



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2009
OF THE CONDITION AND AFFAIRS OF THE

Unison Health Plan of Tennessee, Inc.

NAIC Group Code 0707 0707 NAIC Company Code 11139 Employer's ID Number 62-1839257
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized 08/09/2000 Commenced Business 07/01/2001

Statutory Home Office 3175 Lenox Park Blvd., Suite 400, Memphis, TN 38115
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office Unison Plaza, 1001 Brinton Rd.
(Street and Number)
Pittsburgh, PA 15221, 412-858-4000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address Unison Plaza, 1001 Brinton Rd., Pittsburgh, PA 15221
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records Unison Plaza, 1001 Brinton Rd.
(Street and Number)
Pittsburgh, PA 15221, 412-858-4000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.unisonhealthplan.com

Statutory Statement Contact Jeffrey Brian Snelling, 412-349-4751
(Name) (Area Code) (Telephone Number)
jeffrey.snelling@unisonhealthplan.com, 412-457-1344
(E-mail Address) (FAX Number)

OFFICERS

CEO and President Eric Hunter Paul # Treasurer Robert Worth Oberrender
 Secretary Christina Regina Palme-Krizak # Chief Financial Officer James Wesley Waters #
 Vice President Tax John William Kelly

OTHER

DIRECTORS OR TRUSTEES

Rita Faye Johnson-Mills # Michael Paul Radu # Christopher Allan Scherer #

State of Tennessee State of Minnesota State of Tennessee
 County of Williamson County of Hennepin County of Williamson

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.

Eric Hunter Paul
CEO and President

Christina Regina Palme-Krizak
Secretary

James Wesley Waters
Chief Financial Officer

Subscribed and sworn to before me this _____ day of _____

Subscribed and sworn to before me this _____ day of _____

Subscribed and sworn to before me this _____ day of _____

- 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.....

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Unison Health Plan of Tennessee, Inc.

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	6,458,118		6,458,118	5,499,047
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$8,181,995, Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$10,017,774, Schedule DA)	18,199,769		18,199,769	14,677,244
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets (Schedule BA)			0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	24,657,887	0	24,657,887	20,176,291
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	79,970		79,970	78,182
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	2,267,895		2,267,895	757,100
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	15,879		15,879	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans	432,214		432,214	266,760
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset	88,180		88,180	52,944
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	448,649		448,649	0
22. Health care (\$198,993) and other amounts receivable	207,584	8,591	198,993	38,120
23. Aggregate write-ins for other than invested assets		0	0	4,160
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	28,198,258	8,591	28,189,667	21,373,557
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	28,198,258	8,591	28,189,667	21,373,557
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
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. State Income Tax Receivable			0	4,160
2302.				
2303.				
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)	0	0	0	4,160

