



ANNUAL STATEMENT

For the Year Ended December 31, 2009
of the Condition and Affairs of the

PUERTO RICO HEALTH PLAN, INC.

NAIC Group Code.....936, 936 (Current Period) (Prior Period)	NAIC Company Code..... 53546	Employer's ID Number..... 660195325
Organized under the Laws of PUERTO RICO	State of Domicile or Port of Entry PUERTO RICO	Country of Domicile US
Incorporated/Organized..... October 21, 1998	Commenced Business..... December 19, 1998	
Statutory Home Office	STATE ROAD #1 KM 17.3..... SAN JUAN PR 000927 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	STATE ROAD #1 KM 17.3..... SAN JUAN PR 00927 <i>(Street and Number) (City or Town, State and Zip Code)</i>	787-272-9898 <i>(Area Code) (Telephone Number)</i>
Mail Address	PO BOX 366068..... SAN JUAN PR 00936 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	STATE ROAD #1 KM 17.3..... SAN JUAN PR 00927 <i>(Street and Number) (City or Town, State and Zip Code)</i>	787-272-9898 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.prhealthplan.com	
Statutory Statement Contact	LANCE ANDERMAN <i>(Name)</i> lance.anderman@prhealthplan.com <i>(E-Mail Address)</i>	787-272-7879 <i>(Area Code) (Telephone Number) (Extension)</i> 787-999-9279 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
1. IVAN E. COLON ,MHSA	PRESIDENT AND CEO	2. VACANT	SECRETARY
3. LANCE ANDERMAN	TREASURER	4.	

OTHER

DIRECTORS OR TRUSTEES

WILLIAM ZAPATA	IVAN E. COLON	RICHARD NEESON	HANK KEARNEY
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State of.....
County of.....

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

_____ (Signature) IVAN E. COLON ,MHSA _____ 1. (Printed Name) PRESIDENT AND CEO _____ (Title)	_____ (Signature) VACANT _____ 2. (Printed Name) SECRETARY _____ (Title)	_____ (Signature) LANCE ANDERMAN _____ 3. (Printed Name) TREASURER _____ (Title)
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Subscribed and sworn to before me
This _____ day of _____ 2010

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

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).....	11,516,220		11,516,220	7,922,844
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	106,500		106,500	106,500
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....15,456,976, Sch. E-Part 1), cash equivalents (\$.....2,041, Sch. E-Part 2) and short-term investments (\$.....0, Sch. DA).....	15,459,017		15,459,017	3,345,506
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets (Schedule BA).....			0	
8. Receivables for securities.....			0	
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	27,081,737	0	27,081,737	11,374,851
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	627,211		627,211	137,624
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....			0	2,536,886
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	3,209		3,209	707,796
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....			0	
15. Amounts receivable relating to uninsured plans.....	(82,786)		(82,786)	20,917,837
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
16.2 Net deferred tax asset.....			0	
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....			0	11,185
19. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....			0	
22. Health care (\$.....0) and other amounts receivable.....			0	
23. Aggregate write-ins for other than invested assets.....	4,580,617	485,398	4,095,220	2,393,068
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	32,209,989	485,398	31,724,591	38,079,247
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	32,209,989	485,398	31,724,591	38,079,247

DETAILS OF WRITE-INS

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. TRIPLE-S MEMBERSHIP PROCEEDS.....	4,072,525		4,072,525	
2302. OTHERS RECEIVABLE.....	187,709	165,014	22,695	64,419
2303. PREPA AND UPR WITHHOLDING.....			0	1,830,102
2398. Summary of remaining write-ins for Line 23 from overflow page.....	320,383	320,383	0	498,547
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	4,580,617	485,398	4,095,220	2,393,068

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Aggregate reserve for life contracts \$.....0 (Exhibit 5, Line 9999999) less \$.....0 included in Line 6.3 (including \$.....0 Modco Reserve).....		
2. Aggregate reserve for accident and health contracts (Exhibit 6, Line 17, Col. 1) (including \$.....0 Modco Reserve).....		1,600,000
3. Liability for deposit-type contracts (Exhibit 7, Line 14, Col. 1) (including \$.....0 Modco Reserve).....		
4. Contract claims:		
4.1 Life (Exhibit 8, Part 1, Line 4.4, Col. 1 less sum of Cols. 9, 10 and 11).....		
4.2 Accident and health (Exhibit 8, Part 1, Line 4.4, sum of Cols. 9, 10 and 11).....	2,500,000	10,700,000
5. Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid (Exhibit 4, Line 10).....		
6. Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts:		
6.1 Dividends apportioned for payment (including \$.....0 Modco).....		
6.2 Dividends not yet apportioned (including \$.....0 Modco).....		
6.3 Coupons and similar benefits (including \$.....0 Modco).....		
7. Amount provisionally held for deferred dividend policies not included in Line 6.....		
8. Premiums and annuity considerations for life and accident and health contracts received in advance less \$.....0 discount; including \$.....514,244 accident and health premiums (Exhibit 1, Part 1, Col. 1, sum of Lines 4 and 14).....	514,244	396,896
9. Contract liabilities not included elsewhere:		
9.1 Surrender values on canceled contracts.....		
9.2 Provision for experience rating refunds, including \$.....0 accident and health experience rating refunds.....		
9.3 Other amounts payable on reinsurance, including \$.....0 assumed and \$.....0 ceded.....		
9.4 Interest Maintenance Reserve (IMR, Line 6).....	71,996	0
10. Commissions to agents due or accrued - life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0.....	14,083	14,294
11. Commissions and expense allowances payable on reinsurance assumed.....		
12. General expenses due or accrued (Exhibit 2, Line 12, Col. 6).....	20,791,338	22,865,554
13. Transfers to Separate Accounts due or accrued (net) (including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances).....		
14. Taxes, licenses and fees due or accrued, excluding federal income taxes (Exhibit 3, Line 9, Col. 5).....	47,256	47,256
15.1 Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses).....		
15.2 Net deferred tax liability.....		
16. Unearned investment income.....		
17. Amounts withheld or retained by company as agent or trustee.....		
18. Amounts held for agents' account, including \$.....0 agents' credit balances.....		
19. Remittances and items not allocated.....		
20. Net adjustment in assets and liabilities due to foreign exchange rates.....		
21. Liability for benefits for employees and agents if not included above.....		
22. Borrowed money \$.....0 and interest thereon \$.....0.....		
23. Dividends to stockholders declared and unpaid.....		
24. Miscellaneous liabilities:		
24.1 Asset valuation reserve (AVR Line 16, Col. 7).....	270,168	2,769
24.2 Reinsurance in unauthorized companies.....		
24.3 Funds held under reinsurance treaties with unauthorized reinsurers.....		
24.4 Payable to parent, subsidiaries and affiliates.....	1,884,560	651,996
24.5 Drafts outstanding.....		
24.6 Liability for amounts held under uninsured plans.....	341,382	340,000
24.7 Funds held under coinsurance.....		
24.8 Payable for securities.....		
24.9 Capital notes \$.....0 and interest thereon \$.....0.....		
25. Aggregate write-ins for liabilities.....	22,755,992	10,262,743
26. Total liabilities excluding Separate Accounts business (Lines 1 to 25).....	49,191,019	46,881,508
27. From Separate Accounts Statement.....		
28. Total liabilities (Line 26 and 27).....	49,191,019	46,881,508
29. Common capital stock.....	2,182,890	1,985,522
30. Preferred capital stock.....		
31. Aggregate write-ins for other than special surplus funds.....	0	0
32. Surplus notes.....		
33. Gross paid in and contributed surplus (Page 3, Line 33, Col. 2 plus Page 4, Line 51.1, Col. 1).....	149,016,885	134,214,253
34. Aggregate write-ins for special surplus funds.....	0	0
35. Unassigned funds (surplus).....	(168,666,203)	(145,002,036)
36. Less treasury stock, at cost:		
36.1 .....0.000 shares common (value included in Line 29 \$.....0).....		
36.2 .....0.000 shares preferred (value included in Line 30 \$.....0).....		
37. Surplus (Total Lines 31 + 32 + 33 + 34 + 35 - 36) (including \$.....0 in Separate Accounts Statement).....	(19,649,318)	(10,787,783)
38. Totals of Lines 29, 30 and 37 (Page 4, Line 55).....	(17,466,428)	(8,802,261)
39. Totals of Lines 28 and 38 (Page 2, Line 26, Col. 3).....	31,724,591	38,079,247

DETAILS OF WRITE-INS

2501. OBLIGATION UNDER CAPITAL LEASES.....		40,082
2502. OTHER ACCOUNTS PAYABLE.....	5,587,282	5,122,661
2503. COST PLUS REVENUE DEFICIENCY LIABILITY.....		5,100,000
2598. Summary of remaining write-ins for Line 25 from overflow page.....	17,168,710	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	22,755,992	10,262,743
3101.		
3102.		
3103.		
3198. Summary of remaining write-ins for Line 31 from overflow page.....	0	0
3199. Totals (Lines 3101 thru 3103 plus 3198) (Line 31 above).....	0	0
3401.		
3402.		
3403.		
3498. Summary of remaining write-ins for Line 34 from overflow page.....	0	0
3499. Totals (Lines 3401 thru 3403 plus 3498) (Line 34 above).....	0	0

