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QUARTERLY STATEMENT

AS OF June 30, 2010

OF THE CONDITION AND AFFAIRS OF THE

Mercy Health Plans

NAIC Group Code 3386 (Current Period), 3386 (Prior Period) NAIC Company Code 11529 Employer's ID Number 48-1262342

Organized under the Laws of Missouri, State of Domicile or Port of Entry Missouri

Country of Domicile United States of America

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

Incorporated/Organized 09/12/2002 Commenced Business 10/17/2002

Statutory Home Office 14528 S. Outer 40, Suite 300 (Street and Number), Chesterfield, MO 63017-5705 (City, or Town, State and Zip Code)

Main Administrative Office 14528 S. Outer 40, Suite 300 (Street and Number)
Chesterfield, MO 63017-5705 (City or Town, State and Zip Code) (314)214-8100 (Area Code) (Telephone Number)

Mail Address 14528 S. Outer 40, Suite 300 (Street and Number or P.O. Box), Chesterfield, MO 63017-5705 (City, or Town, State and Zip Code)

Primary Location of Books and Records 14528 S. Outer 40, Suite 300 (Street and Number)
Chesterfield, MO 63017-5705 (City, or Town, State and Zip Code) (314)214-8100 (Area Code) (Telephone Number)

Internet Web Site Address mercyhealthplans.com

Statutory Statement Contact George Aloysius Schneider (Name) (314)214-8140 (Area Code)(Telephone Number)(Extension)
George.Schneider@Mercy.Net (E-Mail Address) (314)214-8239 (Fax Number)

OFFICERS

Name	Title
Christopher Michael Knackstedt	Interim President & CEO
Charles Sayel Gilham	Secretary
George Aloysius Schneider	CFO & Treasurer
Kenneth Michael Treash	COO

OTHERS

DIRECTORS OR TRUSTEES

Ronald Boughton Ashworth - Chairman
Margaret Denielle DeNarvaez
James Robert Jaacks
Christopher Michael Knackstedt
Cheryl Peterson Morley
Robert Reade Vogel
James Lynn Britton
Thomas Hamilton Hale MD, PhD
Timothy Jay Johnsen
Ronald Henry Meyer
Robert Wesley Steele MD, FAAP

State of Missouri
County of St. Louis ss

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

(Signature)	(Signature)	(Signature)
Kenneth Michael Treash	Charles Sayel Gilham	George Aloysius Schneider
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
COO	Secretary	CFO & Treasurer
(Title)	(Title)	(Title)

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

(Notary Public Signature)

