



13160200920100100

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2009

OF THE CONDITION AND AFFAIRS OF THE

Physicians Health Choice of AR, Inc

NAIC Group Code 4423 4423 NAIC Company Code 13160 Employer's ID Number 45-0571407
(Current Period) (Prior Period)

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

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

Incorporated/Organized: August 7, 2007 Commenced Business: May 30, 2008

Statutory Home Office: 900 South Shackelford, Ste. 205, Little Rock, AR 72211
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office: 8637 Fredericksburg Rd Ste 360
(Street and Number)
San Antonio, TX 78240 866-550-4736
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address: 8637 Fredericksburg Rd Ste 360, San Antonio, TX 78240
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records: 8637 Fredericksburg Rd Ste 360 San Antonio, TX 78240 210-949-4153
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address: n/a

Statutory Statement Contact: Anita Green 210-949-4153
(Name) (Area Code) (Telephone Number) (Extension)
agreen@phyhc.com 210-694-4630
(E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	<u>Daniel Joseph Comrie</u>	<u>President</u>
2.	<u>Bryan David Grundhoefer</u>	<u>Secretary</u>
3.	<u>Joseph Anthony Zimmerman</u>	<u>Treasurer</u>

VICE-PRESIDENTS

Name	Title	Name	Title
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

DIRECTORS OR TRUSTEES

<u>Daniel Joseph Comrie</u>	<u>Bryan David Grundhoefer</u>	<u>Gary W. Piefer, MD</u>	<u>George M. Rapier III, MD</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State of Texas
County of Bexar ss

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.

<u>(Signature)</u> <u>Daniel Joseph Comrie</u> <u>(Printed Name)</u> 1. <u>President</u> <u>(Title)</u>	<u>(Signature)</u> <u>Bryan David Grundhoefer</u> <u>(Printed Name)</u> 2. <u>Secretary</u> <u>(Title)</u>	<u>(Signature)</u> <u>Joseph Anthony Zimmerman</u> <u>(Printed Name)</u> 3. <u>Treasurer</u> <u>(Title)</u>
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Subscribed and sworn to before me this 22 day of February, 2010

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

NONE Exhibit 3 - Health Care Receivables

NONE Exhibit 4 - Claims Unpaid (Reported and Unreported)

NONE Exhibit 5 - Amounts Due from Parent, Subsidiaries and Affiliates

EXHIBIT 6 – AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
WELLMED OF ARKANSAS	Disbursements in connection of Operations	45,926	45,926	
PHYSICIANS HEALTH CHOICE OF TEXAS, LLC	Disbursements in connection of Operations	103,593	103,593	
PHC SUBSIDIARY HOLDINGS, LLC	Disbursements in connection of Operations	172,614	172,614	
WELLMED MEDICAL MANAGEMENT INC	Disbursements in connection of Operations	70,010	70,010	
0199999 Individually listed payable		392,143	392,143	
0299999 Payables not individually listed				
0399999 Total gross payables		392,143	392,143	

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	76,681		(16,328)	60,353	60,353	
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment	4,717		(1,061)	3,656	3,656	
6. Total	81,398		(17,389)	64,009	64,009	



13160200943004100

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

Report for: 1. Corporation Physicians Health Choice of Arkansas, Inc

2. Little Rock, Arkansas

(LOCATION)

NAIC Group Code 4423

BUSINESS IN THE STATE OF ARKANSAS DURING THE YEAR 2009

NAIC Company Code 13160

29,AR

	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										
2. First Quarter	277							277		
3. Second Quarter	347							347		
4. Third Quarter	378							378		
5. Current Year	469							469		
6. Current Year Member Months	4,089							4,089		
Total Member Ambulatory Encounters For Year:										
7. Physician	2,845							2,845		
8. Non-Physician	523							523		
9. Total	3,368							3,368		
10. Hospital Patient Days Incurred	566							566		
11. Number of Inpatient Admissions	102							102		
12. Health Premiums Written (b)	3,509,165							3,509,165		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	3,509,165							3,509,165		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	3,601,495							3,601,495		
18. Amount Incurred for Provision of Health Care Services	3,601,495							3,601,495		

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 3,509,165.



13160200943059100

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

Report for: 1. Corporation Physicians Health Choice of Arkansas, Inc

2. Little Rock, Arkansas

(LOCATION)

NAIC Group Code 4423

BUSINESS IN THE STATE OF TOTAL DURING THE YEAR 2009

NAIC Company Code 13160

29,GT

	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										
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(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 3,509,165.