SUMMARY OF OPERATIONS

	1 Current Year	2 Prior Year
1. Premiums and annuity considerations for life and accident and health contracts (Exhibit 1, Part 1, Line 20.4, Col. 1, less Col. 11).....	34,994,362	73,968,380
2. Considerations for supplementary contracts with life contingencies.....		
3. Net investment income (Exhibit of Net Investment Income, Line 17).....	1,022,405	597,864
4. Amortization of Interest Maintenance Reserve (IMR) (Line 5).....	30,242	80,073
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....		
6. Commissions and expense allowances on reinsurance ceded (Exhibit 1, Part 2, Line 26.1, Col. 1).....		
7. Reserve adjustments on reinsurance ceded.....		
8. Miscellaneous Income:		
8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts.....		
8.2 Charges and fees for deposit-type contracts.....		
8.3 Aggregate write-ins for miscellaneous income.....	1,743	16,830
9. Totals (Lines 1 to 8.3).....	36,048,752	74,663,147
10. Death benefits.....		
11. Matured endowments (excluding guaranteed annual pure endowments).....		
12. Annuity benefits (Exhibit 8, Part 2, Line 6.4, Cols. 4 + 8).....		
13. Disability benefits and benefits under accident and health contracts.....	30,947,799	64,270,203
14. Coupons, guaranteed annual pure endowments and similar benefits.....		
15. Surrender benefits and withdrawals for life contracts.....		
16. Group conversions.....		
17. Interest and adjustments on contract or deposit-type contract funds.....		
18. Payments on supplementary contracts with life contingencies.....		
19. Increase in aggregate reserves for life and accident and health contracts.....		
20. Totals (Lines 10 to 19).....	30,947,799	64,270,203
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only) (Exhibit 1, Part 2, Line 31, Col. 1).....	2,471,145	4,504,115
22. Commissions and expense allowances on reinsurance assumed (Exhibit 1, Part 2, Line 26.2, Col. 1).....		
23. General insurance expenses (Exhibit 2, Line 10, Columns 1, 2, 3 and 4).....	25,748,208	18,104,680
24. Insurance taxes, licenses and fees, excluding federal income taxes (Exhibit 3, Line 7, Cols. 1 + 2 + 3).....	922,177	1,127,852
25. Increase in loading on deferred and uncollected premiums.....		
26. Net transfers to or (from) Separate Accounts net of reinsurance.....		
27. Aggregate write-ins for deductions.....	6,197,361	0
28. Totals (Lines 20 to 27).....	66,286,690	88,006,850
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	(30,237,938)	(13,343,703)
30. Dividends to policyholders.....		
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(30,237,938)	(13,343,703)
32. Federal and foreign income taxes incurred (excluding tax on capital gains).....		
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	(30,237,938)	(13,343,703)
34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 excluding taxes of \$.....0 transferred to the IMR).....	(39,064)	(621,993)
35. Net income (Line 33 plus Line 34).....	(30,277,002)	(13,965,696)
CAPITAL AND SURPLUS ACCOUNT		
36. Capital and surplus, December 31, prior year (Page 3, Line 38, Col. 2).....	(8,802,262)	372,824
37. Net income (Line 35).....	(30,277,002)	(13,965,696)
38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....	2,093,415	(1,599,258)
39. Change in net unrealized foreign exchange capital gain (loss).....		
40. Change in net deferred income tax.....		
41. Change in nonadmitted assets.....	4,619,929	341,067
42. Change in liability for reinsurance in unauthorized companies.....	(71,996)	
43. Change in reserve on account of change in valuation basis, (increase) or decrease (Exhibit 5A, Line 9999999, Col. 4).....		
44. Change in asset valuation reserve.....	(267,399)	(2,769)
45. Change in treasury stock, (Page 3, Lines 36.1 and 36.2 Col. 2 minus Col. 1).....		
46. Surplus (contributed to) withdrawn from Separate Accounts during period.....		
47. Other changes in surplus in Separate Accounts Statement.....		
48. Change in surplus notes.....		
49. Cumulative effect of changes in accounting principles.....		
50. Capital changes:		
50.1 Paid in.....	197,368	131,578
50.2 Transferred from surplus (Stock Dividend).....		
50.3 Transferred to surplus.....		
51. Surplus adjustment:		
51.1 Paid in.....	14,802,632	9,868,422
51.2 Transferred to capital (Stock Dividend).....		
51.3 Transferred from capital.....		
51.4 Change in surplus as a result of reinsurance.....		
52. Dividends to stockholders.....		
53. Aggregate write-ins for gains and losses in surplus.....	238,885	(3,948,429)
54. Net change in capital and surplus for the year (Lines 37 through 53).....	(8,664,168)	(9,175,085)
55. Capital and surplus, December 31, current year (Lines 36 + 54) (Page 3, Line 38).....	(17,466,429)	(8,802,262)
DETAILS OF WRITE-INS		
08.301. OTHER INCOME.....	260	16,830
08.302. GAIN ON DISPOSITION OF BUILDING.....	1,483	
08.303.		
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0
08.399. Totals (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,743	16,830
2701. LOSS ON SALE.....	6,197,361	
2702.		
2703.		
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	6,197,361	0
5301. PENSION ADJUSTMENT.....	449,597	(3,963,871)
5302. CHANGE IN INVESTMENT NON ADMITTED.....	(210,712)	15,442
5303.		
5398. Summary of remaining write-ins for Line 53 from overflow page.....	0	0
5399. Totals (Lines 5301 thru 5303 plus 5398) (Line 53 above).....	238,885	(3,948,429)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	37,648,695	74,262,771
2. Net investment income.....	507,934	625,092
3. Miscellaneous income.....	1,743	16,830
4. Total (Lines 1 through 3).....	38,158,372	74,904,693
5. Benefit and loss related payments.....	38,443,212	67,027,980
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	5,068,476	26,657,612
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....		
10. Total (Lines 5 through 9).....	43,511,688	93,685,592
11. Net cash from operations (Line 4 minus Line 10).....	(5,353,316)	(18,780,899)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,962,210	1,159,086
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,962,210	1,159,086
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	4,656,811	1,887,450
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	4,656,811	1,887,450
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1,694,601)	(728,364)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	15,000,000	10,000,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	4,161,427	809,884
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	19,161,427	10,809,884
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	12,113,511	(8,699,378)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	3,345,507	12,044,885
19.2 End of year (Line 18 plus Line 19.1).....	15,459,017	3,345,507

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

20.0001		
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ANALYSIS OF OPERATION BY LINES OF BUSINESS

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health			12 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance(a)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other	
1. Premiums and annuity considerations for life and accident and health contracts.....	34,994,362								34,994,362			
2. Considerations for supplementary contracts with life contingencies.....	0											
3. Net investment income.....	1,022,405								1,022,405			
4. Amortization of Interest Maintenance Reserve (IMR).....	30,242								30,242			
5. Separate Accounts net gain from operations excluding unrealized gains or losses.....	0											
6. Commissions and expense allowances on reinsurance ceded.....	0											
7. Reserve adjustments on reinsurance ceded.....	0											
8. Miscellaneous Income:												
8.1 Fees associated with income from investment management, administration and contract guarantees from S/A.....	0											
8.2 Charges and fees for deposit-type contracts.....	0											
8.3 Aggregate write-ins for miscellaneous income.....	1,743	0	0	0	0	0	0	0	1,743	0	0	0
9. Totals (Lines 1 to 8.3).....	36,048,752	0	0	0	0	0	0	0	36,048,752	0	0	0
10. Death benefits.....	0											
11. Matured endowments (excluding guaranteed annual pure endowments).....	0											
12. Annuity benefits.....	0											
13. Disability benefits and benefits under accident and health contracts.....	30,947,799								30,947,799			
14. Coupons, guaranteed annual pure endowments and similar benefits.....	0											
15. Surrender benefits and withdrawals for life contracts.....	0											
16. Group conversions.....	0											
17. Interest and adjustments on contract or deposit-type contract funds.....	0											
18. Payments on supplementary contracts with life contingencies.....	0											
19. Increase in aggregate reserves for life and accident and health contracts.....	0											
20. Totals (Lines 10 to 19).....	30,947,799	0	0	0	0	0	0	0	30,947,799	0	0	0
21. Commissions on premiums, annuity considerations and deposit-type contract funds (direct business only).....	2,471,145								2,471,145			
22. Commissions and expense allowances on reinsurance assumed.....	0											
23. General insurance expenses.....	25,748,208								25,748,208			
24. Insurance taxes, licenses and fees, excluding federal income taxes.....	922,177								922,177			
25. Increase in loading on deferred and uncollected premiums.....	0											
26. Net transfers to or (from) Separate Accounts net of reinsurance.....	0											
27. Aggregate write-ins for deductions.....	6,197,361	0	0	0	0	0	0	0	6,197,361	0	0	0
28. Totals (Lines 20 to 27).....	66,286,690	0	0	0	0	0	0	0	66,286,690	0	0	0
29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28).....	(30,237,938)	0	0	0	0	0	0	0	(30,237,938)	0	0	0
30. Dividends to policyholders.....	0											
31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30).....	(30,237,938)	0	0	0	0	0	0	0	(30,237,938)	0	0	0
32. Federal income taxes incurred (excluding tax on capital gains).....	0											
33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32).....	(30,237,938)	0	0	0	0	0	0	0	(30,237,938)	0	0	0

DETAILS OF WRITE-INS

08.301. OTHER INCOME.....	260								260			
08.302. GAIN ON DISPOSITION OF BUILDING.....	1,483								1,483			
08.303.	0											
08.398. Summary of remaining write-ins for Line 8.3 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
08.399. Total (Lines 08.301 thru 08.303 plus 08.398) (Line 8.3 above).....	1,743	0	0	0	0	0	0	0	1,743	0	0	0
2701. LOSS ON SALE.....	6,197,361								6,197,361			
2702.	0											
2703.	0											
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0
2799. Total (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	6,197,361	0	0	0	0	0	0	0	6,197,361	0	0	0

(a) Includes the following amounts for FEGLI/SGLI: Line 1.....0 Line 10.....0 Line 16.....0 Line 23.....0 Line 24.....0.

ANALYSIS OF INCREASE IN RESERVES DURING THE YEAR

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group	
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities
Involving Life or Disability Contingencies (Reserves)								
(Net of Reinsurance Ceded)								
1. Reserve December 31, prior year.....	.0							
2. Tabular net premiums or considerations.....	.0							
3. Present value of disability claims incurred.....	.0				XXX			
4. Tabular interest.....	.0							
5. Tabular less actual reserve released.....	.0							
6. Increase in reserve on account of change in valuation basis.....	.0							
7. Other increases (net).....	.0							
8. Totals (Lines 1 to 7).....	.0				.0	.0	.0	.0
9. Tabular cost.....	.0				XXX			
10. Reserves released by death.....	.0			XXX	XXX			XXX
11. Reserves released by other terminations (net).....	.0							
12. Annuity, supplementary contract, and disability payments involving life contingencies.....	.0							
13. Net transfers to or (from) Separate Accounts.....	.0							
14. Total deductions (Lines 9 to 13).....	.0	.0	.0	.0	.0	.0	.0	.0
15. Reserve December 31, current year.....	.0	.0	.0	.0	.0	.0	.0	.0

NONE

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).....	.....
1.2 Other bonds (unaffiliated).....	(a).....741,871	.....1,232,685
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....82,525	.....81,298
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....824,396	.....1,313,983
11. Investment expenses.....	.....	(g).....44,321
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....247,257
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....291,578
17. Net investment income (Line 10 minus Line 16).....	.....	.....1,022,405

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 thru 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 thru 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....48,760 accrual of discount less \$.....23,876 amortization of premium and less \$.....51,011 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....0	.....	.....
1.2 Other bonds (unaffiliated).....0	.....	.....
1.3 Bonds of affiliates.....	.....102,238	.....(39,064)	.....63,174	.....2,093,415	.....
2.1 Preferred stocks (unaffiliated).....0	.....	.....
2.11 Preferred stocks of affiliates.....0	.....	.....
2.2 Common stocks (unaffiliated).....0	.....	.....
2.21 Common stocks of affiliates.....0	.....	.....
3. Mortgage loans.....0	.....	.....
4. Real estate.....0	.....	.....
5. Contract loans.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....0	.....	.....
7. Derivative instruments.....0	.....	.....
8. Other invested assets.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....102,238	.....(39,064)	.....63,174	.....2,093,415	.....0

DETAILS OF WRITE-INS

0901. ....	.....	.....	.....0	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT 1 - PART 1 - PREMIUMS AND ANNUITY CONSIDERATIONS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

			Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
	1 Total	2 Industrial Life	3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
FIRST YEAR (other than single)											
1. Uncollected.....	.0										
2. Deferred and accrued.....	.0										
3. Deferred, accrued and uncollected:											
3.1 Direct.....	.0										
3.2 Reinsurance assumed.....	.0										
3.3 Reinsurance ceded.....	.0										
3.4 Net (Line 1 + Line 2).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Advance.....	.0										
5. Line 3.4 - Line 4.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Collected during year:											
6.1 Direct.....	.0										
6.2 Reinsurance assumed.....	.0										
6.3 Reinsurance ceded.....	.0										
6.4 Net.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Line 5 + Line 6.4.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Prior year (uncollected + deferred and accrued - advance).....	.0										
9. First year premiums and considerations:											
9.1 Direct.....	.0										
9.2 Reinsurance assumed.....	.0										
9.3 Reinsurance ceded.....	.0										
9.4 Net (Line 7 - Line 8).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
SINGLE											
10. Single premiums and considerations:											
10.1 Direct.....	.0										
10.2 Reinsurance assumed.....	.0										
10.3 Reinsurance ceded.....	.0										
10.4 Net.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
RENEWAL											
11. Uncollected.....	.0										
12. Deferred and accrued.....	.0										
13. Deferred, accrued and uncollected:											
13.1 Direct.....	.0										
13.2 Reinsurance assumed.....	.0										
13.3 Reinsurance ceded.....	.0										
13.4 Net (Line 11 + Line 12).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
14. Advance.....	514,244							514,244			
15. Line 13.4 - Line 14.....	(514,244)	.0	.0	.0	.0	.0	.0	(514,244)	.0	.0	.0
16. Collected during year:											
16.1 Direct.....	37,911,125							37,911,125			
16.2 Reinsurance assumed.....	.0										
16.3 Reinsurance ceded.....	262,529							262,529			
16.4 Net.....	37,648,596	.0	.0	.0	.0	.0	.0	37,648,596	.0	.0	.0
17. Line 15 + Line 16.4.....	37,134,352	.0	.0	.0	.0	.0	.0	37,134,352	.0	.0	.0
18. Prior year (uncollected + deferred and accrued - advance).....	2,139,990							2,139,990			
19. Renewal premiums and considerations:											
19.1 Direct.....	35,256,891							35,256,891			
19.2 Reinsurance assumed.....	.0										
19.3 Reinsurance ceded.....	262,529							262,529			
19.4 Net (Line 17 - Line 18).....	34,994,362	.0	.0	.0	.0	.0	.0	34,994,362	.0	.0	.0
TOTAL											
20. Total premiums and annuity considerations:											
20.1 Direct.....	35,256,891	.0	.0	.0	.0	.0	.0	35,256,891	.0	.0	.0
20.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
20.3 Reinsurance ceded.....	262,529	.0	.0	.0	.0	.0	.0	262,529	.0	.0	.0
20.4 Net (Lines 9.4 + 10.4 + 19.4).....	34,994,362	.0	.0	.0	.0	.0	.0	34,994,362	.0	.0	.0

