



**QUARTERLY STATEMENT**  
**AS OF September 30, 2010**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**Mercy Health Plans**

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

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 , Chesterfield, MO 63017-5705  
(Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 14528 S. Outer 40, Suite 300  
(Street and Number)

Chesterfield, MO 63017-5705 (314)214-8100  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 14528 S. Outer 40, Suite 300 , Chesterfield, MO 63017-5705  
(Street and Number or P.O. Box) (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 (314)214-8100  
(City, or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address mercyhealthplans.com

Statutory Statement Contact Steven C Jansen (314)214-8088  
(Name) (Area Code)(Telephone Number)(Extension)

Steven.Jansen@mercy.net (314)214-8279  
(E-Mail Address) (Fax Number)

**OFFICERS**

Name	Title	
Michael Gene Murphy	President & CEO	#
Jonathan David Weinberg	Vice President	#
Shirley Ann Roquemore Smith	Secretary	#
John Joseph Ruhlmann	Corporate Controller and Treasurer	#

**OTHERS**

**DIRECTORS OR TRUSTEES**

Michael Dean Bahr #	Michael Gene Murphy #
Maria Zanassi Fitzpatrick #	James Edward McGarry #
John Joseph Stelben #	John Joseph Ruhlmann #
Thomas Casimir Zielinski #	Jonathan David Weinberg #
Shirley Ann Roquemore Smith #	

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

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of 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)  
 Michael Gene Murphy  
(Printed Name)  
 1.  
 President & CEO  
(Title)

\_\_\_\_\_  
(Signature)  
 John Joseph Ruhlmann  
(Printed Name)  
 2.  
 Corporate Controller and Treasurer  
(Title)

\_\_\_\_\_  
(Signature)  
 Shirley Ann Roquemore Smith  
(Printed Name)  
 3.  
 Secretary  
(Title)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2010

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

Yes[X] No[ ]

\_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
(Notary Public Signature)

