



**QUARTERLY STATEMENT**  
**AS OF June 30, 2009**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**Mercy Health Plans**

NAIC Group Code	<u>3386</u> <small>(Current Period)</small>	<u>3386</u> <small>(Prior Period)</small>	NAIC Company Code	<u>11529</u>	Employer's ID Number	<u>48-1262342</u>
Organized under the Laws of	<u>Missouri</u>		State of Domicile or Port of Entry	<u>Missouri</u>		
Country of Domicile	<u>United States of America</u>					
Licensed as business type:	Life, Accident & Health[X] Dental Service Corporation[ ] Other[ ]	Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[ ] N/A[X]	Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[ ]			
Incorporated/Organized	<u>09/12/2002</u>	Commenced Business	<u>10/17/2002</u>			
Statutory Home Office	<u>14528 S. Outer 40, Suite 300</u> <small>(Street and Number)</small>	<u>Chesterfield, MO 63017-5705</u> <small>(City, or Town, State and Zip Code)</small>				
Main Administrative Office	<u>14528 S. Outer 40, Suite 300</u> <small>(Street and Number)</small>	<u>Chesterfield, MO 63017-5705</u> <small>(City or Town, State and Zip Code)</small>	<u>(314)214-8100</u> <small>(Area Code) (Telephone Number)</small>			
Mail Address	<u>14528 S. Outer 40, Suite 300</u> <small>(Street and Number or P.O. Box)</small>	<u>Chesterfield, MO 63017-5705</u> <small>(City, or Town, State and Zip Code)</small>	<u>(314)214-8100</u> <small>(Area Code) (Telephone Number)</small>			
Primary Location of Books and Records	<u>14528 S. Outer 40, Suite 300</u> <small>(Street and Number)</small>	<u>Chesterfield, MO 63017-5705</u> <small>(City, or Town, State and Zip Code)</small>	<u>(314)214-8100</u> <small>(Area Code) (Telephone Number)</small>			
Internet Web Site Address	<u>mercyhealthplans.com</u>					
Statutory Statement Contact	<u>George Aloysius Schneider</u> <small>(Name)</small>	<u>George.Schneider@Mercy.Net</u> <small>(E-Mail Address)</small>	<u>(314)214-8140</u> <small>(Area Code)(Telephone Number)(Extension)</small>	<u>(314)214-8239</u> <small>(Fax Number)</small>		

**OFFICERS**

<u>Name</u>	<u>Title</u>	
James Lynn Britton	President	#
Charles Sayel Gilham	Secretary	
George Aloysius Schneider	CFO & Treasurer	
Kenneth Michael Treash	COO	
Marie Joann Glancy	Executive Vice President	#
Janet Elizabeth Pursley	Executive Vice President	#

**OTHERS**

**DIRECTORS OR TRUSTEES**

Ronald Boughton Ashworth	James Lynn Britton #
Margaret Denielle DeNarvaez	Thomas Hamilton Hale MD
James Robert Jaacks	Timothy Jay Johnsen
Christopher Michael Knackstedt #	Ronald Henry Meyer #
Cheryl Peterson Morley #	Robert Wesley Steele MD #
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.

<u>Marie Joann Glancy</u> <small>(Signature)</small>	<u>Charles Sayel Gilham</u> <small>(Signature)</small>	<u>George Aloysius Schneider</u> <small>(Signature)</small>
<u>Marie Joann Glancy</u> <small>(Printed Name)</small>	<u>Charles Sayel Gilham</u> <small>(Printed Name)</small>	<u>George Aloysius Schneider</u> <small>(Printed Name)</small>
<u>1.</u>	<u>2.</u>	<u>3.</u>
<u>Executive Vice President</u> <small>(Title)</small>	<u>Secretary</u> <small>(Title)</small>	<u>CFO &amp; Treasurer</u> <small>(Title)</small>