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds	11,299,570		11,299,570	11,321,639
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)				
4.2 Properties held for the production of income (less $.....0 encumbrances)				
4.3 Properties held for sale (less $.....0 encumbrances)				
5. Cash ($.....(1,848,008)), cash equivalents ($.....0) and short-term investments ($.....31,426,753)	29,578,745		29,578,745	27,554,954
6. Contract loans (including $.....0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	40,878,315		40,878,315	38,876,593
12. Title plants less $.....0 charged off (for Title insurers only)				
13. Investment income due and accrued	155,833		155,833	150,967
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	9,073,999	1,673,838	7,400,161	3,699,401
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)				
14.3 Accrued retrospective premiums				
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers	1,075,125		1,075,125	595,004
15.2 Funds held by or deposited with reinsured companies				
15.3 Other amounts receivable under reinsurance contracts				
16. Amounts receivable relating to uninsured plans	753,376		753,376	132,881
17.1 Current federal and foreign income tax recoverable and interest thereon				
17.2 Net deferred tax asset	10,563,135	10,563,135		
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software				
20. Furniture and equipment, including health care delivery assets ($.....0)				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates	1,144,407		1,144,407	
23. Health care ($.....730,333) and other amounts receivable	9,196,243	7,362,266	1,833,977	2,451,774
24. Aggregate write-ins for other than invested assets				
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	72,840,433	19,599,239	53,241,194	45,906,620
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	72,840,433	19,599,239	53,241,194	45,906,620
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. TOTALS (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....0 reinsurance ceded)	21,437,102	190,126	21,627,228	18,683,139
2.	Accrued medical incentive pool and bonus amounts	18,480		18,480	218,498
3.	Unpaid claims adjustment expenses	1,017,157		1,017,157	1,046,546
4.	Aggregate health policy reserves	1,759,711		1,759,711	1,863,977
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	2,295,317		2,295,317	619,777
9.	General expenses due or accrued	365,153		365,153	815,808
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	658,249		658,249	658,249
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	2,633,443		2,633,443	3,542,716
16.	Derivatives				
17.	Payable for securities				
18.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)				
19.	Reinsurance in unauthorized companies				
20.	Net adjustments in assets and liabilities due to foreign exchange rates				
21.	Liability for amounts held under uninsured plans				
22.	Aggregate write-ins for other liabilities (including $.....0 current)				
23.	Total liabilities (Lines 1 to 22)	30,184,612	190,126	30,374,738	27,448,710
24.	Aggregate write-ins for special surplus funds	XXX	XXX		
25.	Common capital stock	XXX	XXX	1,600,000	1,600,000
26.	Preferred capital stock	XXX	XXX		
27.	Gross paid in and contributed surplus	XXX	XXX	60,574,313	51,074,313
28.	Surplus notes	XXX	XXX		
29.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
30.	Unassigned funds (surplus)	XXX	XXX	(39,307,856)	(34,216,401)
31.	Less treasury stock, at cost:				
	31.1 ... .0 shares common (value included in Line 25 $.....0)	XXX	XXX		
	31.2 ... .0 shares preferred (value included in Line 26 $.....0)	XXX	XXX		
32.	Total capital and surplus (Lines 24 to 30 minus Line 31)	XXX	XXX	22,866,457	18,457,912
33.	Total Liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	53,241,195	45,906,622
DETAILS OF WRITE-INS					
2201.					
2202.					
2203.					
2298.	Summary of remaining write-ins for Line 22 from overflow page				
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above)				
2401.		XXX	XXX		
2402.		XXX	XXX		
2403.		XXX	XXX		
2498.	Summary of remaining write-ins for Line 24 from overflow page	XXX	XXX		
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	XXX	XXX		
2901.		XXX	XXX		
2902.		XXX	XXX		
2903.		XXX	XXX		
2998.	Summary of remaining write-ins for Line 29 from overflow page	XXX	XXX		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	XXX	546,733	450,833	895,550
2.	Net premium income (including $.....0 non-health premium income)	XXX	183,957,715	131,965,376	262,382,391
3.	Change in unearned premium reserves and reserves for rate credits	XXX			
4.	Fee-for-service (net of $.....0 medical expenses)	XXX			
5.	Risk revenue	XXX			
6.	Aggregate write-ins for other health care related revenues	XXX			
7.	Aggregate write-ins for other non-health revenues	XXX			
8.	Total revenues (Lines 2 to 7)	XXX	183,957,715	131,965,376	262,382,391
Hospital and Medical:					
9.	Hospital/medical benefits	517,561	58,873,807	58,743,388	122,209,448