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**EXHIBIT 1 - PART 2 - DIVIDENDS AND COUPONS APPLIED, REINSURANCE COMMISSIONS AND
EXPENSE ALLOWANCES AND COMMISSIONS INCURRED (direct business only)**

	1 Total	2 Industrial Life	Ordinary		5 Credit Life (Group and Individual)	Group		Accident and Health			11 Aggregate of All Other Lines of Business
			3 Life Insurance	4 Individual Annuities		6 Life Insurance	7 Annuities	8 Group	9 Credit (Group & Individual)	10 Other	
DIVIDENDS AND COUPONS APPLIED (included in Part 1)											
21. To pay renewal premiums.....	0										
22. All other.....	0										
REINSURANCE COMMISSIONS AND EXPENSE ALLOWANCES INCURRED											
23. First year (other than single):											
23.1 Reinsurance ceded.....	0										
23.2 Reinsurance assumed.....	0										
23.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
24. Single:											
24.1 Reinsurance ceded.....	0										
24.2 Reinsurance assumed.....	0										
24.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
25. Renewal:											
25.1 Reinsurance ceded.....	0										
25.2 Reinsurance assumed.....	0										
25.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
26. Totals:											
26.1 Reinsurance ceded (Page 6, Line 6).....	0	0	0	0	0	0	0	0	0	0	0
26.2 Reinsurance assumed (Page 6, Line 22).....	0	0	0	0	0	0	0	0	0	0	0
26.3 Net ceded less assumed.....	0	0	0	0	0	0	0	0	0	0	0
COMMISSIONS INCURRED (direct business only)											
27. First year (other than single).....	0										
28. Single.....	0										
29. Renewal.....	2,471,145							2,471,145			
30. Deposit-type contract funds.....	0										
31. Totals (to agree with Page 6, Line 21).....	2,471,145	0	0	0	0	0	0	2,471,145	0	0	0

EXHIBIT 2 - GENERAL EXPENSES

	Insurance				5 Investment	6 Total
	1 Life	2 Accident and Health		4 All Other Lines of Business		
		3 Cost Containment	3 All Other			
1. Rent.....			4,084,289			4,084,289
2. Salaries and wages.....			7,655,233			7,655,233
3.11 Contributions for benefit plans for employees.....			4,525,656			4,525,656
3.12 Contributions for benefit plans for agents.....						.0
3.21 Payments to employees under non-funded benefit plans.....						.0
3.22 Payments to agents under non-funded benefit plans.....						.0
3.31 Other employee welfare.....						.0
3.32 Other agent welfare.....						.0
4.1 Legal fees and expenses.....			678,401			678,401
4.2 Medical examination fees.....						.0
4.3 Inspection report fees.....						.0
4.4 Fees of public accountants and consulting actuaries.....			277,352			277,352
4.5 Expense of investigation and settlement of policy claims.....						.0
5.1 Traveling expenses.....			239,756			239,756
5.2 Advertising.....			106,667			106,667
5.3 Postage, express, telegraph and telephone.....			848,334			848,334
5.4 Printing and stationery.....			102,026			102,026
5.5 Cost or depreciation of furniture and equipment.....			55,058			55,058
5.6 Rental of equipment.....			386,968			386,968
5.7 Cost or depreciation of EDP equipment and software.....			124,637			124,637
6.1 Books and periodicals.....			23,863			23,863
6.2 Bureau and association fees.....			200,286			200,286
6.3 Insurance, except on real estate.....			515,106			515,106
6.4 Miscellaneous losses.....			28,798			28,798
6.5 Collection and bank service charges.....			315,166			315,166
6.6 Sundry general expenses.....						.0
6.7 Group service and administration fees.....						.0
6.8 Reimbursements by uninsured plans.....			(8,895,075)			(8,895,075)
7.1 Agency expense allowance.....						.0
7.2 Agents' balances charged off (less \$.....0 recovered).....						.0
7.3 Agency conferences other than local meetings.....						.0
9.1 Real estate expenses.....						.0
9.2 Investment expenses not included elsewhere.....						.0
9.3 Aggregate write-ins for expenses.....	0	404,435	14,071,250	0	44,321	14,520,006
10. General expenses Incurred.....	0	404,435	25,343,773	0	44,321	(a) 25,792,529
11. General expenses unpaid December 31, prior year.....			22,865,554			22,865,554
12. General expenses unpaid December 31, current year.....			20,791,338			20,791,338
13. Amounts receivable relating to uninsured plans, prior year.....			20,917,837			20,917,837
14. Amounts receivable relating to uninsured plans, current year.....			(82,786)			(82,786)
15. General expenses paid during year (Lines 10 + 11 - 12 - 13 + 14).....	0	404,435	6,417,366	0	44,321	6,866,122

DETAILS OF WRITE-INS

09.301. INVESTMENT EXPENSES.....					44,321	44,321
09.302. COST OF CLAIMS PROCESSING.....			(246,000)			(246,000)
09.303. MEDICAL MANAGEMENT.....		404,435				404,435
09.398. Summary of remaining write-ins for Line 9.3 from overflow page.....	0	0	14,317,250	0	0	14,317,250
09.399. Totals (Lines 09.301 thru 09.303 plus 09.398)(Line 9.3 above).....	0	404,435	14,071,250	0	44,321	14,520,006

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

EXHIBIT 3 - TAXES, LICENSES AND FEES (EXCLUDING FEDERAL INCOME TAXES)

	Insurance			4 Investment	5 Total
	1 Life	2 Accident and Health	3 All Other Lines of Business		
1. Real estate taxes.....		42,115			42,115
2. State insurance department licenses and fees.....		189,270			189,270
3. State taxes on premiums.....					.0
4. Other state taxes, including \$.....0 for employee benefits.....		110,686			110,686
5. U.S. Social Security taxes.....		565,810			565,810
6. All other taxes.....		14,296			14,296
7. Taxes, licenses and fees incurred.....	0	922,177	0	0	922,177
8. Taxes, licenses and fees unpaid December 31, prior year.....		47,256			47,256
9. Taxes, licenses and fees unpaid December 31, current year.....		47,256			47,256
10. Taxes, licenses and fees paid during year (Lines 7 + 8 - 9).....	0	922,177	0	0	922,177

EXHIBIT 4 - DIVIDENDS OR REFUNDS

	1 Life	2 Accident and Health
	1. Applied to pay renewal premiums.....	
2. Applied to shorten the endowment or premium-paying period.....		
3. Applied to provide paid-up additions.....		
4. Applied to provide paid-up annuities.....		
5. Total Lines 1 through 4.....	0	0
6. Paid-in cash.....		
7. Left on deposit.....		
8. Aggregate write-ins for dividend or refund options.....	0	0
9. Total Lines 5 through 8.....	0	0
10. Amount due and unpaid.....		
11. Provision for dividends or refunds payable in the following calendar year.....		
12. Terminal dividends.....		
13. Provision for deferred dividend contracts.....		
14. Amount provisionally held for deferred dividend contracts not included in Line 13.....		
15. Total Lines 10 through 14.....	0	0
16. Total from prior year.....		
17. Total dividends or refunds (Lines 9 + 15 - 16).....	0	0

NONE

DETAILS OF WRITE-INS

0801.		
0802.		
0803.		
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0
0899. Totals (Line 0801 thru 0803 plus 0898) (Line 8 above).....	0	0

EXHIBIT 5 - AGGREGATE RESERVE FOR LIFE CONTRACTS

1 Valuation Standard	2 Total	3 Industrial	4 Ordinary	5 Credit (Group and Individual)	6 Group
-------------------------	------------	-----------------	---------------	--	------------

NONE

EXHIBIT 5 - INTERROGATORIES

- 1.1 Has the reporting entity ever issued both participating and non-participating contracts? Yes [] No [X]
 1.2 If not, state which kind is issued..... NON-PARTICIPATING
 2.1 Does the reporting entity at present issue both participating and non-participating contracts? Yes [] No [X]
 2.2 If not, state which kind is issued..... NON-PARTICIPATING
 3. Does the reporting entity at present issue or have in force contracts that contain non-guaranteed elements? Yes [] No [X]
 If so, attach a statement that contains the determination procedures, answers to the interrogatories and an actuarial opinion as described in the instructions.



4. Has the reporting entity any assessment or stipulated premium contracts in force? If so, state: Yes [] No [X]
 4.1 Amount of insurance: \$.....
 4.2 Amount of reserve: \$.....
 4.3 Basis of reserve:
 4.4 Basis of regular assessments:
 4.5 Basis of special assessments:
 4.6 Assessments collected during year: \$.....
 5. If the contract loan interest rate guaranteed in any one or more of its currently issued contracts is less than 5%, not in advance, state the contract loan rate guarantees on any such contracts.
 6. Does the reporting entity hold reserves for any annuity contracts that are less than the reserves that would be held on a standard basis? Yes [] No [X]
 6.1 If so, state the amount of reserve on such contracts on the basis actually held: \$.....
 6.2 That would have been held (on an exact or approximate basis) using the actual ages of the annuitants; the interest rate(s) used in 6.1; and the same mortality basis used by the reporting entity for the valuation of comparable annuity benefits issued to standard lives. If the reporting entity has no comparable annuity benefits for standard lives to be valued, the mortality basis shall be the table most recently approved by the state of domicile for valuing individual annuity benefits: \$.....
 Attach statement of methods employed in their valuation.
 7. Does the reporting entity have any Synthetic GIC contracts or agreements in effect as of December 31 of the current year? Yes [] No [X]
 7.1 If yes, state the total dollar amount of assets covered by these contracts or agreements: \$.....
 7.2 Specify the basis (fair value, amortized cost, etc.) for determining the amount:
 7.3 State the amount of reserves established for this business: \$.....
 7.4 Identify where the reserves are reported in the blank.

