



QUARTERLY STATEMENT
AS OF September 30, 2008
OF THE CONDITION AND AFFAIRS OF THE
Mercy Health Plans

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

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

Country of Domicile United States of America

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

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

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

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

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

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

Primary Location of Books and Records 14528 S. Outer 40, Suite 300
(Street and Number)

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

Internet Website Address mercyhealthplans.com

Statutory Statement Contact George Aloysius Schneider (314)214-8140
(Name) (Area Code)(Telephone Number)(Extension)

George.Schneider@Mercy.Net (314)214-8239
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	
Robert Reade Vogel	President	#
Charles Sayel Gilham	Secretary	
George Aloysius Schneider	CFO & Treasurer	
Kenneth Michael Treash	COO	

OTHERS

DIRECTORS OR TRUSTEES

Ronald Boughton Ashworth	Bradley Kim Day #
Margaret Denielle DeNarvaez	Thomas Hamilton Hale MD
James Robert Jaacks	Timothy Jay Johnsen
Mark Lewis Lane	Jerry Lynn Stevenson #
Robert Reade Vogel	

State of Missouri
 County of St. Louis ss

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

(Signature)
 Robert Reade Vogel

(Printed Name)
 1.
 President

(Title)

(Signature)
 Charles Sayel Gilham

(Printed Name)
 2.
 Secretary

(Title)

(Signature)
 George Aloysius Schneider

(Printed Name)
 3.
 CFO & Treasurer

(Title)