10.	Other professional services	260,631	29,647,402	1,764,011	6,641,818
11.	Outside referrals				
12.	Emergency room and out-of-area	30,339	3,451,100	3,014,762	3,985,091
13.	Prescription drugs	157,235	17,885,878	11,690,300	23,443,043
14.	Aggregate write-ins for other hospital and medical		56,499,002	40,521,168	81,027,477
15.	Incentive pool, withhold adjustments and bonus amounts		(15,705)	41,873	201,726
16.	Subtotal (Lines 9 to 15)	965,766	166,341,484	115,775,502	237,508,603
Less:					
17.	Net reinsurance recoveries		480,103	(205,017)	693,249
18.	Total hospital and medical (Lines 16 minus 17)	965,766	165,861,381	115,980,519	236,815,354
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $.....5,800,565 cost containment expenses		9,327,472	6,692,912	12,701,411
21.	General administrative expenses		14,698,811	11,718,204	26,561,630
22.	Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)		(904,000)		1,808,000
23.	Total underwriting deductions (Lines 18 through 22)	965,766	188,983,664	134,391,635	277,886,395
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(5,025,949)	(2,426,259)	(15,504,004)
25.	Net investment income earned		266,457	434,756	726,931
26.	Net realized capital gains (losses) less capital gains tax of $.....0				
27.	Net investment gains or (losses) (Lines 25 plus 26)		266,457	434,756	726,931
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]				
29.	Aggregate write-ins for other income or expenses				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(4,759,492)	(1,991,503)	(14,777,073)
31.	Federal and foreign income taxes incurred	XXX	(1,807,331)		(1,809,713)
32.	Net income (loss) (Lines 30 minus 31)	XXX	(2,952,161)	(1,991,503)	(12,967,360)
DETAILS OF WRITE-INS					
0601.		XXX			
0602.		XXX			
0603.		XXX			
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX			
0701.		XXX			
0702.		XXX			
0703.		XXX			
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX			
1401.	Global Capitation		56,499,002	40,521,168	81,027,477
1402.					
1403.					
1498.	Summary of remaining write-ins for Line 14 from overflow page				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		56,499,002	40,521,168	81,027,477
2901.					
2902.					
2903.					
2998.	Summary of remaining write-ins for Line 29 from overflow page				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	18,457,912	25,547,035	25,547,035
34.	Net income or (loss) from Line 32	(2,952,161)	(1,991,503)	(12,967,360)
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of $.....0			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax	(109,869)	3,447,524	7,484,673
39.	Change in nonadmitted assets	(2,029,427)	(9,406,667)	(15,006,436)
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
	44.1 Paid in			
	44.2 Transferred from surplus (Stock Dividend)			
	44.3 Transferred to surplus			
45.	Surplus adjustments:			
	45.1 Paid in	9,500,000		13,400,000
	45.2 Transferred to capital (Stock Dividend)			
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus			
48.	Net change in capital and surplus (Lines 34 to 47)	4,408,543	(7,950,646)	(7,089,123)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	22,866,455	17,596,389	18,457,912
DETAILS OF WRITE-INS				
4701.				
4702.				
4703.				
4798.	Summary of remaining write-ins for Line 47 from overflow page			
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	Cash from Operations			
1.	Premiums collected net of reinsurance	184,208,416	133,814,195	268,729,867
2.	Net investment income	283,661	463,003	844,597
3.	Miscellaneous income	5,294,557	2,057,767	(3,236,790)
4.	Total (Lines 1 to 3)	189,786,634	136,334,965	266,337,674
5.	Benefit and loss related payments	171,889,674	118,274,678	236,082,789
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	25,126,822	19,402,402	39,521,899
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(1,807,331)	(83,932)	(2,252,858)
10.	Total (Lines 5 through 9)	195,209,165	137,593,148	273,351,830
11.	Net cash from operations (Line 4 minus Line 10)	(5,422,531)	(1,258,183)	(7,014,156)
	Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds		2,485,999	5,215,000
	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)		2,485,999	5,215,000
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds			720,419
	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)			720,419
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)		2,485,999	4,494,581
	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	9,500,000		13,400,000
	16.3 Borrowed funds			
	16.4 Net deposits on deposit-type contracts and other insurance liabilities			
	16.5 Dividends to stockholders			
	16.6 Other cash provided (applied)	(2,053,680)	(9,616,997)	2,726,820
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	7,446,320	(9,616,997)	16,126,820
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,023,789	(8,389,181)	13,607,245
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	27,554,954	13,947,712	13,947,712
	19.2 End of period (Line 18 plus Line 19.1)	29,578,743	5,558,530	27,554,957

