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HEALTH QUARTERLY STATEMENT

As of September 30, 2009

of the Condition and Affairs of the

Fox Insurance Company

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 10161 Employer's ID Number..... 20-2955544

Organized under the Laws of Arizona State of Domicile or Port of Entry Arizona Country of Domicile US

Licensed as Business Type Life, Accident and Health Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized..... May 25, 2005 Commenced Business..... July 11, 2005

Statutory Home Office	7702 East Doubletree Ranch Road, Suite 300..... Scottsdale ..... AZ ..... 85258-2132 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	40 W. 25th Street, 6th Floor..... New York ..... NY ..... 10010-2776 *(Street and Number) (City or Town, State and Zip Code)*	212-400-6101 *(Area Code) (Telephone Number)*
Mail Address	40 W. 25th Street, 6th Floor..... New York ..... NY ..... 10010-2776 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	40 W. 25th Street, 6th Floor..... New York ..... NY ..... 10010-2776 *(Street and Number) (City or Town, State and Zip Code)*	212-400-6101 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.foxinsurancecompany.com	
Statutory Statement Contact	Jaydip Dattaray *(Name)*	212-400-6101 *(Area Code) (Telephone Number) (Extension)*
	jaydip.dattaray@foxrxcare.com *(E-Mail Address)*	212-924-3473 *(Fax Number)*

OFFICERS

Name	Title	Name	Title
1. Dr. Reena Nandi	President	2. Jaydip Dattaray	Secretary
3. Rajesh Gupta	Treasurer	4. Jaydip Dattaray	Vice President

OTHER

Srinivasa R. Nemani	Chief Information Officer	Karikar Shankar #	Chief Executive Officer

DIRECTORS OR TRUSTEES

Dr. Reena Nandi	Jaydip Dattaray	Nathan Barotz Esq	Srinivasa R. Nemani
Anthony Arloro #			

State of..... New York
County of.....

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

(Signature)	(Signature)	(Signature)
Dr. Reena Nandi	Jaydip Dattaray	Rajesh Gupta
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me

This 23rd day of October, 2009

a. Is this an original filing? Yes [X] No [ ]

b. If no: 1. State the amendment number

2. Date filed

3. Number of pages attached

MUSHTAQ HUSSAIN
Notary Public, State of New York
No. 01HU6207031
Qualified in Suffolk County
Commission Expires June 8, 2013

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	2,254,397		2,254,397	1,013,000
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens			0	
4. Real estate:				
4.1 Properties occupied by the company (less $.....0 encumbrances)			0	
4.2 Properties held for the production of income (less $.....0 encumbrances)			0	
4.3 Properties held for sale (less $.....0 encumbrances)			0	
5. Cash ($.....7,064,104), cash equivalents ($.....0) and short-term investments ($.....6,216,697)	13,280,801		13,280,801	4,434,521
6. Contract loans (including $.....0 premium notes)			0	
7. Other invested assets			0	
8. Receivables for securities			0	
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	15,535,198	0	15,535,198	5,447,521
11. Title plants less $.....0 charged off (for Title insurers only)			0	
12. Investment income due and accrued	12,420		12,420	2,567
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection			0	
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)			0	
13.3 Accrued retrospective premiums	8,527,796		8,527,796	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	
14.2 Funds held by or deposited with reinsured companies			0	
14.3 Other amounts receivable under reinsurance contracts			0	
15. Amounts receivable relating to uninsured plans			0	1,822,262
16.1 Current federal and foreign income tax recoverable and interest thereon			0	
16.2 Net deferred tax asset	30,664	30,664	0	
17. Guaranty funds receivable or on deposit			0	
18. Electronic data processing equipment and software	44,546	44,546	0	
19. Furniture and equipment, including health care delivery assets ($.....0)	830	830	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	
21. Receivables from parent, subsidiaries and affiliates			0	
22. Health care ($.....8,170,623) and other amounts receivable	8,170,623		8,170,623	1,262,539
23. Aggregate write-ins for other than invested assets	2,290,000	2,290,000	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	34,612,077	2,366,040	32,246,037	8,534,889
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
26. Total (Lines 24 and 25)	34,612,077	2,366,040	32,246,037	8,534,889