Subscribed and sworn to before me this _____ day of _____, 2008

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

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	16,870,155		16,870,155	3,252,013
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 (\$.....0), cash equivalents (\$.....0) and short-term investments (\$.....22,205,984)	22,205,984		22,205,984	37,078,578
6. Contract loans (including \$.....0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	39,076,139		39,076,139	40,330,591
11. Title plants less \$.....0 charged off (for Title insurers only)				
12. Investment income due and accrued	258,591		258,591	206,417
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	7,199,908	763,768	6,436,140	2,464,617
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	478,596		478,596	118,708
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset	3,364,543	3,364,543		1,395,148
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$.....0)				
20. Net adjustments in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	2,507,126	1,125,122	1,382,004	679,247
22. Health care (\$.....362,549) and other amounts receivable	1,371,043	362,549	1,008,494	872,065
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	54,255,946	5,615,982	48,639,964	46,066,793
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	54,255,946	5,615,982	48,639,964	46,066,793
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)				
2301.				
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)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	22,025,596	421,400	22,446,996	19,767,820
2. Accrued medical incentive pool and bonus amounts	53,388		53,388	252,050
3. Unpaid claims adjustment expenses	703,941		703,941	417,772
4. Aggregate health policy reserves	97,443		97,443	150,636
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	2,399,969		2,399,969	2,523,882
9. General expenses due or accrued	177,927		177,927	124,623
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))	1,203,335		1,203,335	1,342,031
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	614,348		614,348	1,480,524
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans	5,336		5,336	133,733
21. Aggregate write-ins for other liabilities (including \$.....0 current)				
22. Total liabilities (Lines 1 to 21)	27,281,283	421,400	27,702,683	26,193,071
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X	1,600,000	1,600,000
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X	37,674,313	33,574,313
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	(18,337,032)	(15,300,591)
30. Less treasury stock, at cost:				
30.10 shares common (value included in Line 24 \$.....0)	X X X	X X X		
30.20 shares preferred (value included in Line 25 \$.....0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	20,937,281	19,873,722
32. Total Liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	48,639,964	46,066,793
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	653,501	589,675	799,642
2. Net premium income (including \$.....0 non-health premium income)	X X X	187,780,717	151,908,105	207,421,984
3. Change in unearned premium reserves and reserves for rate credits	X X X			
4. Fee-for-service (net of \$.....0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	187,780,717	151,908,105	207,421,984
Hospital and Medical:				
9. Hospital/medical benefits	1,447,168	79,504,802	74,121,728	101,018,011
10. Other professional services	43,457	2,387,457	1,230,188	2,045,238
11. Outside referrals				
12. Emergency room and out-of-area	74,270	4,080,256	4,105,943	6,075,452
13. Prescription drugs	333,351	18,313,700	17,158,498	23,397,654
14. Aggregate write-ins for other hospital and medical		60,909,785	43,753,711	60,267,282
15. Incentive pool, withhold adjustments and bonus amounts		(116,391)	55,402	231,175
16. Subtotal (Lines 9 to 15)	1,898,246	165,079,609	140,425,470	193,034,812
Less:				
17. Net reinsurance recoveries		278,997	127,468	162,175
18. Total hospital and medical (Lines 16 minus 17)	1,898,246	164,800,612	140,298,002	192,872,637
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$.....4,968,031 cost containment expenses		8,121,233	5,152,846	7,317,929
21. General administrative expenses		16,308,688	12,344,164	18,029,960
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			(1,372,554)	(1,798,326)
23. Total underwriting deductions (Lines 18 through 22)	1,898,246	189,230,533	156,422,458	216,422,200
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(1,449,816)	(4,514,353)	(9,000,216)
25. Net investment income earned		1,059,858	1,338,856	1,842,652
26. Net realized capital gains (losses) less capital gains tax of \$.....0				
27. Net investment gains or (losses) (Lines 25 plus 26)		1,059,858	1,338,856	1,842,652
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	(389,958)	(3,175,497)	(7,157,564)
31. Federal and foreign income taxes incurred	X X X	(138,696)	(1,432,260)	(577,568)
32. Net income (loss) (Lines 30 minus 31)	X X X	(251,262)	(1,743,237)	(6,579,996)
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 (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401. Global capitation		60,909,785	43,753,711	60,267,282
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)		60,909,785	43,753,711	60,267,282
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	19,873,728	20,550,316	20,550,318
34. Net income or (loss) from Line 32	(251,262)	(1,743,237)	(6,579,996)
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	(17,974)	(359,306)	1,919,972
39. Change in nonadmitted assets	(2,767,210)	(324,095)	(2,216,566)
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in	4,100,000	3,700,000	6,200,000
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	1,063,554	1,273,362	(676,590)
49. Capital and surplus end of reporting period (Line 33 plus 48)	20,937,282	21,823,678	19,873,728
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance	183,193,885	205,436,377
2.	Net investment income	1,022,680	1,692,938
3.	Miscellaneous income	162	(629,048)
4.	Total (Lines 1 to 3)	184,216,727	206,500,267
5.	Benefit and loss related payments	162,679,986	185,824,201
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	24,218,845	24,832,707
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		(7,059,791)
10.	Total (Lines 5 through 9)	186,898,831	203,597,117
11.	Net cash from operations (Line 4 minus Line 10)	(2,682,104)	2,903,150
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	500,000	2,725,000
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)	500,000	2,725,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	14,133,138	732,950
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)	14,133,138	732,950
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)	(13,633,138)	1,992,050
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	4,100,000	6,200,000
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(2,657,357)	8,266,827
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	1,442,643	14,466,827
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)	(14,872,599)	19,362,027
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	37,078,578	17,716,557
19.2	End of period (Line 18 plus Line 19.1)	22,205,979	37,078,584

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

Description		Amount 1	Amount 2
20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	70,201	5,861	63,487					853		
2. First Quarter	73,103	7,086	63,701					2,316		
3. Second Quarter	73,686	9,031	62,054					2,601		
4. Third Quarter	72,747	10,678	59,377					2,692		
5. Current Year										
6. Current Year Member Months	653,501	77,539	553,784					22,178		
Total Member Ambulatory Encounters for Period:										
7. Physician	288,753	27,920	251,059					9,774		
8. Non-Physician	30,801	2,097	27,308					1,396		
9. Total	319,554	30,017	278,367					11,170		
10. Hospital Patient Days Incurred	15,000	795	13,025					1,180		
11. Number of Inpatient Admissions	3,818	199	3,417					202		
12. Health Premiums Written (a)	188,302,452	13,016,424	155,965,959					19,320,069		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	188,248,263	12,962,235	155,965,959					19,320,069		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	162,764,886	10,899,495	137,418,554					14,446,837		
18. Amount Incurred for Provision of Health Care Services	165,079,607	10,689,247	139,628,201					14,762,159		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0.