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

20.0001				

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	73,827	17,410	53,838					2,579		
2. First Quarter	92,080	19,815	58,635					13,630		
3. Second Quarter	92,078	19,664	57,277					15,137		
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	546,733	115,393	348,042					83,298		
Total Member Ambulatory Encounters for Period:										
7. Physician	208,069	30,464	114,284					63,321		
8. Non-Physician	41,703	4,511	25,330					11,862		
9. Total	249,772	34,975	139,614					75,183		
10. Hospital Patient Days Incurred	15,848	1,210	3,810					10,828		
11. Number of Inpatient Admissions	2,540	341	981					1,218		
12. Health Premiums Written (a)	183,318,244	16,337,617	100,357,909					66,622,718		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	183,318,244	16,337,617	100,357,909					66,622,718		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	162,347,377	15,704,663	90,618,654					56,024,060		
18. Amount Incurred for Provision of Health Care Services	166,341,483		166,341,483							

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....66,622,718.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
Caremark	1,749,226					1,749,226
0199999 Individually Listed Claims Unpaid	1,749,226					1,749,226
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals	1,749,226					1,749,226
0599999 Unreported claims and other claim reserves						19,863,108
0699999 Total Amounts Withheld						14,894
0799999 Total Claims Unpaid						21,627,228
0899999 Accrued Medical Incentive Pool And Bonus Amounts						18,480

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
1. Comprehensive (hospital & medical)	12,245,960	94,496,529	2,710,403	11,966,825	14,956,363	16,684,744
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	2,005,657	55,165,610	210,135	6,739,865	2,215,792	1,998,395
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	14,251,617	149,662,139	2,920,538	18,706,690	17,172,155	18,683,139
10. Healthcare receivables (a)	356,529	357,105	294,802	1,899,476	651,331	1,927,149
11. Other non-health						
12. Medical incentive pools and bonus amounts	11,017		18,480		29,497	218,498
13. Totals	13,906,105	149,305,034	2,644,217	16,807,214	16,550,322	16,974,488

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

Notes to Financial Statement

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Practices

The accompanying statutory financial statements of Mercy Health Plans are prepared in conformity with the NAIC Accounting Practices and Procedures Manual (NAIC SAP). No prescribed or permitted practices outside of NAIC (SAP) are employed.

B. Use of Estimates

No change

C. Accounting Policy

No change

NOTE 2- ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

None

NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL

None

NOTE 4 - DISCONTINUED OPERATIONS

None

NOTE 5 - INVESTMENTS

No change

NOTE 6 - JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

None

NOTE 7 - INVESTMENT INCOME

No change

NOTE 8- DERIVATIVE INSTRUMENTS

None

NOTE 9 - INCOME TAXES

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs)

1).

		2010			2009		
Description		Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	18.a	10,563,135	0	10,563,135	10,563,135	0	10,563,135
Statutory valuation allowance							
Adjusted gross deferred tax assets	18.a	10,563,135	0	10,563,135	10,563,135	0	10,563,135
Gross deferred tax liabilities	18.b						
Net deferred tax asset/(liability) before admissibility test		10,563,135	0	10,563,135	10,563,135	0	10,563,135
Admitted pursuant to 10.a	18.g						
10.b.i							
10.b.ii							
Admitted pursuant to 10.b (lesser of i or ii)							
Admitted pursuant to 10.c.		0	0	0	0	0	0
Additional admitted pursuant to 10.e.i	18.f						
10.e.ii a							
10.e.ii b							
Additional admitted pursuant to 10.e.ii (lesser of a or b)	18.f	0	0	0	0	0	0
Additional admitted pursuant to 10.e.iii	18.f						
Admitted deferred tax asset	18.a	0	0	0			
Deferred tax liability		0	0	0	0	0	0
Net admitted DTA or DTL	18.a	0	0	0	0	0	0
Non admitted DTA	18.a, d	10,563,135	0	10,563,135	10,563,135	0	10,563,135

Notes to Financial Statement

2). The Company has elected to admit DTA's pursuant to paragraph 10.e. Such election was made in 2009.

3). The Company was unable to record an increase in admitted DTAs as the result of its election to employ the provisions of paragraph 10.e as follows due as its RBC in 2010 is less than 300%.

		Change during 2010		
Description		Ordinary	Capital	Total
Gross deferred tax assets		(109,869)	0	(109,869)
Statutory valuation allowance				
Adjusted gross deferred tax assets		(109,869)	0	(109,869)
Gross deferred tax liabilities				
Net deferred tax asset/(liability) before admissibility test		(109,869)	0	(109,869)
Admitted pursuant to 10.a			0	
10.b.i				
10.b.ii				
Admitted pursuant to 10.b (lesser of i or ii)		0	0	0
Admitted pursuant to 10.c.				
Additional admitted pursuant to 10.e.i	18.f	N/A	N/A	N/A
10.e.ii a				
10.e.ii b				
Additional admitted pursuant to 10.e.ii (lesser of a or b)	18.f	0	0	0
Additional admitted pursuant to 10.e.iii	18.f	N/A	N/A	N/A
Admitted deferred tax asset	18.a	0	0	0
Deferred tax liability		0	0	0
Change in net admitted DTA or DTL	18.a	0	0	0
Change in non admitted DTA	18.a, d	(109,869)	0	(109,869)
(4) Description		With 10.a-d	With 10.e	Difference
Admitted DTAs	18.h	0	0	0
Admitted assets				0
Statutory surplus				0
Authorized control level used in 10.d	18.g	300%		