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 104,759 reinsurance ceded)	8,190,970		8,190,970	7,078,442
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses	167,197		167,197	582,106
4. Aggregate health policy reserves	768,573		768,573	699,795
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves	253,587		253,587	0
8. Premiums received in advance	211		211	1,705
9. General expenses due or accrued	915,203		915,203	245,682
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	186,966		186,966	0
10.2 Net deferred tax liability			0	80,072
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittance and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	1,833,430		1,833,430	686,091
16. Payable for securities			0	0
17. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ 0 unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans	2,357,613		2,357,613	1,684,787
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	14,673,750	0	14,673,750	11,058,680
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	100	100
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	2,989,400	2,989,400
27. Surplus notes	XXX	XXX	0	
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	10,526,417	7,325,377
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	13,515,917	10,314,877
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	28,189,667	21,373,557
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
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.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
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.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
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		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	57,782	28,820
2. Net premium income (including \$ non-health premium income)	XXX	55,633,406	26,688,637
3. Change in unearned premium reserves and reserve for rate credits	XXX	(68,778)	(537,725)
4. Fee-for-service (net of \$ medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	55,564,628	26,150,912
Hospital and Medical:			
9. Hospital/medical benefits		26,683,446	13,914,302
10. Other professional services		7,224,036	4,453,111
11. Outside referrals		0	0
12. Emergency room and out-of-area		962,862	479,984
13. Prescription drugs		3,515,495	2,069,224
14. Aggregate write-ins for other hospital and medical	0	(10,213)	(1,173,198)
15. Incentive pool, withhold adjustments, and bonus amounts		0	0
16. Subtotal (Lines 9 to 15)	0	38,375,626	19,743,423
Less:			
17. Net reinsurance recoveries		81,498	39,140
18. Total hospital and medical (Lines 16 minus 17)	0	38,294,128	19,704,283
19. Non-health claims (net)			0
20. Claims adjustment expenses, including \$ 922,641 cost containment expenses		1,079,636	651,737
21. General administrative expenses		7,317,407	2,103,108
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	46,691,171	22,459,128
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	8,873,456	3,691,784
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		175,794	514,490
26. Net realized capital gains (losses) less capital gains tax of \$ 829		(829)	
27. Net investment gains (losses) (Lines 25 plus 26)	0	174,965	514,490
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses	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	9,048,421	4,206,274
31. Federal and foreign income taxes incurred	XXX	3,188,137	768,224
32. Net income (loss) (Lines 30 minus 31)	XXX	5,860,284	3,438,050
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
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401. Miscellaneous Medical Expense		(10,213)	(13,765)
1402. Prior Period IBNR Adjustment			(1,159,433)
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	(10,213)	(1,173,198)
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	10,314,877	6,828,499
34. Net income or (loss) from Line 32.....	5,860,284	3,438,050
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	13,147	75,033
39. Change in nonadmitted assets.....	76,609	(26,705)
40. Change in unauthorized reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....	(2,749,000)	
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	3,201,040	3,486,378
49. Capital and surplus end of reporting period (Line 33 plus 48)	13,515,917	10,314,877
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	54,121,117	26,984,704
2. Net investment income	289,855	507,982
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	54,410,972	27,492,686
5. Benefit and loss related payments	37,050,245	15,504,613
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	7,630,902	1,257,226
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$829 tax on capital gains (losses)	3,082,072	0
10. Total (Lines 5 through 9)	47,763,219	16,761,839
11. Net cash from operations (Line 4 minus Line 10)	6,647,752	10,730,847
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	4,587,000	1,200,000
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	4,587,000	1,200,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	5,661,917	2,118,525
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	5,661,917	2,118,525
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(1,074,917)	(918,525)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	2,749,000	0
16.6 Other cash provided (applied)	698,690	(1,186,723)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(2,050,310)	(1,186,723)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	3,522,525	8,625,599
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	14,677,244	6,051,645
19.2 End of year (Line 18 plus Line 19.1)	18,199,769	14,677,244

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

--	--	--

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Unison Health Plan of Tennessee, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	55,633,406						55,633,406			
2. Change in unearned premium reserves and reserve for rate credit	(68,778)						(68,778)			
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	55,564,628	0	0	0	0	0	55,564,628	0	0	0
8. Hospital/medical benefits	26,683,446						26,483,446	200,000		XXX
9. Other professional services	7,224,036						7,224,036			XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	962,862						962,862			XXX
12. Prescription drugs	3,515,495						3,515,495			XXX
13. Aggregate write-ins for other hospital and medical	(10,213)	0	0	0	0	0	(10,213)	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0									XXX
15. Subtotal (Lines 8 to 14)	38,375,626	0	0	0	0	0	38,175,626	200,000	0	XXX
16. Net reinsurance recoveries	81,498						81,498			XXX
17. Total medical and hospital (Lines 15 minus 16)	38,294,128	0	0	0	0	0	38,094,128	200,000	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 922,641 cost containment expenses	1,079,636						1,397,485	(317,849)		
20. General administrative expenses	7,317,407						7,326,231	(8,824)		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	46,691,171	0	0	0	0	0	46,817,844	(126,673)	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	8,873,457	0	0	0	0	0	8,746,784	126,673	0	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Miscellaneous Medical Expense	(10,213)						(10,213)			XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	(10,213)	0	0	0	0	0	(10,213)	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Unison Health Plan of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
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			0
6. Title XVIII - Medicare	55,798,059		164,653	55,633,406
7. Title XIX - Medicaid	0			0
8. Other health				0
9. Health subtotal (Lines 1 through 8)	55,798,059	0	164,653	55,633,406
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	55,798,059	0	164,653	55,633,406