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
St Johns Phys	10,030	48				10,078
Blessing Hos	10,176					10,176
National Park M	10,436					10,436
Ssm St Joseph	11,098					11,098
Ssm St Marys He	11,222					11,222
Mercy Medical	12,963					12,963
Quest Diagnosti	13,803					13,803
Capital Region	13,859					13,859
St Johns Reg	14,317			325		14,642
Barton Co Hosp	16,982					16,982
Hannibal Clinic	18,706					18,706
Ssm St Joseph	19,324					19,324
Biopartners In	20,294					20,294
Audrain Med Ctr	21,153					21,153
Pediatric Med	22,488					22,488
Columbia Region	23,596					23,596
St Marys Health	25,262					25,262
Wash Univ	32,913					32,913
Curators Of Uni	35,403					35,403
St Anthony's Med	36,343				600	36,943
St Johns Mmc	46,889					46,889
Arkansas Heart	56,946					56,946
Barnes Jewish H	61,432					61,432
Boone Hospital	115,847	92,399				208,245
St Johns Mercy	251,115				50,895	302,010
0199999 Individually Listed Claims Unpaid	912,596	92,447		325	51,495	1,056,864
0299999 Aggregate Accounts Not Individually Listed - Uncovered	1,013	82	7	1	34	1,137
0399999 Aggregate Accounts Not Individually Listed - Covered	54,656	4,430	379	51	1,849	61,365
0499999 Subtotals	968,265	96,959	386	377	53,378	1,119,366
0599999 Unreported claims and other claim reserves						21,327,630
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						22,446,996
0899999 Accrued Medical Incentive Pool And Bonus Amounts						53,388

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
Line of Business						
1. Comprehensive (hospital & medical)	18,886,967	129,431,082	2,741,045	18,334,080	21,628,012	18,833,763
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	716,466	13,730,371	86,689	1,285,181	803,155	934,057
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	19,603,433	143,161,453	2,827,734	19,619,261	22,431,167	19,767,820
10. Healthcare receivables (a)	481,524		1,331,165	21,112	1,812,689	1,306,740
11. Other non-health						
12. Medical incentive pools and bonus amounts	82,271			53,388	82,271	252,050
13. Totals	19,204,180	143,161,453	1,496,569	19,651,537	20,700,749	18,713,129

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

Notes to Financial Statement

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

No change.

NOTE 2 - ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The 2007 Annual Statement and the First Quarter 2008 Statements were amended to reflect changes to the YE 2007 Deferred Tax Asset balance, including recalculating the nonadmitted portion. These amendments have previously been filed and are incorporated into this quarterly statement.

NOTE 3 - BUSINESS COMBINATIONS AND GOODWILL

No change.

NOTE 4 - DISCONTINUED OPERATIONS

No change.

NOTE 5 - INVESTMENTS

No change.

NOTE 6 - JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No change.

NOTE 7 - INVESTMENT INCOME

No change.

NOTE 8 - DERIVATIVE INSTRUMENTS

No change.