**ASSETS**

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	9,288,510		9,288,510	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 (\$.....1,592,818), cash equivalents (\$.....0) and short-term investments (\$.....34,687,597) .....	36,280,415		36,280,415	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) .....	45,568,925		45,568,925	38,876,593
12. Title plants less \$.....0 charged off (for Title insurers only) .....				
13. Investment income due and accrued .....	109,379		109,379	150,967
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection .....	3,427,355	636,213	2,791,142	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 .....	65,173		65,173	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 .....	214,314		214,314	132,881
17.1 Current federal and foreign income tax recoverable and interest thereon .....	1,463,324		1,463,324	
17.2 Net deferred tax asset .....	8,757,645	8,757,645		
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 .....				
23. Health care (\$.....808,873) and other amounts receivable .....	7,259,366	6,450,493	808,873	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) .....	66,865,481	15,844,351	51,021,130	45,906,620
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
27. Total (Lines 25 and 26) .....	66,865,481	15,844,351	51,021,130	45,906,620
<b>DETAILS OF WRITE-INS</b>				
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) .....	21,038,521	122,549	21,161,070	18,683,139
2. Accrued medical incentive pool and bonus amounts .....	41,886		41,886	218,498
3. Unpaid claims adjustment expenses .....	1,023,656		1,023,656	1,046,546
4. Aggregate health policy reserves .....	1,037,482		1,037,482	1,863,977
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	3,701,050		3,701,050	619,777
9. General expenses due or accrued .....	763,453		763,453	815,808
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....				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 .....	1,612,177		1,612,177	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) .....	29,218,225	122,549	29,340,774	27,448,710
24. Aggregate write-ins for special surplus funds .....	X X X	X X X		
25. Common capital stock .....	X X X	X X X	1,600,000	1,600,000
26. Preferred capital stock .....	X X X	X X X		
27. Gross paid in and contributed surplus .....	X X X	X X X	60,574,313	51,074,313
28. Surplus notes .....	X X X	X X X		
29. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
30. Unassigned funds (surplus) .....	X X X	X X X	(40,493,957)	(34,216,401)
31. Less treasury stock, at cost:				
31.1 .....0 shares common (value included in Line 25 \$.....0) .....	X X X	X X X		
31.2 .....0 shares preferred (value included in Line 26 \$.....0) .....	X X X	X X X		
32. Total capital and surplus (Lines 24 to 30 minus Line 31) .....	X X X	X X X	21,680,356	18,457,912
33. Total Liabilities, capital and surplus (Lines 23 and 32) .....	X X X	X X X	51,021,130	45,906,622
<b>DETAILS OF WRITE-INS</b>				
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. ....	X X X	X X X		
2402. ....	X X X	X X X		
2403. ....	X X X	X X X		
2498. Summary of remaining write-ins for Line 24 from overflow page .....	X X X	X X X		
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	X X X	X X X		
2901. ....	X X X	X X X		
2902. ....	X X X	X X X		
2903. ....	X X X	X X X		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	X X X	X X X		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	X X X	X X X		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	X X X	817,658	673,856	895,550
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	277,711,899	197,754,518	262,382,391
3. Change in unearned premium reserves and reserves for rate credits .....	X X X			
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X			
5. Risk revenue .....	X X X			
6. Aggregate write-ins for other health care related revenues .....	X X X			
7. Aggregate write-ins for other non-health revenues .....	X X X			
8. Total revenues (Lines 2 to 7) .....	X X X	277,711,899	197,754,518	262,382,391
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....	522,073	90,148,291	92,738,203	122,209,448
10. Other professional services .....	251,185	43,373,019	4,759,405	6,641,818
11. Outside referrals .....				
12. Emergency room and out-of-area .....	29,651	5,119,895	2,784,844	3,985,091
13. Prescription drugs .....	155,243	26,806,365	17,157,763	23,443,043
14. Aggregate write-ins for other hospital and medical .....		87,132,628	60,851,462	81,027,477
15. Incentive pool, withhold adjustments and bonus amounts .....		(23,461)	70,593	201,726
16. Subtotal (Lines 9 to 15) .....	958,152	252,556,737	178,362,270	237,508,603
<b>Less:</b>				
17. Net reinsurance recoveries .....		782,549	(100,766)	693,249
18. Total hospital and medical (Lines 16 minus 17) .....	958,152	251,774,188	178,463,036	236,815,354
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....8,573,514 cost containment expenses .....		13,680,354	9,660,352	12,701,411
21. General administrative expenses .....		23,931,170	18,092,805	26,561,630
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....		(1,356,000)	3,600,000	1,808,000
23. Total underwriting deductions (Lines 18 through 22) .....	958,152	288,029,712	209,816,193	277,886,395
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	(10,317,813)	(12,061,675)	(15,504,004)
25. Net investment income earned .....		393,284	554,468	726,931
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....				
27. Net investment gains or (losses) (Lines 25 plus 26) .....		393,284	554,468	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) .....	X X X	(9,924,529)	(11,507,207)	(14,777,073)
31. Federal and foreign income taxes incurred .....	X X X	(3,836,870)		(1,809,713)
32. Net income (loss) (Lines 30 minus 31) .....	X X X	(6,087,659)	(11,507,207)	(12,967,360)
<b>DETAILS OF WRITE-INS</b>				
0601. ....	X X X			
0602. ....	X X X			
0603. ....	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X			
0701. ....	X X X			
0702. ....	X X X			
0703. ....	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X			
1401. Global capitation .....		87,132,628	60,851,462	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) .....		87,132,628	60,851,462	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	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	18,457,912	25,547,035	25,547,035
34. Net income or (loss) from Line 32 .....	(6,087,659)	(11,507,207)	(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 .....	(1,915,360)	9,531,888	7,484,673
39. Change in nonadmitted assets .....	1,725,462	(17,782,634)	(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) .....	3,222,443	(19,757,953)	(7,089,123)
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	21,680,355	5,789,082	18,457,912
<b>DETAILS OF WRITE-INS</b>			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....			

