end of reporting year 5,629

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]

9.2 If yes, direct premium earned:
 9.21 Business with rate guarantees between 15-36 months 0
 9.22 Business with rate guarantees over 36 months 0

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contract?..... Yes [] No []
- 10.2 If yes:
- | | | | |
|--|---|----------|-----------|
| | 10.21 Maximum amount payable bonuses | \$ | |
| | 10.22 Amount actually paid for year bonuses | \$ | 4,723,268 |
| | 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 [<input type="checkbox"/>] | No [<input checked="" type="checkbox"/>] |
| | 11.13 An Individual Practice Association (IPA), or, | Yes [<input type="checkbox"/>] | No [<input checked="" type="checkbox"/>] |
| | 11.14 A Mixed Model (combination of above) ?..... | Yes [<input type="checkbox"/>] | No [<input checked="" type="checkbox"/>] |
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements?
- 11.3 If yes, show the name of the state requiring such net worth.
- 11.4 If yes, show the amount required. \$
- 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.

12.1 List service areas in which 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 []
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date..... \$
- 13.3 Do you act as an administrator for health savings accounts?..... Yes [] No []
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date..... \$

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	50,159,457	37,210,714	12,445,517	4,403,460	1,833,256
2. Total liabilities (Page 3, Line 22)	42,223,116	34,649,244	10,565,700	4,381,021	863,130
3. Statutory surplus	0	0	0	0	0
4. Total capital and surplus (Page 3, Line 31)	7,936,341	2,561,470	1,879,817	22,439	970,126
Income Statement (Page 4)					
5. Total revenues (Line 8)	265,846,374	221,516,366	162,359,812	36,908,146	7,923,811
6. Total medical and hospital expenses (Line 18)	219,133,886	188,960,752	156,973,978	33,874,282	6,063,341
7. Claims adjustment expenses (Line 20)	851,612	813,411	142,973	88,072	0
8. Total administrative expenses (Line 21)	37,722,380	30,566,855	2,157,974	2,206,839	1,661,146
9. Net underwriting gain (loss) (Line 24)	8,138,496	1,175,348	3,084,887	738,953	199,324
10. Net investment gain (loss) (Line 27)	792,688	437,252	117,011	63,401	0
11. Total other income (Lines 28 plus 29)	0	0	(330,618)	(115,685)	0
12. Net income (loss) (Line 32)	5,152,334	968,863	1,741,280	473,727	85,422
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	23,159,589	10,082,784	3,594,661	1,073,105	0
Risk - Based Capital Analysis					
14. Total adjusted capital	7,936,341	2,561,470	1,879,817	22,439	753,253
15. Authorized control level risk-based capital	8,603,423	8,838,879	8,707,117	2,514,643	866,252
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	28,866	20,479	32,119	13,005	9,664
17. Total member months (Column 6, Line 7)	295,613	259,385	270,121	146,597	9,664
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus 19)	82.4	85.3	96.7	92.4	78.7
20. Cost containment expenses	0.3	0.4	0.1	0.2	XXX
21. Other claims adjustment expenses	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23)	96.9	99.5	98.2	98.7	100.3
23. Total underwriting gain (loss) (Line 24)	3.1	0.5	1.9	2.0	2.6
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	23,720,561	8,696,044	1,863,314	1,710,278	747,387
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	31,085,944	8,492,051	1,896,101	1,710,278	747,387
Investments In Parent, Subsidiaries And Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 7)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

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

Yes [] No []

If no, please explain:



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

American Health, Inc.

2.

(LOCATION)

NAIC Group Code 0000

BUSINESS IN THE STATE OF Puerto Rico

DURING THE YEAR 2009

NAIC Company Code 11152

	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							
Total Members at end of:										
1. Prior Year	20,479							20,479		
2. First Quarter	21,972							21,972		
3. Second Quarter	24,529							24,529		
4. Third Quarter	26,029							26,029		
5. Current Year	28,866							28,866		
6. Current Year Member Months	295,613							295,613		
Total Member Ambulatory Encounters for Year:										
7. Physician	218,349							218,349		
8. Non-Physician	30,721							30,721		
9. Total	249,070	0	0	0	0	0	0	249,070	0	0
10. Hospital Patient Days Incurred	8,921							8,921		
11. Number of Inpatient Admissions	1,784							1,784		
12. Health Premiums Written (b)	265,845,303		(670)					265,845,973		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	265,845,303		(670)					265,845,973		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	212,109,474		59,240					212,050,234		
18. Amount Incurred for Provision of Health Care Services	219,644,068		(858)					219,644,926		

(a) For health business: number of persons insured under PPO managed care products _____ and number of persons under indemnity only products _____

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$ _____

29.PR



ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

American Health, Inc.