NOTE 9 - INCOME TAXES

A. Total of All Deferred Tax Assets		\$ 3,364,543
Total of All Deferred Tax Liabilities		\$ -
Total DTAs Non-Admitted as a result of SSAP 10	\$	3,364,543
Total DTAs Admitted		\$ 0
Net Change in Total Non-Admitted DTAs		\$ 1,377,174
B. There are no Deferred Tax Liabilities		
C. Current Income Tax Expense Incurred		\$ (138,696)
Change in Deferred Tax Assets		\$ (1,395,148)
Investment Tax credits		\$ -
Benefits of Tax Loss Carryforwards		\$ -
Adjustments in Deferred Tax Assets	\$	-
D. Application of Tax Rate to Net Income		\$ (136,485)
Deferred Tax Attributed to State Rate		\$ -
Permanent Book to Tax Differences		\$ (6,782)
Temporary Book to Tax Differences	\$	(221,046)
Federal Tax on State Income Tax		\$ -
Tax on GAAP/STAT adjustments		\$ 1,625,186

E. The Consolidated company's NOL carryforward as of December 31, 2007 was \$(44,126,645).

F. Mercy Health Plans files a Consolidated Return with

MHP, Inc. (its parent)

Notes to Financial Statement

Premier Benefits, Inc.
Mercy Health Plans of Missouri, Inc.
Mercy MC+, Inc.
Mercy Medical Services Inc.
ForeSee Health, Inc.

The Tax Allocation Agreement of the group has been filed with the Missouri Department of Insurance. It provides for the Allocation of the consolidated group's tax liability in proportion to the positive tax liability of each company (as though it were taxed separately) as it bears to the total of all positive tax liabilities of the group.

NOTE 10 - INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

MC+ was terminated as a corporation effective July 15, 2008.

NOTE 11 - DEBT

No change.

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

No change.

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

On June 30, 2008, the Company received \$4,100,000 surplus contribution from its parent, MHP, Inc.

NOTE 14 - CONTINGENCIES

No change.

NOTE 15 - LEASES

No change.

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

No change.

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

Mercy Health Plans had no wash sales during 2008.

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

No change.

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

No change.

NOTE 20 - OTHER ITEMS

No change.

Notes to Financial Statement

NOTE 21 - EVENTS SUBSEQUENT

No change.

NOTE 22- REINSURANCE

Mercy Health Plans has renewed a stop loss reinsurance agreement with Westport Insurance Corporation of Overland Park, KS for claims incurred during the year 2008. On January 01, 2008, Westport merged into Employers Reinsurance Corporation, the previous reinsurer. The surviving entity assumed the name Westport Insurance Corporation.

NOTE 23 - RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

No change.

NOTE 24 - CHANGE IN INCURRED LOSSES AND LOSS ADJUSTMENT EXPENSES

No change.

NOTE 25 - INTERCOMPANY POOLING ARRANGEMENTS

No change.

NOTE 26 - STRUCTURED SETTLEMENTS

No change.

NOTE 27 - HEALTH CARE RECEIVABLES

No change.

NOTE 28 - PARTICIPATING POLICIES

No change.

NOTE 29 - PREMIUM DEFICIENCY RESERVES

No change.

NOTE 30 - ANTICIPATED SALVAGE AND SUBROGATION

No change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

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[X] No[]
If yes, complete the Schedule Y - Part 1 - organizational chart.

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

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

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

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

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

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

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

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

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....2,573

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[X] No[]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

	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	679,247	1,382,004
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	679,247	1,382,004
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		2,573

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, G - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]
 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
State Street Corporation	200 Newport Ave., North Quincy, MA 02171

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

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

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[] No[X]
 17.2 If no, list exceptions:
 Ratings provided by S & P and Moody's and market value provided by custodian

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
Accident and Health - Affiliates						
39845	48-0921045	01/01/2008	Westport Insurance Corporation	Overland Park, Kansas	SSL/L/G	Yes[X] No []

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		Direct Business Only							
		1	2	3	4	5	6	7	8
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	15,683,141	891,095					16,574,236	
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	L	153,245,053	18,428,973					171,674,026	
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	168,928,194	19,320,068					188,248,262	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	(a) 2	168,928,194	19,320,068					188,248,262	
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								