**CASH FLOW**

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>				
1.	Premiums collected net of reinsurance .....	284,292,748	200,961,684	268,729,867
2.	Net investment income .....	468,001	683,965	844,597
3.	Miscellaneous income .....	5,294,557	2,057,767	(3,236,790)
4.	Total (Lines 1 to 3) .....	290,055,306	203,703,416	266,337,674
5.	Benefit and loss related payments .....	254,846,404	184,122,510	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 .....	37,768,202	27,807,396	39,521,899
8.	Dividends paid to policyholders .....			
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	(1,715,296)		(2,252,858)
10.	Total (Lines 5 through 9) .....	290,899,310	211,929,906	273,351,830
11.	Net cash from operations (Line 4 minus Line 10) .....	(844,004)	(8,226,490)	(7,014,156)
<b>Cash from Investments</b>				
12.	Proceeds from investments sold, matured or repaid:			
12.1	Bonds .....	2,000,000	4,201,000	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) .....	2,000,000	4,201,000	5,215,000
13.	Cost of investments acquired (long-term only):			
13.1	Bonds .....		720,419	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	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) .....	2,000,000	3,480,581	4,494,581
<b>Cash from Financing and Miscellaneous Sources</b>				
16.	Cash provided (applied):			
16.1	Surplus notes, capital notes .....			
16.2	Capital and paid in surplus, less treasury stock .....	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) .....	(1,930,539)	(1,075,941)	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) .....	7,569,461	(1,075,941)	16,126,820
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>				
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	8,725,457	(5,821,850)	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) .....	36,280,411	8,125,861	27,554,957

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

20.0001	.....			
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## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
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 .....	92,360	19,067	57,769					15,524		
5. Current Year .....										
6. Current Year Member Months .....	817,658	168,733	520,806					128,119		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	320,905	46,254	172,600					102,051		
8. Non-Physician .....	64,548	6,839	38,417					19,292		
9. Total .....	385,453	53,093	211,017					121,343		
10. Hospital Patient Days Incurred .....	27,715	1,991	5,697					20,027		
11. Number of Inpatient Admissions .....	4,567	590	1,591					2,386		
12. Health Premiums Written (a) .....	278,390,803	24,060,399	151,198,480					103,131,924		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	278,390,803	24,060,399	151,198,480					103,131,924		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	249,578,995	23,265,052	136,170,070					90,143,873		
18. Amount Incurred for Provision of Health Care Services .....	252,556,736	23,028,119	133,921,250					95,607,367		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....103,131,924.

**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
<b>Individually Listed Claims Unpaid</b>						
Caremark .....	911,270					911,270
0199999 Individually Listed Claims Unpaid .....	911,270					911,270
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....						
0499999 Subtotals .....	911,270					911,270
0599999 Unreported claims and other claim reserves .....						20,234,882
0699999 Total Amounts Withheld .....						14,918
0799999 Total Claims Unpaid .....						21,161,070
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						41,886

## UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	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		
1. Comprehensive (hospital & medical) .....	12,359,692	148,164,602	2,710,403	10,998,370	15,070,095	16,684,744
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....	2,036,062	87,911,518	210,135	7,242,162	2,246,197	1,998,395
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	14,395,754	236,076,120	2,920,538	18,240,532	17,316,292	18,683,139
10. Healthcare receivables (a) .....		363,048	329,332	2,386,926	329,332	1,927,149
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....	153,151		41,886		195,037	218,498
13. Totals .....	14,548,905	235,713,072	2,633,092	15,853,606	17,181,997	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).

Description		2010			2009		
		Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	18.a	8,757,644	0	8,757,644	10,673,004	0	10,673,004
Statutory valuation allowance							
Adjusted gross deferred tax assets	18.a	8,757,644	0	8,757,644	10,673,004	0	10,673,004
Gross deferred tax liabilities	18.b						
Net deferred tax asset/(liability) before admissibility test		8,757,644	0	8,757,644	10,673,004	0	10,673,004
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	8,757,644	0	8,757,644	10,673,004	0	10,673,004

## 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		(1,915,360)	0	(1,915,360)
Statutory valuation allowance				
Adjusted gross deferred tax assets		(1,915,360)	0	(1,915,360)
Gross deferred tax liabilities				
Net deferred tax asset/(liability) before admissibility test		(1,915,360)	0	(1,915,360)
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	(1,915,360)	0	(1,915,360)
(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	(1,915,360)
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	(3,473,585)
	Effect of Permanent Book to Tax Differences	0
	Effect of Temporary Book to Tax Differences	8,697,267
	Tax on GAAP/STAT adjustments and other tax adjustments	(960,219)

E. 1. The Company contributed to the consolidated company current year NOL of approximately \$16.3 million in 2009 under the terms of the tax allocation agreement.