B. There are no deferred tax liabilities.

C. 1	Current Income Tax Expense Incurred	0
2	Change in DTAs	(109,869)
3	Investment tax credits	0
4	Benefits of NOLs	0
5	Adjustments of DTA or DTL for changes in tax laws or rates	0
D.	Application of Tax Rate to Statutory Net Income	(1,807,331)
	Effect of Permanent Book to Tax Differences	0
	Effect of Temporary Book to Tax Differences	4,223,464
	Tax on GAAP/STAT adjustments and other tax adjustments	(4,081,935)

E. 1. The Company contributed to the consolidated company current year NOL of approximately $5.3 million in 2009 under the terms of the tax allocation agreement.

2. The Company's allocated NOL carry forward is approximately $15.9 million as of December 31, 2009.

3. The consolidated group's NOL carry forward as of December 31, 2009 is approximately $66 million.

4. No deposits are reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code as of June 30, 2010.

F. 1. Mercy Health Plans files a Consolidated Return with

MHP, Inc., (its parent) (d.b.a. MHP Holdings, Inc. in Missouri)
Premier Benefits, Inc.
Mercy Health Plans of Missouri, Inc.
ForeSee Health, Inc.

2. The Tax Allocation Agreement of the group has been filed with the Missouri Department of Insurance. It provides for the allocation of the consolidated group's tax liability in proportion to the positive tax liability of each

Notes to Financial Statement

company as though it were taxed separately. Actual 2008 and estimated intercompany tax liabilities and credits through November 30, 2009 have been settled on a cash basis as of December 31, 2009.

NOTE 10 - INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND OTHER RELATED PARTIES

The Company received a total of $9.5 Million in paid in surplus from its parent during the first half of 2010: $2.5 Million on March 29, 2010; $3.5 Million on April 7, 2010; and $3.5 Million on June 29, 2010.

The parent, MHP Holdings, Inc. received a total of $6 Million as additional contributed capital from its parent, SMHS, and also received a dividend of $3.5 Million from MHP MO.

On June 29, 2010, the Company's ultimate parent, SMHS, entered into an agreement to sell the stock of MHP, Inc. to Coventry Health Care, Inc. of Bethesda, MD. The agreement has been submitted to the proper authorities for regulatory approval. The sale is expected to close in 90 to 120 days.

NOTE 11 – DEBT

None

NOTE 12 - RETIREMENT PLANS, DEFERRED COMPENSATION, AND OTHER POST RETIREMENT BENEFIT PLANS

A. Defined Benefit Plan

None

B. Defined Contribution Plan

None

C. Multiemployer Plans

None

D. Consolidated/Holding Company Plans

No change

E. Postemployment Benefits and Compensated Absences

No change

F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

No change

NOTE 13 - CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

The Company received a total of $9.5 Million in paid in surplus from its parent during the first half of 2010: $2.5 Million on March 29, 2010; $3.5 Million on April 7, 2010; and $3.5 Million on June 29, 2010.

NOTE 14 – CONTINGENCIES

No change

NOTE 15 - LEASES

No change

NOTE 16 - INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATION OF CREDIT RISK

None

NOTE 17 - SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

No change

NOTE 18 - GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

No change

Notes to Financial Statement

NOTE 19 - DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATORS

No change

NOTE 20 - OTHER ITEMS

No change

NOTE 21- EVENTS SUBSEQUENT PER SSAP NUMBER 9

None.

