



ANNUAL STATEMENT
For the Year Ending December 31, 2010
OF THE CONDITION AND AFFAIRS OF THE
Windsor Health Plan, Inc.

NAIC Group Code 1268 , 1268 NAIC Company Code 95792 Employer's ID Number 62-1531881
(Current Period) (Prior Period)

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

Country of Domicile United States of America

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

Incorporated/Organized 05/14/1993 Commenced Business 01/01/1994

Statutory Home Office 7100 Commerce Way, Suite 285 , Brentwood, TN 37027
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 7100 Commerce Way, Suite 285
(Street and Number)

Brentwood, TN 37027 (615)782-7800
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 7100 Commerce Way, Suite 285 , Brentwood, TN 37027
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 7100 Commerce Way, Suite 285
(Street and Number)

Brentwood, TN 37027 (615)782-7914
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.windsorhealthgroup.com

Statutory Statement Contact Jennifer Giannotti (615)782-7914
(Name) (Area Code)(Telephone Number)(Extension)
jgiannotti@windsorhealthgroup.com (615)782-7826
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title
Michael Bailey	President
Willis Jones	Secretary Treasurer

OTHERS

DIRECTORS OR TRUSTEES

Phillip Hertik
Michael Bailey
Willis Jones

State of Tennessee
 County of Williamson 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 Bailey _____ (Printed Name) 1. President _____ (Title)	_____ (Signature) Willis Jones _____ (Printed Name) 2. Secretary _____ (Title)	_____ (Signature) _____ (Printed Name) 3. Treasurer _____ (Title)
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Subscribed and sworn to before me this _____ day of _____, 2011

- 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 Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1-2)	Net Admitted Assets
1. Bonds (Schedule D)	12,362,586		12,362,586	10,709,111
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
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 (\$.....(4,417,582) Schedule E Part 1), cash equivalents (\$.....627,090 Schedule E Part 2) and short-term investments (\$.....32,126,000 Schedule DA)	28,335,508		28,335,508	23,883,555
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	40,698,094		40,698,094	34,592,666
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	85,228		85,228	260,716
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	902,971	502,633	400,338	523,181
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums	17,999,997		17,999,997	26,000,000
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	68,576,973		68,576,973	
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	7,735,257		7,735,257	
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	834,194	348,333	485,861	
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				290,000
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				1,137,281
24. Health care (\$.....7,392,104) and other amounts receivable	8,138,030	745,926	7,392,104	3,596,003
25. Aggregate write-ins for other than invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	144,970,744	1,596,892	143,373,852	66,399,847
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	144,970,744	1,596,892	143,373,852	66,399,847
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....17,874,085 reinsurance ceded)	19,790,473		19,790,473	36,674,211
2. Accrued medical incentive pool and bonus amounts	904,000		904,000	
3. Unpaid claims adjustment expenses	872,826		872,826	831,426
4. Aggregate health policy reserves	1,679,230		1,679,230	1,797,959
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	58,313		58,313	
9. General expenses due or accrued	359,466		359,466	816,404
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable	88,592,929		88,592,929	
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	1,453,563		1,453,563	
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
20. Reinsurance in unauthorized companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				10,105,533
23. Aggregate write-ins for other liabilities (including \$.....0 current)				
24. TOTAL Liabilities (Lines 1 to 23)	113,710,800		113,710,800	50,225,533
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	600,000	100,000
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	106,753,262	103,311,962
29. Surplus notes	X X X	X X X		4,231,300
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	(77,690,210)	(91,468,948)
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	29,663,052	16,174,314
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	143,373,852	66,399,847
DETAILS OF WRITE-INS				
2301. 0				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001. 0	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	914,177	615,750
2. Net premium income (including \$.....0 non-health premium income)	X X X	231,298,041	366,622,814
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	231,298,041	366,622,814
Hospital and Medical:			
9. Hospital/medical benefits		240,679,068	239,977,537
10. Other professional services			
11. Outside referrals		20,267,398	18,676,744
12. Emergency room and out-of-area		7,241,505	5,885,554
13. Prescription drugs		62,778,483	47,435,349
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		1,513,505	451,741
16. Subtotal (Lines 9 to 15)		332,479,959	312,426,925
Less:			
17. Net reinsurance recoveries		150,016,605	147,293
18. TOTAL Hospital and Medical (Lines 16 minus 17)		182,463,354	312,279,632
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....210,058 cost containment expenses		251,458	249,825
21. General administrative expenses		30,457,427	53,166,496
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23. TOTAL Underwriting Deductions (Lines 18 through 22)		213,172,239	365,695,953
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	18,125,802	926,861
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		740,451	669,805
26. Net realized capital gains (losses) less capital gains tax of \$.....0			
27. Net investment gains (losses) (Lines 25 plus 26)		740,451	669,805
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	18,866,253	1,596,666
31. Federal and foreign income taxes incurred	X X X	5,703,416	558,833
32. Net income (loss) (Lines 30 minus 31)	X X X	13,162,837	1,037,833
DETAILS OF WRITE-INS			
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 (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	16,174,314	(619,485)
34.	Net income or (loss) from Line 32	13,162,837	1,037,833
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	(899,781)	
39.	Change in nonadmitted assets	1,050,430	3,165,966
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes	(4,231,300)	
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in	500,000	
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	3,441,300	12,590,000
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	465,247	
48.	Net change in capital and surplus (Lines 34 to 47)	13,488,733	16,793,799
49.	Capital and surplus end of reporting year (Line 33 plus 48)	29,663,047	16,174,314
DETAILS OF WRITE-INS			
4701.	Change in Allowance for Uncollectible Member Premium from Prior Year	502,633	
4702.	Changed in Income Tax Expense Reported in 2009	558,832	
4703.	Change in Deferred Tax Asset from Prior Year	(596,218)	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	465,247	

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	327,450,767	345,461,724
2.	Net investment income	1,140,333	698,812
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	328,591,100	346,160,536
5.	Benefit and loss related payments	271,244,964	300,255,017
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	48,965,208	70,809,164
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	5,107,197	(1,037,204)
10.	Total (Lines 5 through 9)	325,317,369	370,026,977
11.	Net cash from operations (Line 4 minus Line 10)	3,273,731	(23,866,441)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	9,987,000	2,440,000
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)	9,987,000	2,440,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	11,864,869	7,417,359
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)	11,864,869	7,417,359
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,877,869)	(4,977,359)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes	(4,231,300)	
16.2	Capital and paid in surplus, less treasury stock	3,941,300	12,590,000
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)	3,346,091	1,045,739
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	3,056,091	13,635,739
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)	4,451,953	(15,208,061)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	23,883,555	39,091,616
19.2	End of year (Line 18 plus Line 19.1)	28,335,508	23,883,555

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

20.0001		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	231,298,041						186,749,820		44,548,221	
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	231,298,041						186,749,820		44,548,221	
8. Hospital/medical benefits	240,679,068						240,679,068			X X X
9. Other professional services										X X X
10. Outside referrals	20,267,398						20,267,398			X X X
11. Emergency room and out-of-area	7,241,505						7,241,505			X X X
12. Prescription drugs	62,778,483						28,669,860		34,108,623	X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts	1,513,505						1,513,505			X X X
15. Subtotal (Lines 8 to 14)	332,479,959						298,371,336		34,108,623	X X X
16. Net reinsurance recoveries	150,016,605						150,016,605			X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	182,463,354						148,354,731		34,108,623	X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....210,058 cost containment expenses	251,458						251,458			
20. General administrative expenses	30,457,427						24,072,422		6,385,005	
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	213,172,239						172,678,611		40,493,628	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	18,125,802						14,071,209		4,054,593	
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601. Management fees revenue on reinsurance contract		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical)				
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare	372,270,896		185,521,076	186,749,820
7.	Title XIX - Medicaid				
8.	Other health	45,607,180			45,607,180
9.	Health subtotal (Lines 1 through 8)	417,878,076		185,521,076	232,357,000
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	417,878,076		185,521,076	232,357,000