EXHIBIT 5A - CHANGES IN BASES OF VALUATION DURING THE YEAR

1 Description of Valuation Class	Valuation Basis		4 Increase in Actuarial Reserve Due To Change
	2 Changed From	3 Changed To	

NONE

EXHIBIT 6 - AGGREGATE RESERVES FOR ACCIDENT AND HEALTH CONTRACTS

	1 Total	2 Group Accident and Health	3 Credit Accident and Health (Group and Individual)	4 Collectively Renewable	Other Individual Contracts				
					5 Non- Cancelable	6 Guaranteed Renewable	7 Non-Renewable for Stated Reasons Only	8 Other Accident Only	9 All Other
ACTIVE LIFE RESERVE									
1. Unearned premium reserves.....	.0								
2. Additional contract reserves (a).....	.0								
3. Additional actuarial reserves - Asset/Liability analysis.....	.0								
4. Reserve for future contingent benefits.....	.0								
5. Reserve for rate credits.....	.0								
6. Aggregate write-ins for reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
7. Totals (Gross).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
8. Reinsurance ceded.....	.0								
9. Totals (Net).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
CLAIM RESERVE									
10. Present value of amounts not yet due on claims.....	.0								
11. Additional actuarial reserves - Asset/Liability analysis.....	.0								
12. Reserve for future contingent benefits.....	.0								
13. Aggregate write-ins for reserves.....	.0	.0	NONE	.0	.0	.0	.0	.0	.0
14. Totals (Gross).....	.0	.0		.0	.0	.0	.0	.0	.0
15. Reinsurance ceded.....	.0								
16. Totals (Net).....	.0	.0		.0	.0	.0	.0	.0	.0
17. TOTALS (Net).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
18. TABULAR FUND INTEREST.....	.0								

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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	.0	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1301.									
1302.									
1303.									
1398. Summary of remaining write-ins for Line 13 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1399. Totals (Lines 1301 thru 1303 + 1398) (Line 13 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0

(a) Attach statement as to valuation standard used in calculating this reserve, specifying reserve bases, interest rates and methods.

EXHIBIT 7 - DEPOSIT-TYPE CONTRACTS

	1 Total	2 Guaranteed Interest Contracts	3 Annuities Certain	4 Supplemental Contracts	5 Dividend Accumulations or Refunds	6 Premium and Other Deposit Funds
1. Balance at the beginning of the year before reinsurance.....	.0					
2. Deposits received during the year.....	.0					
3. Investment earnings credited to the account.....	.0					
4. Other net change in reserves.....	.0					
5. Fees and other charges assessed.....	.0					
6. Surrender charges.....	.0					
7. Net surrender or withdrawal payments.....	.0					
8. Other net transfers to or (from) Separate Accounts.....	.0					
9. Balance at the end of current year before reinsurance (Lines 1 + 2 + 3 + 4 - 5 - 6 - 7 - 8).....	.0	NONE	.0	.0	.0	.0
10. Reinsurance balance at the beginning of the year.....	.0					
11. Net change in reinsurance assumed.....	.0					
12. Net change in reinsurance ceded.....	.0					
13. Reinsurance balance at the end of the year (Lines 10 + 11 - 12).....	.0	.0	.0	.0	.0	.0
14. Net balance at the end of the current year after reinsurance (Lines 9 + 13).....	.0	.0	.0	.0	.0	.0

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 1 - Liability End of Current Year

	1 Total	2 Industrial Life	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Due and unpaid:											
1.1 Direct.....	24,240								24,240		
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net.....	24,240	0	0	0	0	0	0	0	24,240	0	0
2. In course of settlement:											
2.1 Resisted:											
2.11 Direct.....	0										
2.12 Reinsurance assumed.....	0										
2.13 Reinsurance ceded.....	0										
2.14 Net.....	0	0	(b).....0	(b).....0	0	(b).....0	(b).....0	0	0	0	0
2.2 Other:											
2.21 Direct.....	0										
2.22 Reinsurance assumed.....	0										
2.23 Reinsurance ceded.....	0										
2.24 Net.....	0	0	(b).....0	(b).....0	0	(b).....0	(b).....0	0	(b).....0	(b).....0	0
3. Incurred but unreported:											
3.1 Direct.....	2,475,760								2,475,760		
3.2 Reinsurance assumed.....	0										
3.3 Reinsurance ceded.....	0										
3.4 Net.....	2,475,760	0	(b).....0	(b).....0	0	(b).....0	(b).....0	0	(b).....2,475,760	(b).....0	(b).....0
4. Totals:											
4.1 Direct.....	2,500,000	0	0	0	0	0	0	0	2,500,000	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	2,500,000	(a).....0	(a).....0	0	0	0	(a).....0	0	2,500,000	0	0

(a) Including matured endowments (but not guaranteed annual pure endowments) unpaid amounting to \$.....0 in Column 2, \$.....0 in Column 3 and \$.....0 in Column 7.

(b) Include only portion of disability and accident and health claim liabilities applicable to assumed "accrued" benefits. Reserves (including reinsurance assumed and net of reinsurance ceded) for unaccrued benefits for

Ordinary Life Insurance \$.....0, Individual Annuities \$.....0, Credit Life (Group and Individual) \$.....0, and Group Life \$.....0,

are included in Page 3, Line 1, (See Exhibit 5, Section on Disability Disabled Lives); and for Group Accident and Health \$.....0, Credit (Group and Individual) Accident and Health \$.....0 and Other Accident and Health \$.....0

are included in Page 3, Line 2, (See Exhibit 6, Claim Reserve).

EXHIBIT 8 - CLAIMS FOR LIFE AND ACCIDENT AND HEALTH CONTRACTS

PART 2 - Incurred During the Year

	1 Total	2 Industrial Life (a)	Ordinary			6 Credit Life (Group and Individual)	Group		Accident and Health		
			3 Life Insurance (b)	4 Individual Annuities	5 Supplementary Contracts		7 Life Insurance (c)	8 Annuities	9 Group	10 Credit (Group and Individual)	11 Other
1. Settlements during the year:											
1.1 Direct.....	39,147,799								39,147,799		
1.2 Reinsurance assumed.....	0										
1.3 Reinsurance ceded.....	0										
1.4 Net..... (d)	39,147,799	0	0	0	0	0	0	0	39,147,799	0	0
2. Liability December 31, current year from Part 1:											
2.1 Direct.....	2,500,000								2,500,000		
2.2 Reinsurance assumed.....	0										
2.3 Reinsurance ceded.....	0										
2.4 Net.....	2,500,000	0	0	0	0	0	0	0	2,500,000	0	0
3. Amounts recoverable from reinsurers December 31, current year.....	0										
4. Liability December 31, prior year:											
4.1 Direct.....	10,700,000								10,700,000		
4.2 Reinsurance assumed.....	0										
4.3 Reinsurance ceded.....	0										
4.4 Net.....	10,700,000	0	0	0	0	0	0	0	10,700,000	0	0
5. Amounts recoverable from reinsurers December 31, prior year.....	0										
6. Incurred benefits:											
6.1 Direct.....	30,947,799	0	0	0	0	0	0	0	30,947,799	0	0
6.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0	0
6.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0	0
6.4 Net.....	30,947,799	0	0	0	0	0	0	0	30,947,799	0	0

(a) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in line 6.4.

(b) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in line 6.4.

(c) Including matured endowments (but not guaranteed annual pure endowments) amounting to \$.....0 in Line 1.1, \$.....0 in Line 1.4, \$.....0 in Line 6.1 and \$.....0 in line 6.4.

(d) Includes \$.....0 premiums waived under total and permanent disability benefits.

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Other invested assets (Schedule BA).....			.0
8. Receivables for securities.....			.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
12. Investment income due and accrued.....			.0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....			.0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....		.99	.99
13.3 Accrued retrospective premiums.....			.0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....			.0
14.2 Funds held by or deposited with reinsured companies.....			.0
14.3 Other amounts receivable under reinsurance contracts.....			.0
15. Amounts receivable relating to uninsured plans.....			.0
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
16.2 Net deferred tax asset.....			.0
17. Guaranty funds receivable or on deposit.....			.0
18. Electronic data processing equipment and software.....		4,219,438	4,219,438
19. Furniture and equipment, including health care delivery assets.....		178,790	178,790
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
21. Receivables from parent, subsidiaries and affiliates.....			.0
22. Health care and other amounts receivable.....		6,855	6,855
23. Aggregate write-ins for other than invested assets.....	485,398	700,144	214,747
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	485,398	5,105,327	4,619,929
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
26. TOTALS (Lines 24 and 25).....	485,398	5,105,327	4,619,929

DETAILS OF WRITE-INS

0901.....			.0
0902.....			.0
0903.....			.0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0
2301. OTHERS RECEIVABLE.....	165,014	206,016	41,002
2302. OTHER ASSETS.....	236,455	358,366	121,911
2303. MEDCO-INCENTIVES.....	83,928	135,762	51,834
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	485,398	700,144	214,747

1) Summary of Significant Accounting Policies:

- A) The accompanying statutory financial statements have been prepared in accordance with insurance accounting practices prescribed or permitted by the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner of Insurance), which is a comprehensive basis of accounting other than accounting principles generally accepted (GAAP) in the United States of America.

The Company follows the National Association of Insurance Commissioners' Statements of Statutory Accounting Principles (NAIC SSAP) as the basis of its statutory accounting principles, as long as they do not contradict the provisions of the Puerto Rico Insurance Code or the Circular Letters issued by the Commissioner of Insurance.

Prescribed statutory accounting practices 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 administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. The Commissioner of Insurance has the right to permit other specific practices that may deviate from prescribed practices. Accordingly, the Commissioner of Insurance has adopted certain prescribed accounting practices that differ from those found in NAIC SSAP. However, differences adopted by the Commissioner of Insurance do not have a significant effect on the net income/loss and statutory capital and surplus of the Company as compared to NAIC practices.

- B) The preparation of financial statements in conformity with the accounting practices prescribed or permitted by the Commissioner of Insurance requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- C) The accounting policies followed by the Company conform to predominant industry practices and are in accordance with the accounting practices prescribed or permitted by the Commissioner of Insurance.

Revenue recognition:

- a) Premiums earned - Are recognized on a monthly basis, net of a historical cancellation provision.
- b) Cost-plus insurance program - Revenue from this program is represented by a negotiated service fee applied to paid and incurred unpaid reported claims considering an estimate to cover unreported claims.

Claims - The Company's unpaid reported and unreported claims have been determined as follows:

- a) Claims submitted to the Company as of December 31, 2009.
- b) An estimate using the Company's experience and historical data to cover claims incurred but not reported as of December 31, 2009.
- c) Processing expenses related to claims are accrued currently based on an estimate of expenses necessary to process such claims. Claims payable amounts are subject to continuing review by management and changes in claims payable are reflected in current operations.

Investments - The investments in bonds, notes and mortgage-backed securities, are presented at amortized cost, net of unamortized premiums or unaccreted discounts except for those with NAIC

designations of 3 to 6, which are reported at the lower of amortized cost or fair value. Common stocks are stated at fair value. The unrealized capital gain or loss in common stock is accounted for as a direct increase or decrease in unassigned surplus (deficit). Non-traded common stocks are stated at cost. Investment transactions are recorded on the basis of settlement date. Realized gains and losses on sale of investments are recorded on the basis of the specific cost of securities sold.

Fair value of financial instruments-The fair value information of financial instruments in the accompanying statutory financial statements was determined as follows:

- a) Cash and short-term investments-The carrying value approximates the estimated fair value amount because of the short-term nature of these instruments.
- b) Investments in bonds and notes and common stocks – The estimated fair values are based on values designated by NAIC or quoted market prices provided by investment brokerage companies for those or similar investments.

Advertising - The Company follows the policy of charging the production costs of advertising to expense as incurred. The advertising costs for the year ended December 31, 2009, amounted to approximately \$306,000.

Accrued cost of liquidation - On May 21, 2009, the Company, entered into an Asset Purchase Agreement (the Agreement) with a non-related party (the Buyer) to sell certain assets of the Company, effective July 1, 2009. These assets include all of the Company's underwritten contracts and cost-plus contracts.