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Unison Health Plan of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	37,056,210						36,791,938	264,272		
1.2 Reinsurance assumed	0						0			
1.3 Reinsurance ceded	0						0			
1.4 Net	37,056,210	0	0	0	0	0	36,791,938	264,272	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	8,295,729	0	0	0	0	0	8,095,729	200,000	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	104,759	0	0	0	0	0	104,759	0	0	0
3.4 Net	8,190,970	0	0	0	0	0	7,990,970	200,000	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	253,587						253,587			
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	253,587	0	0	0	0	0	253,587	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	112,318						112,318			
7. Amounts recoverable from reinsurers December 31, current year	15,879						15,879			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	7,117,582	0	0	0	0	0	6,853,310	264,272	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	39,140	0	0	0	0	0	39,140	0	0	0
8.4 Net	7,078,442	0	0	0	0	0	6,814,170	264,272	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	38,375,626	0	0	0	0	0	38,175,626	200,000	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	81,498	0	0	0	0	0	81,498	0	0	0
12.4 Net	38,294,128	0	0	0	0	0	38,094,128	200,000	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Unison Health Plan of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	3,390,973						3,390,973			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	3,390,973	0	0	0	0	0	3,390,973	0	0	0
2. Incurred but Unreported:										
2.1 Direct	4,904,756						4,704,756	200,000		
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	104,759						104,759			
2.4 Net	4,799,997	0	0	0	0	0	4,599,997	200,000	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	8,295,729	0	0	0	0	0	8,095,729	200,000	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	104,759	0	0	0	0	0	104,759	0	0	0
4.4 Net	8,190,970	0	0	0	0	0	7,990,970	200,000	0	0

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Unison Health Plan of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the 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	4,496,811	32,374,514	77,515	8,167,042	4,574,326	6,814,170
7. Title XIX - Medicaid	264,272		200,000		464,272	264,272
8. Other health					0	
9. Health subtotal (Lines 1 to 8)	4,761,083	32,374,514	277,515	8,167,042	5,038,598	7,078,442
10. Healthcare receivables (a)		207,584			0	
11. Other non-health					0	
12. Medical incentive pools and bonus amounts					0	
13. Totals (Lines 9 - 10 + 11 + 12)	4,761,083	32,166,930	277,515	8,167,042	5,038,598	7,078,442

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

UNDERWRITING AND INVESTMENT EXHIBIT

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)**

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	0	0	0	0	
2.	2005					
3.	2006	XXX				
4.	2007	XXX	XXX	2,423	3,765	3,831
5.	2008	XXX	XXX	XXX	14,125	18,478
6.	2009	XXX	XXX	XXX	XXX	32,245

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	0	0	0	0	
2.	2005					
3.	2006	XXX				
4.	2007	XXX	XXX	5,001	3,934	3,831
5.	2008	XXX	XXX	XXX	20,770	18,556
6.	2009	XXX	XXX	XXX	XXX	40,412

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2005				0.0	0	0.0			0	0.0
2. 2006				0.0	0	0.0			0	0.0
3. 2007	7,114	3,831	245	6.4	4,076	57.3			4,076	57.3
4. 2008	26,220	18,478	1,051	5.7	19,529	74.5	78	2	19,609	74.8
5. 2009	55,729	32,245	1,274	4.0	33,519	60.1	8,167	166	41,852	75.1

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	46	35	15	15	279
2. 2005					
3. 2006	XXX				
4. 2007	XXX	XXX			
5. 2008	XXX	XXX	XXX		
6. 2009	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	279	279	279	279	279
2. 2005					
3. 2006	XXX				
4. 2007	XXX	XXX			28
5. 2008	XXX	XXX	XXX		172
6. 2009	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1. 2005				0.0	0	0.0			0	0.0
2. 2006				0.0	0	0.0			0	0.0
3. 2007				0.0	0	0.0	28		28	0.0
4. 2008				0.0	0	0.0	172		172	0.0
5. 2009				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	46	35	15	15	279
2.	2005	0	0	0	0	0
3.	2006	XXX	0	0	0	0
4.	2007	XXX	XXX	2,423	3,765	3,831
5.	2008	XXX	XXX	XXX	14,125	18,478
6.	2009	XXX	XXX	XXX	XXX	32,245

