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QUARTERLY STATEMENT

AS OF June 30, 2010

OF THE CONDITION AND AFFAIRS OF THE

Care Improvement Plus South Central Insurance Company

NAIC Group Code 4443 (Current Period), 4443 (Prior Period) NAIC Company Code 12567 Employer's ID Number 20-3888112

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

Country of Domicile United States of America

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

Incorporated/Organized 01/13/2006 Commenced Business 01/01/2007

Statutory Home Office 400 West Capitol, Suite 2000 (Street and Number), Little Rock, AR 72201 (City, or Town, State and Zip Code)

Main Administrative Office 351 W. Camden Street, Suite 100 (Street and Number)
Baltimore, MD 21201 (City or Town, State and Zip Code) (410)625-2200 (Area Code) (Telephone Number)

Mail Address 351 W. Camden Street, Suite 100 (Street and Number or P.O. Box), Baltimore, MD 21201 (City, or Town, State and Zip Code)

Primary Location of Books and Records 351 W. Camden Street, Suite 100 (Street and Number)
Baltimore, MD 21201 (City, or Town, State and Zip Code) (410)625-2200 (Area Code) (Telephone Number)

Internet Web Site Address www.careimprovementplus.com

Statutory Statement Contact Reya Mathew (Name) (443)872-3040 (Area Code)(Telephone Number)(Extension)
rmathew@xlhealth.com (E-Mail Address) (410)244-8347 (Fax Number)

OFFICERS

Name	Title
Frederick Clark Dunlap	Chairman, CEO & President
Paul Anthony Serini	Secretary & EVP
Mete Sahin	Treasurer & CFO
Robb Andrew Cohen	CGAO
Daniel Jay Friedman	Assistant Secretary & CLO
Suresh Ramakrishnan	CIO
Laura June Ciavola	Senior VP of Claims & Systems Intergration
John Richard Mach Jr., M.D	Chief Medical Officer
Joseph Lee Spruiell	Senior Vice President, Field Operations

OTHERS

DIRECTORS OR TRUSTEES

Frederick Clark Dunlap
Paul Anthony Serini
Mete Sahin

State of
County of ss

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

(Signature)	(Signature)	(Signature)
Frederick Clark Dunlap	Paul Anthony Serini	Mete Sahin
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chairman, CEO & President	Secretary & EVP	Treasurer & CFO
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
day of , 2010

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

(Notary Public Signature)

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds	122,475		122,475	922,255
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)				
4.2 Properties held for the production of income (less $.....0 encumbrances)				
4.3 Properties held for sale (less $.....0 encumbrances)				
5. Cash ($....(11,730,673)), cash equivalents ($.....0) and short-term investments ($.....75,024,198)	63,293,525		63,293,525	107,012,614
6. Contract loans (including $.....0 premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Aggregate write-ins for invested assets				
11. Subtotals, cash and invested assets (Lines 1 to 10)	63,416,000		63,416,000	107,934,870
12. Title plants less $.....0 charged off (for Title insurers only)				
13. Investment income due and accrued	23,428		23,428	27,480
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	54,664,379	630	54,663,749	3,030,301
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)				
14.3 Accrued retrospective premiums	20,137,187		20,137,187	19,922,933
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers	825,233		825,233	771,835
15.2 Funds held by or deposited with reinsured companies				
15.3 Other amounts receivable under reinsurance contracts				
16. Amounts receivable relating to uninsured plans	21,951,812		21,951,812	28,747,819
17.1 Current federal and foreign income tax recoverable and interest thereon	6,003,433		6,003,433	4,249,009
17.2 Net deferred tax asset				
18. Guaranty funds receivable or on deposit				
19. Electronic data processing equipment and software				
20. Furniture and equipment, including health care delivery assets ($.....0)				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Receivables from parent, subsidiaries and affiliates				9,862,556
23. Health care ($.....11,531,533) and other amounts receivable	23,316,906	11,785,373	11,531,533	8,415,776
24. Aggregate write-ins for other than invested assets	153,721		153,721	153,721
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	190,492,099	11,786,003	178,706,096	183,116,300
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
27. Total (Lines 25 and 26)	190,492,099	11,786,003	178,706,096	183,116,300
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page				
1099. TOTALS (Lines 1001 through 1003 plus 1098) (Line 10 above)				
2401. Premium Tax Receivable	153,721		153,721	153,721
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	153,721		153,721	153,721