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	338,114,138						301,640,031		36,474,107	
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	132,142,522						132,142,522			
1.4 Net	205,971,616						169,497,509		36,474,107	
2. Paid medical incentive pools and bonuses	359,506						359,506			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	37,664,558						32,828,549		4,836,009	
3.2 Reinsurance assumed										
3.3 Reinsurance ceded	17,874,085						17,874,085			
3.4 Net	19,790,473						14,954,464		4,836,009	
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	904,000						904,000			
6. Net healthcare receivables (a)	8,138,030						3,557,687		4,580,343	
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	36,674,211						34,053,061		2,621,150	
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	36,674,211						34,053,061		2,621,150	
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	(250,000)						(250,000)			
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	330,966,455						296,857,832		34,108,623	
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	150,016,607						150,016,607			
12.4 Net	180,949,848						146,841,225		34,108,623	
13. Incurred medical incentive pools and bonuses	1,513,506						1,513,506			

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	4,836,009								4,836,009	
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	4,836,009								4,836,009	
2. Incurred but Unreported:										
2.1 Direct	32,828,549						32,828,549			
2.2 Reinsurance assumed										
2.3 Reinsurance ceded	17,874,085						17,874,085			
2.4 Net	14,954,464						14,954,464			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	37,664,558						32,828,549		4,836,009	
4.2 Reinsurance assumed										
4.3 Reinsurance ceded	17,874,085						17,874,085			
4.4 Net	19,790,473						14,954,464		4,836,009	

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
Line of Business						
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	35,495,479	138,497,952	117,005	14,837,459	35,612,484	34,053,061
7. Title XIX - Medicaid						
8. Other health	2,621,150	33,852,957		4,836,009	2,621,150	2,621,150
9. Health subtotal (Lines 1 to 8)	38,116,629	172,350,909	117,005	19,673,468	38,233,634	36,674,211
10. Healthcare receivables (a)	2,770,350	5,388,703	346,263	7,791,767	3,116,613	3,913,131
11. Other non-health						
12. Medical incentive pool and bonus amounts	218,481	141,025		904,000	218,481	
13. TOTALS (Lines 9 - 10 + 11 + 12)	35,564,760	167,103,231	(229,258)	12,785,701	35,335,502	32,761,080

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

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006	37,759				(12)
3. 2007	X X X	88,356	14,720		(70)
4. 2008	X X X	X X X	224,614	28,046	(157)
5. 2009	X X X	X X X	X X X	280,297	38,356
6. 2010	X X X	X X X	X X X	X X X	167,855

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006	45,661				(12)
3. 2007	X X X	96,999	83,560		(70)
4. 2008	X X X	X X X	25,264	28,046	(157)
5. 2009	X X X	X X X	X X X	316,971	38,356
6. 2010	X X X	X X X	X X X	X X X	188,550

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006	57,048	(12)	27	(223.127)	15	0.026			15	0.026
2. 2007	119,328	(70)	325	(463.892)	255	0.213			255	0.213
3. 2008		(157)	173	(109.873)	16				16	
4. 2009	25,111	38,356			38,356	152.746			38,356	152.746
5. 2010		167,855			167,855		20,695	872	189,422	

12 Total

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

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006										
2. 2007										
3. 2008										
4. 2009										
5. 2010										

12 Hospital and Medical

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

Medicare Supplement
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006										
2. 2007										
3. 2008										
4. 2009										
5. 2010										

12 Medicare Supplement

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

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006										
2. 2007										
3. 2008										
4. 2009										
5. 2010										

12 Dental Only

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

Vision Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006										
2. 2007										
3. 2008										
4. 2009										
5. 2010										

12 Vision Only

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Federal Employees Health Benefits Plan Premiums

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006										
2. 2007										
3. 2008										
4. 2009										
5. 2010										

12 Fed Emp HBPP

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

Title XVIII - Medicare
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006	37,759				(12)
3. 2007	X X X	83,560	13,378		(70)
4. 2008	X X X	X X X	212,710	26,750	(157)
5. 2009	X X X	X X X	X X X	260,385	35,735
6. 2010	X X X	X X X	X X X	X X X	134,002

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006	45,661				(12)
3. 2007	X X X	96,999	83,560		(70)
4. 2008	X X X	X X X	25,264	26,750	(157)
5. 2009	X X X	X X X	X X X	294,438	35,735
6. 2010	X X X	X X X	X X X	X X X	149,861

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006	57,048	(12)	27	(223.127)	15	0.026			15	0.026
2. 2007	113,143	(70)	325	(463.892)	255	0.225			255	0.225
3. 2008		(157)	173	(109.873)	16				16	
4. 2009		35,735			35,735				35,735	
5. 2010		134,002			134,002		15,859	872	150,733	

12 Title XVIII-Medicare

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

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007					
4. 2008					
5. 2009			X X X		
6. 2010	X X X	X X X	X X X	X X X	

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006										
2. 2007										
3. 2008										
4. 2009										
5. 2010										

12 Title XIX-Medicaid

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

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007	X X X	4,796	1,342		
4. 2008	X X X	X X X	11,904	1,296	
5. 2009	X X X	X X X	X X X	19,912	2,621
6. 2010	X X X	X X X	X X X	X X X	33,853

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007	X X X				
4. 2008	X X X	X X X		1,296	
5. 2009	X X X	X X X	X X X	22,533	2,621
6. 2010	X X X	X X X	X X X	X X X	38,689

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2006										
2. 2007	6,185									
3. 2008										
4. 2009	25,111	2,621			2,621	10.438			2,621	10.438
5. 2010		33,853			33,853		4,836		38,689	

12 Other

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income	1,679,230						1,886,130		(206,900)
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)	1,679,230						1,886,130		(206,900)
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	1,679,230						1,886,130		(206,900)
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)			1,182,027		1,182,027
2. Salaries, wages and other benefits			24,934,132		24,934,132
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			(25,952,311)		(25,952,311)
4. Legal fees and expenses			479,288		479,288
5. Certifications and accreditation fees			91,002		91,002
6. Auditing, actuarial and other consulting services			4,951,645		4,951,645
7. Traveling expenses			907,801		907,801
8. Marketing and advertising			2,980,259		2,980,259
9. Postage, express and telephone			1,749,366		1,749,366
10. Printing and office supplies			3,884,326		3,884,326
11. Occupancy, depreciation and amortization			1,562,198	224,394	1,786,592
12. Equipment			1,159,027		1,159,027
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services			9,675,336		9,675,336
15. Boards, bureaus and association fees			26,025		26,025
16. Insurance, except on real estate			422,988		422,988
17. Collection and bank service charges			193,846		193,846
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			146,713		146,713
23.2 State premium taxes					
23.3 Regulator authority licenses and fees			101,699		101,699
23.4 Payroll taxes			1,470,322		1,470,322
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	210,058	41,400	343,019		594,477
26. TOTAL Expenses Incurred (Lines 1 to 25)	210,058	41,400	30,308,708	224,394	(a) 30,784,560
27. Less expenses unpaid December 31, current year			359,466		359,466
28. Add expenses unpaid December 31, prior year			816,403		816,403
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	210,058	41,400	30,765,645	224,394	31,241,497
DETAILS OF WRITE-INS					
2501. CMS User Fees			343,019		343,019
2502. Loss Adjustment Expense		41,400			41,400
2503. Network Access Fees	210,058				210,058
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	210,058	41,400	343,019		594,477

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 463,749	512,218
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 451,508	452,627
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	915,257	964,845
11. Investment expenses		(g) 224,394
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		224,394
17. Net Investment income (Line 10 minus Line 16)		740,451

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above)		

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

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

NONE

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	502,633		(502,633)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	348,333	2,330,194	1,981,861
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable	745,926	317,128	(428,798)
25. Aggregate write-ins for other than invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,596,892	2,647,322	1,050,430
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,596,892	2,647,322	1,050,430
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Expenses			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	53,277	73,800	75,759	77,561	79,080	914,177
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	53,277	73,800	75,759	77,561	79,080	914,177
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

a. Accounting Practices

The financial statements of Windsor Health Plan, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (the "Department"). The Department recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' ("NAIC") Accounting Practices and Procedures Manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by the Department. The Department has adopted certain prescribed accounting practices that differ from those found in NAIC SAP.