DETAILS OF WRITE-INS

0901.			0	
0902.			0	
0903.			0	
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Prepaid Expenses	20,000	20,000	0	
2302. Unsecured Loan	2,000,000	2,000,000	0	
2303. Employee Advances	270,000	270,000	0	
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	2,290,000	2,290,000	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	Current Period 2 Uncovered	Current Period 3 Total	Prior Year 4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	18,643,112		18,643,112	580,000
2. Accrued medical incentive pool and bonus amounts			0	
3. Unpaid claims adjustment expenses			0	
4. Aggregate health policy reserves			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance			0	
9. General expenses due or accrued	102,319		102,319	65,862
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	71,100		71,100	
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Remittances and items not allocated			0	
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)			0	
15. Amounts due to parent, subsidiaries and affiliates			0	
16. Payable for securities			0	
17. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)			0	
18. Reinsurance in unauthorized companies			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	
20. Liability for amounts held under uninsured plans	5,457,598		5,457,598	1,369,366
21. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	24,274,129	0	24,274,129	2,015,228
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	2,000,000	1,600,000
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	8,401,504	8,401,504
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(2,429,596)	(3,481,845)
30. Less treasury stock, at cost:				
30.1 .....0.000 shares common (value included in Line 24 $.....0)	XXX	XXX		
30.2 .....0.000 shares preferred (value included in Line 25 $.....0)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	7,971,908	6,519,659
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	32,246,037	8,534,887

DETAILS OF WRITE-INS

2101.			0	
2102.			0	
2103.			0	
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.				
2802.				
2803.				
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

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	XXX	659,037	88,783	130,244
2. Net premium income (including $.....0 non-health premium income)	XXX	57,517,822	14,480,619	21,409,658
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of $.....0 medical expenses)	XXX			
5. Risk revenue	XXX	82,782		
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	40	6,482	12,546
8. Total revenues (Lines 2 to 7)	XXX	57,600,644	14,487,101	21,422,204
Hospital and Medical:				
9. Hospital/medical benefits				
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs		46,154,915	8,210,542	14,851,073
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)	0	46,154,915	8,210,542	14,851,073
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)	0	46,154,915	8,210,542	14,851,073
19. Non-health claims (net)				
20. Claims adjustment expenses, including $.....0 cost containment expenses		16,080	11,235	19,403
21. General administrative expenses		10,653,351	3,617,684	5,214,399
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)	0	56,824,346	11,839,461	20,084,875
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	776,298	2,647,640	1,337,329
25. Net investment income earned		161,380	85,684	113,661
26. Net realized capital gains (losses) less capital gains tax of $.....0				
27. Net investment gains or (losses) (Lines 25 plus 26)	0	161,380	85,684	113,661
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	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	937,678	2,733,324	1,450,990
31. Federal and foreign income taxes incurred	XXX	81,100	322,946	
32. Net income (loss) (Lines 30 minus 31)	XXX	856,578	2,410,378	1,450,990

DETAILS OF WRITE-INS

0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701. Miscellaneous Income	XXX	40	6,482	12,546
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	40	6,482	12,546
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0	0
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	6,519,659	808,174	808,174
34. Net income or (loss) from Line 32	856,578	2,410,378	1,450,990
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	(321,752)		(134,047)
39. Change in nonadmitted assets	517,423	(1,028,309)	(2,259,746)
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	400,000	590,000	678,850
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in		3,000,000	6,000,000
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	0	0	(24,562)
48. Net change in capital and surplus (Lines 34 to 47)	1,452,249	4,972,069	5,711,485
49. Capital and surplus end of reporting period (Line 33 plus 48)	7,971,908	5,780,243	6,519,659