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $.....1,822,327 reinsurance ceded)	95,761,849		95,761,849	103,989,251
2.	Accrued medical incentive pool and bonus amounts	69,981		69,981	109,123
3.	Unpaid claims adjustment expenses	1,902,125		1,902,125	1,810,925
4.	Aggregate health policy reserves	11,587		11,587	4,718,235
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				9,000
9.	General expenses due or accrued				
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable	406,825		406,825	317,893
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 $.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	4,483,395		4,483,395	80
16.	Derivatives				
17.	Payable for securities				
18.	Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)				
19.	Reinsurance in unauthorized companies				
20.	Net adjustments in assets and liabilities due to foreign exchange rates				
21.	Liability for amounts held under uninsured plans				
22.	Aggregate write-ins for other liabilities (including $.....0 current)				131,000
23.	Total liabilities (Lines 1 to 22)	102,635,762		102,635,762	111,085,507
24.	Aggregate write-ins for special surplus funds	XXX	XXX		
25.	Common capital stock	XXX	XXX	750,000	750,000
26.	Preferred capital stock	XXX	XXX		
27.	Gross paid in and contributed surplus	XXX	XXX	186,112,960	174,112,960
28.	Surplus notes	XXX	XXX		
29.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
30.	Unassigned funds (surplus)	XXX	XXX	(110,792,625)	(102,832,167)
31.	Less treasury stock, at cost:				
	31.1 .....0 shares common (value included in Line 25 $.....0)	XXX	XXX		
	31.2 .....0 shares preferred (value included in Line 26 $.....0)	XXX	XXX		
32.	Total capital and surplus (Lines 24 to 30 minus Line 31)	XXX	XXX	76,070,335	72,030,793
33.	Total Liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	178,706,097	183,116,300
DETAILS OF WRITE-INS					
2201.	Claims Interest Payable				131,000
2202.					
2203.					
2298.	Summary of remaining write-ins for Line 22 from overflow page				
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above)				131,000
2401.		XXX	XXX		
2402.		XXX	XXX		
2403.		XXX	XXX		
2498.	Summary of remaining write-ins for Line 24 from overflow page	XXX	XXX		
2499.	TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	XXX	XXX		
2901.		XXX	XXX		
2902.		XXX	XXX		
2903.		XXX	XXX		
2998.	Summary of remaining write-ins for Line 29 from overflow page	XXX	XXX		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date 1 Uncovered	Current Year To Date 2 Total	Prior Year To Date 3 Total	Prior Year Ended December 31 4 Total
1.	Member Months	XXX	316,803	232,856	482,570
2.	Net premium income (including $.....0 non-health premium income)	XXX	449,062,749	362,240,350	745,346,933
3.	Change in unearned premium reserves and reserves for rate credits	XXX			
4.	Fee-for-service (net of $.....0 medical expenses)	XXX			
5.	Risk revenue	XXX			
6.	Aggregate write-ins for other health care related revenues	XXX			
7.	Aggregate write-ins for other non-health revenues	XXX			
8.	Total revenues (Lines 2 to 7)	XXX	449,062,749	362,240,350	745,346,933
Hospital and Medical:					
9.	Hospital/medical benefits		325,729,260	271,020,524	574,065,812
10.	Other professional services		3,128,019	1,491,402	4,034,534
11.	Outside referrals				
12.	Emergency room and out-of-area				
13.	Prescription drugs		45,168,197	29,766,716	38,383,030
14.	Aggregate write-ins for other hospital and medical		792,327	395,448	961,584
15.	Incentive pool, withhold adjustments and bonus amounts				109,123
16.	Subtotal (Lines 9 to 15)		374,817,803	302,674,090	617,554,083
Less:					
17.	Net reinsurance recoveries		1,226,085	1,135,536	741,682
18.	Total hospital and medical (Lines 16 minus 17)		373,591,718	301,538,554	616,812,401
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $.....14,316,841 cost containment expenses		35,393,067	27,484,499	60,905,155
21.	General administrative expenses		44,970,000	38,754,446	77,139,462
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)		453,954,785	367,777,499	754,857,018
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(4,892,036)	(5,537,149)	(9,510,085)
25.	Net investment income earned		(98,014)	92,858	(517,643)
26.	Net realized capital gains (losses) less capital gains tax of $.....0				
27.	Net investment gains or (losses) (Lines 25 plus 26)		(98,014)	92,858	(517,643)
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....368,937) (amount charged off $.....0)]		368,937	(1,645,611)	(2,593,226)
29.	Aggregate write-ins for other income or expenses				
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(4,621,113)	(7,089,902)	(12,620,954)
31.	Federal and foreign income taxes incurred	XXX	(1,754,425)	(1,907,973)	(1,432,767)
32.	Net income (loss) (Lines 30 minus 31)	XXX	(2,866,688)	(5,181,929)	(11,188,187)
DETAILS OF WRITE-INS					
0601.		XXX			
0602.		XXX			
0603.		XXX			
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX			
0701.		XXX			
0702.		XXX			
0703.		XXX			
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX			
1401.	Transportation Costs		792,327	395,448	961,584
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)		792,327	395,448	961,584
2901.					
2902.					
2903.					
2998.	Summary of remaining write-ins for Line 29 from overflow page				
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	72,030,792	71,995,043	71,995,044
34.	Net income or (loss) from Line 32	(2,866,688)	(5,181,929)	(11,188,187)
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			(18,593,295)
39.	Change in nonadmitted assets	(5,093,769)	(1,643,769)	12,367,230
40.	Change in unauthorized reinsurance			
41.	Change in treasury stock			
42.	Change in surplus notes			
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
	44.1 Paid in		650,000	650,000
	44.2 Transferred from surplus (Stock Dividend)			
	44.3 Transferred to surplus			
45.	Surplus adjustments:			
	45.1 Paid in	12,000,000	6,450,000	17,450,000
	45.2 Transferred to capital (Stock Dividend)		(650,000)	(650,000)
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus			
48.	Net change in capital and surplus (Lines 34 to 47)	4,039,543	(375,698)	35,748
49.	Capital and surplus end of reporting period (Line 33 plus 48)	76,070,335	71,619,345	72,030,792
DETAILS OF WRITE-INS				
4701.	Correction of an Error - 2007 Audit Adjustments			
4702.				
4703.				
4798.	Summary of remaining write-ins for Line 47 from overflow page			
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	Cash from Operations			
1.	Premiums collected net of reinsurance	392,587,701	318,225,790	764,895,286
2.	Net investment income	(90,503)	102,059	(362,242)
3.	Miscellaneous income			
4.	Total (Lines 1 to 3)	392,497,198	318,327,849	764,533,044
5.	Benefit and loss related payments	390,122,608	327,275,511	631,459,273
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	73,106,923	70,023,015	188,697,466
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(1)		(7,654,758)
10.	Total (Lines 5 through 9)	463,229,530	397,298,526	812,501,981
11.	Net cash from operations (Line 4 minus Line 10)	(70,732,332)	(78,970,677)	(47,968,937)
	Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	921,000		
	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)	921,000		
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	124,678		
	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)	124,678		
14.	Net increase (or decrease) in contract loans and premium notes			
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	796,322		
	Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes			
	16.2 Capital and paid in surplus, less treasury stock	12,000,000	6,450,000	17,450,000
	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)	14,216,921	8,396,210	(3,641,669)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	26,216,921	14,846,210	13,808,331
	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)	(43,719,089)	(64,124,467)	(34,160,606)
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	107,012,614	141,173,219	141,173,219
	19.2 End of period (Line 18 plus Line 19.1)	63,293,525	77,048,752	107,012,614