Health maintenance organizations under Tennessee statute are not permitted to hold reinsurance. However, these organizations are permitted to carry excess loss insurance, which provides coverage to limit a health plan's financial exposure on certain large inpatient claims. While this excess loss coverage is commonly referred to as "reinsurance," the Department has taken the position that amounts related to this coverage should not be reported as reinsurance in preparing statutory financial statements. Effective December 31, 2007, the Department granted the Company an exception to this Tennessee prescribed practice and permitted the reporting of amounts related to the excess loss insurance in accordance with NAIC SAP. The Company purchased excess loss insurance coverage from a third party to limit the loss on individual inpatient hospital claims in 2008. The coverage expired in 2008 and the Company has elected not to renew its excess loss coverage in 2009 and 2010. This insurance provided coverage for aggregate claims per enrollee per year in excess of \$150,000 (subject to certain per day limits). Premiums paid and recoveries received and/or accrued are accounted for consistently with the terms of the excess loss insurance contract. Excess loss insurance recoveries related to claims incurred in 2008 and before were \$0 and \$197,293 for the years ended December 31, 2010 and 2009, respectively.

The Company executed a quota share reinsurance agreement with an unrelated reinsurance company on March 1, 2010 with terms effective January 1, 2010 for 50% of its Medicare Advantage Prescription Drug ("MAPD") business. Under the terms of the agreement, the reinsurer will indemnify the Company on a quota share basis on the Company's incurred medical expenses and will earn the associated profit, net of ceding commissions, on 50% of the MAPD business. In the first and second quarter of 2010, the Company, with the explicit permission of the Commissioner of the Department, excluded its quota share reinsurance agreement from all statutory filings and supplemental schedules. A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Tennessee was stated within the Notes to Financial Statements of each of these quarterly filings. Beginning with the third quarter 2010 statutory filing, the Company, with instruction from the Commissioner of Insurance of the State of Tennessee, will include the reinsurance agreement as unauthorized reinsurance within its statutory filings, as the reinsurer on the reinsurance agreement is not licensed as an authorized reinsurer in Tennessee, the Company's state of domicile. All schedules are prepared in conformity with the accounting practices prescribed or permitted by the Department and NAIC SAP.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Tennessee is shown below:

	<u>State of Domicile</u>	<u>2010</u>	<u>2009</u>
(1) Net Income Tennessee state basis	TN	\$ 13,290,304	\$ 1,037,833
(2) Net Income, NAIC SAP	TN	<u>\$ 13,290,304</u>	<u>\$ 1,037,833</u>
(3) Statutory Surplus Tennessee basis	TN	\$ 29,663,052	\$ 16,174,314
(4) Statutory Surplus, NAIC SAP	TN	<u>\$ 29,663,052</u>	<u>\$ 16,174,314</u>

b. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Notes to Financial Statements

c. Accounting Policy

Short-term Investments - The Company accounts for short term investments at amortized costs, which approximates fair value.

Bonds - Bonds are carried at amortized cost if designated highest-quality and high-quality (NAIC designations 1 and 2, respectively) or at the lower of amortized cost or fair value (NAIC designations 3 to 6). Amortization of any premium and/or discount is calculated using the effective interest method.

Cash and Cash Equivalents - The Company considers all highly liquid instruments with original maturities of three months or less at date of purchase to be cash equivalents.

Investment Income - Investment income is accrued as earned and legally due to the Company.

Premium Revenue - The Company's Medicare contracts with CMS have one year terms coinciding with the calendar year. The Company generally receives premiums in advance of related medical and pharmacy services being performed by plan providers. Premium revenue is recognized during the period in which the Company is obligated to offer health care benefits to its members. The member portions of the premiums are billed monthly for coverage in the following month and are recognized as revenue in the month for which insurance coverage is provided. Based on the health conditions of its members, the Company's Medicare Advantage premium revenue is subject to adjustment. The process for adjusting premiums is referred to as the CMS risk adjustment payment methodology. The CMS model uses health status indicators referred to as risk scores to improve the correlation of premiums with expected health care costs for Medicare beneficiaries with certain chronic illnesses. Under the risk adjustment payment methodology, managed care plans must capture, document, and report member-specific medical diagnosis code information to CMS by specified due dates. Risk scores are established at the beginning of each calendar year and are then retroactively adjusted on two separate occasions. The first adjustment for a given calendar year generally occurs during the third quarter of such year. It includes a cumulative lump-sum retroactive payment to adjust the first half of the year as well as an update to the members' risk scores for the second half of the year. These adjustments are based on diagnosis information submitted by the Company for eligible diagnoses that were documented in the prior year. The second adjustment occurs in the subsequent calendar year, following a CMS reconciliation of all eligible diagnosis information submitted by the Company. As of December 31, 2010 and 2009, the Company recorded an estimated CMS risk adjustment receivable of \$17,999,997 and \$26,000,000, respectively.

Under the Medicare Part D program, there are six elements of payment received by the Company during the plan year. These payment elements are CMS premium, member premium, low-income premium subsidy, catastrophic reinsurance subsidy, low-income member cost sharing subsidy and CMS risk share. The premium revenue the Company receives monthly from CMS for its Part D prescription drug benefit represents a calculation based on its annual Part D bid amount and the members' related risk scores. However, the amount of Part D revenue paid to a plan by CMS is subject to annual adjustment, either positive or negative, based upon the application of risk corridor calculations that compare a plan's drug costs plus administrative costs targeted in its annual bids ("target amount") to actual prescription drug and administrative costs for the same calendar year. Variances exceeding certain thresholds may result in CMS making additional payments to the Company. Conversely, variances below certain thresholds may result in the Company being required to refund a portion of the premiums received back to CMS. Actual prescription drug costs subject to risk sharing with CMS are limited to the costs that are, or would have been, incurred under the CMS "defined standard" benefit plan ("allowable risk corridor costs"). Management has estimated and recognized an adjustment to premium revenues related to the risk corridor payment adjustment based upon pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period. At December 31, 2010 and 2009, the risk corridor payable to CMS was \$1,679,230 and \$1,797,959, respectively.

Premiums Receivable - Premiums receivable consist of premiums due from CMS, including the risk adjustment receivable, and Medicare enrollees. Management estimates, on an ongoing basis, the amount of member billings that may not be collectible based on a number of factors including a review of past due balances.

Medical Costs Payable - Medical costs payable represents the liability for services that have been performed by providers for the Company's Medicare members. The liability includes medical and pharmacy claims reported to the Company, an actuarially determined estimate of claims that have been incurred but not yet reported ("IBNR"), and an estimate for claims adjustment expense. The IBNR estimates are developed using standard actuarial methods which take into account historical claims payment patterns, industry cost trends, product mix, enrollment levels, seasonality, and health care utilization statistics. These estimates are continually reviewed and adjustments, if necessary, are reflected in the period they become known. Management believes the amount of medical costs payable is reasonable as of December 31, 2010; however, actual claims payments may differ from established estimates (Note 25).

Funds Held for the Benefit of Members - Certain payments from CMS represent prospective payments to fund Part D prescription drug costs for which the Company assumes no financial risk, including catastrophic risk protection and low-income cost sharing subsidies. The Company does not recognize premium revenue or medical costs for these payments as the amounts represent pass-through payments from CMS to fund

Notes to Financial Statements

pharmacy-related deductibles, co-payments and other member expenses. Funds held for the benefit of members represent amounts due to CMS to the extent that such payments from CMS exceed the amount of pharmacy benefits incurred by the Company as of the related balance sheet date. CMS completes an annual reconciliation process to compare payments made to plans versus actual claims incurred and any related payables or receivables are then settled. As of December 31, 2010, the amount of pharmacy benefits incurred by the Company exceeded the payments received from CMS. Accordingly, the Company recorded a receivable due from CMS of \$7,735,257 as of December 31, 2010. As of December 31, 2009, the Company held amounts for the benefit of members in the amount of \$10,105,533.

Payable to Centers for Medicare and Medicaid Services - Payable to Centers for Medicare and Medicaid Services includes premiums due to CMS for retro-activity and the Company's estimate of any amounts refundable under the risk sharing provisions of the Company's prescription drug contract with CMS.

Pharmacy Rebates - Pharmaceutical rebates represent estimated rebates owed to the Company based on the utilization of eligible prescription drugs by the Company's members at participating pharmacies. The Company's contracted pharmacy benefits manager ("PBM") holds the contracts with the pharmaceutical manufacturers and accordingly, oversees and manages the administration of such rebates. Each quarter, the Company receives detailed pharmacy rebate reports from the PBM that lists rebates receivable by manufacturer. The Company reviews these reports and uses the information to estimate the related receivables. Rebates are recognized when earned according to the contractual arrangements with the respective pharmaceutical manufacturers. The receivable recorded for Pharmaceutical rebates was \$7,032,031 and \$3,048,408 at December 31, 2010 and 2009, respectively, of which \$745,926 and \$317,128 were non-admitted assets at these dates (Note 28).