NONE Schedule S - Part 1 - Section 2

NONE Schedule S - Part 2

NONE Schedule S - Part 3 - Section 2

NONE Schedule S - Part 4

NONE Schedule S - Part 5

NONE Schedule S - Part 6

NONE Schedule T - Part 2

SCHEDULE Y

PART 2 – SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parents, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
0 13160	35-2288416 45-0571407	PHC Subsidiary Holdings LLC Physicians Health Choice of Arkansas, Inc		(1,600,000) 1,600,000							(1,600,000) 1,600,000	
9999999	Control Totals								XXX			

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED 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.

Responses

MARCH FILING

- | | |
|--|-----|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? | YES |
| 2. Will an actuarial opinion be filed by March 1? | YES |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? | YES |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1? | YES |

APRIL FILING

- | | |
|--|-----|
| 5. Will Management's Discussion and Analysis be filed by April 1? | YES |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? | YES |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | YES |

JUNE FILING

- | | |
|--|-----|
| 8. Will an audited financial report be filed by June 1? | YES |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | YES |

The following supplemental reports are required to be filed as part of your annual 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.

MARCH FILING

- | | |
|--|-----|
| 10. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? | NO |
| 11. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? | NO |
| 12. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? | NO |
| 13. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? | YES |
| 14. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | NO |
| 15. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | NO |
| 16. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? | YES |

APRIL FILING

- | | |
|---|----|
| 17. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? | NO |
| 18. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? | NO |
| 19. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? | NO |

Explanation:

Bar Code:



OVERFLOW PAGE FOR WRITE-INS



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MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

(To Be Filed By March 1)

NAIC Group Code 4423

NAIC Company Code 13160

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage		X X X		X X X	
1.12 Without Reinsurance Coverage	692,605	X X X		X X X	692,605
1.13 Risk-Corridor Payment Adjustments		X X X		X X X	
1.2 Supplemental Benefits		X X X		X X X	
2. Premiums Due and Uncollected-change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage		X X X		X X X	X X X
2.12 Without Reinsurance Coverage	9,568	X X X		X X X	X X X
2.2 Supplemental Benefits		X X X		X X X	X X X
3. Unearned Premium and Advance Premium-change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage		X X X		X X X	X X X
3.12 Without Reinsurance Coverage		X X X		X X X	X X X
3.2 Supplemental Benefits		X X X		X X X	X X X
4. Risk-Corridor Payment Adjustments-change					
4.1 Receivable		X X X		X X X	X X X
4.2 Payable		X X X		X X X	X X X
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage		X X X		X X X	X X X
5.12 Without Reinsurance Coverage	702,172	X X X		X X X	X X X
5.13 Risk-Corridor Payment Adjustments		X X X		X X X	X X X
5.2 Supplemental Benefits		X X X		X X X	X X X
6. Total Premiums	702,172	X X X		X X X	692,605
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage		X X X		X X X	
7.12 Without Reinsurance Coverage	581,233	X X X		X X X	581,233
7.2 Supplemental Benefits		X X X		X X X	
8. Claim Reserves and Liabilities-change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage		X X X		X X X	X X X
8.12 Without Reinsurance Coverage		X X X		X X X	X X X
8.2 Supplemental Benefits		X X X		X X X	X X X
9. Health Care Receivables-change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage		X X X		X X X	X X X
9.12 Without Reinsurance Coverage		X X X		X X X	X X X
9.2 Supplemental Benefits		X X X		X X X	X X X
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage		X X X		X X X	X X X
10.12 Without Reinsurance Coverage	581,233	X X X		X X X	X X X
10.2 Supplemental Benefits		X X X		X X X	X X X
11. Total Claims	581,233	X X X		X X X	581,233
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid – Net To Reimbursements Applied	X X X		X X X		
12.2 Reimbursements Received but Not Applied-change	X X X		X X X		
12.3 Reimbursements Receivable-change	X X X		X X X		X X X
12.4 Health Care Receivables-change	X X X		X X X		X X X
13. Aggregate Policy Reserves-change					X X X
14. Expenses Paid		X X X		X X X	
15. Expenses Incurred		X X X		X X X	X X X
16. Underwriting Gain/Loss	120,939	X X X		X X X	X X X
17. Cash Flow Result	X X X	X X X	X X X	X X X	111,372

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