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

20.0001				

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	43,384							43,384		
2. First Quarter	51,855							51,855		
3. Second Quarter	56,654							56,654		
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	316,803							316,803		
Total Member Ambulatory Encounters for Period:										
7. Physician	963,806							963,806		
8. Non-Physician	450,939							450,939		
9. Total	1,414,745							1,414,745		
10. Hospital Patient Days Incurred	100,445							100,445		
11. Number of Inpatient Admissions	14,952							14,952		
12. Health Premiums Written (a)	451,339,051							451,339,051		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	451,339,051							451,339,051		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	390,369,975							390,369,975		
18. Amount Incurred for Provision of Health Care Services	374,817,803							374,817,803		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $....451,339,051.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	17,782,116	2,092,150	228,490	219,638	12,373	20,334,767
0499999 Subtotals	17,782,116	2,092,150	228,490	219,638	12,373	20,334,767
0599999 Unreported claims and other claim reserves						77,249,409
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						97,584,176
0899999 Accrued Medical Incentive Pool And Bonus Amounts						69,981

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
1. Comprehensive (hospital & medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	85,765,945	304,264,122	797,992	94,963,857	86,563,937	103,989,251
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	85,765,945	304,264,122	797,992	94,963,857	86,563,937	103,989,251
10. Healthcare receivables (a)	1,358,654	21,868,661			1,358,654	15,016,368
11. Other non-health						
12. Medical incentive pools and bonus amounts	39,142		69,981		109,123	109,123
13. Totals	84,446,433	282,395,461	867,973	94,963,857	85,314,406	89,082,006

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

Notes to Financial Statement

1. Summary of Significant Accounting Policies

a. Accounting Practices

The accompanying financial statements of Care Improvement Plus South Central Insurance Company (the "Company") have been prepared in conformity with accounting practices prescribed or permitted by the state of Arkansas for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Arkansas 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 state of Arkansas.