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

a. Mortgage Loans, including Mezzanine Real Estate Loans

None

b. Debt Restructuring

None

c. Reverse Mortgages

None

d. Loan-Backed Securities

(1) Prepayment assumptions for single class mortgage-backed/asset-backed securities were obtained from internal estimates based on historical results.

(2) No other-than-temporary impairments were recognized in 2010.

(3) The following table represents the gross unrealized losses of the Company's investment securities aggregated by length of time that the aggregate securities have been in continuous unrealized loss position as of December 31, 2010:

Description	Total Book Value	Total Market Value	Total Unrealized Loss
Less than 12 months	\$ 3,928,396	\$ 3,827,556	\$ (100,840)
Greater than 12 months	\$ -	\$ -	\$ -

e. Repurchase Agreements and/or Securities Lending Transactions

None

Notes to Financial Statements

f. Real Estate

None

g. Investments in Low Income Housing Tax Credits

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

At December 31, 2010 and 2009, the Company did not have any accrued investment income that was over 90 days past due.

8. Derivative Instruments

None

9. Income Taxes

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1) DTA/DTL Components	Description	2010			2009			Change			
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total	
(a)	Gross deferred tax assets	¶18.a.	834,194	0	834,194	1,733,975	0	1,733,975	(899,781)	0	(899,781)
(b)	Statutory valuation allowance adjustment (enter as "-")		0	0	0	0	0	0	0	0	0
(c)	Adjusted gross deferred tax assets	¶18.a.	834,194	0	834,194	1,733,975	0	1,733,975	(899,781)	0	(899,781)
(d)	Gross deferred tax liabilities	¶18.b.	0	0	0	0	0	0	0	0	0
(e)	Net deferred tax asset/(liability) before admissibility test		834,194	0	834,194	1,733,975	0	1,733,975	(899,781)	0	(899,781)
(f)	Deferred tax assets nonadmitted	¶18.a.,d.,e	(348,333)	0	(348,333)	(781,941)	0	(781,941)	433,608	0	433,608
(g)	Net admitted deferred tax asset/(liability)	¶18.a.	485,861	0	485,861	952,034	0	952,034	(466,173)	0	(466,173)

(2) Has the Company elected to admit DTAs pursuant to paragraph 10.e.? ("Y" for yes or "N" for no)

2010 N 2009 N ¶18.c.

(3) Increase in admitted adjusted gross DTAs as the result of the application of paragraph 10.e.:

Description	Ordinary	2010 Capital	Total	Ordinary	2009 Capital	Total	Ordinary	Change Capital	Total
With ¶ 10.e.	485,861	0	485,861	952,035	0	952,035	(466,174)	0	(466,174)
With ¶s 10.a.-c.	485,861	0	485,861	952,035	0	952,035	(466,174)	0	(466,174)
Increase attributable to application of ¶ 10.e.	¶18.f.	0	0	0	0	0	0	0	0

(4) Admission calculation components:

Description	Ordinary	2010 Capital	Total	Ordinary	2009 Capital	Total	Ordinary	Change Capital	Total		
Admission calculation under ¶10.a.-¶10.c.											
(a)	Admitted pursuant to ¶10.a.	¶18.g.	485,861	0	485,861	952,035	0	952,035	(466,174)	0	(466,174)
(b)	Admitted pursuant to ¶10.b. (lesser of i. or ii.)	¶18.g.	0	0	0	0	0	0	0	0	
(c)	¶10.b.i.	¶18.g.	0	0	N/A	N/A	0	N/A	N/A	0	
(d)	¶10.b.ii.	¶18.g.	N/A	N/A	2,914,719	N/A	N/A	1,617,431	N/A	N/A	1,297,288
(e)	Admitted pursuant to ¶10.c.	¶18.g.	0	0	0	0	0	0	0	0	
(f)	Total admitted under ¶¶10.a.-10.c.		485,861	0	485,861	952,035	0	952,035	(466,174)	0	(466,174)
	Deferred tax liabilities		0	0	0	0	0	0	0	0	
	Net admitted deferred tax asset/liability under ¶10.a.-¶10.c.		485,861	0	485,861	952,035	0	952,035	(466,174)	0	(466,174)
Admission calculation under ¶10.e.i.-10.e.iii.											
(g)	Admitted pursuant to ¶10.e.i.	¶18.g.	0	0	0	0	0	0	0	0	
(h)	Admitted pursuant to ¶10.e.ii. (lesser of a. or b.)	¶18.g.	0	0	0	0	0	0	0	0	
(i)	¶10.e.ii.a.	¶18.g.	0	0	0	N/A	N/A	0	N/A	N/A	
(j)	¶10.e.ii.b.	¶18.g.	N/A	N/A	4,372,079	N/A	N/A	2,426,147	N/A	N/A	1,945,932
(k)	Admitted pursuant to ¶10.e.iii.	¶18.g.	0	0	0	0	0	0	0	0	
(l)	Total admitted under ¶10.e.i.-10.e.iii.		0	0	0	0	0	0	0	0	
	Deferred tax liabilities		0	0	0	0	0	0	0	0	
	Net admitted deferred tax asset/liability under ¶10.e.		0	0	0	0	0	0	0	0	
Used in ¶10.d.											
(m)	Total adjusted capital	¶18.g.	N/A	N/A	29,663,052	N/A	N/A	16,174,314	N/A	N/A	13,488,738
(n)	Authorized control level	¶18.g.	N/A	N/A	10,625,083	N/A	N/A	12,274,101	N/A	N/A	1,649,018
	Adjusted capital/Authorized control level		N/A	N/A	279.18%	N/A	N/A	131.78%	N/A	N/A	147.2%

(5) Impact of ¶10.e. on the following:

Description	Ordinary	2010 Capital	Total	Ordinary	2009 Capital	Total	Ordinary	Change Capital	Total		
Admission calculation under ¶10.a.-¶10.c.											
(a)	Admitted DTAs	¶18.i.	485,861	0	485,861	952,035	0	952,035	(466,174)	0	(466,174)
(b)	Admitted assets	¶18.i.	N/A	N/A	74,311,018	N/A	N/A	66,399,847	N/A	N/A	7,911,171
(c)	Adjusted statutory surplus from most recently filed st	¶18.i.	N/A	N/A	24,974,940	N/A	N/A	16,174,314	N/A	N/A	8,800,626
(d)	Total adjusted capital from DTAs included above	¶18.i.	N/A	N/A	348,333	N/A	N/A	781,941	N/A	N/A	(433,608)

Increases due to admission under ¶10.e.i.-10.e.iii.

(e)	Admitted DTAs	¶18.i.	0	0	0	0	0	0	0	0	
(f)	Admitted assets	¶18.i.	N/A	N/A	74,311,018	N/A	N/A	66,399,847	N/A	N/A	7,911,171
(g)	Statutory surplus	¶18.i.	N/A	N/A	24,974,940	N/A	N/A	16,174,314	N/A	N/A	8,800,626

(6) Impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs:

Description	Ordinary	2010 Capital	Total	Ordinary	2009 Capital	Total	Ordinary	Change Capital	Total	
Adjusted gross DTAs - Amount	¶18.h.	834,194	0	834,194	1,733,975	0	1,733,975	(899,781)	0	(899,781)
(a) Adjusted gross DTAs - Percentage	¶18.h.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Net admitted DTAs - Amount	¶18.h.	485,861	0	485,861	952,035	0	952,035	(466,174)	0	(466,174)
(b) Net admitted DTAs - Percentage	¶18.h.	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%

Notes to Financial Statements

B. Temporary differences for which a DTL has not been established:

¶19

None

C. Current tax and change in deferred tax:

¶(1) Current income taxes incurred consist of the following major components:

Description		2010	2009
(a) Current federal income tax expense	¶20.a.	5,575,949	0
(b) Foreign taxes	¶20.a.	0	0
(c) Subtotal	¶20.a.	<u>5,575,949</u>	<u>0</u>
(d) Tax on capital gains/(losses)	¶20.a.	0	0
(e) Utilization of capital loss carryforwards	¶20.a.	0	0
(f) Other, including prior year underaccrual (overaccrual)	¶20.a.	127,467	0
(g) Federal and foreign income taxes incurred	¶20.a.	<u><u>5,703,416</u></u>	<u><u>0</u></u>