The Company's Board of Directors concluded on May 1, 2009 and ratified on a meeting held on June 26, 2009, that it was in the best interest of the Company to withdraw from doing business in Puerto Rico and to voluntarily liquidate and dissolve, and in furtherance of said liquidation, to sell substantially all of its assets. The Board approved and authorized the Liquidation and Dissolution of the Company, the Agreement and Plan of Dissolution and Liquidation (the Plan), the execution by the Company of a Plan with the shareholders to effect and consummate the liquidation and dissolution as contemplated in the Plan, the Agreement, and related transaction documents.

As a result of the adoption of the Plan, PRHP activities are now limited to: collection of all receivables, payment of the incurred obligations, selling its remaining assets, making tax and other regulatory filings, continue the proposed plan for the wind-down of operations and the compliance with the terms and conditions of the Agreement.

As a result of the dissolution, the Company is required to make significant estimates and exercise judgment in determining accrued liquidation costs. The Company reviewed all operating expenses and contractual commitments such as audit settlements, payroll and related expenses, lease termination costs, professional fees, other outside services and guarantee costs related to the Agreement to determine the estimated costs to be incurred during the liquidation period. These expenses are principally expected to occur through December 31, 2010.

- 2) **Accounting Changes and Corrections Errors:** None
- 3) **Business Combinations and Goodwill:** None
- 4) **Discontinued Operations:** None
- 5) **Investments:**
 - a) **Mortgage Loans**-The company has no investment in mortgage loans.

- b) Debt Restructuring- The Company has no invested assets that are restructured debt.
- c) Reverse Mortgages- The Company has no investment in reverse mortgages.
- d) Loan-Backed Securities- The Company has no investment in loan-backed securities
- e) Repurchase Agreements- The Company does not has repurchase agreements.
- f) Real Estate- The Company has no investment in real estate.

6) **Joint Ventures, Partnerships and Limited Liability Companies:** Not applicable

7) **Investment Income:**

The total amount of investment income due and accrued is admitted.

8) **Derivative Instruments:** Not Applicable

9) **Income Taxes:**

The Company has not recorded a tax benefit or any deferred tax asset for the year 2009 and 2008.

10) **Information Concerning Parent, Subsidiaries and Affiliates:**

As of December 31, 2009 and 2008, the Company had certain related party transactions with its affiliate, Independence Holdings, Inc., as follows:

Description	2009	2008
Due to affiliate	\$ 1,884,560	\$ 651,996
Service fees	\$ 199,00	\$ 413,000

11) **Debt:** None

12) **Retirement Plans, Deferred Compensation, Post-employment Benefit and Compensated Absences and Other Post-retirement Benefit Plans:**

Pension

The Company provides a trusted, non-contributory pension plan covering substantially all of its employees. Employees are eligible for participation in the plan upon satisfying the minimum age requirement of twenty-one (21) years and the minimum service requirement of one (1) year. Pension expense is determined and funded based on the "projected unit credit method", which attributes an equal portion of total projected benefits to each year of employee service. Operating expenses for the years ended December 31, 2009 and 2008, include \$956,578 and \$780,192, of net pension plan expense.

As of December 31, 2009 and 2008, the following components were used to develop the net pension plan expense:

Description	2009	2008
Service cost	\$ 347,524	\$ 769,964
Interest cost on projected benefit obligation	1,295,824	1,293,774
Expected return on plan assets	(959,804)	(1,335,206)
Amortization of transition obligation	10,342	20,684
Amortization of prior years service costs	109,432	(89,315)
Amortization of actuarial loss	235,428	120,291
Curtailment loss/(gain)	(668,679)	-
Settlement loss/(gain)	586,511	-

\$ 956,578 \$ 780,192

As of December 31, 2009 and 2008, the change in benefit obligation and plan assets and reconciliation of funded status are as follows:

Description	2009	2008
Change in benefit obligation:		
Projected benefit obligation at beginning of year	\$ 20,684,046	\$ 23,718,350
Service cost	347,524	769,964
Interest cost	1,295,824	1,293,774
Participant contributions	-	-
Benefit payments	(385,753)	(2,151,286)
Actuarial losses	(294,077)	(2,946,756)
Plan amendments	154,090	-
Curtailments	(3,060,232)	-
Settlement	(2,729,566)	-
Projected benefit obligation at end of year	<u>\$ 16,600,009</u>	<u>\$ 20,684,046</u>
Changes in plan assets:		
Fair value of plan assets at beginning of year	\$ 11,450,842	\$ 18,006,156
Actual return on assets	1,938,488	(4,654,286)
	2009	2008
Employer contributions	1,862,842	250,113
Benefit payments	(385,753)	2,151,286)
Settlements	(2,729,566)	-
Fair value of plan assets at end of year	<u>\$ 12,136,853</u>	<u>\$ 11,450,842</u>
Reconciliation of funded status:		
Funded status	\$ (4,463,156)	\$ (9,233,205)
Unrecognized transition obligation	-	248,204
Unrecognized prior service cost	-	(951,199)
Unrecognized actuarial loss	3,566,897	8,133,677
Net amount of accrued liability recognized	<u>\$ (896,259)</u>	<u>\$ (1,802,523)</u>

As of December 31, 2009 and 2008, amount recognized in statements of admitted assets, liabilities and capital and surplus consist of:

Description	2009	2008
Prepaid benefit cost	\$ -	\$ -
Accrued benefit liability	(4,463,156)	(6,042,303)
Admitted intangible asset	-	248,204
Non- admitted intangible asset	-	-
Accumulated other comprehensive income	3,556,897	3,991,576
Net amount of accrued liability recognized	<u>\$ (896,259)</u>	<u>\$ (1,802,523)</u>

Weighted average assumptions:

Discount rate	<u>6.50%</u>	6.50%
Expected return on assets	<u>8.00%</u>	8.00%
Rate of compensation increase	<u>Graded; 8.0% - 3.5%</u>	

Nonqualified Pension Benefits

In addition, the Company provides supplemental non-qualified pension benefits for certain retired employees. The cost of such benefits is accounted under the accrual method. As of December 31, 2009 and 2008, the following components were used to develop the net periodic benefit cost:

Description	2009	2008
Service cost	\$ -	\$ -
Interest cost on projected benefit obligation	35,313	23,874
Amortization of transition obligation	3,173	6,346
Amortization of prior years service costs	-	-
Amortization of actuarial loss	7,393	(7,028)
Curtailment loss/(gain)	75,974	-
	<u>\$ 121,853</u>	<u>\$ 23,192</u>

The change in benefit obligation and plan assets and reconciliation of funded status are as follows:

Description	2009	2008
Change in benefit obligation:		
Projected benefit obligation at beginning of year	\$ 384,029	\$ 402,409
Service cost	-	-
Interest cost	35,313	23,874
Participant contributions	-	-
Benefit payments	(53,435)	(36,071)
Actuarial losses/(gains)	210,301)	(6,183)
Curtailments	2,986	-
Projected benefit obligation at end of year	<u>\$ 579,194</u>	<u>\$ 384,029</u>
Reconciliation of funded status:		
Funded status	\$ (579,194)	\$ (384,029)
Unrecognized transition obligation	-	76,161
Unrecognized prior service cost	-	-
Unrecognized actuarial loss/(gain)	196,584	(6,324)
Net amount of accrued liability recognized	<u>\$ (382,610)</u>	<u>\$ (314,192)</u>

As of December 31, 2009 and 2008, amount recognized in statements of financial position consist of:

Description	2009	2008
Prepaid benefit cost	\$ -	\$ -
Accrued benefit liability	(579,194)	(384,029)

Admitted intangible asset	-	69,837
Non- admitted intangible asset	-	-
Accumulated other comprehensive income	196,584	-
Net amount of accrued liability recognized	\$ (382,610)	\$ (314,192)

Weighted average assumptions:		
Discount rate	5.75%	6.50%
Rate of compensation increase	Graded; 8.0% - 3.5%	

Postretirement benefits other than pension

The Company provides certain health care and life insurance benefits for retired employees. Substantially, all of the Company's employees may become eligible for those benefits if they reach normal retirement age while working for the Company. The cost of such benefits is accounted for following the accrual method.

As of December 31, 2009 and 2008, the following components were used to develop the net periodic benefit cost:

Description	2009	2008
Eligibility cost	\$ 350,553	\$ 1,364,158
Interest cost on projected benefit obligation	868,728	1,063,623
Amortization of transition obligation	9,084	18,168
Amortization of prior service cost))
	(307,765)	(69,187)
Amortization of actuarial loss	182,017	220,226
Curtailment loss/(gain)	-	-
	\$ 1,752,507	\$ 2,596,988

As of December 31, 2009 and 2008, the change in benefit obligation and plan assets of funded status is as follows:

Description	2009	2008
Change in benefit obligation:		
Benefit obligation at beginning of year	\$ 18,428,090	\$ 20,096,231
Eligibility cost	350,553	1,364,158
Interest cost	868,728	1,063,623
Benefits paid	(1,144,594)	(862,506)
Medicare Part D subsidy received	-	-
Actuarial losses	(222,659)	(3,233,416)
Plan amendments	(9,395,182)	-
Curtailments	404,621	-
	\$ 9,289,557	\$ 18,428,090
Benefit obligation at end of year	\$ 9,289,557	\$ 18,428,090
Benefit obligation nonvested employees	-	2,826,736

Reconciliation of funded status:

Funded status		(18,428,090)
	\$ (9,289,557)	\$ 0)
Unrecognized transition obligation	-	254,353

the Board of Directors of Independence Blue Cross.

14) Contingencies:

- A) Legal proceedings-The Company is a party with a lawsuit filed against the Company for violations of federal antitrust laws, Puerto Rican antitrust and unfair competition law seeking compensation for economic damages, plus litigation costs and attorneys' fees. Legal counsel is of the opinion that the Company has strong arguments to dismiss the antitrust claim on the grounds of state action immunity and thus there is a good probability of success at the summary judgment stage.

The Company is a party to other legal claims in its ordinary course of business. Management, after consulting with legal counsel, is of the opinion that the ultimate outcome of these claims will not have a material effect on the Company's financial position or results of operations.

- B) Commissioner of Insurance audits-In accordance with the Insurance Code of Puerto Rico, the Company is subject to audits performed by the Commissioner of Insurance. As of December 31, 2009, the last period audited by the Commissioner of Insurance was from January 1, 2002 to December 31, 2005. The audits for the two periods, from January 1, 2006 to December 31, 2007 are still in process, as of December 31, 2009.

15) Leases:

During the year ended December 31, 2003, the Company entered into an agreement for the sale and leaseback of the home office building (including certain office furniture and equipment). The lease has a term of 24 months with a renewal option for a period of additional 36 months under the same terms and conditions. The lease requires monthly renewal payments of approximately \$106,000. During the year ended December 31, 2005 the Company exercised the renewal option under the lease agreement. During the year ended December 31, 2008, this contract was amended in order to extend its effective date until June 30, 2009, and to increase the monthly rental fee to approximately \$114,000. During the year ended December 31, 2009, this contract was renewed in order to extend its effective date until June 30, 2010, under the same terms and conditions. In addition, the Company has entered into various lease agreements for office and parking space that call for monthly rental payments of approximately \$11,000. All these agreements expired during the year ended December 31, 2009.

Rent expense under the above agreements for the year ended December 31, 2009 was approximately \$1,438,000.

16) Financial Instruments with Concentrations of Credit Risk:

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash and cash equivalents, investments in securities and accounts receivable.

As of December 31, 2009 and 2008, the Company had its cash and certificates of deposits principally in various high credit financial institutions, exceeding the Federal Deposit Insurance Corporation (FDIC) guaranty of \$250,000. As of December 31, 2009 and 2008, investments in debt securities are placed in low risk liquid instruments, which are subject to market trends and conditions.