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

		2010	2009
(1)	Net Income Arkansas state basis	(2,866,688)	(11,188,186)
(2)	State Prescribed Practices (Income):	-	-
(3)	State Permitted Practices (Income):	-	-
(4)	Net Income, NAIC SAP	(2,866,688)	(11,188,186)
(5)	Statutory Surplus Arkansas basis	76,070,335	72,030,792
(6)	State Prescribed Practices (Surplus):	-	-
(7)	State Permitted Practices (Surplus):	-	-
(8)	Statutory Surplus, NAIC SAP	76,070,335	72,030,792

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

No Material Change

c. Accounting Policy

No Material Change

2. Accounting Changes and Corrections of Errors

No Material Change

3. Business Combinations and Goodwill

No Material Change

4. Discontinued Operations

No Material Change

5. Investments

No Material Change

D. Loan-Backed Securities – None.

6. Joint Ventures, Partnerships and Limited Liability Companies

No Material Change

7. Investment Income

No Material Change

Notes to Financial Statement

8. Derivative Instruments

No Material Change

9. Income Taxes

No Material Change

10. Information Concerning Parent, Subsidiaries and Affiliates

The Company has an income tax receivable in the amount of $6,003,433 from XLHealth Corporation at June 30, 2010 in accordance with the Tax Sharing Agreement.

XLHealth Corporation contributed $3,500,000 April 10, 2010, $2,000,000 May 20, 2010, and $6,500,000 June 18, 2010 into the Company to assure the Company had sufficient capital and surplus to meet the state regulatory requirements.

11. Debt

No Material Change

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits, Compensated Absences and other Postretirement Benefit Plans.

No Material Change

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

No Material Change

14. Contingencies

No Material Change

15. Leases

No Material Change

16. Information about Financial Instruments with off-balance sheet risk and financial instruments with concentrations of credit risk.

No Material Change

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

a. Transfers of Receivables reported as Sales – No Material Change

b. Transfer and Servicing of Financial Assets – No Material Change

c. Wash Sales – None

Notes to Financial Statement

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

No Material Change

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

No Material Change

20. Other Items

No Material Change

21. Events Subsequent

No Material Change

22. Reinsurance

No Material Change

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

No Material Change

24. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2009 were $105,909,299. As of June 30, 2010, $101,273,725 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $867,974 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Medicare line of business. Therefore, there has been a $3,767,600 favorable prior-year development since December 31, 2009 to June 30, 2010. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

25. Intercompany Pooling Arrangements

No Material Change

26. Structured Settlements

No Material Change

Notes to Financial Statement

27. Health Care Receivables

a. Pharmaceutical Rebate Receivables

	Estimated Pharmacy Rebates as Reported	Pharmacy Rebates as Billed or Confirmed	Rebates received within 90 days	Rebates Received within 91 to 180 days	Rebates Received more than 180 days
06/30/2010	9,820,893	-	-	-	-
03/31/2010	8,551,248	4,706,482	-	-	-
12/31/2009	7,231,170	4,053,058	4,646,272	-	-
09/30/2009	6,648,124	3,380,972	3,359,776	21,196	-
06/30/2009	6,519,968	3,267,152	3,264,660	2,492	-
03/31/2009	4,576,377	3,252,816	3,391,822	(139,006)	-
12/31/2008	2,099,913	2,518,472	113,962	939,436	1,728,093
09/30/2008	5,834,784	5,105,000	1,771,957	113,533	-
06/30/2008	1,662,850	3,235,000	1,662,852	-	113,004
03/31/2008	3,915,782	3,255,000	772,565	1,174,737	535,450
12/31/2007	2,147,000	-	747,188	1,403,269	312,735
09/30/2007	2,001,000	-	666,762	743,796	220,314
06/30/2007	387,000	-	205,513	318,098	138,752
03/31/2007	-	-	83,787	108,757	16,473

b. Risk Sharing Receivables - No Material Change

28. Participating Policies

No Material Change

29. Premium Deficiency Reserves

No Material Change

30. Anticipated Salvage and Subrogation

No Material Change

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008
6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/22/2009
6.4 By what department or departments?
Arkansas Department of Insurance
6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[X] No[ ] N/A[ ]
6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]