2.

(LOCATION)

NAIC Group Code 0000

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2009

NAIC Company Code 11152

	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							
Total Members at end of:										
1. Prior Year	20,479	0	0	0	0	0	0	20,479	0	0
2. First Quarter	21,972	0	0	0	0	0	0	21,972	0	0
3. Second Quarter	24,529	0	0	0	0	0	0	24,529	0	0
4. Third Quarter	26,029	0	0	0	0	0	0	26,029	0	0
5. Current Year	28,866	0	0	0	0	0	0	28,866	0	0
6. Current Year Member Months	295,613	0	0	0	0	0	0	295,613	0	0
Total Member Ambulatory Encounters for Year:										
7. Physician	218,349	0	0	0	0	0	0	218,349	0	0
8. Non-Physician	30,721	0	0	0	0	0	0	30,721	0	0
9. Total	249,070	0	0	0	0	0	0	249,070	0	0
10. Hospital Patient Days Incurred	8,921	0	0	0	0	0	0	8,921	0	0
11. Number of Inpatient Admissions	1,784	0	0	0	0	0	0	1,784	0	0
12. Health Premiums Written (b).....	265,845,303	0	(670)	0	0	0	0	265,845,973	0	0
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written.....	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned.....	265,845,303	0	(670)	0	0	0	0	265,845,973	0	0
16. Property/Casualty Premiums Earned.....	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	212,109,474	0	59,240	0	0	0	0	212,050,234	0	0
18. Amount Incurred for Provision of Health Care Services	219,644,068	0	(858)	0	0	0	0	219,644,926	0	0

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons under indemnity only products 0

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes of fees \$ 0

29.GT

SCHEDULE S - PART 4

Reinsurance Ceded to Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total (Cols. 5+6+7)	9 Letters of Credit	10 Trust Agreements	11 Funds Deposited by and Withheld from Reinsurers	12 Other	13 Miscellaneous Balances (Credit)	14 Sum of Cols 9+10+11+12+13 But Not in Excess of Col. 8
NONE													
1199999 Total													

33

Schedule S-Part 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2009	2 2008	3 2007	4 2006	5 2005
A. OPERATIONS ITEMS					
1. Premiums.....	0	0	0	0	0
2. Title XVIII-Medicare.....	0	0	0	0	0
3. Title XIX-Medicaid.....	0	0	0	0	0
4. Commissions and reinsurance expense allowance.....		0	0	0	0
5. Total hospital and medical expenses.....	510	0	0	0	0
B. BALANCE SHEET ITEMS					
6. Premiums receivable.....		0	0	0	0
7. Claims payable.....		0	0	0	0
8. Reinsurance recoverable on paid losses.....	131	37	0	0	0
9. Experience rating refunds due or unpaid.....		0	0	0	0
10. Commissions and reinsurance expense allowances unpaid.....		0	0	0	0
11. Unauthorized reinsurance offset.....	0	0	0	0	0
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F).....	0	0	0	0	0
13. Letters of credit (L).....	0	0	0	0	0
14. Trust agreements (T).....	0	0	0	0	0
15. Other (O)	0	0	0	0	0