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

Notes to Financial Statements

(2) DTAs Resulting From Book/Tax Differences In		December 31, 2010	December 31, 2009	Change
(a) Ordinary				
(1) Discounting of unpaid losses and LAE	¶20.b.	485,861	521,109	(35,248)
(2) Unearned premiums	¶20.b.	0	0	0
(3) Policyholder reserves	¶20.b.	0	0	0
(4) Investments	¶20.b.	0	0	0
(5) Deferred acquisition costs	¶20.b.	0	0	0
(6) Policyholder dividends accrued	¶20.b.	0	148,094	(148,094)
(7) Fixed assets	¶20.b.	154,911	112,737	42,174
(8) Compensation and benefit accruals	¶20.b.	193,422	0	193,422
(9) Pension accruals	¶20.b.	0	0	0
(10) Nonadmitted assets	¶20.b.	0	0	0
(11) Net operating loss carryforward	¶20.b.	0	952,035	(952,035)
(12) Tax credit carryforward	¶20.b.	0	0	0
(13) Other (separately disclose items >5%)	¶20.b.	0	0	0
Gross ordinary DTAs	¶20.b.	834,194	1,733,975	(899,781)
(b) Statutory valuation adjustment adjustment - ordinary (¶20.b.	0	0	0
(c) Nonadmitted ordinary DTAs (-)	¶20.b.	(348,333)	(781,940)	433,607
(d) Admitted ordinary DTAs	¶20.b.	<u>485,861</u>	<u>952,035</u>	<u>(466,174)</u>
(e) Capital				
(1) Investments	¶20.b.	0	0	0
(2) Net capital loss carryforward	¶20.b.	0	0	0
(3) Real estate	¶20.b.	0	0	0
(4) Other (separately disclose items >5%)	¶20.b.	0	0	0
Unrealized capital losses	¶20.b.	0	0	0
Gross capital DTAs	¶20.b.	0	0	0
(f) Statutory valuation adjustment adjustment - capital (-)	¶20.b.	0	0	0
(g) Nonadmitted capital DTAs (-)	¶20.b.	0	0	0
(h) Admitted capital DTAs	¶20.b.	<u>0</u>	<u>0</u>	<u>0</u>
(i) Admitted DTAs	¶20.b.	<u>485,861</u>	<u>952,035</u>	<u>(466,174)</u>
(3) DTLs Resulting From Book/Tax Differences In				
(a) Ordinary				
(1) Investments	¶20.b.	0	0	0
(2) Fixed assets	¶20.b.	0	0	0
(3) Deferred and uncollected premiums	¶20.b.	0	0	0
(4) Policyholder reserves/salvage and subrogation	¶20.b.	0	0	0
(5) Other (separately disclose items >5%)	¶20.b.	0	0	0
Ordinary DTLs	¶20.b.	<u>0</u>	<u>0</u>	<u>0</u>
(b) Capital				
(1) Investments	¶20.b.	0	0	0
(2) Real estate	¶20.b.	0	0	0
(3) Other (separately disclose items >5%)	¶20.b.	0	0	0
Unrealized capital gains	¶20.b.	0	0	0
Capital DTLs	¶20.b.	<u>0</u>	<u>0</u>	<u>0</u>
(c) DTLs	¶20.b.	<u>0</u>	<u>0</u>	<u>0</u>

Notes to Financial Statements

(4) Net deferred tax assets/liabilities	¶20.b.	485,861	952,035	(466,174)
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The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

		December 31, 2010	December 31, 2009	Change
Total deferred tax assets	¶20.b.	834,194	1,733,975	(899,781)
Total deferred tax liabilities	¶20.b.	0	0	0
Net deferred tax assets/liabilities	¶20.b.	834,194	1,733,975	(899,781)
Statutory valuation allowance adjustment (*see explar	¶20.b.	0	0	0
Net deferred tax assets/liabilities after SVA	¶20.b.	834,194	1,733,975	(899,781)
Tax effect of unrealized gains/(losses)	¶20.b.	0	0	0
Statutory valuation allowance adjustment allocated to	¶20.b.	0	0	0
Change in net deferred income tax [(charge)/benefit]	¶20.b.	834,194	1,733,975	(899,781)

***Statutory valuation allowance**

None

D. Reconciliation of federal income tax rate to actual effective rate:

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The significant items causing this difference are as follows ¶21

Description		Amount	Tax Effect	Effective Tax Rate
Income Before Taxes	¶21	18,866,253	6,603,189	35.00%
Tax-Exempt Interest	¶21	0	0	0.00%
Dividends Received Deduction	¶21	0	0	0.00%
Proration	¶21	0	0	0.00%
Meals & Entertainment	¶21	0	0	0.00%
Statutory Valuation Allowance Adjustment	¶21	0	0	0.00%
Other, Including Prior Year True-Up	¶21	9	3	0.00%
Total	¶21	18,866,262	6,603,192	35.00%
Federal income taxed incurred [expense/(benefit)]	¶21		5,703,416	30.23%
Tax on capital gains/(losses)	¶21		0	0.00%
Change in net deferred income tax [charge/(benefit)]	¶21		899,781	4.77%
Total statutory income taxes	¶21		6,603,197	35.00%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

At December 31, 2010, the Company had net operating loss carryforwards expiring through the year 2030 of:	\$0	¶22.a.
At December 31, 2010, the Company had capital loss carryforwards expiring through the year 2015 of:	\$0	¶22.a.
At December 31, 2010, the Company had an AMT credit carryforwards, which does not expire, in the amount of:	\$0	¶22.a.

The following is income tax expense for 2008, 2009, and 2010 that is available for recoupment in the event of future net losses:

Year		Ordinary	Capital	Total
2008	¶22.b.	0	0	0
2009	¶22.b.	0	0	0
2010	¶22.b.	5,703,416	0	5,703,416
Total		5,703,416	0	5,703,416

Deposits admitted under IRC § 6603

None

¶22.c.

F. The Company's federal income tax return is consolidated with the following entities:

Notes to Financial Statements

Windsor Health Group, Inc. ("WHG") owns 100% of the outstanding common stock of the Company and WHG files a consolidated federal tax return which includes the operations of the Company and its other subsidiaries. The 2010 tax returns have not been completed as of March 1, 2011. In addition to WHG and the Company, the consolidated tax return includes the results of operations of Windsor Management Services Inc., Windsor HomeCare Network, LLC, and Windsor Long Term Care, LLC and subsidiaries.

¶23.a. & b.

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

In March 2001, the Department approved the sale of 100% of the Company's stock held by Vanderbilt Health Services, Inc. ("VHS") to WHG effective August 31, 2000. The consideration included a surplus note issued by the Company to VHS for a principal amount of \$4,231,300. VHS maintained an affiliation with the Company through its ownership of approximately 10% of WHG's common stock and approximately 6% of WHG's preferred stock. The Company received capital contributions from WHG of \$4,231,300 and \$12,300,000 during 2010 and 2009, respectively.

In March 2008, the surplus note payable was amended and requires quarterly payments of interest at prime plus 2% subject to approval of the Commissioner, with the principal balance due on March 29, 2012. The Company paid interest of \$0 and \$1,253,740 during 2009 and 2008, respectively. In addition, Windsor Management Services, Inc. ("WMS"), an affiliate of the company, paid interest of \$222,143 on behalf of the Company during 2010 and 2009. The Company will not reimburse WMS for payment of interest to VHS until the Commissioner approves the payment of interest on the surplus note payable. The related expense and payable to WMS have not been recorded in the Company's statutory basis financial statements at December 31, 2010 and 2009, since the payment made by WMS was not approved by the Commissioner. At December 31, 2010 and 2009, \$0 and \$55,992 (net of payments made by WMS on behalf of the Company), respectively, is payable on the surplus note representing accrued interest; however, since payment of this amount has not been approved by the Commissioner, the related expense and payable have not been recorded in the Company's statutory basis financial statements. At December 31, 2010, the Company has paid a total of \$1,539,440 in interest since the inception of the surplus note. In December 2010, all principal and accrued interest relating to the surplus note was paid in full. Payment of the surplus note was funded by WHG as part of the acquisition of WHG by Munich Health of North America subsequent to December 31, 2010 (Note 22).