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

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

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

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.
9.11 If the response to 9.1 is No, please explain:
9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]
10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

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

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

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

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

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

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

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

1 Name of Custodian(s)	2 Custodian Address
Goldman Sachs	Philadelphia, PA

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
361	Goldman Sachs	1735 Market St. 26th Floor Philadelphia, PA 19103

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

General Interrogatories Part 1 Attachments

The Company received approval June 17, 2010 to revise the 2010 Management Service Agreement with XLHealth Corporation from 18.5% or net premium revenue to 17.9% of net premium revenue.

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
   1.1 A&H loss percent 86%
   1.2 A&H cost containment percent 3%
   1.3 A&H expense percent excluding cost containment expenses 15%

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

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
Accident and Health - Non-affiliates						
21970	23-1502700	01/01/2010	ONEBEACON INS CO	Minnetonka, MN	SSL/A/I	Yes[X] No[ ]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

			Direct Business Only							
		1	2	3	4	5	6	7	8	9
	State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	L		68,659,018					68,659,018	
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)	L		165,701,694					165,701,694	
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	N								
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	L		55,342,648					55,342,648	
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		161,635,692					161,635,692	
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	XXX								
59.	Subtotal	XXX		451,339,052					451,339,052	
60.	Reporting entity contributions for Employee Benefit Plans	XXX								
61.	Total (Direct Business)	(a) 4		451,339,052					451,339,052	
DETAILS OF WRITE-INS										
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

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

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement

12567201036500002 2010 Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

NONE

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

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	922,256	953,032
2.	Cost of bonds and stocks acquired	124,678	
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration for bonds and stocks disposed of	921,000	
7.	Deduct amortization of premium	3,459	30,776
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	122,475	922,256
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	122,475	922,256

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	98,551,483	767,029	24,160,374	(11,465)	98,551,483	75,146,673		69,917,174
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	98,551,483	767,029	24,160,374	(11,465)	98,551,483	75,146,673		69,917,174
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	98,551,483	767,029	24,160,374	(11,465)	98,551,483	75,146,673		69,917,174

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....75,024,198; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0

SCHEDULE DA - PART 1

Short - Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	75,024,198	X X X	75,043,020	9,927	

SCHEDULE DA - Verification

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	68,994,918	157,459,091
2.	Cost of short-term investments acquired	64,035,835	2,437,451
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	57,986,752	90,885,838
7.	Deduct amortization of premium	19,803	15,786
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized		
10.	Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	75,024,198	68,994,918
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	75,024,198	68,994,918

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

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

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

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

SI07 Schedule DB - Verification . . . . . NONE

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

E01 Schedule A Part 2 . . . . . NONE

E01 Schedule A Part 3 . . . . . NONE

E02 Schedule B Part 2 . . . . . NONE

E02 Schedule B Part 3 . . . . . NONE

E03 Schedule BA Part 2 . . . . . NONE

E03 Schedule BA Part 3 . . . . . NONE

E04 Schedule D Part 3 . . . . . NONE

E05 Schedule D Part 4 . . . . . NONE

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

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

E08 Schedule DB Part D . . . . . NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
							6	7	8	
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
open depositories										
PNC Bank - Medical Expense Account	Baltimore MD						(4,672,993)	(6,977,016)	(2,588,103)	X X X
PNC Bank - Medical Expense Account	Baltimore MD						(17,930,073)	(22,337,317)	(10,146,848)	X X X
Bank of America	Boston, MA						500,000	500,000	500,000	X X X
Central Bank	Jefferson, MO						7,380	7,370	7,360	X X X
PNC Bank - Cash Receipt	Baltimore MD						22,640	3,949	98,136	X X X
PNC Bank - Cash Receipt	Baltimore MD						85,460	8,296	398,781	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X			(21,987,586)	(28,794,717)	(11,730,673)	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X			(21,987,586)	(28,794,717)	(11,730,673)	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X			(21,987,586)	(28,794,717)	(11,730,673)	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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

12567201036500102 2010 Document Code: 365

MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

For the Quarter Ended June 30, 2010

NAIC Group Code: 4443 **NAIC Company Code: 12567**

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

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

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