SCHEDULE S-PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10).....	38,469,678		38,469,678
2. Accident and health premiums due and unpaid (Line 13).....	8,769,764		8,769,764
3. Amounts recoverable from reinsurers (Line 14.1).....	130,534		130,534
4. Net credit for ceded reinsurance.....	XXX	130,534	130,534
5. All other admitted assets (Balance).....	2,789,481		2,789,481
6. Total assets (Line 26)	50,159,457	130,534	50,289,991
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1).....	33,770,166	0	33,770,166
8. Accrued medical incentive pool and bonus payments (Line 2).....	3,361,521		3,361,521
9. Premiums received in advance (Line 8).....	0		0
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17).....	0		0
11. Reinsurance in unauthorized companies (Line 18).....	0		0
12. All other liabilities (Balance).....	5,091,429		5,091,429
13. Total liabilities (Line 22).....	42,223,116	0	42,223,116
14. Total capital and surplus (Line 31).....	7,936,341	XXX	7,936,341
15. Total liabilities, capital and surplus (Line 32)	50,159,457	0	50,159,457
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid.....	0		
17. Accrued medical incentive pool.....	0		
18. Premiums received in advance.....	0		
19. Reinsurance recoverable on paid losses.....	130,534		
20. Other ceded reinsurance recoverables.....	0		
21. Total ceded reinsurance recoverables.....	130,534		
22. Premiums receivable.....	0		
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers.....	0		
24. Unauthorized reinsurance.....	0		
25. Other ceded reinsurance payables/offsets.....	0		
26. Total ceded reinsurance payables/offsets.....	0		
27. Total net credit for ceded reinsurance	130,534		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	N							0	0
2. Alaska	AK	N							0	0
3. Arizona	AZ	N							0	0
4. Arkansas	AR	N							0	0
5. California	CA	N							0	0
6. Colorado	CO	N							0	0
7. Connecticut	CT	N							0	0
8. Delaware	DE	N							0	0
9. District of Columbia	DC	N							0	0
10. Florida	FL	N							0	0
11. Georgia	GA	N							0	0
12. Hawaii	HI	N							0	0
13. Idaho	ID	N							0	0
14. Illinois	IL	N							0	0
15. Indiana	IN	N							0	0
16. Iowa	IA	N							0	0
17. Kansas	KS	N							0	0
18. Kentucky	KY	N							0	0
19. Louisiana	LA	N							0	0
20. Maine	ME	N							0	0
21. Maryland	MD	N							0	0
22. Massachusetts	MA	N							0	0
23. Michigan	MI	N							0	0
24. Minnesota	MN	N							0	0
25. Mississippi	MS	N							0	0
26. Missouri	MO	N							0	0
27. Montana	MT	N							0	0
28. Nebraska	NE	N							0	0
29. Nevada	NV	N							0	0
30. New Hampshire	NH	N							0	0
31. New Jersey	NJ	N							0	0
32. New Mexico	NM	N							0	0
33. New York	NY	N							0	0
34. North Carolina	NC	N							0	0
35. North Dakota	ND	N							0	0
36. Ohio	OH	N							0	0
37. Oklahoma	OK	N							0	0
38. Oregon	OR	N							0	0
39. Pennsylvania	PA	N							0	0
40. Rhode Island	RI	N							0	0
41. South Carolina	SC	N							0	0
42. South Dakota	SD	N							0	0
43. Tennessee	TN	N							0	0
44. Texas	TX	N							0	0
45. Utah	UT	N							0	0
46. Vermont	VT	N							0	0
47. Virginia	VA	N							0	0
48. Washington	WA	N							0	0
49. West Virginia	WV	N							0	0
50. Wisconsin	WI	N							0	0
51. Wyoming	WY	N							0	0
52. American Samoa	AS	N							0	0
53. Guam	GU	N							0	0
54. Puerto Rico	PR	L	(670)	265,845,973					265,845,303	0
55. U.S. Virgin Islands	VI	N							0	0
56. Northern Mariana Islands	MP	N							0	0
57. Canada	CN	N							0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	(670)	265,845,973	0	0	0	0	0	265,845,303	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	
61. Total (Direct Business)	(a) 1	(670)	265,845,973	0	0	0	0	0	265,845,303	0
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

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

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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE American Health, Inc.

SCHEDULE T – PART 2
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

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

NONE

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

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y
PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	66-0650587	Socios Mayores en Salud, Inc.					37,287,827				37,287,827	
9999999 Control Totals			0	0	0	0	37,287,827	0	XXX	0	37,287,827	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of **WAIVED** 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 filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING

Responses

- 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?YES.....
- 2. Will an actuarial opinion be filed by March 1?YES.....
- 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?YES.....
- 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1?YES.....

APRIL FILING

- 5. Will Management's Discussion and Analysis be filed by April 1?YES.....
- 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?YES.....
- 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?YES.....

JUNE FILING

- 8. Will an audited financial report be filed by June 1?YES.....
- 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?YES.....

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 filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

MARCH FILING

- 10. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?NO.....
- 11. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?NO.....
- 12. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?NO.....
- 13. Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?NO.....
- 14. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?NO.....
- 15. Will the actuarial opinion on non-guaranteed elements as required in Interrogatories 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?NO.....
- 16. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?NO.....

APRIL FILING

- 17. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?NO.....
- 18. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?NO.....
- 19. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?NO.....

EXPLANATION:

- 10.
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.

BAR CODE:

10.  1 1 1 5 2 2 0 0 9 3 6 0 5 9 0 0 0

11.  1 1 1 5 2 2 0 0 9 2 0 5 0 0 0 0 0

12.  1 1 1 5 2 2 0 0 9 2 0 7 0 0 0 0 0

13.  1 1 1 5 2 2 0 0 9 4 2 0 0 0 0 0 0

14.  1 1 1 5 2 2 0 0 9 3 7 1 0 0 0 0 0