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2009

- 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[ ]  
1

\_\_\_\_\_  
 (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 .....	13,376,680		13,376,680	15,871,234
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 (\$.....2,971,127), cash equivalents (\$.....0) and short-term investments (\$.....2,587,406) .....	5,558,533		5,558,533	13,947,712
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) .....	18,935,213		18,935,213	29,818,945
11. Title plants less \$.....0 charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	193,927		193,927	213,619
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	11,032,194	4,032,000	7,000,194	12,232,170
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 .....	416,117		416,117	621,371
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 .....	396,912		396,912	
16.1 Current federal and foreign income tax recoverable and interest thereon .....	438,707		438,707	
16.2 Net deferred tax asset .....	6,635,855	4,081,152	2,554,703	1,987,372
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 .....	9,469,202		9,469,202	937,140
22. Health care (\$.....1,796,791) and other amounts receivable .....	4,957,324	3,856,891	1,100,433	1,646,574
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) .....	52,475,451	11,970,043	40,505,408	47,457,191
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
26. Total (Lines 24 and 25) .....	52,475,451	11,970,043	40,505,408	47,457,191
<b>DETAILS OF WRITE-INS</b>				
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) .....	18,007,540	774,810	18,782,350	16,345,439
2. Accrued medical incentive pool and bonus amounts .....	63,000		63,000	42,000
3. Unpaid claims adjustment expenses .....	871,217		871,217	882,694
4. Aggregate health policy reserves .....	177,618		177,618	31,217
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	1,086,247		1,086,247	1,535,029
9. General expenses due or accrued .....	522,740		522,740	1,105,637
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....	737,743		737,743	215,104
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 .....	668,101		668,101	1,753,036
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 .....				
21. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
22. Total liabilities (Lines 1 to 21) .....	22,134,206	774,810	22,909,016	21,910,156
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	37,674,313
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	(21,677,924)	(13,727,278)
30. Less treasury stock, at cost:				
30.1 .....0 shares common (value included in Line 24 \$.....0) .....	X X X	X X X		
30.2 .....0 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	17,596,389	25,547,035
32. Total Liabilities, capital and surplus (Lines 22 and 31) .....	X X X	X X X	40,505,405	47,457,191
<b>DETAILS OF WRITE-INS</b>				
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	450,833	439,407	861,253
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	131,965,376	126,477,140	249,238,301
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	131,965,376	126,477,140	249,238,301
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....	3,539,548	58,743,388	54,391,940	102,536,786
10. Other professional services .....	106,289	1,764,011	1,415,510	1,887,260
11. Outside referrals .....				
12. Emergency room and out-of-area .....	181,653	3,014,762	2,805,817	6,166,794
13. Prescription drugs .....	704,392	11,690,300	12,578,406	24,076,456
14. Aggregate write-ins for other hospital and medical .....		40,521,168	41,680,898	81,302,913
15. Incentive pool, withhold adjustments and bonus amounts .....		41,873	(115,817)	(127,779)
16. Subtotal (Lines 9 to 15) .....	4,531,882	115,775,502	112,756,754	215,842,430
<b>Less:</b>				
17. Net reinsurance recoveries .....		(205,017)	136,634	722,329
18. Total hospital and medical (Lines 16 minus 17) .....	4,531,882	115,980,519	112,620,120	215,120,101
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....3,575,532 cost containment expenses .....		6,692,912	5,119,658	11,363,648
21. General administrative expenses .....		11,718,204	10,990,609	22,189,821
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) .....	4,531,882	134,391,635	128,730,387	248,673,570
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	(2,426,259)	(2,253,247)	564,731
25. Net investment income earned .....		434,756	671,778	1,335,465
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....				
27. Net investment gains or (losses) (Lines 25 plus 26) .....		434,756	671,778	1,335,465
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	(1,991,503)	(1,581,469)	1,900,196
31. Federal and foreign income taxes incurred .....	X X X		(553,514)	418,093
32. Net income (loss) (Lines 30 minus 31) .....	X X X	(1,991,503)	(1,027,955)	1,482,103
<b>DETAILS OF WRITE-INS</b>				
0601. ....	X X X			
0602. ....	X X X			
0603. ....	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X			
0701. ....	X X X			
0702. ....	X X X			
0703. ....	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X			
1401. Global Capitation .....		40,521,168	41,680,898	81,302,913
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) .....		40,521,168	41,680,898	81,302,913
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	25,547,035	19,873,728	19,873,722
34. Net income or (loss) from Line 32 .....	(1,991,503)	(1,027,955)	1,482,103
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 .....	3,447,524	(46,136)	(194,186)
39. Change in nonadmitted assets .....	(9,406,667)	157,860	285,396
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	4,100,000
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) .....	(7,950,646)	3,183,769	5,673,313
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	17,596,389	23,057,497	25,547,035
<b>DETAILS OF WRITE-INS</b>			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....			