NOTE 22 - REINSURANCE

No change

NOTE 23 - RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

None

NOTE 24 - CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

No change

NOTE 25 - INTERCOMPANY POOLING ARRANGEMENTS PER SSAP NUMBER 63

None

NOTE 26 - STRUCTURED SETTLEMENTS

Not applicable

NOTE 27 - HEALTH CARE RECEIVABLES PER SSAP NUMBER 84

No change

NOTE 28 - PARTICIPATING POLICIES

None

NOTE 29 - PREMIUM DEFICIENCY RESERVES

As of December 31, 2009, The Company reported premium deficiency reserves in the amount of $1,808,000 which have been amortized to $904,000 as of June 30, 2010.

NOTE 30 - ANTICIPATED SALVAGE AND SUBROGATION

No change

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[X] N/A[ ]

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

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

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2006
6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/07/2008
6.4 By what department or departments?
Missouri
6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[ ] No[ ] N/A[X]
6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
7.2 If yes, give full information

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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? 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.
9.11 If the response to 9.1 is No, please explain:
9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]
10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 1,144,407

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $ 0

13. Amount of real estate and mortgages held in short-term investments: $ 0

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes[ ] No[X]
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[ ] N/A[X]
If no, attach a description with this statement.

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

1 Name of Custodian(s)	2 Custodian Address
State Street Corporation	200 Newport Ave, North Quincy, MA 02171
Bank of America Securities	800 Market Street, St. Louis, MO 63101
Marshall & Ilsley Trust Company	770 N. Water St, Milwaukee, WI 53202

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes[ ] No[X]
16.4 If yes, give full and complete information relating thereto:

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

16.5 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	2 Name(s)	3 Address

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

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
   1.1 A&H loss percent 91%
   1.2 A&H cost containment percent 3%
   1.3 A&H expense percent excluding cost containment expenses 5%

2.1 Do you act as a custodian for health savings accounts? Yes[ ] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date. $..... 0
2.3 Do you act as an administrator for health savings accounts? Yes[ ] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date. $..... 0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
Accident and Health - Affiliates						
39845	48-0921045	01/01/2010	WESTPORT INS CORP	Overland Park, KS	SSL/L/G	Yes[X] No[ ]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

			Direct Business Only							
		1	2	3	4	5	6	7	8	9
	State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	L	12,212,806	5,839,979					18,052,785	
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	L	104,482,720	60,782,739					165,265,459	
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	XXX								
59.	Subtotal	XXX	116,695,526	66,622,718					183,318,244	
60.	Reporting entity contributions for Employee Benefit Plans	XXX								
61.	Total (Direct Business)	(a) 2	116,695,526	66,622,718					183,318,244	
DETAILS OF WRITE-INS										
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

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

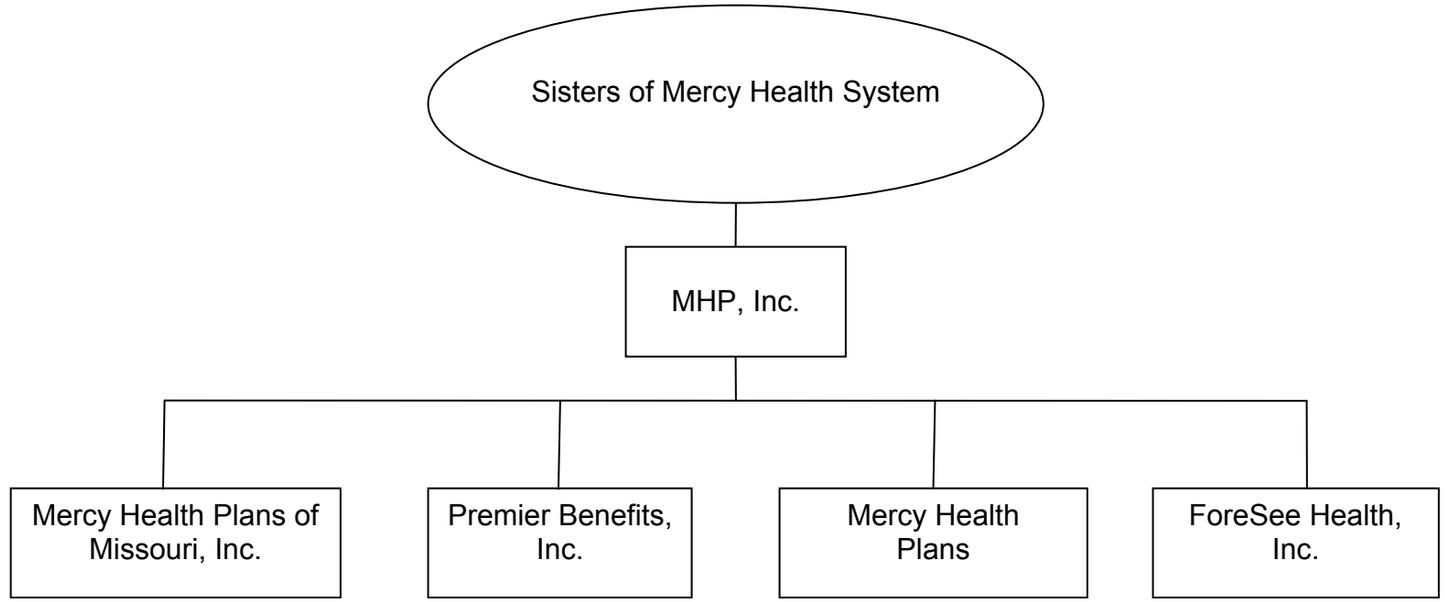
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Sisters of Mercy Health System
Organizational Chart of Controlled Entities
(As of 7/1/09)