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2005	2 2006	3 2007	4 2008	5 2009
1.	Prior	279	279	279	279	279
2.	2005	0	0	0	0	0
3.	2006	XXX	0	0	0	0
4.	2007	XXX	XXX	5,001	3,934	3,859
5.	2008	XXX	XXX	XXX	20,770	18,728
6.	2009	XXX	XXX	XXX	XXX	40,412

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2005	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2006	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2007	7,114	3,831	245	6.4	4,076	57.3	28	0	4,104	57.7
4. 2008	26,220	18,478	1,051	5.7	19,529	74.5	250	2	19,781	75.4
5. 2009	55,729	32,245	1,274	4.0	33,519	60.1	8,167	166	41,852	75.1

12.GT

ANNUAL STATEMENT FOR THE YEAR 2009 OF THE Unison Health Plan of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$0) for investment income	768,573						768,573		
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	768,573	0	0	0	0	0	768,573	0	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	768,573	0	0	0	0	0	768,573	0	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	253,587						253,587		
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	253,587	0	0	0	0	0	253,587	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	253,587	0	0	0	0	0	253,587	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)	11,662	14,966	27,508		54,136
2. Salary, wages and other benefits	750,242	469,883	1,361,277		2,581,402
3. Commissions (less \$ ceded plus \$ assumed)			3,045,702		3,045,702
4. Legal fees and expenses			696		696
5. Certifications and accreditation fees			12,318		12,318
6. Auditing, actuarial and other consulting services ...			744,933		744,933
7. Traveling expenses			58,738		58,738
8. Marketing and advertising			536,322		536,322
9. Postage, express and telephone		43,482	208,395		251,877
10. Printing and office supplies			304,014		304,014
11. Occupancy, depreciation and amortization			20,961		20,961
12. Equipment			7,065		7,065
13. Cost or depreciation of EDP equipment and software	15,706	5,943	107,395		129,044
14. Outsourced services including EDP, claims, and other services	(27,855)		158,170		130,315
15. Boards, bureaus and association fees			158,566		158,566
16. Insurance, except on real estate			60,203		60,203
17. Collection and bank service charges			2,357	605	2,962
18. Group service and administration fees	115,848		8,269		124,117
19. Reimbursements by uninsured plans		(31,090)	(354,987)		(386,077)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			578,530		578,530
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees			43,471		43,471
23.4 Payroll taxes	57,140	35,898	96,692		189,730
23.5 Other (excluding federal income and real estate taxes)			4,159		4,159
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	(102)	(382,087)	126,653	0	(255,536)
26. Total expenses incurred (Lines 1 to 25)	922,641	156,995	7,317,407	605	(a) 8,397,648
27. Less expenses unpaid December 31, current year		167,197	915,203		1,082,400
28. Add expenses unpaid December 31, prior year	0	582,106	801,761	0	1,383,867
29. Amounts receivable relating to uninsured plans, prior year	(106,976)	0	398,556	0	291,580
30. Amounts receivable relating to uninsured plans, current year	65,669		384,003		449,672
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	1,095,286	571,904	7,189,412	605	8,857,207
DETAILS OF WRITE-INS					
2501. Claims Adjustment Expense		(414,909)	0		(414,909)
2502. Miscellaneous Expense	(102)	32,822	(11,565)		21,155
2503. Fines			138,218		138,218
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	(102)	(382,087)	126,653	0	(255,536)

(a) Includes management fees of \$ 8,348,278 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 77,232	101,536
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 36,745	36,745
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract Loans		
6. Cash, cash equivalents and short-term investments	(e) 42,864	42,864
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	156,841	181,145
11. Investment expenses		(g) 605
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		4,746
16. Total deductions (Lines 11 through 15)		5,351
17. Net investment income (Line 10 minus Line 16)		175,794
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501. Interest earned on ASO reimbursements forwarded to TennCare		4,746
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		4,746