The Company incurs certain medical costs for services rendered by entities owned by or affiliated with VHS through the ordinary course of business. For the years ended December 31, 2010 and 2009, the Company paid \$10,887,281 and \$11,421,209, respectively, to companies owned by or affiliated with VHS. Additionally, for the years ended December 31, 2010 and 2009, medical costs included \$20,967,029 and \$17,228,239 respectively, paid to Windsor HomeCare Network, LLC, an affiliate of the Company.

The Company pays a monthly management fee to WMS for administrative services based on a percentage of premium revenue as specified in the management agreement between the two parties. In 2008, the WMS Board of Directors elected to forgive \$4,831,683 of the monthly management fees of the Medicare line of business. In accordance with NAIC SAP, the Company recorded the amount forgiven as a capital contribution. The Company incurred management fee expense of \$58,354,676 and \$50,796,739 in 2010 and 2009, respectively. The Company recorded an amount payable to WHG and WMS related to income taxes, management fees and other items of \$1,326,096 at December 31, 2010 and an amount receivable of \$2,460,520 at December 31, 2009.

For the years ended December 31, 2010 and 2009, the Company paid \$0 and \$93,610, respectively to Vanderbilt University Medical Center, an affiliate of VHS, for administrative costs associated with the Company's review of medical charts for the purpose of collecting diagnosis information related to the risk adjustment process.

In January 2009, WHG entered into a new \$12,500,000 credit facility with a financial institution with a maturity date of June 30, 2010. WHG used \$7,500,000 of the loan proceeds from the new credit facility to pay-off the outstanding balance of its previous credit facility. The Company's stock is pledged as collateral under the terms of WHG's new \$12,500,000 credit facility and was pledged as collateral under WHG's original \$7,500,000 credit facility. On December 31, 2010, the \$12,500,000 credit facility and all related accrued interest was paid in full. Payment of the credit facility was funded by shareholders of WHG as part of the acquisition of Windsor by Munich Re North America subsequent to December 31, 2010 (Note 22).

11. Debt

- a. The Company had no capital notes outstanding, outstanding loans, or reverse repurchase agreements during the statement year (Note 10).
- b. The Company had no Federal Home Loan Bank agreements for the statement year.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

None

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- a. The Company has 600,000 shares issued and authorized of \$1 par value common stock.
- b. The Company has no preferred stock outstanding.

Notes to Financial Statements

- c. The maximum amount of dividends that can be paid to shareholders, without the prior approval of the Tennessee Commissioner of Insurance (“Commissioner”), is limited to the greater of 10% of net worth as of December 31 next preceding or the net income from operations (excluding realized capital gains) for the twelve month period ending December 31 next preceding. The Company did not declare or pay any dividends in 2010 or 2009.
- d. The Company has no surplus notes outstanding as of December 31, 2010 (Note 10).

14. Contingencies

The Company is from time to time involved in litigation and other claims in the ordinary course of business. Although there can be no assurances, the Company does not believe that the resolution of such routine matters and other incidental claims, taking into account accruals and insurance, will have a material adverse effect on the Company’s financial position or results of operations.

The Company is subject to periodic and routine audits by federal and state regulatory authorities. In connection with its recent study of risk score coding practices by Medicare Advantage plans, CMS announced that it would audit Medicare Advantage plans, primarily targeted based on risk score growth, for compliance by the plans and their providers with proper coding practices. CMS has indicated that payment adjustments will not be limited to risk scores for the specific beneficiaries for which errors are found but may be extrapolated to the entire plan. There can be no assurance that the Company will not be randomly selected for review by CMS or, in the event that the Company is selected for a review, that the outcome of such a review will not result in a material impact to the Company’s financial position.

- a. Contingent Commitments

The Company did not enter into any contingent commitments during the statement year.

- b. Assessments

None

- c. Gain Contingencies

The Company did not have any gain contingencies during the statement year.

- d. Claims related to extra contractual obligation or bad faith losses stemming from law suits

The Company did not have any claims related extra contractual obligations or bad faith losses stemming from lawsuits.

- e. All Other Contingencies

The Company did not have any other contingencies during the statement year.

15. Leases

None

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

None

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

None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

None

20. Fair Value

- a. Fair Value Measurements at Reporting Date

The Company did not report any assets or liabilities at fair value as of December 31, 2010 or 2009.

- b. Fair Value Measurements Using Significant Unobservable Inputs (Level 3) of the Fair Value Hierarchy

The Company did not report any assets or liabilities at fair value as of December 31, 2010 or 2009. Accordingly, the Company did not utilize Level 3 inputs.

21. Other Items

- a. Extraordinary items

Notes to Financial Statements

None

b. Troubled Debt Restructuring

None

c. Other Disclosures

At December 31, 2010 and 2009, bonds totaling \$6,071,098 and \$5,862,382 respectively, were pledged to state insurance regulators in accordance with each state's regulatory requirements.

d. Uncollectible Amounts for Assets Covered by SSAP No.6 and No. 47

None

e. Business Interruption Insurance Recoveries

None

f. State Transferable Tax Credits

None

g. Subprime-Mortgage-Related Risk Exposure

- i. Fair Isaac Company ("FICO") developed the FICO credit-scoring model to calculate a score based upon a borrower's credit history. The Company utilizes the FICO credit score as one indicator of a borrower's credit quality. The higher the credit score, the lower the likelihood that a borrower will default on a loan. FICO credit scores range up to 850, with a score of 620 or more generally viewed as a "prime" loan and a score below 620 generally viewed as a "sub-prime" loan.
- ii. The Company does not hold any direct investments in subprime mortgage loans.
- iii. The Company has no direct exposure in other investments with underlying subprime related risk.
- iv. The Company does not have any underwriting exposure to subprime mortgages.

h. Retained Assets

None

22. Events Subsequent

a. Type I – Recognized subsequent events

None

b. Type II – Nonrecognized subsequent events

On January 1, 2011, WHG, the Company's parent, was acquired by Munich Health North America ("MHNA"), a subsidiary of Munich Re. In connection with the acquisition, MHNA acquired 100% of the stock of WHG. The transaction closed subsequent to obtaining regulatory approval from the appropriate Insurance Commissioners and the Federal Trade Commission in regards to Hart-Scott-Rodino.

23. Reinsurance

a. Ceded Reinsurance Report

(1) Section 1- General interrogatories

- a. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee or director of the Company?

Yes () No (X)

- b. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

(2) Section 2 - Ceded Reinsurance Report – Part A

- a. Does the Company have any insurance contracts in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

Notes to Financial Statements

- b. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

(3) Section 3 - Ceded Reinsurance Report – Part B

- a. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this statement.

\$0

- b. Have any new agreements been executed or existing agreements amended since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

- b. Uncollectible Reinsurance

None

- c. Commutation of Ceded Reinsurance

None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

None

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2009 were \$36,674,211. As of December 31, 2009, the entire amount has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior year are \$0. Therefore, there has been no material prior year development since December 31, 2009 to 2010.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivable

- a. Pharmaceutical Rebate Receivables

Pharmaceutical rebates receivable, to the extent admitted, are included in line 24 of the Assets page (Note 1). Information regarding pharmaceutical rebates for 2010, 2009 and 2008 is as follows:

Notes to Financial Statements

For the Quarter Ended	Estimated Pharmacy Rebates Receivable	Pharmacy Rebates as Invoiced or Otherwise Confirmed	Pharmacy Rebates Collected
12/31/2010	3,217,075	-	-
9/30/2010	3,052,080	3,272,513	167,911
6/30/2010	3,762,701	2,929,943	2,676,444
3/31/2010	1,698,441	2,698,872	2,434,534
12/31/2009	1,460,527	1,416,919	1,275,421
9/30/2009	1,529,000	1,302,837	1,172,811
6/30/2009	1,130,000	1,139,138	1,052,405
3/31/2009	780,000	1,088,373	979,626
12/31/2008	816,683	971,533	838,480
9/30/2008	1,315,457	901,828	765,140
6/30/2008	1,919,305	864,121	559,767
3/31/2008	817,310	763,454	662,347

b. Risk Sharing Receivables

None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

The Company took into account estimated anticipated salvage and subrogation in its determination of the liability for unpaid claims/losses and reduced such liability by \$1,106,000.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[] N/A[]
- 1.3 State Regulating? Tennessee
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/25/2010
- 3.4 By what department or departments?
Tennessee Department of Commerce & Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes[] No[X]
- 4.12 renewals? Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes[] No[X]
- 4.22 renewals? Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....