Concentration of credit risk with respect to accounts receivable is limited due to the number of accounts comprising the Company's customer base. Loss experience associated with accounts receivable falls within the estimated loss allowances.

17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities: Not applicable

18) Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans:

The gain from operations from Administrative Services Only (ASO) of insured plans and the uninsured portion of partially insured plans was as follows:

a. Net gain for administrative expenses - \$6,909,597

19) Direct Premium Written/Produced by Managing General Agents/Third Party Administrators: Not applicable**20) Other Items:**

Investments in Securities in the amount of \$500,000 (par value) at December 31, 2009, were on deposit with The Office of the Commissioner of Insurance of Commonwealth of Puerto Rico as required by law.

21) Events Subsequent: None.**22) Reinsurance**

As of December 31, 2009 and 2008, the Company had a one-year reinsurance agreement, covering Organ Transplant and Bone Marrow. Such services are covered under the insurance contracts with certain groups and direct payment individuals. During the year ended December 31, 2009, due to the sale of underwritten and cost-plus contracts, this agreement was terminated.

For the year ended December 31, 2009, the reinsurer agreed to accept 100% of the Group Organ Transplant risk (quota share), in excess of \$75,000 up to a maximum of \$925,000 per covered person per contract year, subject to a lifetime benefit of \$2,000,000. Related with Individual Organ Transplant, the reinsurer agreed to accept 100% of the risk, in excess of \$75,000 up to a maximum of \$225,000 per covered person per contract year. Also, the reinsurer shall allow the Company a profit commission of 20% of the net profit, if any, as defined in the Medical Excess of Loss Reinsurance Agreement, accruing to the reinsurer during each agreement year. The profit commission calculation for each agreement year will be calculated 12 months after the end of the agreement year.

For the years ended December 31, 2009 and 2008, the effect of reinsurance on premiums earned is as follows:

Description	2009	2008
Gross premiums earned	\$ 35,256,891	\$ 74,140,776
Premiums ceded	(262,529)	(172,397)
Net premiums earned	<u>\$ 34,994,362</u>	<u>\$ 73,968,379</u>

As of December 31, 2009 and 2008, twelve (12) and six (6) claims have been incurred or reported, respectively.

The ceding of insurance does not discharge the Company from its primary liability to its subscribers. In the event that the reinsuring company is unable to meet its obligations under existing reinsurance agreement, the Company would be absorbing losses for such defaulted amounts.

23) Retrospectively Rated Contracts & Contracts Subject to Redetermination: Not applicable

- 24) **Change in Incurred Losses and Loss Adjustment Expenses:** Not applicable
- 25) **Intercompany Pooling Arrangements:** Not applicable
- 26) **Structured Settlements:** Not applicable
- 27) **Health Care Receivables:** Not applicable
- 28) **Participating Policies:** Not applicable
- 29) **Premium Deficiency Reserves:** Not applicable
- 30) **Reserves for Life Contracts and Deposit-Type Contracts:** Not applicable
- 31) **Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics:** Not applicable
- 32) **Premiums and Annuity Considerations Deferred and Uncollected:** Not applicable
- 33) **Separate Accounts:** Not applicable
- 34) **Loss/Claim Adjustment Expenses:** Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Pennsylvania
- 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. 12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 10/27/2006
- 3.4 By what department or departments? The Office of the 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 [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 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 [X] No []
- 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 Co. Code | 3
State of Domicile |
|---------------------|--------------------|------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information: _____
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company. _____
- 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?
RSM ROC & Company PO BOX 10528 San Juan PR 00922-0528
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?
John Douglas, Inc.
- 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
- 11.13 Total book/adjusted carrying value
- 11.2 If yes, provide explanation. _____

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 [] N/A [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 []

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 the 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 this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others
 - 19.22 Borrowed from others
 - 19.23 Leased from others
 - 19.24 Other
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment
 - 20.22 Amount paid as expenses
 - 20.23 Other amounts paid
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 22.3)? Yes [X] No []
- 22.2 If no, give full and complete information relating thereto.

-
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 16 where this information is also provided).
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 [] N/A [X]
- 22.5 If answer to 22.4 is yes, report amount of collateral.
- 22.6 If answer to 22.4 is no, report amount of collateral.
-
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3) Yes [] No [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 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 \$649,148
 - 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 [] N/A [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:

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 [X] 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
Banco Popular Trust Division	PO Box 362708 San Juan, PR 00936-2708

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 [X] 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
106595	Wellington Management	75 State Street Boston, MA 02109

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 [X]

27.2 If yes, complete the following schedule:

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

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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	11,516,220	11,754,531	238,311
28.2 Preferred stocks.....			0
28.3 Totals.....	11,516,220	11,754,531	238,311

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

Account Statement

- 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:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 Name	2 Amount Paid

32.1 Amount of payments for legal expenses, if any? \$.....0

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 Name	2 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 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - LIFE 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
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?
- 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.
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance.
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned
- 1.62 Total incurred claims
- 1.63 Number of covered lives
- All years prior to most current three years:
- 1.64 Total premium earned
- 1.65 Total incurred claims
- 1.66 Number of covered lives
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned
- 1.72 Total incurred claims
- 1.73 Number of covered lives
- All years prior to most current three years:
- 1.74 Total premium earned
- 1.75 Total incurred claims
- 1.76 Number of covered lives

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	34,994,362	73,968,380
2.2 Premium Denominator.....	34,994,362	73,968,380
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	2,500,000	10,700,000
2.5 Reserve Denominator.....	2,500,000	10,700,000
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

- 3.1 Does this reporting entity have Separate Accounts? Yes [] No [X]
- 3.2 If yes, has a Separate Accounts statement been filed with this Department? Yes [] No [] N/A [X]
- 3.3 What portion of capital and surplus funds of the reporting entity covered by assets in the Separate Accounts statement, is not currently distributable from the Separate Accounts to the general account for use by the general account?
- 3.4 State the authority under which Separate Accounts are maintained:

- 3.5 Was any of the reporting entity's Separate Accounts business reinsured as of December 31? Yes [] No [X]
- 3.6 Has the reporting entity assumed by reinsurance any Separate Accounts business as of December 31? Yes [] No [X]
- 3.7 If the reporting entity has assumed Separate Accounts business, how much, if any, reinsurance assumed receivable for reinsurance of Separate Accounts reserve expense allowances is included as a negative amount in the liability for "Transfers to Separate Accounts due or accrued (net)?"

- 4.1 Are personnel or facilities of this reporting entity used by another entity or entities or are personnel or facilities of another entity or entities used by this reporting entity (except for activities such as administration of jointly underwritten group contracts and joint mortality or morbidity studies)? Yes [] No [X]
- 4.2 Net reimbursement of such expenses between reporting entities:
- 4.21 Paid
- 4.22 Received

- 5.1 Does the reporting entity write any guaranteed interest contracts? Yes [] No [X]
- 5.2 If yes, what amount pertaining to these items is included in:
- 5.21 Page 3, Line 1
- 5.22 Page 4, Line 1

6. For stock reporting entities only:
- 6.1 Total amount paid in by stockholders as surplus funds since organization of the reporting entity: \$.....0
7. Total dividends paid stockholders since organization of the reporting entity:
- 7.11 Cash \$.....0
- 7.12 Stock \$.....0

GENERAL INTERROGATORIES

PART 2 - LIFE INTERROGATORIES

8.1 Does the company reinsure any Workers' Compensation Carve-Out business defined as: Yes [] No [X]
 Reinsurance (including retrocessional reinsurance) assumed by life and health insurers of medical, wage loss and death benefits of the occupational illness and accident exposures, but not the employers liability exposures, of business originally written as workers' compensation insurance.

8.2 If yes, has the reporting entity completed the Workers' Compensation Carve-Out Supplement to the Annual Statement? Yes [] No [X]

8.3 If 8.1 is yes, the amounts of earned premiums and claims incurred in this statement are:

	1 Reinsurance Assumed	2 Reinsurance Ceded	3 Net Retained
8.31 Earned premium.....			
8.32 Paid claims.....			
8.33 Claim liability and reserve (beginning of year).....			
8.34 Claim liability and reserve (end of year).....			
8.35 Incurred claims.....			

8.4 If reinsurance assumed included amounts with attachment points below \$1,000,000, the distribution of the amounts reported in Lines 8.31 and 8.34 for Column (1) are:

Attachment Point	1 Earned Premium	2 Claim Liability and Reserve
8.41 < \$25,000.....		
8.42 \$25,000 -- 99,999.....		
8.43 \$100,000 -- 249,999.....		
8.44 \$250,000 -- 999,999.....		
8.45 \$1,000,000 or more.....		

8.5 What portion of earned premium reported in 8.31, Column 1 was assumed from pools?

9.1 Does the company have variable annuities with guaranteed benefits? Yes [] No [X]

9.2 If 9.1 is yes, complete the following table for each type of guaranteed benefit.

Type		3 Waiting Period Remaining	4 Account Value Related to Col. 3	5 Total Related Account Values	6 Gross Amount of Reserve	7 Location of Reserve	8 Portion Reinsured	9 Reinsurance Reserve Credit
1 Guaranteed Death Benefit	2 Guaranteed Living Benefit							

10. For reporting entities having sold annuities to another insurer when the insurer purchasing the annuities has obtained a release of liability from the claimant (payee) as the result of the purchase of an annuity from the reporting entity only:

10.1 Amount of loss reserves established by these annuities during the current year? \$.....0

10.2 List the name and location of the insurance company purchasing the annuities and the statement value on the purchase date of the annuities.

1 P&C Insurance Company and Location	2 Statement Value on Purchase Date of Annuities (i.e., Present Value)
P&C Insurance Company and Location	\$

11.1 Do you act as a custodian for health savings account? Yes [] No [X]

11.2 If yes, please provide the amount of custodial funds held as of the reporting date.

11.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

11.4 If yes, please provide the balance of the funds administered as of the reporting date.

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6.

Show amounts of life insurance in this exhibit in thousands (omit \$000)