**CASH FLOW**

		1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	133,814,195	237,736,817
2.	Net investment income .....	463,003	1,342,180
3.	Miscellaneous income .....	2,057,767	(686,562)
4.	Total (Lines 1 to 3) .....	136,334,965	238,392,435
5.	Benefit and loss related payments .....	118,274,678	219,255,195
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	19,402,402	32,241,266
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	(83,932)	1,545,020
10.	Total (Lines 5 through 9) .....	137,593,148	253,041,481
11.	Net cash from operations (Line 4 minus Line 10) .....	(1,258,183)	(14,649,046)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	2,485,999	1,500,000
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	2,485,999	1,500,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....		14,133,138
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
14.	Net increase (or decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....	2,485,999	(12,633,138)
<b>Cash from Financing and Miscellaneous Sources</b>			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		4,100,000
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) .....	(9,616,997)	51,317
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	(9,616,997)	4,151,317
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(8,389,181)	(23,130,866)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	13,947,712	37,078,578
19.2	End of period (Line 18 plus Line 19.1) .....	5,558,530	13,947,712

**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 .....	73,153	12,037	58,342					2,774		
2. First Quarter .....	74,813	14,771	56,941					3,101		
3. Second Quarter .....	77,061	16,520	57,375					3,166		
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	450,833	89,393	342,873					18,567		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	229,668	52,668	160,394					16,606		
8. Non-Physician .....	40,552	6,075	32,283					2,194		
9. Total .....	270,220	58,743	192,677					18,800		
10. Hospital Patient Days Incurred .....	1,823	213	1,245					365		
11. Number of Inpatient Admissions .....	1,465	174	1,079					212		
12. Health Premiums Written (a) .....	132,352,581	13,984,666	100,404,410					17,963,505		
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	132,352,581	13,984,666	100,404,410					17,963,505		
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	113,941,267	9,920,367	88,497,749					15,523,151		
18. Amount Incurred for Provision of Health Care Services .....	115,775,503	10,981,841	88,908,041					15,885,621		

(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
<b>Individually Listed Claims Unpaid</b>						
Caremark .....	1,104,497					1,104,497
0199999 Individually Listed Claims Unpaid .....	1,104,497					1,104,497
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....						
0499999 Subtotals .....	1,104,497					1,104,497
0599999 Unreported claims and other claim reserves .....						17,663,216
0699999 Total Amounts Withheld .....						14,637
0799999 Total Claims Unpaid .....						18,782,350
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						63,000

## UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....	15,619,032	82,799,083	1,115,076	16,447,069	16,734,108	15,540,395
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....	1,194,958	14,328,194	91,231	1,128,974	1,286,189	805,045
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	16,813,990	97,127,277	1,206,307	17,576,043	18,020,297	16,345,440
10. Healthcare receivables (a) .....	338,751		570,479	1,126,397	909,230	1,391,080
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....		20,873		63,000		42,000
13. Totals .....	16,475,239	97,148,150	635,828	16,512,646	17,111,067	14,996,360

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

**Notes to Financial Statement**

## NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## A. Accounting Practices

The accompanying statutory financial statements of Mercy Health Plans have been prepared in conformity with the NAIC Accounting Practices and Procedures Manual (NAIC SAP) except to the extent that state law differs. No prescribed or permitted practices outside of NAIC (SAP) were employed.