16 Supplemental Interrogatories . . . . . NONE

17 Overflow Page for Write-Ins . . . . . NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

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

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	11,321,639	15,871,234
2.	Cost of bonds and stocks acquired		720,419
3.	Accrual of discount	3,277	35,858
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration for bonds and stocks disposed of		5,215,000
7.	Deduct amortization of premium	25,346	90,872
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	11,299,570	11,321,639
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	11,299,570	11,321,639

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	9,310,615			(11,045)	9,310,615	9,299,570		9,321,483
2. Class 2 (a)								
3. Class 3 (a)	2,000,062			(62)	2,000,062	2,000,000		2,000,156
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	11,310,677			(11,107)	11,310,677	11,299,570		11,321,639
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	11,310,677			(11,107)	11,310,677	11,299,570		11,321,639

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0

SCHEDULE DA - PART 1

Short - Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	31,426,753	X X X	31,426,753	22,430	

SCHEDULE DA - Verification

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	26,858,543	13,947,712
2.	Cost of short-term investments acquired	111,774,968	82,852,123
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	107,206,758	69,941,292
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	31,426,753	26,858,543
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	31,426,753	26,858,543

SI04 Schedule DB - Part A Verification . . . . . NONE

SI04 Schedule DB - Part B Verification . . . . . NONE

SI05 Schedule DB Part C Section 1 . . . . . NONE

SI06 Schedule DB Part C Section 2 . . . . . NONE

SI07 Schedule DB - Verification . . . . . NONE

SI08 Schedule E - Verification (Cash Equivalents) . . . . . NONE

E01 Schedule A Part 2 . . . . . NONE

E01 Schedule A Part 3 . . . . . NONE

E02 Schedule B Part 2 . . . . . NONE

E02 Schedule B Part 3 . . . . . NONE

E03 Schedule BA Part 2 . . . . . NONE

E03 Schedule BA Part 3 . . . . . NONE

E04 Schedule D Part 3 . . . . . NONE

E05 Schedule D Part 4 . . . . . NONE

E06 Schedule DB Part A Section 1 . . . . . NONE

E07 Schedule DB Part B Section 1 . . . . . NONE

E08 Schedule DB Part D . . . . . NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
							6	7	8	
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
open depositories										
Bank of America	St. Louis, Missouri				1,104	866	701,771	1,637,589	(1,848,008)	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X	1,104	866	701,771	1,637,589	(1,848,008)	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X	1,104	866	701,771	1,637,589	(1,848,008)	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X	1,104	866	701,771	1,637,589	(1,848,008)	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total - Cash Equivalents							

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MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

For the Quarter Ended June 30, 2010

NAIC Group Code: 3386 **NAIC Company Code: 11529**

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected		XXX		XXX	
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid		XXX		XXX	
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)			XXX		
6. Aggregate Policy Reserves - change				XXX	XXX
7. Expenses Paid				XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Results	XXX	XXX	XXX	XXX	

NONE

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

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