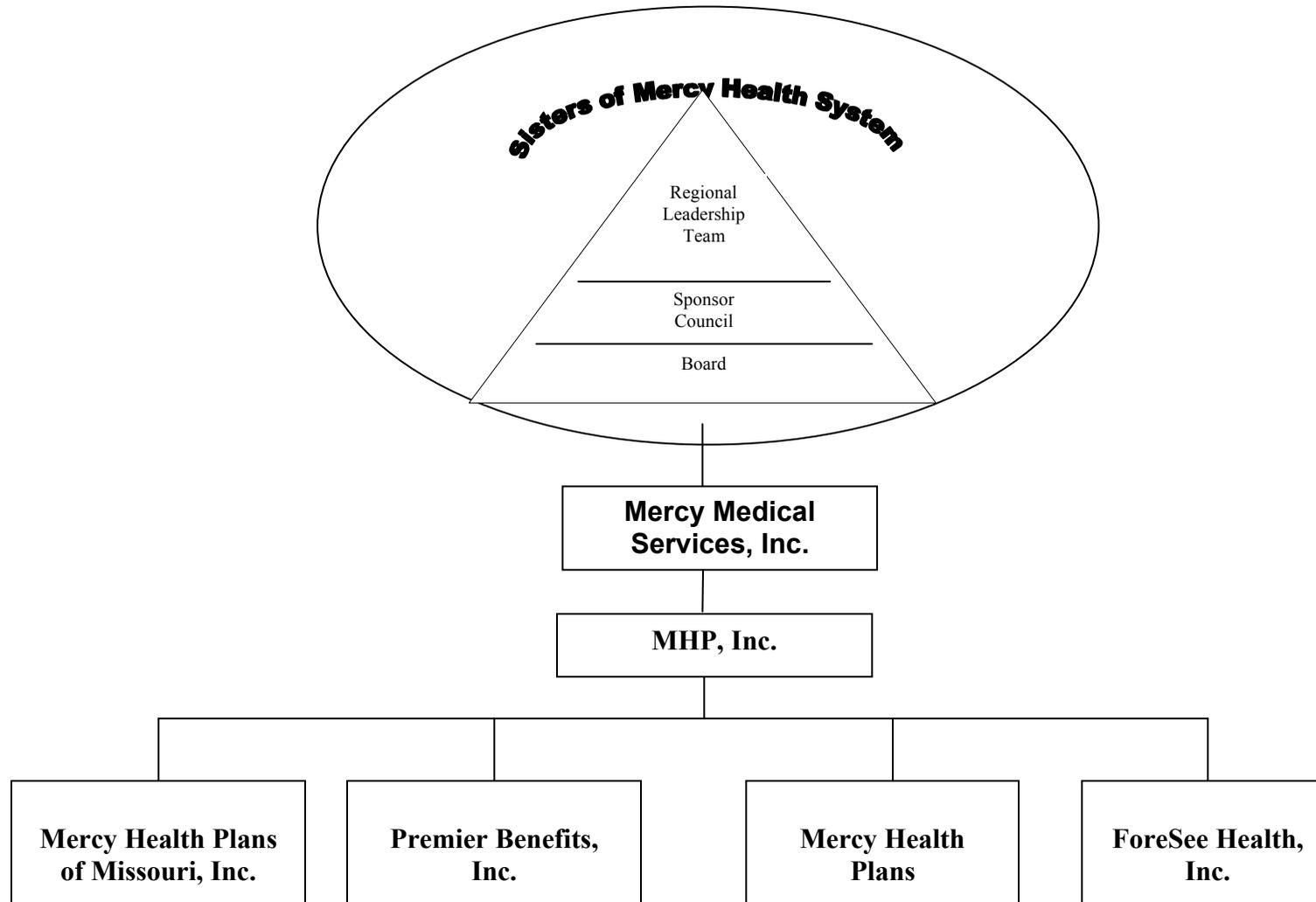
(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Sisters of Mercy Health System
Organizational Chart of MHP, Inc.
Controlled Entities
(As of 9/1/08)



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.