## B. Use of Estimates

No change

## C. Accounting Policy

No change

## NOTE 2- ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

No change

## 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	6,635,855
	Total of All Deferred Tax Liabilities	0
	Total DTAs Non-Admitted as a result of SSAP10	4,081,151
	Total DTAs Admitted	2,554,704
	Net Change in Total Non-Admitted DTAs	2,880,192
B.	There are no Deferred Tax Liabilities	
C.	Current Income Tax Expense Incurred	0
	Change in Admitted DTAs	567,332
	Investment tax credit	0
	Benefits of NOLs	
	Adjustments of DTA or DTL for changes in tax law	
D.	Application of Tax Rate to Net Income	(697,026)
	Effect of Permanent Book to Tax Differences	0
	Effect of Temporary Book to Tax Differences	10,636
	Tax on GAAP/STAT adjustments	686,390

E. 1. The Company utilized intercompany current year NOL of approximately \$17 million in 2008 under the terms of the tax allocation agreement.

2. The consolidated group's NOL carry forward is approximately \$53 million as of 12/31/2008.

3. There are no aggregate amounts of deposits reported as admitted assets under Section 6603 of the Internal Revenue Service (IRS) Code of December 31, 2008.

F. In 2009, Mercy Health Plans will file a Consolidated Return with

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

## Notes to Financial Statement

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

As of July 1, 2009, Mercy Medical Services, Inc. was merged into MHP, Inc., with MHP, Inc. the being the surviving legal entity. Also on July 1, 2009 MHP, Inc. transferred the physician billing and collection contracts, assets and liabilities originally owned by MMSI to St. Edward Mercy Clinic, Inc.

Missouri Health Plans of Missouri, is in the process of selling the Texas CHIP Medicaid business. It is expected to be completed in the fourth quarter. It is further expected that MHP MO will not renew its commercial business contracts into 2010 and will discontinue its license in Texas.

### 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

No change

### 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

No change

### NOTE 18 - GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED 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

### NOTE 21- EVENTS SUBSEQUENT PER SSAP NUMBER 9

No change

### NOTE 22 – REINSURANCE

No change

### NOTE 23 - RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

None

### NOTE 24 - CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

No change

### NOTE 25 - INTERCOMPANY POOLING ARRANGEMENTS PER SSAP NUMBER 63

No change

### NOTE 26 - STRUCTURED SETTLEMENTS

No change

### NOTE 27 - HEALTH CARE RECEIVABLES PER SSAP NUMBER 84

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 all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[ ] No[ ] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]
  
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 7.2 If yes, give full information
  
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

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

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[ ]
- 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[X] No[ ]

## 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 .....	937,140	9,469,202
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	937,140	9,469,202
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   
Yes  No  N/A

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

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes  No

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

1 Name of Custodian(s)	2 Custodian Address
State Street Corporation .....	200 Newport Ave, North Quincy, MA 02171 .....
Bank of America Securities .....	800 Market Street, St. Louis, MO 63101 .....

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

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

17.2 If no, list exceptions:

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

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
<b>Accident and Health - Affiliates</b>						
39845 .....	48-0921045 .....	01/01/2009 .....	WESTPORT INS CORP .....	Overland Park, Kansas .....	SSL/L/G .....	Yes[X] No [ ] .....