DETAILS OF WRITE-INS

4701. Prior Year Adjustment			(24,562)
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	(24,562)

CASH FLOW

	1 Current Year to Date	2 Prior Year Ended December 31
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	48,990,026	21,785,679
2. Net investment income	153,189	113,049
3. Miscellaneous income	82,822	12,546
4. Total (Lines 1 through 3)	49,226,037	21,911,274
5. Benefit and loss related payments	28,091,803	14,411,073
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	4,722,480	6,430,843
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	10,000	
10. Total (Lines 5 through 9)	32,824,283	20,841,916
11. Net cash from operations (Line 4 minus Line 10)	16,401,754	1,069,358
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	510,000	325,000
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)	510,000	325,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	1,753,058	1,013,000
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)	1,753,058	1,013,000
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,243,058)	(688,000)
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	400,000	6,678,850
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)	(6,712,416)	(3,259,328)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(6,312,416)	3,419,522
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	8,846,280	3,800,880
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,434,521	633,641
19.2 End of period (Line 18 plus Line 19.1)	13,280,801	4,434,521

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	14,418							14,418		
2. First Quarter	68,188							68,188		
3. Second Quarter	76,272							76,272		
4. Third Quarter	82,627							82,627		
5. Current Year	0									
6. Current Year Member Months	659,037							659,037		
Total Member Ambulatory Encounters for Period:										
7. Physician	0									
8. Non-Physician	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written (a)	57,517,822							57,517,822		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	57,517,822							57,517,822		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	28,091,803							28,091,803		
18. Amount Incurred for Provision of Health Care Services	46,154,915							46,154,915		

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees $.....53,896,121.

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
Claims Unpaid (Reported)						
Claims in course of payment	18,643,112					18,643,112
0199999. Individually Listed Claims Unpaid	18,643,112	0	0	0	0	18,643,112
0499999. Subtotals	18,643,112	0	0	0	0	18,643,112
0799999. Total Claims Unpaid						18,643,112

UNDERWRITING AND INVESTMENT EXHIBIT

Analysis of Claims Unpaid - Prior Year - Net of Reinsurance

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	
2. Medicare Supplement					0	
3. Dental only					0	
4. Vision only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare		28,091,803		18,643,112	0	580,000
7. Title XIX - Medicaid					0	
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	0	28,091,803	0	18,643,112	0	580,000
10. Healthcare receivables (a)					0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals	0	28,091,803	0	18,643,112	0	580,000

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Fox Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Arizona Insurance Department.

The Arizona Insurance Department recognizes only statutory accounting practices prescribed or permitted by the state of Arizona for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Arizona Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Arizona.

The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. Specifically, certain assets invested in bonds and common stocks are non-admitted by Arizona domiciled companies if investment in them exceeds prescribed limits. In NAIC SAP, all such invested assets are admitted. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

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

		9/2009	2008
(1)	Net Income Arizona state basis	$ 856,578	$ 1,450,990
(2)	State Permitted Practices (Income): N/A	0	0
(3)	Net Income, NAIC SAP	$ 856,578	$ 1,450,990
(4)	Statutory Surplus Arizona basis	$ 7,971,908	$ 6,519,659
(5)	State Permitted Practices (Surplus): N/A	0	0
(6)	Statutory Surplus, NAIC SAP	$ 7,971,908	$ 6,519,659

Note 2 - Accounting Changes and Corrections of Errors

In 2009, in was discovered that in 2008 the incorrect premium and claim amounts for insured and uninsured plans had been reported in the “Statement of Revenues and Expenses” and in the “Balance Sheet” under deposit accounting. The net effect to reported 2008 statutory surplus was zero as net premiums and claim expense reported in the “Statement of Revenues and Expenses” would have both been reduced by $5,248,718. This accounting treatment has been corrected in the 2009 financial statement filings.

Note 3 - Business Combinations and Goodwill

No significant change.

Note 4 - Discontinued Operations

No significant change.

Note 5 - Investments

D. Loan-Backed Securities – The Company owns no loan-backed securities.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

No significant change.

Note 7 - Investment Income

No significant change.

Note 8 - Derivative Instruments

No significant change.

Note 9 - Income Taxes

No significant change.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

No significant change.

Note 11 - Debt

No significant change.

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

No significant change.

Note 13 - Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

In September 2009, the Company issued 400,000 shares of $1 par value common stock to the current sole shareholder, Fox Rx, Inc., at par.