	1 2009	2 2008	3 2007	4 2006	5 2005
Life Insurance in Force (Exhibit of Life Insurance)					
1. Ordinary - whole life and endowment (Line 34, Col. 4).....					
2. Ordinary - term (Line 21, Col. 4, less Line 34, Col. 4).....					
3. Credit life (Line 21, Col. 6).....					
4. Group, excluding FEGLI/SGLI (Line 21, Col. 9 less Lines 43 & 44, Col. 4).....					
5. Industrial (Line 21, Col. 2).....					
6. FEGLI/SGLI (Lines 43 & 44, Col. 4).....					
7. Total (Line 21, Col. 10).....	0	0	0	0	0
New Business Issued (Exhibit of Life Insurance)					
8. Ordinary - whole life and endowment (Line 34, Col. 2).....					
9. Ordinary - term (Line 2, Col. 4, less Line 34, Col. 2).....					
10. Credit life (Line 2, Col. 6).....					
11. Group (Line 2, Col. 9).....					
12. Industrial (Line 2, Col. 2).....					
13. Total (Line 2, Col. 10).....	0	0	0	0	0
Premium Income - Lines of Business (Exhibit 1-Part 1)					
14. Industrial life (Line 20.4, Col. 2).....					
15.1 Ordinary life insurance (Line 20.4, Col. 3).....					
15.2 Ordinary individual annuities (Line 20.4, Col. 4).....					
16. Credit life (group and individual) (Line 20.4, Col. 5).....					
17.1 Group life insurance (Line 20.4, Col. 6).....					
17.2 Group annuities (Line 20.4, Col. 7).....					
18.1 A&H - group (Line 20.4, Col. 8).....	34,994,362	73,968,380	87,938,149	122,474,020	114,876,193
18.2 A&H - credit (group and individual) (Line 20.4, Col. 9).....					
18.3 A&H - other (Line 20.4, Col. 10).....					
19. Aggregate of all other lines of business (Line 20.4, Col. 11).....					
20. Total.....	34,994,362	73,968,380	87,938,149	122,474,020	114,876,193
Balance Sheet (Pages 2 and 3)					
21. Total admitted assets excluding Separate Accounts business (Page 2, Line 24, Col. 3).....	31,724,591	38,079,247	44,958,363	46,030,705	51,843,315
22. Total liabilities excluding Separate Accounts business (Page 3, Line 26).....	49,191,019	46,881,508	44,585,539	41,296,188	46,495,110
23. Aggregate life reserves (Page 3, Line 1).....					
24. Aggregate A&H reserves (Page 3, Line 2).....		1,600,000			
25. Deposit-type contract funds (Page 3, Line 3).....					
26. Asset valuation reserve (Page 3, Line 24.1).....	270,168	2,769			
27. Capital (Page 3, Lines 29 & 30).....	2,182,890	1,985,522	1,853,944	1,643,419	1,196,054
28. Surplus (Page 3, Line 37).....	(19,649,318)	(10,787,783)	(1,481,120)	3,091,098	4,152,151
Cash Flow (Page 5)					
29. Net Cash from operations (Line 11).....	(5,353,316)	(18,780,899)	(11,882,689)	(24,421,258)	(5,587,787)
Risk-Based Capital Analysis					
30. Total adjusted capital.....	(17,196,260)	(8,799,492)	372,824	4,734,517	5,348,205
31. Authorized control level risk-based capital.....	2,263,147	3,545,520	3,821,539	5,642,818	4,444,405
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Col. 3) (Line No. /Page 2, Line 10, Col. 3) x 100.0					
32. Bonds (Line 1).....	42.5	69.7	43.5	81.2	102.0
33. Stocks (Lines 2.1 and 2.2).....	0.4	0.9	0.5	0.7	0.9
34. Mortgage loans on real estate (Lines 3.1 and 3.2).....					
35. Real estate (Line 4.1, 4.2 and 4.3).....					
36. Cash, cash equivalents and short-term investments (Line 5).....	57.1	29.4	56.0	18.1	(2.9)
37. Contract loans (Line 6).....					
38. Other invested assets (Line 7).....					
39. Receivables for securities (Line 8).....					
40. Aggregate write-ins for invested assets (Line 9).....					
41. Cash, cash equivalents and invested assets (Line 10).....	100.0	100.0	100.0	100.0	100.0

FIVE-YEAR HISTORICAL DATA

(continued)

	1 2009	2 2008	3 2007	4 2006	5 2005
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds (Sch. D Summary, Line 12 Col. 1).....					
43. Affiliated preferred stocks (Sch. D Summary, Line 18 Col. 1).....					
44. Affiliated common stocks (Sch. D Summary, Line 24 Col. 1).....					
45. Affiliated short-term investments (subtotal included in Sch. DA, Verif. Col. 5, Line 10).....					
46. Affiliated mortgage loans on real estate					
47. All other affiliated.....					
48. Total of above Lines 42 to 47.....	0	0	0	0	0
Total Nonadmitted and Admitted Assets					
49. Total nonadmitted assets (Page 2, Line 26, Col. 2).....	485,398	5,105,327	5,446,393	7,179,169	4,410,938
50. Total admitted assets (Page 2, Line 26, Col. 3).....	31,724,591	38,079,247	44,958,363	46,030,705	51,843,315
Investment Data					
51. Net investment income (Exhibit of Net Investment Income).....	1,022,405	597,864	1,080,200	1,253,646	(170,731)
52. Realized capital gains (losses).....	63,174	(599,093)	(32,368)		
53. Unrealized capital gains (losses).....	2,093,415	(1,599,258)	(290,686)		
54. Total of above Lines 51, 52 and 53.....	3,178,994	(1,600,487)	757,146	1,253,646	(170,731)
Benefits and Reserve Increase (Page 6)					
55. Total contract benefits - life (Lines 10, 11, 12, 13, 14 and 15 Col. 1 less Lines 10, 11, 12, 13, 14 and 15, Cols. 9, 10 & 11).....					
56. Total contract benefits - A&H (Lines 13 & 14, Cols. 9, 10 & 11).....	30,947,799	64,270,203	75,619,344	122,856,004	101,206,664
57. Increase in life reserves - other than group and annuities (Line 19, Cols. 2 & 3).....					
58. Increase in A&H reserves (Line 19, Cols. 9, 10 & 11).....					
59. Dividends to policyholders (Line 30, Col 1).....					
Operating Percentages					
60. Insurance expense percent (Page 6, Col. 1, Lines 21, 22, & 23 less Line 6)/(Page 6 Col. 1, Line 1 plus Exhibit 7, Col. 2, Line 2) x 100.00.....	80.6	30.6	38.6	27.2	19.5
61. Lapse percent (ordinary only) [(Exhibit of Life Insurance, Col. 4, Lines 14 & 15) / 1/2 (Exhibit of Life Insurance, Col. 4, Lines 1 & 21)] x 100.00.....					
62. A&H loss percent (Schedule H, Part 1, Lines 5 & 6, Col. 2).....	88.4	86.9	86.0	100.3	88.1
63. A&H cost containment percent (Schedule H, Part 1, Line 4, Col. 2).....					
64. A&H expense percent excluding cost containment expenses (Schedule H, Part 1, Line 10, Col. 2).....	83.3	32.1	40.1	28.4	20.5
A&H Claim Reserve Adequacy					
65. Incurred losses on prior years' claims - group health (Sch. H, Part 3, Line 3.1, Col. 2).....	11,570,398	13,677,719	16,311,222	16,168,633	15,600,000
66. Prior years' claim liability and reserve - group health (Sch. H, Part 3, Line 3.2, Col. 2).....	10,700,000	12,749,981	18,596,890	14,621,694	15,600,000
67. Incurred losses on prior years' claims - health other than group (Sch. H, Part 3, Line 3.1, Col. 1 less Col. 2).....					
68. Prior years' claim liability and reserve - health other than group (Sch. H, Part 3, Line 3.2, Col. 1 less Col. 2).....					
Net Gains From Operations After Federal Income Taxes by Lines of Business (Page 6, Line 33)					
69. Industrial life (Col. 2).....					
70. Ordinary - life (Col. 3).....					
71. Ordinary - individual annuities (Col. 4).....					
72. Ordinary - supplementary contracts (Col. 5).....					
73. Credit life (Col. 6).....					
74. Group life (Col. 7).....					
75. Group annuities (Col. 8).....					
76. A&H - group (Col. 9).....	(30,237,938)	(13,343,703)	(21,717,296)	(33,771,211)	(9,625,113)
77. A&H - credit (Col. 10).....					
78. A&H - other (Col. 11).....					
79. Aggregate of all other lines of business (Col. 12).....					
80. Total (Col. 1).....	(30,237,938)	(13,343,703)	(21,717,296)	(33,771,211)	(9,625,113)

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:

EXHIBIT OF LIFE INSURANCE

	Industrial		Ordinary		Credit Life (Group and Individual)		Group			10 Total Amount of Insurance (a)
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)	5 Number of Individual Policies and Group Certificates	6 Amount of Insurance (a)	Number of		9 Amount of Insurance (a)	
							7 Policies	8 Certificates		
1. In force end of prior year.....										0
2. Issued during year.....										0
3. Reinsurance assumed.....										0
4. Revived during year.....										0
5. Increased during year (net).....										0
6. Subtotals, Lines 2 to 5.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
7. Additions by dividends during year.....	XXX		XXX		XXX		XXX	XXX		0
8. Aggregate write-ins for increases.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
9. Totals (Lines 1 and 6 to 8).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
Deductions during year:										
10. Death.....							XXX			0
11. Maturity.....							XXX			0
12. Disability.....							XXX			0
13. Expiry.....										0
14. Surrender.....										0
15. Lapse.....										0
16. Conversion.....							XXX	XXX	XXX	0
17. Decreased (net).....										0
18. Reinsurance.....										0
19. Aggregate write-ins for decreases.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
20. Totals (Lines 10 to 19).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
21. In force end of year (Line 9 minus Line 20).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
22. Reinsurance ceded end of year.....	XXX		XXX		XXX		XXX	XXX		0
23. Line 21 minus Line 22.....	XXX		XXX		XXX	(b)	XXX	XXX		0

NONE

DETAILS OF WRITE-INS

0801.										0
0802.										0
0803.										0
0898. Summary of remaining write-ins for Line 8 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
1901.										0
1902.										0
1903.										0
1998. Summary of remaining write-ins for Line 19 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0
1999. Totals (Lines 1901 thru 1903 plus 1998) (Line 19 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0	0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) Group \$.....0; Individual \$.....0.

EXHIBIT OF LIFE INSURANCE (continued)
ADDITIONAL INFORMATION ON INSURANCE IN FORCE END OF YEAR

	Industrial		Ordinary	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
24. Additions by dividends.....	XXX		XXX	
25. Other paid-up insurance.....				
26. Debit ordinary insurance.....	XXX	XXX		

ADDITIONAL INFORMATION ON ORDINARY INSURANCE

Term Insurance Excluding Extended Term Insurance	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)
27. Term policies-decreasing.....				
28. Term policies-other.....				
29. Other term insurance-decreasing.....	XXX		XXX	
30. Other term insurance.....			XXX	
31. Totals (Lines 27 to 30).....	.0	.0	.0	.0
Reconciliation to Lines 2 and 21:				
32. Term additions.....	XXX		XXX	
33. Totals, extended term insurance.....	XXX	XXX		
34. Totals, whole life and endowment.....				
35. Totals (Lines 31 to 34).....	.0	.0	.0	.0

CLASSIFICATION OF AMOUNT OF INSURANCE (a) BY PARTICIPATING STATUS

	Issued During Year (Included in Line 2)		In Force End of Year (Included in Line 21)	
	1 Non-Participating	2 Participating	3 Non-Participating	4 Participating
36. Industrial.....				
37. Ordinary.....				
38. Credit Life (Group and Individual).....				
39. Group.....				
40. Totals (Lines 36 to 39).....	.0	.0	.0	.0

ADDITIONAL INFORMATION ON CREDIT LIFE AND GROUP INSURANCE

	Credit Life		Group	
	1 Number of Individual Policies and Group Certificates	2 Amount of Insurance (a)	3 Number of Certificates	4 Amount of Insurance (a)
41. Amount of insurance included in Line 2 ceded to other companies.....	XXX		XXX	
42. Number in force end of year if the number under shared groups is counted on a pro-rata basis.....		XXX		XXX
43. Federal Employees' Group Life Insurance included in Line 21.....				
44. Servicemen's Group Life Insurance included in Line 21.....				
45. Group Permanent Insurance included in Line 21.....				

ADDITIONAL ACCIDENTAL DEATH BENEFITS

46. Amount of additional accidental death benefits in force end of year under ordinary policies (a).....	
--	--

BASIS OF CALCULATION OF ORDINARY TERM INSURANCE

47. State basis of calculation of (47.1) decreasing term insurance contained in Family Income, Mortgage Protection, etc., policies and riders and of (47.2) term insurance on wife and children under Family, Parent and Children, etc., policies and riders included in force end of year.....	
47.1.....	
47.2.....	

POLICIES WITH DISABILITY PROVISIONS

Disability Provision	Industrial		Ordinary		5 Number of Policies	6 Amount of Insurance (a)	Group	
	1 Number of Policies	2 Amount of Insurance (a)	3 Number of Policies	4 Amount of Insurance (a)			7 Number of Certificates	8 Amount of Insurance (a)
48. Waiver of Premium.....								
49. Disability Income.....								
50. Extended Benefits.....								
51. Other.....								
52. Total.....	.0	(b).....0	.0	(b).....0	.0	(b).....0	.0	(b).....0

(a) Amounts of life insurance in this exhibit shall be shown in thousands (omit 000).