- (a) Includes \$ 4,211 accrual of discount less \$ 120,057 amortization of premium and less \$ 63,761 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
NONE					
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)		0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks		0	0
2.2 Common stocks		0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens		0	0
3.2 Other than first liens		0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company		0	0
4.2 Properties held for the production of income		0	0
4.3 Properties held for sale		0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)		0	0
6. Contract loans		0	0
7. Other invested assets (Schedule BA)		0	0
8. Receivables for securities		0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only)		0	0
12. Investment income due and accrued		0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection		0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due		0	0
13.3 Accrued retrospective premiums		0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers		0	0
14.2 Funds held by or deposited with reinsured companies		0	0
14.3 Other amounts receivable under reinsurance contracts		0	0
15. Amounts receivable relating to uninsured plans		0	0
16.1 Current federal and foreign income tax recoverable and interest thereon		0	0
16.2 Net deferred tax asset		22,089	22,089
17. Guaranty funds receivable or on deposit		0	0
18. Electronic data processing equipment and software		0	0
19. Furniture and equipment, including health care delivery assets		0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates		0	0
21. Receivable from parent, subsidiaries and affiliates		0	0
22. Health care and other amounts receivable	8,591	63,111	54,520
23. Aggregate write-ins for other than invested assets	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	8,591	85,200	76,609
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts		0	0
26. Total (Lines 24 and 25)	8,591	85,200	76,609
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	3,103	4,236	4,938	5,385	5,461	57,782
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	3,103	4,236	4,938	5,385	5,461	57,782
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements are prepared in conformity with the NAIC Accounting Practices and Procedures Manual except to the extent that state law differs or where NAIC statutory accounting practices and procedures do not address the accounting for the transaction. There are two prescribed and no permitted practices that are applicable to Unison Health Plan of Tennessee, Inc. (the Company).

- (1) In a letter to the Company dated January 4, 2008, the State of Tennessee, Department of Commerce and Insurance, TennCare Division, communicated its position that Health Maintenance Organizations (HMOs) can obtain stop loss policies but, since they are not insurance companies, HMOs cannot enter into reinsurance agreements. This letter also instructed a prescribed practice for the presentation of stop loss premium expenses on the Statement of Revenues and Expenses whereby stop loss type premium expense is reported on Line 17, Net Reinsurance Recoveries. In a letter dated February 26, 2008, the Company received approval for an exception to the prescribed practice noted above which allows the Company to report premium paid for coverage under a stop loss type agreement as a reduction to premium on Line 2, Net Premium Income of the Statement of Revenues and Expenses. The Company's policy is a stop loss policy rather than reinsurance. The Company has reported the stop loss premium expenses in accordance with the exception provided in the February 26, 2008 letter.

A reconciliation of the Company's net income and capital and surplus for the differences between the State of Tennessee basis and NAIC SAP is shown below:

	<u>2009</u>	<u>2008</u>
<u>Net Income:</u>		
1. State of Tennessee basis	\$5,860,284	\$3,438,050
2. State Prescribed Practices None	-	-
3. State Permitted Practices None	-	-
4. NAIC SAP basis	<u>\$5,860,284</u>	<u>\$3,438,050</u>
 <u>Statutory Capital & Surplus</u>		
5. State of Tennessee basis	\$13,515,917	\$10,314,877
6. State Prescribed Practices None	-	-
7. State Permitted Practices None	-	-
8. NAIC SAP basis	<u>\$13,515,917</u>	<u>\$10,314,877</u>

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

The preparation of financial statements in conformity with Annual Statement Instructions and Accounting Practices and Procedures Manual requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Effective July 1, 2002, the Company entered into an Administrative Services Agreement (ASO) with the State of Tennessee TennCare Bureau (TennCare). Under this agreement, the Company processed and paid claims and performed other managed care services and was reimbursed by TennCare. The Company received an administrative fee for this service. The ASO Agreement with the TennCare terminated effective October 31, 2008. The Company's operations under the former ASO Agreement will continue through an unspecified claims run out period to allow for providers to submit claims for reimbursement for dates of service on or before October 31, 2008.

The Centers for Medicare and Medicaid Services (CMS) pays premiums to the Company on a monthly basis. In addition, some members pay a portion of the monthly premium. Premiums are recognized as revenue when earned and are presented net of ceded reinsurance.

NOTES TO FINANCIAL STATEMENTS

The Company contracts with various health care providers for the provision of certain medical care services to its members. The Company compensates those providers on a capitation or unit of service basis. The Company has maintained these contracts under the ASO Agreement with TennCare; however, the Company is no longer at risk for medical expenses incurred on or after July 1, 2002 for this Medicaid line of business. See Note 1. C. paragraph one and Note 4., for more information regarding this agreement. The cost of health care services provided or contracted for related to the Medicare line of business is accrued in the period in which the service is provided to a member based in part on estimates, including an accrual for medical services provided but not reported to the Company.