2. The Company's allocated NOL carry forward is approximately \$24.3 million as of December 31, 2009.

3. The consolidated group's NOL carry forward as of December 31, 2009 is approximately \$69.8 million.

4. No deposits are reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code as of September 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 2009 and estimated intercompany tax liabilities and credits through August 31, 2010 have been settled on a cash basis as of September 30, 2010.

### 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 (CHC). The agreement was approved by the proper regulatory authorities and the sale closed as of September 30, 2010, with CHC becoming the ultimate parent as of October 1, 2010.

### 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**

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 (CHC). The agreement was approved by the proper regulatory authorities and the sale closed as of September 30, 2010, with CHC becoming the ultimate parent as of October 1, 2010.

**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 \$452,000 as of September 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]				

- 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 [ ] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

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

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

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	..... 93%
1.2 A&H cost containment percent	..... 3%
1.3 A&H expense percent excluding cost containment expenses	..... 8%
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)
<b>Accident and Health - Affiliates</b>						
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

State, Etc.		Direct Business Only							
		1 Active Status	2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7
1.	Alabama (AL)	N							
2.	Alaska (AK)	N							
3.	Arizona (AZ)	N							
4.	Arkansas (AR)	L	15,517,265	8,708,774				24,226,039	
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	159,741,614	94,423,150				254,164,764	
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)	X X X							
59.	Subtotal	X X X	175,258,879	103,131,924				278,390,803	
60.	Reporting entity contributions for Employee Benefit Plans	X X X							
61.	<b>Total (Direct Business)</b>	(a) 2	175,258,879	103,131,924				278,390,803	
<b>DETAILS OF WRITE-INS</b>									
5801.		X X X							
5802.		X X X							
5803.		X X X							
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X							
5899.	<b>TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)</b>	X X X							