(b) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

**EXHIBIT OF NUMBER OF POLICIES, CONTRACTS, CERTIFICATES, INCOME PAYABLE
AND ACCOUNT VALUES IN FORCE FOR SUPPLEMENTARY CONTRACTS,
ANNUITIES, ACCIDENT & HEALTH AND OTHER POLICIES**

SUPPLEMENTARY CONTRACTS

	Ordinary		Group	
	1 Involving Life Contingencies	2 Not Involving Life Contingencies	3 Involving Life Contingencies	4 Not Involving Life Contingencies
1. In force end of prior year.....	NONE			
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....				
Deductions during year:				
6. Decreased (net).....				
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....	.0	.0	.0	.0
9. In force end of year.....	.0	.0	.0	.0
10. Amount on deposit.....	(a)			(a)
11. Income now payable.....				
12. Amount of income payable.....	(a)	(a)	(a)	(a)

ANNUITIES

	Ordinary		Group					
	1 Immediate	2 Deferred	3 Contracts	4 Certificates				
1. In force end of prior year.....								
2. Issued during year.....								
3. Reinsurance assumed.....								
4. Increased during year (net).....								
5. Total (Lines 1 to 4).....	.0	.0	.0	.0				
Deductions during year:								
6. Decreased (net).....	NONE							
7. Reinsurance ceded.....								
8. Totals (Lines 6 and 7).....					.0	.0	.0	.0
9. In force end of year.....					.0	.0	.0	.0
Income now payable:								
10. Amount of income payable.....	(a)	XXX	XXX	(a)				
Deferred fully paid:								
11. Account balance.....	XXX	(a)	XXX	(a)				
Deferred not fully paid:								
12. Account balance.....	XXX	(a)	XXX	(a)				

ACCIDENT AND HEALTH INSURANCE

	Group		Credit		Other	
	1 Certificates	2 Premiums in force	3 Policies	4 Premiums in force	5 Policies	6 Premiums in force
1. In force end of prior year.....	42,803	6,260,962				
2. Issued during year.....	955					
3. Reinsurance assumed.....						
4. Increased during year (net).....	1,851	XXX		XXX		XXX
5. Total (Lines 1 to 4).....	45,609	XXX	.0	XXX	.0	XXX
Deductions during year:						
6. Conversions.....	1,238	XXX	XXX	XXX	XXX	XXX
7. Decreased (net).....	3,255	XXX		XXX		XXX
8. Reinsurance ceded.....		XXX		XXX		XXX
9. Totals (Lines 6 to 8).....	4,493	XXX	.0	XXX	.0	XXX
10. In force end of year.....	41,116	(a) 5,895,393	.0	(a)	.0	(a)

DEPOSIT FUNDS AND DIVIDEND ACCUMULATIONS

	1	2		
	Deposit Funds Contracts	Dividend Accumulations Contracts		
1. In force end of prior year.....				
2. Issued during year.....				
3. Reinsurance assumed.....				
4. Increased during year (net).....				
5. Total (Lines 1 to 4).....	.0	.0		
Deductions during year:				
6. Decreased (net).....	NONE			
7. Reinsurance ceded.....				
8. Totals (Lines 6 and 7).....			.0	.0
9. In force end of year.....			.0	.0
10. Amount of account balance.....			(a)	(a)

(a) See Paragraph 9 of the Annual Audited Financial Reports in the General section of the Annual Statement Instructions.

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1 Active Status	Direct Business Only					7 Deposit-Type Contracts
		Life Contracts		4 Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees	5 Other Considerations	6 Total Columns 2 through 5	
		2 Life Insurance Premiums	3 Annuity Considerations				
1. Alabama.....AL	N					0	
2. Alaska.....AK	N					0	
3. Arizona.....AZ	N					0	
4. Arkansas.....AR	N					0	
5. California.....CA	N					0	
6. Colorado.....CO	N					0	
7. Connecticut.....CT	N					0	
8. Delaware.....DE	N					0	
9. District of Columbia.....DC	N					0	
10. Florida.....FL	N					0	
11. Georgia.....GA	N					0	
12. Hawaii.....HI	N					0	
13. Idaho.....ID	N					0	
14. Illinois.....IL	N					0	
15. Indiana.....IN	N					0	
16. Iowa.....IA	N					0	
17. Kansas.....KS	N					0	
18. Kentucky.....KY	N					0	
19. Louisiana.....LA	N					0	
20. Maine.....ME	N					0	
21. Maryland.....MD	N					0	
22. Massachusetts.....MA	N					0	
23. Michigan.....MI	N					0	
24. Minnesota.....MN	N					0	
25. Mississippi.....MS	N					0	
26. Missouri.....MO	N					0	
27. Montana.....MT	N					0	
28. Nebraska.....NE	N					0	
29. Nevada.....NV	N					0	
30. New Hampshire.....NH	N					0	
31. New Jersey.....NJ	N					0	
32. New Mexico.....NM	N					0	
33. New York.....NY	N					0	
34. North Carolina.....NC	N					0	
35. North Dakota.....ND	N					0	
36. Ohio.....OH	N					0	
37. Oklahoma.....OK	N					0	
38. Oregon.....OR	N					0	
39. Pennsylvania.....PA	N					0	
40. Rhode Island.....RI	N					0	
41. South Carolina.....SC	N					0	
42. South Dakota.....SD	N					0	
43. Tennessee.....TN	N					0	
44. Texas.....TX	N					0	
45. Utah.....UT	N					0	
46. Vermont.....VT	N					0	
47. Virginia.....VA	N					0	
48. Washington.....WA	N					0	
49. West Virginia.....WV	N					0	
50. Wisconsin.....WI	N					0	
51. Wyoming.....WY	N					0	
52. American Samoa.....AS	N					0	
53. Guam.....GU	N					0	
54. Puerto Rico.....PR	L			37,911,125		37,911,125	
55. US Virgin Islands.....VI	N					0	
56. Northern Mariana Islands.....MP	N					0	
57. Canada.....CN	N					0	
58. Aggregate Other Alien.....OT	XXX	0	0	0	0	0	0
59. Subtotal.....(a).....1		0	0	37,911,125	0	37,911,125	0
90. Reporting entity contributions for employee benefit plans.....XXX						0	
91. Dividends or refunds applied to purchase paid-up additions and annuities.....XXX						0	
92. Dividends or refunds applied to shorten endowment or premium paying period.....XXX						0	
93. Premium or annuity considerations waived under disability or other contract provisions.....XXX						0	
94. Aggregate other amounts not allocable by State.....XXX		0	0	0	0	0	0
95. Totals (Direct Business).....XXX		0	0	37,911,125	0	37,911,125	0
96. Plus reinsurance assumed.....XXX						0	
97. Totals (All Business).....XXX		0	0	37,911,125	0	37,911,125	0
98. Less reinsurance ceded.....XXX				262,529		262,529	
99. Totals (All Business) less reinsurance ceded.....XXX		0	0	(b).....37,648,596	0	37,648,596	0

DETAILS OF WRITE-INS

5801.....XXX						0	
5802.....XXX						0	
5803.....XXX						0	
5898. Summ. of remaining write-ins for line 58 from overflow page.....XXX		0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 plus 5898) (Line 58 above).....XXX		0	0	0	0	0	0
9401.....XXX						0	
9402.....XXX						0	
9403.....XXX						0	
9498. Summ. of remaining write-ins for line 94 from overflow page.....XXX		0	0	0	0	0	0
9499. Total (Lines 9401 thru 9403 plus 9498) (Line 94 above).....XXX		0	0	0	0	0	0

Explanation of basis of allocation by states, etc., of premiums and annuity considerations.

(a) Insert the number of "L" responses except for Canada and Other Alien.

(b) Column 4 should balance with Exhibit 1, Lines 6.4, 10.4 and 16.4, Cols. 8, 9, and 10, or with Schedule H, Part 1, Column, Line 1. Indicate which:

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

PART 1 - ORGANIZATIONAL CHART

Organizational Structure		State of Incorporation	Employer ID	NAIC Code
1.	Independence Blue Cross	PA	23-0370270	54704
2.	IBC/HBS Caring Foundation For Children (50%)	PA	22-2724721	
3.	Inter-County Hospitalization Plan, Inc. (50%)	PA	23-0724427	54763
4.	Preferred Health Systems, Incorporated	PA	23-2219720	
5.	Inter County Health Plan, Inc. (50%)	PA	23-2063810	53252
6.	AmeriHealth, Inc.	PA	23-2425461	
7.	AmeriHealth Insurance Company of New Jersey	NJ	22-3338404	60061
8.	Healthcare Delaware, Inc.	DE	51-0296135	95794
9.	AmeriHealth Integrated Workers Compensation Management, Inc.	PA	23-2723299	
10.	HCDV, Inc.	PA	23-2246491	
11.	HCS, Inc.	PA	23-2318154	
12.	Independence Healthcare Management, Inc.	PA	23-2671650	
13.	The AmeriHealth Agency, Inc.	PA	23-2800586	
14.	AmeriHealth Administrators, Inc.	PA	23-2521508	
15.	AmeriHealth Administrators, LLC	PA	41-2153343	
16.	QCC Insurance Company	PA	23-2184623	93688
17.	Verdign Health Solutions, LLC	PA	81-0681081	
18.	FutureScripts, LLC	PA	03-0592263	
19.	FutureScripts Secure, LLC	PA	16-1767416	
20.	AmeriHealth Casualty Insurance Company	DE	06-1505051	10975
21.	Independence Insurance, Inc.	DE	23-2865349	60254
22.	AmeriHealth Services, Inc.	PA	23-2795357	
23.	New Seasons Assisted Living Communities, Inc.	PA	23-2824200	
24.	NALC Bensalem, Inc.	PA	23-2856063	
25.	CompServices, Inc.	PA	25-1686685	
26.	CSI Services, Inc.	PA	25-1765486	
27.	AmeriHealth Integrated Benefits, Inc.	DE	23-2317715	
28.	AmeriHealth HMO, Inc.	PA	23-2314460	95044
29.	AmeriHealth Integrated Case Management, Inc.	PA	23-2754696	
30.	AmeriHealth Mercy Health Plan (50%)	PA	23-2859523	
31.	Select Health of South Carolina	SC	57-1032456	95458
32.	Select Health of Georgia, Inc.	GA	20-2467931	
33.	Shore Points AmeriHealth Mercy of Louisiana, LLC	LA	77-0632420	
34.	AmeriHealth Mercy of Indiana, LLC	IN	20-4948091	
35.	AmeriHealth Mercy Perform RX IPA of NY	NY	26-1809217	
36.	AMHP Holdings Corp.	PA	26-1144363	
37.	Community Behavioral Healthcare Network of Pennsylvania, Inc.	PA	25-1765391	

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

PART 1 - ORGANIZATIONAL CHART

38.		CBHNP Services, Inc.	PA	26-0885397	
39.	Vista Health Plan, Inc.		PA	23-2408039	96660
40.	Keystone Health Plan East, Inc.		PA	23-2405376	95056
41.	Keystone Health Systems, Inc.		PA	23-2773183	
42.	AmeriHealth of Florida, Inc.		FL	74-2439056	
43.	Keystone Benefits, Inc.		PA	23-2864737	
44.	Keystone Mercy Health Plan (50%)		PA	23-2842344	
45.	Independence Holdings, Inc.		PA	23-2982367	
46.	Puerto Rico Health Plan, Inc.		PR	66-0195325	53546
47.	AmeriHealth Assurance, Ltd.		BM	98-0426648	
48.	Region 6 Rx Corp.		PA	30-0326654	12812

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