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

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	Yes[] No[X]				

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, 424 Church Street, Suite 2400 Nashville, Tennessee 37219
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes[] No[X]
- 10.6 If response to 10.5 is "yes," provide information related to this exemption:
- 10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[] No[X] N/A[]
- 10.8 If the answer to 10.7 is "NO" or "N/A" please explain:
An Audit Committee will be established by 3/1/2011

GENERAL INTERROGATORIES (Continued)

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Joann Bogolin, actuary, Ingenix Consulting, 2170 Satellite Blvd, Suite 150, Duluth, GA 30097
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes No
 12.11 Name of real estate holding company
 12.12 Number of parcels involved 0
 12.13 Total book/adjusted carrying value \$ 0
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes No N/A
 13.3 Have there been any changes made to any of the trust indentures during the year? Yes No N/A
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes No N/A
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 c. Compliance with applicable governmental laws, rules and regulations;
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 e. Accountability for adherence to the code. Yes No
- 14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended? Yes No
 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes No
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

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

FINANCIAL

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

INVESTMENT

- 23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 23.3) Yes No
- 23.2 If no, give full and complete information, relating thereto:
 23.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 17 where this information is also provided)
N/A
- 23.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No N/A
- 23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs. \$ 0
- 23.6 If answer to 23.4 is no, report amount of collateral for other programs. \$ 0
- 23.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No N/A
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No N/A
- 23.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No N/A
- 24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3) Yes No
- 24.2 If yes, state the amount thereof at December 31 of the current year:
 24.21 Subject to repurchase agreements \$ 0
 24.22 Subject to reverse repurchase agreements \$ 0
 24.23 Subject to dollar repurchase agreements \$ 0
 24.24 Subject to reverse dollar repurchase agreements \$ 0
 24.25 Pledged as collateral \$ 0

GENERAL INTERROGATORIES (Continued)

24.26 Placed under option agreements	\$	0
24.27 Letter stock or securities restricted as to sale	\$	0
24.28 On deposit with state or other regulatory body	\$	0
24.29 Other	\$	0

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes No
 25.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes No N/A
 If no, attach a description with this statement.

26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes No
 26.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

27. 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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of America	Atlanta, Georgia
Regions Morgan Keegan	Nashville, Tennessee
Regions Morgan Keegan	Little Rock, Arkansas
Pinnacle National Bank	Nashville, TN

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

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

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? Yes No
 27.04 If yes, give full and complete information relating thereto:

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

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

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

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

28.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
28.2999 Total		

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

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

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

GENERAL INTERROGATORIES (Continued)

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1	Bonds	12,362,588	12,225,635	(136,953)
29.2	Preferred stocks			
29.3	Totals	12,362,588	12,225,635	(136,953)

29.4 Describe the sources or methods utilized in determining the fair values
Fair values are provided by custodial financial institutions.

- 30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]
- 30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[] No[X] N/A[]
- 30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
The Company used Regions Morgan Keegan (which is approved by State of Tennessee to hold pledged securities) and Pinnacle National Bank to determine fair value.
- 31.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
- 31.2 If no, list exceptions:

OTHER

- 32.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 0
- 32.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	

- 33.1 Amount of payments for legal expenses, if any? \$ 0
- 33.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	

- 34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0
- 34.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned \$ 0
- 1.62 Total incurred claims \$ 0
- 1.63 Number of covered lives 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ 0
- 1.65 Total incurred claims \$ 0
- 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned \$ 0
- 1.72 Total incurred claims \$ 0
- 1.73 Number of covered lives 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ 0
- 1.75 Total incurred claims \$ 0
- 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	196,719,838	341,512,212
2.2 Premium Denominator	231,298,041	366,622,814
2.3 Premium Ratio (2.1 / 2.2)	0.851	0.932
2.4 Reserve Numerator		
2.5 Reserve Denominator	22,373,703	38,472,170
2.6 Reserve Ratio (2.4 / 2.5)		

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No []
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No[X] N/A []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No[X]
- 5.2 If no, explain:
The Company obtained quotes from carriers offering this coverage, but after analysis of the coverage level options and the related premiums based on claims experience the Company concluded that the coverage would provide adequate returns on the premium.
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ 0
- 5.32 Medical Only \$ 0
- 5.33 Medicare Supplement \$ 0
- 5.34 Dental & Vision \$ 0
- 5.35 Other Limited Benefit Plan \$ 0
- 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
WHP's provider contracts contain hold harmless language.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 46,537
- 8.2 Number of providers at end of reporting year 61,357
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months 0
- 9.22 Business with rate guarantees over 36 months 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No []
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ 0
- 10.22 Amount actually paid for year bonuses \$ 1,513,505
- 10.23 Maximum amount payable withholds \$ 0
- 10.24 Amount actually paid for year withholds \$ 1,513,505
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [] No[X]
- 11.14 A Mixed Model (combination of above)? Yes[X] No []
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No []
- 11.3 If yes, show the name of the state requiring such net worth.
Tennessee
- 11.4 If yes, show the amount required. \$ 9,249,342
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No[X]
- 11.6 If the amount is calculated, show the calculation.
Amount totaling 4% of the first \$150,000,000 of revenue earned for the prior calendar year, plus 1.5% of the amount earned in excess of \$150,000,000 for the prior calendar year. Windsor's revenues for 2009 totaled \$366,622,814; therefore, Windsor's current statutory net worth requirement is \$9,249,342 (\$150,000,000 x 4% + (\$366,622,814 - \$150,000,000) x 1.5%).
- 12. List service areas in which the reporting entity is licensed to operate:

GENERAL INTERROGATORIES (Continued)

1 Name of Service Area
In Tennessee: Anderson, Bedford, Benton, Bledsoe, Blount, Bradley, Campbell, Cannon, Carroll, Cheatham, Chester, Claiborne, Cocke, Coffee, Crockett, Davidson, Decatur, DeKalb, Dyer, Fayette, Franklin, Giles, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hardeman, Hardin, Hawkins, Haywood, Henderson, Henry, Hickman, Houston, Humphreys, Jackson, Jefferson, Knox, Lake, Lauderdale, Lawrence, Lewis, Loudon, Macon, Madison, Marshall, Maury, McMinn, McNairy, Meigs, Monroe, Montgomery, Moore, Morgan, Obion, Overton, Pickett, Polk, Rhea, Roane, Rutherford, Scott, Sequatchie, Sevier, Shelby, Smith, Stewart, Sullivan, Sumner, Tipton, Trousdale, Unicoi, Union, Van Buren, Wayne, Weakley, Williamson
In Alabama: Blount, Jefferson, Mobile, Shelby, St. Clair, Talladega, Walker
In Arkansas: Arkansas, Ashley, Baxter, Benton, Calhoun, Carroll, Clark, Clay, Cleburne, Cleveland, Conway, Craighead, Crawford, Crittenden, Cross, Dallas, Desha, Franklin, Fulton, Garland, Grant, Greene, Hot Spring, Independence, Jackson, Johnson, Lee, Lincoln, Logan, Lonoke, Madison, Marion, Mississippi, Monroe, Montgomery, Newton, Ouachita, Perry, Phillips, Pike, Poinsett, Prairie, Pulaski, Randolph, Saline, Searcy, Sebastian, Sharp, St. Francis, Stone, Union, Washington, White, Woodruff, Yell,
In Mississippi: Adams, Attala, Benton, Carroll, Claiborne, Clarke, Coahoma, Copiah, Covington, De Soto, Forrest, Granada, Hinds, Issaquena, Jasper, Jefferson, Jones, Kemper, Lafayette, Lamar, Lauderdale, Lawrence, Leake, Lincoln, Lowndes, Madison, Marion, Marshall, Neshoba, Newton, Panola, Perry, Pike, Prentiss, Quitman, Rankin, Scott, Sharkey, Simpson, Smith, Stone, Sunflower, Tate, Tippah, Tunica, Union, Walthall, Warren, Washington, Wayne, Winston, Yalobusha, Yazoo
In South Carolina: Abbeville, Cherokee, Fairfield, Greenville, Greenwood, Kershaw, McCormick, Newberry, Saluda, Spartanburg,