(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

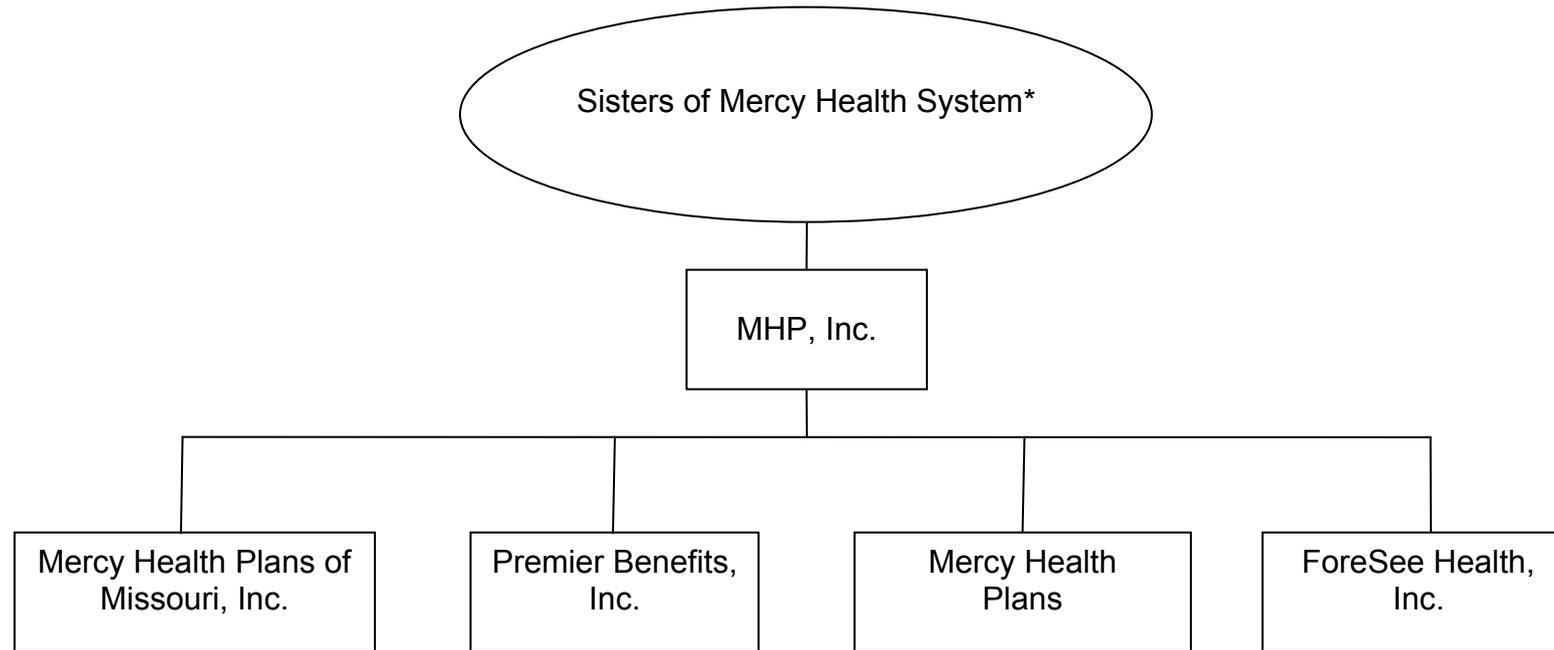
### PART 1 - ORGANIZATIONAL CHART

**Sisters of Mercy Health System\***

**Organizational Chart of Controlled Entities**

**(As of 9/30/10)**

**\*Coventry Health Care became 100% owner of MHP, Inc. and  
Subsidiaries on 10/01/2010**



**16 Supplemental Interrogatories ..... NONE**

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

**SCHEDULE A - VERIFICATION****Real Estate**

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

**NONE****SCHEDULE B - VERIFICATION****Mortgage Loans**

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

**NONE****SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

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

**NONE****SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	11,321,639	15,871,234
2. Cost of bonds and stocks acquired .....		720,419
3. Accrual of discount .....	4,899	35,858
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration for bonds and stocks disposed of .....	2,000,000	5,215,000
7. Deduct amortization of premium .....	38,028	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) .....	9,288,510	11,321,639
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	9,288,510	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
<b>BONDS</b>								
1. Class 1 (a) .....	9,299,570			(11,060)	9,310,615	9,299,570	9,288,510	9,321,483
2. Class 2 (a) .....								
3. Class 3 (a) .....	2,000,000		2,000,000		2,000,062	2,000,000		2,000,156
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	11,299,570		2,000,000	(11,060)	11,310,677	11,299,570	9,288,510	11,321,639
<b>PREFERRED STOCK</b>								
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 .....	11,299,570		2,000,000	(11,060)	11,310,677	11,299,570	9,288,510	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

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**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 .....	34,687,597	X X X	34,687,597	46,524	

**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 .....	148,447,883	82,852,123
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	140,618,830	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) .....	34,687,597	26,858,543
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	34,687,597	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**

## SCHEDULE D - PART 4

### Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>																					
982526AA3	Wm Wrigley Jr Co		07/15/2010	Matured	XXX	2,000,000	2,000,000.00	2,000,720	2,000,156	(156)			(156)		2,000,000				86,000	07/15/2010	3
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)																					
8399997 Subtotal - Bonds - Part 4																					
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)																					
8399999 Subtotal - Bonds																					
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)																					
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)																					
9899999 Subtotal - Preferred and Common Stocks																					
9999999 Total - Bonds, Preferred and Common Stocks																					

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

**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 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
Bank of America .....	St. Louis, Missouri .....			2,639	831	(4,570,073)	1,074,458	1,592,818	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	2,639	831	(4,570,073)	1,074,458	1,592,818	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	2,639	831	(4,570,073)	1,074,458	1,592,818	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	2,639	831	(4,570,073)	1,074,458	1,592,818	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
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <b>N O N E</b> </div>							
8699999 Total - Cash Equivalents .....							



**MEDICARE PART D COVERAGE SUPPLEMENT**  
**Net of Reinsurance**  
**For the Quarter Ended September 30, 2010**

NAIC Group Code: 3386

NAIC Company Code: 11529

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected .....		XXX		XXX	
2. Earned Premiums .....		XXX		XXX	XXX
3. Claims Paid .....		XXX		XXX	
4. Claims Incurred .....		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a) .....	<b>NONE</b>		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	

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

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