Health Plan Operations Outsourcing fees paid to Unison Administrative Services, LLC (UAS) are allocated to each expense line pro rata based on the expenses incurred by UAS. Expenses incurred by UAS, which are not directly attributable to a specific HMO, are allocated to its contracted HMOs based on relevant factors which management has determined are valid bases for allocations. Examples are: call volume, claims volume and member months.

During 2009, the NAIC adopted Statement of Statutory Accounting Principles (SSAP) No. 10R, *Income Taxes - Revised, A Temporary Replacement of SSAP No. 10*, effective for 2009 and 2010. The revised standard adds a valuation allowance criterion, elective expanded admissibility test if the relevant risk-based capital threshold is met, and additional disclosures. Statutory accounting requires an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax basis of assets and liabilities, subject to limitations on deferred tax assets. The Company's operations are included in the consolidated federal income tax return of UnitedHealth Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis. The Company receives a benefit at the federal rate in the current year for net losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group (see Note 9). UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. Internal Revenue Service (IRS) has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2007 and prior. UnitedHealth Group's 2008 and 2009 tax return is under advance review by the IRS under its Compliance Assurance Program. With the exception of a couple states, UnitedHealth Group is no longer subject to income tax examinations prior to 2003 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds, other than Loan-backed and Structured Securities, are carried at amortized cost or, if NAIC 3 is lower, at the lower of amortized cost or fair value. Amortization is calculated using the constant yield method.
- (3) The Company has no investments in Common Stocks.
- (4) The Company has no investments in Preferred Stock.
- (5) The Company has no investments in mortgage loans.
- (6) The Company has no investments in loan-backed securities.
- (7) The Company has no investments in subsidiaries, controlled and affiliated companies.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no investments in derivative instruments
- (10) The Company has no premium deficiency reserves.
- (11) Unpaid losses and loss adjustment expenses (excluding activity under the ASO Agreement with TennCare - see Note 1. C. paragraph one and Note 4., for more information regarding this agreement) include amounts, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the current period.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The method used to estimate pharmaceutical rebate receivables.

The Company's pharmacy rebate receivables estimated are based on the most currently available data from the Company's pharmaceutical benefit manager. Pharmacy rebate receivables are considered nonadmitted for statutory reporting purposes if they do not meet the criteria established in SSAP No. 84, Certain Health Care Receivables and Receivables Under Government Insured Plans. Accordingly, The Company has excluded these

NOTES TO FINANCIAL STATEMENTS

receivables that do not meet the SSAP No. 84 criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

2. Accounting Changes and Corrections of Errors

The Company had no accounting changes or corrections of errors during 2009 or 2008.

3. Business Combinations and Goodwill

- A. The Company did not have any business combinations accounted for under the statutory purchase method during 2009 or 2008.
- B. The Company did not have any business combinations accounted for under the statutory merger method during 2009 or 2008.
- C. The Company did not enter into any assumption reinsurance agreements during 2009 or 2008.
- D. The Company did not recognize an impairment loss relating to a business combination during 2009 or 2008.

4. Discontinued Operations

- A. The Company was notified by the TennCare Bureau on April 22, 2008 that it was not selected to serve Medicaid enrollees in the West Grand Region for the state's full risk MCO contract scheduled for implementation on November 1, 2008. As a result, the Company ceased providing services to State of Tennessee Medicaid eligible recipients under its ASO arrangement with TennCare effective October 31, 2008.
- B. Although the Company's ASO arrangement with TennCare terminated on October 31, 2008, operations under the agreement will continue for an unspecified claim run out period to allow for providers to submit claims for payment for dates of service on or before October 31, 2008.
- C. The Company intends to conduct limited operations for the Medicaid ASO line of business through the period of final claim payment processing, as noted above.
- D. As a result of the termination of the Company's ASO arrangement with the TennCare Bureau, its Medicaid ASO line of business operations have been classified as discontinued operations and have been reported consistently with the Company's reporting of continuing operations subject to the timeframe and intentions noted above.
- E. The amounts related to the discontinued operations and the effect on the financial statements, including the balance sheet and income statement line items that have been affected are noted below.