Note 14 - Contingencies

The company is currently involved in the following two litigation matters:

A) In April 2008, Silverscript, LLC brought suit against the Company for breach of contract and sought $1,223,603 for unsettled claim reimbursements. In April 2009, the Company filed a counter claim for unpaid rebates in the amount of $473,000 that were due under the agreement. The Company also seeks damages associated with the inability to use a different PBM for certain service areas.

NOTES TO FINANCIAL STATEMENTS

As of September 30, 2009, the Company has accrued the $1,223,603 in unsettled claim reimbursements. In order to remain conservative, no accrual has been made for the unpaid rebates totaling $473,000.

At December 31, 2008, the Company reduced its liabilities by $1,410,000 in connection with the write-off of its liability to Silverscript, LLC. This entry was reversed in 2009.

B) In January 2009, the Company brought suit against Envision Pharmaceuticals Services, Inc. and some of its management for breach of contract and misrepresentation of earnings in connection with a potential acquisition of Envision Pharmaceuticals Services, Inc. by the Company. The Company seeks $1,188,170 for unpaid rebates and $1,500,000 for due diligence costs associated with the potential acquisition of Envision Pharmaceuticals Services, Inc. In 2009, Envision Pharmaceuticals Services, Inc. filed a counterclaim against the Company seeking $2,629,612 for unsettled claim reimbursements.

As of September 30, 2009, the Company had accrued $1,208,608, which is the $2,629,612 of unsettled claim reimbursements net of $1,421,444 for claim payments made directly by the Company in 2009 to the pharmacies that had been contracted with Envision Pharmaceuticals Services, Inc. as benefit providers. In order to remain conservative, no accrual has been made for the unpaid rebates totaling $1,188,170.

As of December 31, 2008, the Company had accrued an asset in the amount of $1,041,850 for recovery costs related to the potential acquisition of Envision Pharmaceuticals Services, Inc. During 2009, this asset was written off due to the pending litigation.

As of September 30, 2009, the Company had accrued $100,000 for estimated additional litigation expenses associated with these lawsuits.

Note 15 - Leases

No significant change.

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

As of December 31, 2008, the Company made prepaid expense advances totaling $3,410,000 to CF Health Solutions Pvt. Ltd., an unaffiliated contracted service provider (as defined in ARS 20-481 Et. Seq.). The prepaid balance was incorrectly reduced by $1,410,000 in conjunction with the write-off the liability to Silverscript, LLC discussed in Note 14 above. In 2009 the entry was reversed and expensed. The Company has an outstanding unsecured promissory note for the remaining amount of $2,000,000 due from CF Health Solutions Pvt. Ltd. The note is due for repayment on December 31, 2014, and accrues interest at 2.5% per annum commencing on January 1, 2010. Unpaid principal after the due date accrues interest at a rate of 5% until paid. The unsecured loan has been properly non-admitted from assets as prescribed by Arizona Revised Statutes.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

C. Wash Sales – The Company had no Wash Sales

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

No significant change.

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

No significant change.

Note 20 - Other Items

No significant change.

Note 21 - Events Subsequent

No significant change.

Note 22 - Reinsurance

No significant change.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

As of December 31, 2008, the Company reported net subsidies and reinsurance amounts due from CMS totaling $1,822,262 as “Amounts receivable related to uninsured plans”. These balances should have been reported on a gross basis as $5,024,791 in “Accrued Retrospective Premium” with an offset of $3,202,529 to “Amounts held under uninsured plans” pursuant to reporting required under SSAP 47 and SSAP 66, respectively.

As of September 30, 2009, the balances reported as “Accrued Retrospective Premium” and “Amounts held under uninsured plans” were $8,527,796 and $5,296,999, respectively.

Note 24 - Change in Incurred Losses and Loss Adjustment Expenses

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years have not changed as a result of re-estimation of unpaid losses and loss adjustment expenses.

Note 25 - Intercompany Pooling Arrangements

No significant change.

Note 26 - Structured Settlements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 27 - Health Care Receivables

No significant change.

Note 28 - Participating Policies

No significant change.

Note 29 - Premium Deficiency Reserves

No significant change.

Note 30 - Anticipated Salvage and Subrogation

No significant change.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since 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 [ ]

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

2.2 If yes, date of change: .....

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

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

4.2 If yes, provide 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. 12/31/2008.....

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2008.....