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

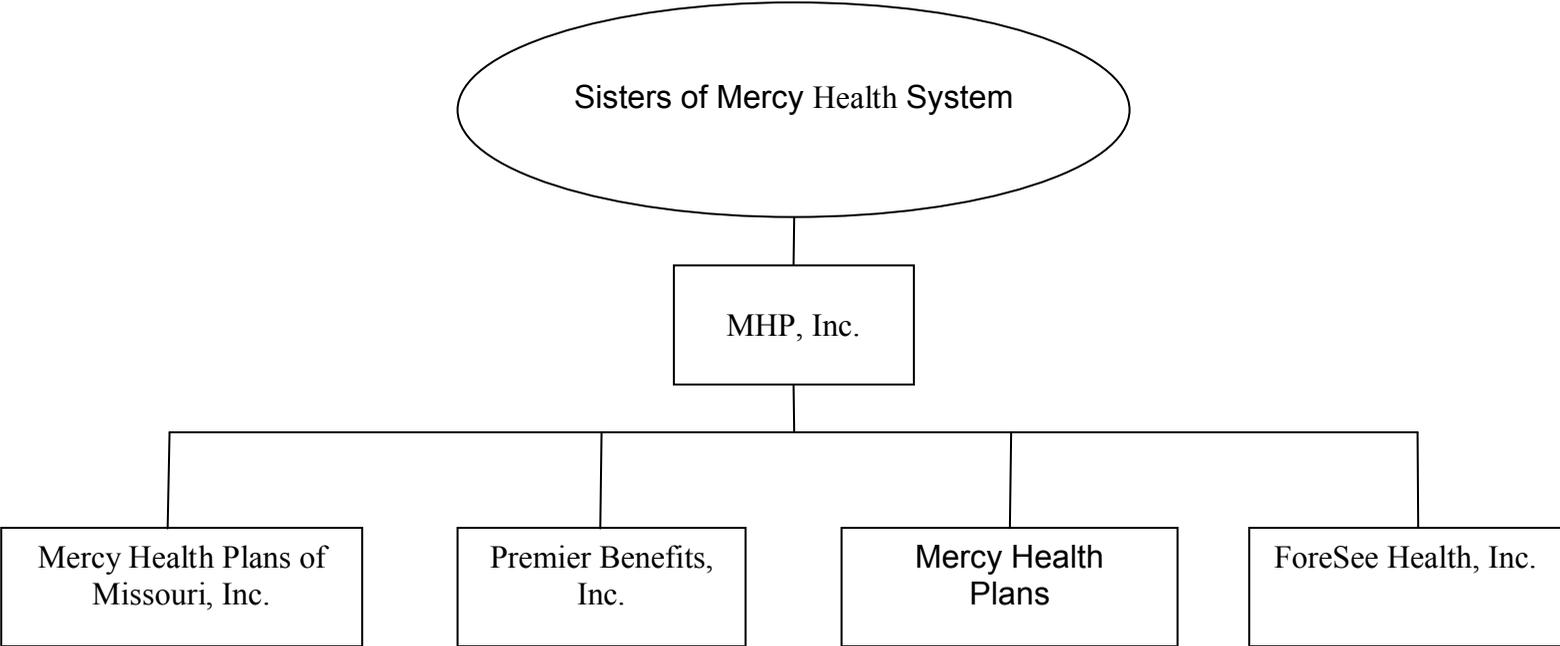
## Current Year to Date - Allocated by States and Territories

State, Etc.		Direct Business Only								
		1	2	3	4	5	6	7	8	9
		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	13,351,197	1,458,235					14,809,432	
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	101,037,878	16,505,270					117,543,148	
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	114,389,075	17,963,505					132,352,580	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	<b>Total (Direct Business)</b>	(a) 2	114,389,075	17,963,505					132,352,580	
<b>DETAILS OF WRITE-INS</b>										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	<b>TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)</b>	X X X								

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

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

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



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# 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



11529200936500002

2009

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

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

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

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

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

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

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	15,871,234	3,252,012
2. Cost of bonds and stocks acquired .....		14,133,138
3. Accrual of discount .....	14,301	27,720
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration for bonds and stocks disposed of .....	2,485,999	1,500,000
7. Deduct amortization of premium .....	22,856	41,636
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) .....	13,376,680	15,871,234
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	13,376,680	15,871,234