- | | |
|---|---|
| 13.1 Do you act as a custodian for health savings accounts? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 0 |
| 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: | \$ 0 |
| 13.3 Do you act as an administrator for health savings accounts? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 0 |
| 13.4 If yes, please provide the balance of the funds administered as of the reporting date: | \$ 0 |

FIVE-YEAR HISTORICAL DATA

	1 2010	2 2009	3 2008	4 2007	5 2006
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	143,373,852	66,399,847	58,000,755	28,178,386	23,317,372
2. TOTAL Liabilities (Page 3, Line 24)	113,710,800	50,225,533	58,620,240	23,557,608	16,699,235
3. Statutory surplus	9,249,342	7,895,698	7,626,189	7,905,957	4,172,221
4. TOTAL Capital and Surplus (Page 3, Line 33)	29,663,052	16,174,314	(619,485)	4,620,778	6,618,137
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	231,298,041	366,622,814	279,828,786	117,588,131	57,048,413
6. TOTAL Medical and Hospital Expenses (Line 18)	182,463,354	312,279,632	245,001,950	95,026,919	45,655,995
7. Claims adjustment expenses (Line 20)	251,458	249,825	647,544	94,964	81,205
8. TOTAL Administrative Expenses (Line 21)	30,457,427	53,166,496	44,635,917	22,365,056	10,494,358
9. Net underwriting gain (loss) (Line 24)	18,125,802	926,861	(10,456,625)	101,192	816,855
10. Net investment gain (loss) (Line 27)	740,451	669,805	(117,012)	1,173,734	525,325
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	13,162,837	1,037,833	(10,127,413)	828,702	1,342,180
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	3,273,731	(23,866,441)	15,640,686	6,958,343	12,736,394
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	29,663,052	16,174,314	(619,485)	7,905,957	6,618,137
15. Authorized control level risk-based capital	7,011,601	12,274,101	9,839,854	4,946,987	2,652,883
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	79,080	206,149	124,623	54,715	53,293
17. TOTAL Members Months (Column 6, Line 7)	914,177	615,750	443,651	189,478	621,466
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	78.9	85.2	87.6	80.8	80.0
20. Cost containment expenses	0.1	0.1	0.1		
21. Other claims adjustment expenses	0.0	0.0	0.2	0.1	
22. TOTAL Underwriting Deductions (Line 23)	92.2	99.7	103.7	99.9	98.6
23. TOTAL Underwriting Gain (Loss) (Line 24)	7.8	0.3	(3.7)	0.1	1.4
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	35,335,502	22,875,558	12,917,213	6,502,468	
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	32,761,080	21,073,133	13,694,624	8,288,100	
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					

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

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1. Alabama (AL)	L	9,242,810	5,980,348					15,223,158	
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	2,275,025	63,944,548					66,219,573	
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)	L	9,521,367	124,995,714					134,517,081	
26. Missouri (MO)	N								
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)	L	7,755,338	19,106,367					26,861,705	
42. South Dakota (SD)	N								
43. Tennessee (TN)	L	15,753,681	158,243,919					173,997,600	
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 Marianas Islands (MP)	N								
57. Canada (CN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	44,548,221	372,270,896					416,819,117	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) 5	44,548,221	372,270,896					416,819,117	

DETAILS OF WRITE-INS

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. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	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.

Explanation of basis of allocation of premiums by states, etc.: The first step in completing Schedule T is to allocate CMS premiums by line of business. Windsor's monthly premium payments from CMS are split by contract, so actual figures are used for this level of reporting break down. Next, PDP premiums are broken down by state using a supporting schedule developed by Windsor based on the CMS payment file. The applicable state is determined using each member's address on that file. However, this supporting schedule shows premiums by state based upon the month of coverage whereas the financial statements reflect premiums accounted for in accordance with accounting principles. As a result, for NAIC reporting, Windsor uses the supporting schedule to calculate the ratio of premiums by state to total premiums and applies those ratios to the total financial statement premiums. Similarly, for its MA-PD line of business, Windsor calculates the CMS

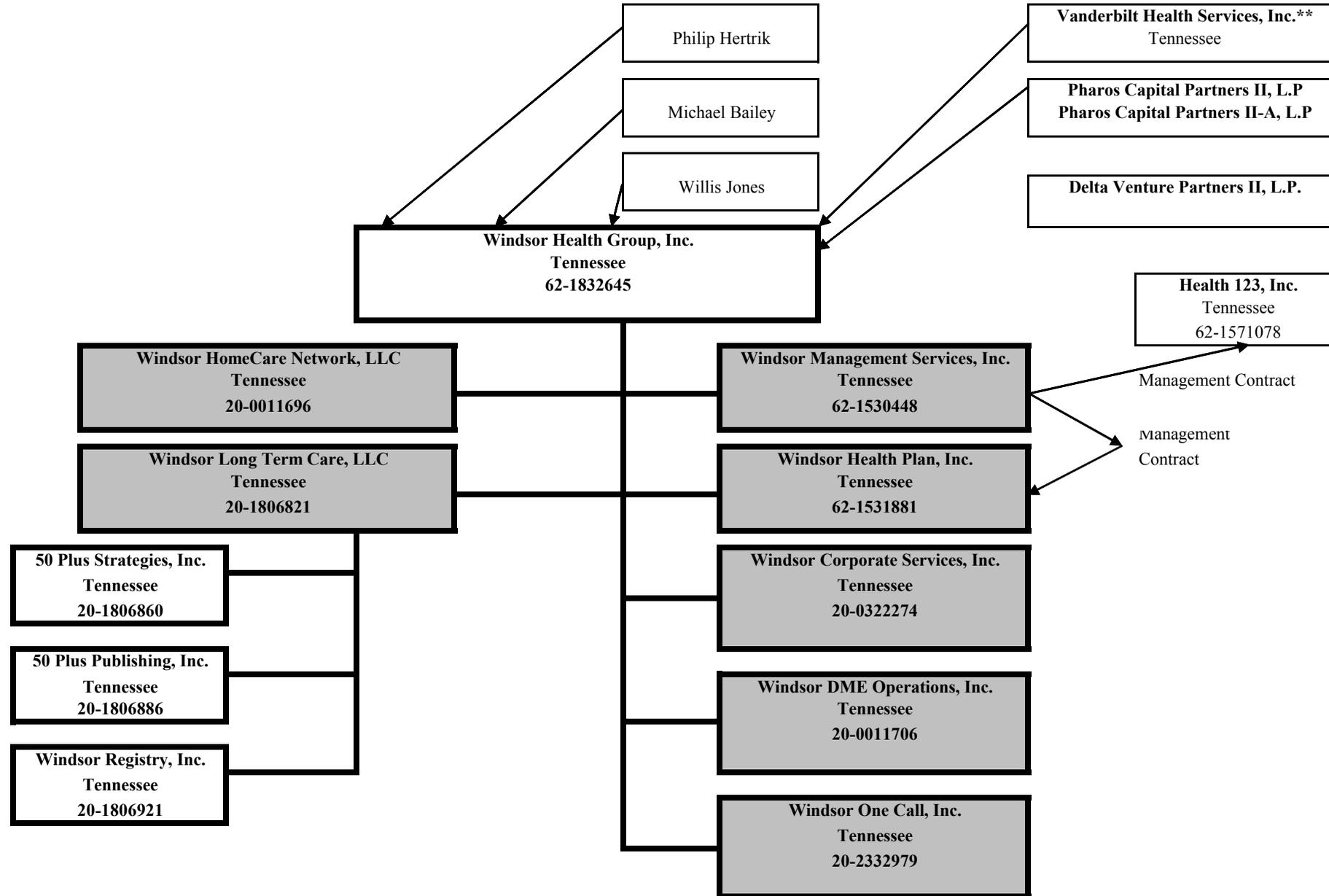
Schedule T - Premiums and Other Considerations (continued)

portion of the premium per state based on the members' addresses on the monthly payment file. This information is again maintained on a supporting schedule so an allocation is necessary based on calculated ratios. The member portion of the premium for each plan is also linked to his/her state based on the payment file. These member premiums are then allocated to states using the same ratios as calculated for the CMS payment.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

**Vanderbilt Health Services, Inc. is a subsidiary of Vanderbilt University

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