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....

6.4 By what department or departments?
Arizona Department of Insurance

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [ ] N/A [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

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

7.2 If yes, give full information:

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If the 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

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]

GENERAL INTERROGATORIES

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

PART 1 - COMMON INTERROGATORIES

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

11.2 If yes, give full and complete information relating thereto:

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

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

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

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	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
14.24 Short-Term Investments	$ 0	$ 0
14.25 Mortgage Loans on Real Estate	$ 0	$ 0
14.26 All Other	$ 0	$ 0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	$ 0	$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	$ 0	$ 0

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 [ ]
If no, attach a description with this statement.

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

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

1 Name of Custodian(s)	2 Custodian Address
US Bank	New York, NY
Bank of America	New York, NY

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

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

17.2 If no, list exceptions:

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)

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
	State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 through 7	Deposit-Type Contracts
1.	Alabama AL	E		33,274					33,274	
2.	Alaska AK	L		1,105					1,105	
3.	Arizona AZ	L		65,024					65,024	
4.	Arkansas AR	L		1,883,946					1,883,946	
5.	California CA	L		54,746					54,746	
6.	Colorado CO	E		1,772,548					1,772,548	
7.	Connecticut CT	E		20,438					20,438	
8.	Delaware DE	L		10,316					10,316	
9.	District of Columbia DC	L		11,142					11,142	
10.	Florida FL	E		22,543,447					22,543,447	
11.	Georgia GA	L		88,809					88,809	
12.	Hawaii HI	E		1,860,290					1,860,290	
13.	Idaho ID	E		6,591					6,591	
14.	Illinois IL	E		630,812					630,812	
15.	Indiana IN	E		111,509					111,509	
16.	Iowa IA	E		33,301					33,301	
17.	Kansas KS	L		3,634					3,634	
18.	Kentucky KY	E		8,966					8,966	
19.	Louisiana LA	L		9,653					9,653	
20.	Maine ME	E		6,922					6,922	
21.	Maryland MD	L		31,849					31,849	
22.	Massachusetts MA	E		15,257					15,257	
23.	Michigan MI	E		130,759					130,759	
24.	Minnesota MN	E		8,497					8,497	
25.	Mississippi MS	L		5,601					5,601	
26.	Missouri MO	L		23,339					23,339	
27.	Montana MT	L		4,160					4,160	
28.	Nebraska NE	L		2,135					2,135	
29.	Nevada NV	L		8,718					8,718	
30.	New Hampshire NH	L		5,603					5,603	
31.	New Jersey NJ	E		19,159,452					19,159,452	
32.	New Mexico NM	E		6,168					6,168	
33.	New York NY	L		231,546					231,546	
34.	North Carolina NC	E		7,592,816					7,592,816	
35.	North Dakota ND	E		265					265	
36.	Ohio OH	E		74,189					74,189	
37.	Oklahoma OK	E		11,043					11,043	
38.	Oregon OR	E		10,743					10,743	
39.	Pennsylvania PA	L		57,480					57,480	
40.	Rhode Island RI	E		2,816					2,816	
41.	South Carolina SC	L		42,948					42,948	
42.	South Dakota SD	L		2,164					2,164	
43.	Tennessee TN	L		37,468					37,468	
44.	Texas TX	E		48,969					48,969	
45.	Utah UT	E		3,753					3,753	
46.	Vermont VT	E		1,563					1,563	
47.	Virginia VA	E		393,035					393,035	
48.	Washington WA	E		260,899					260,899	
49.	West Virginia WV	L		40,830					40,830	
50.	Wisconsin WI	E		88,766					88,766	
51.	Wyoming WY	L		6,564					6,564	
52.	American Samoa AS	N							0	
53.	Guam GU	N							0	
54.	Puerto Rico PR	E		21,543					21,543	
55.	U.S. Virgin Islands VI	E		16,095					16,095	
56.	Northern Mariana Islands MP	N							0	
57.	Canada CN	N							0	
58.	Aggregate Other alien OT	XXX	0	14,316	0	0	0	0	14,316	0
59.	Subtotal	XXX	0	57,517,822	0	0	0	0	57,517,822	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 23	0	57,517,822	0	0	0	0	57,517,822	0

DETAILS OF WRITE-INS

5801.	Misc. Other Countries		14,316					14,316	
5802.								0	
5803.								0	
5898.	Summary of remaining write-ins for line 58 from overflow page	0	0	0	0	0	0	0	0
5899.	Total (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	14,316	0	0	0	0	14,316	0

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

1.