**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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a) .....	12,875,262		2,500,000	5,314	12,875,262	10,380,576		12,883,195
2. Class 2 (a) .....	991,660			4,028	991,660	995,688		987,509
3. Class 3 (a) .....	2,000,381			35	2,000,381	2,000,416		2,000,530
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	15,867,303		2,500,000	9,377	15,867,303	13,376,680		15,871,234
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	15,867,303		2,500,000	9,377	15,867,303	13,376,680		15,871,234

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

QSI02

**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
9199999. Totals .....	2,587,406	X X X	2,587,406	44,274	

**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 .....	13,947,712	37,078,578
2. Cost of short-term investments acquired .....	8,662,736	13,947,712
3. Accrual of discount .....		
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	20,023,042	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) .....	2,587,406	13,947,712
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	2,587,406	13,947,712

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

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

**SI06 Schedule E - Verification (Cash Equivalentents) ..... NONE**

**E01 Schedule A Part 2 ..... NONE**

**E01 Schedule A Part 3 ..... NONE**

**E02 Schedule B Part 2 ..... NONE**

**E02 Schedule B Part 3 ..... NONE**

**E03 Schedule BA Part 2 ..... NONE**

**E03 Schedule BA Part 3 ..... NONE**

**E04 Schedule D Part 3 ..... NONE**

## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/ Adjusted Carrying Value	10 Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
<b>Bonds - U.S. Governments</b>																					
31398ARM6	Federal National Mortgage Assn	05/29/2009	Call	X X X	1,500,000	1,500,000.00	1,492,290	1,492,290						1,493,469		6,531	6,531	32,625	05/29/2013		
31398ASG8	Federal National Mortgage Assn	06/30/2009	Call	X X X	1,000,000	1,000,000.00	988,840	990,736						992,531		7,469	7,469	19,375	06/16/2011		
0399999 Subtotal - Bonds - U.S. Governments				X X X	2,500,000	2,500,000.00	2,481,130	2,483,026						2,486,000		14,000	14,000	52,000	X X X	X X X	
8399997 Subtotal - Bonds - Part 4				X X X	2,500,000	2,500,000.00	2,481,130	2,483,026						2,486,000		14,000	14,000	52,000	X X X	X X X	
8399998 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	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds				X X X	2,500,000	2,500,000.00	2,481,130	2,483,026						2,486,000		14,000	14,000	52,000	X X X	X X X	
8999998 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	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998 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	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9999999 Total - Bonds, Preferred and Common Stocks				X X X	2,500,000	X X X	2,481,130	2,483,026						2,486,000		14,000	14,000	52,000	X X X	X X X	

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

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

**E06 Schedule DB Part B Section 1 ..... NONE**

**E07 Schedule DB Part C Section 1 ..... NONE**

**E07 Schedule DB Part D Section 1 ..... NONE**

## SCHEDULE E - PART 1 - CASH

### Month End Depository Balances

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Current Quarter	5 Amount of Interest Accrued at Current Statement Date	Book Balance at End of Each Month During Current Quarter			9 *
						6 First Month	7 Second Month	8 Third Month	
<b>open depositories</b>									
.....									X X X
.....									X X X
.....									X X X
0199998 Deposits in .....1 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories		X X X	X X X	4,536		2,380,211	2,327,614	2,971,127	X X X
0199999 Totals - Open Depositories		X X X	X X X	4,536		2,380,211	2,327,614	2,971,127	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	4,536		2,380,211	2,327,614	2,971,127	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	4,536		2,380,211	2,327,614	2,971,127	X X X

**E09 Schedule E Part 2 Cash Equivalents ..... NONE**

**Supp1 Medicare Part D Coverage Supplement ..... NONE**

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