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

RESPONSE

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



11529200836500003

2008

Document Code: 365

NONE

SCHEDULE A - VERIFICATION**Real Estate**

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

SCHEDULE B - VERIFICATION**Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
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 paid		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
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. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE BA - VERIFICATION**Other Long-Term Invested Assets**

Description	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 acquisitions		
2.2 Additional investment made after acquisitions		
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	3,252,012	5,245,628
2. Cost of bonds and stocks acquired	14,133,138	732,950
3. Accrual of discount	15,141	30,733
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of	500,000	2,725,000
7. Deduct amortization of premium	30,136	32,299
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)	16,870,155	3,252,012
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	16,870,155	3,252,012

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	9,722,072	7,152,290		(987,708)	2,746,707	9,722,072	15,886,654	3,252,012
2. Class 2 (a)				983,501			983,501	
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	9,722,072	7,152,290		(4,207)	2,746,707	9,722,072	16,870,155	3,252,012
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	9,722,072	7,152,290		(4,207)	2,746,707	9,722,072	16,870,155	3,252,012

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

QS102

SCHEDULE DA - PART 1**Short - Term Investments Owned End of Current Quarter**

	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
8299999. Totals	22,205,984	X X X	22,205,984	891,719	

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	37,078,578	
2. Cost of short-term investments acquired	22,205,984	37,078,578
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	37,078,578	
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized ...		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	22,205,984	37,078,578
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	22,205,984	37,078,578

SI04 **Schedule DB Part F Section 1** **NONE**

SI05 **Schedule DB Part F Section 2** **NONE**

SCHEDULE E - Verification
(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of cash equivalents acquired	566,375	
3.	Accrual of discount	8,625	
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals	575,000	
7.	Deduct amortization of premium		
8.	Total foreign exchange change in book/adjusted carrying value		
9.	Deduct current year's other than temporary impairment recognized ...		
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)		

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

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
3133XCTG8	Federal Home Loan Bank		08/29/2008	R W Baird & Co	X X X	1,526,655	1,500,000.00	31,500	1
31398ARM6	Federal National Mortgage Assn		08/29/2008	R W Baird & Co	X X X	1,492,290	1,500,000.00	16,856	1
0399999 Subtotal - Bonds - U.S. Governments					X X X	3,018,945	3,000,000.00	48,356	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
097014AG9	Boeing Capital Corporation		08/11/2008	R W Baird & Co	X X X	1,589,745	1,500,000.00	48,479	1
87612EAH9	Target Corporation		08/29/2008	Stifel, Nicolaus & Co	X X X	1,039,250	1,000,000.00	490	1
949746NW7	Wells Fargo & Company		08/11/2008	R W Baird & Co	X X X	1,504,350	1,500,000.00	24,281	1
4599999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	4,133,345	4,000,000.00	73,250	X X X
6099997 Subtotal - Bonds - Part 3					X X X	7,152,290	7,000,000.00	121,606	X X X
6099998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
6099999 Subtotal - Bonds					X X X	7,152,290	7,000,000.00	121,606	X X X
6599998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
7299998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
7399999 Subtotal - Preferred and Common Stocks					X X X	X X X	X X X	X X X	X X X
7499999 Total - Bonds, Preferred and Common Stocks					X X X	7,152,290	X X X	121,606	X X X

QE04

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E05	Schedule D Part 4	NONE
E06	Schedule DB Part A Section 1	NONE
E06	Schedule DB Part B Section 1	NONE
E07	Schedule DB Part C Section 1	NONE
E07	Schedule DB Part D Section 1	NONE
E08	Schedule E Part 1 Cash	NONE
E09	Schedule E Part 2 Cash Equivalents	NONE
Supp1	Medicare Part D Coverage Supplement	NONE
ACT	Actuarial Statement	NONE
AEP	Amended Explanation	NONE

INDEX TO HEALTH QUARTERLY STATEMENT

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Collars; QE07
Commissions; Q6
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Cost Containment Expenses; Q4
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