Bar Code:

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
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 end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	
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 points and commitment fees		
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)	0	0
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	
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)	0	0
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

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	1,013,000	325,000
2. Cost of bonds and stocks acquired	1,753,058	1,013,000
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of	510,000	325,000
7. Deduct amortization of premium	1,661	
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)	2,254,397	1,013,000
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	2,254,397	1,013,000

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)	17,535,731	929,368		(16,210,702)	1,135,976	17,535,731	2,254,397	1,035,976
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	17,535,731	929,368	0	(16,210,702)	1,135,976	17,535,731	2,254,397	1,035,976
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	17,535,731	929,368	0	(16,210,702)	1,135,976	17,535,731	2,254,397	1,035,976

(a) 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.

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	6,216,697	XXX	6,216,697	9,025	

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	22,976	113,285
2. Cost of short-term investments acquired	6,193,721	22,976
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		113,285
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)	6,216,697	22,976
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	6,216,697	22,976

Sch. DB-Part F-Section 1
NONE

Sch. DB-Part F-Section 2
NONE

Sch. E-Verification
NONE

Sch. A-Part 2
NONE

Sch. A-Part 3
NONE

Sch. B-Part 2
NONE

Sch. B-Part 3
NONE

Sch. BA-Part 2
NONE

Sch. BA-Part 3
NONE

SCHEDULE D - PART 3

Show all Long-Term Bonds and Stock Acquired 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. Government									
912828 LJ 7	US Treasury Note		09/22/2009	US Bank		929,368	910,000		1
0399999.	Total - Bonds - U.S. Government					929,368	910,000	0	XXX
8399997.	Total - Bonds - Part 3					929,368	910,000	0	XXX
8399999.	Total - Bonds					929,368	910,000	0	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					929,368	XXX	0	XXX

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

Sch. D-Part 4
NONE

Sch. DB-Part A-Section 1
NONE

Sch. DB-Part B-Section 1
NONE

Sch. DB-Part C-Section 1
NONE

Sch. DB-Part D-Section 1
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Flushing Savings Bank					101,000	101,000	101,000	XXX
Bank of America		0.015		282	130,307	130,307	130,307	XXX
HSBC		0.007	118,473		24,101,091	8,627,206	6,832,797	XXX
0199999. Total Open Depositories	XXX	XXX	118,473	282	24,332,398	8,858,513	7,064,104	XXX
0399999. Total Cash on Deposit	XXX	XXX	118,473	282	24,332,398	8,858,513	7,064,104	XXX
0599999. Total Cash	XXX	XXX	118,473	282	24,332,398	8,858,513	7,064,104	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code.....0 NAIC Company Code.....10161

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums collected	47,778,689	XXX	1,211,337	XXX	48,990,026
2. Earned premiums	56,306,485	XXX	1,211,337	XXX	XXX
3. Claims paid	31,040,180	XXX	2,348,622	XXX	33,388,802
4. Claims incurred	43,502,948	XXX	2,651,967	XXX	XXX
5. Reinsurance coverage and low income cost sharing - claims paid net of reimbursements applied (a)	XXX	(5,296,999)	XXX		(5,296,999)
6. Aggregate policy reserves - change		XXX		XXX	XXX
7. Expenses paid	4,276,661	XXX	445,819	XXX	4,722,480
8. Expenses incurred	10,444,731	XXX	224,700	XXX	XXX
9. Underwriting gain or loss	2,358,806	XXX	(1,665,330)	XXX	XXX
10. Cash flow results	XXX	XXX	XXX	XXX	16,175,743

(a) Uninsured Receivable/Payable with CMS at End of Quarter $.....0 due from CMS or $.....5,296,999 due to CMS.