Balance Sheet December 31, 2009

Assets

1) Line 5	Cash	\$ <u>379,523</u>
2) Line 26	Totals	\$ <u>858,095</u>

Liabilities, Surplus and Other Funds

3) Line 22	Total Liabilities	\$ <u>581,858</u>
4) Line 31	Total Capital and Surplus	\$ <u>276,238</u>
5) Line 32	Total	\$ <u>858,096</u>

Statement of Revenue and Expenses December 31, 2009

6) Line 2	Premium	\$ <u>0</u>
7) Line 22	Increase in aggregate reserves for accident & health (current year less prior year)	\$ <u>0</u>
8) Line 31	Federal and foreign income taxes incurred	\$ <u>45,058</u>
9) Line 26	Net realized capital gains (losses)	\$ <u>0</u>
10) Line 32	Net Income	\$ <u>282,823</u>

NOTES TO FINANCIAL STATEMENTS

5. Investments

- A. The Company has no investments in Mortgage Loans in 2009 or 2008.
- B. The Company has no Restructured Debt in 2009 or 2008.
- C. The Company has no Reverse Mortgages in 2009 or 2008.
- D. The Company has no investments in Loan-Backed Securities in 2009 or 2008.
- E. The Company has no investments in Repurchase Agreements in 2009 or 2008.
- F. The Company has no investments in Real Estate in 2009 or 2008.
- G. The Company has no investments in Low-Income Housing Tax Credits (LIHTC) in 2009 or 2008.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies during 2009 or 2008.

7. Investment Income

- A. The Company applied the provisions of SSAP No. 34, Investment Income Due and Accrued for excluding (nonadmitting) any investment income due or accrued.
- B. The Company did not exclude (nonadmit) any due and accrued investment income at December 31, 2009 or 2008.

8. Derivative Instruments

The Company did not hold or issue any derivative financial instruments during 2009 or 2008.

9. Income Taxes

- A. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2009 and 2008 are as follows:

<u>Deferred tax assets:</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Character</u>
Bad debt	\$26,189	\$ -	\$26,189	Ordinary
Unpaid losses and CAE	59,384	52,825	6,559	Ordinary
Premiums received in advance	15	119	(104)	Ordinary
Nonadmitted assets	3,007	22,089	(19,082)	Ordinary
Investments	418	-	418	Capital
Total gross deferred tax asset	<u>89,013</u>	<u>75,033</u>	<u>13,980</u>	
Statutory valuation allowance	<u>(418)</u>	<u>-</u>	<u>(418)</u>	
Adjusted gross deferred tax asset	88,595	75,033	13,562	
Nonadmitted deferred tax asset	-	(22,089)	22,089	
Admitted deferred tax asset	<u>\$88,595</u>	<u>\$52,944</u>	<u>\$35,651</u>	
<u>Deferred tax liabilities:</u>	<u>2009</u>	<u>2008</u>	<u>Change</u>	<u>Character</u>
Investments	\$(415)	\$ -	\$(415)	Ordinary
Total deferred tax liabilities	<u>(415)</u>	<u>-</u>	<u>(415)</u>	
Net deferred tax asset	<u>\$88,180</u>	<u>\$52,944</u>	<u>\$35,236</u>	

NOTES TO FINANCIAL STATEMENTS

The components of the adjusted gross deferred tax asset admissibility calculation are as follows:

	2009		
	Ordinary	Capital	Total
Federal income taxes paid in prior years that can be recovered through loss carrybacks	\$88,595	-	\$88,595
The lesser of:	-	-	-
Adjusted gross deferred tax assets expected to be realized within one year of the balance sheet date not recovered via loss carrybacks	-	-	
Ten percent adjusted statutory capital and surplus shown on most recently filed financial statement	N/A	N/A	1,436,327
Adjusted gross deferred tax assets after application of above items that can be offset against existing gross deferred tax liabilities	-	-	-
Admitted deferred tax asset	<u>\$88,595</u>	<u>-</u>	<u>\$88,595</u>
	2008		
	Ordinary	Capital	Total
Federal income taxes paid in prior years that can be recovered through loss carrybacks	\$52,944	-	\$52,944
The lesser of:	-	-	-
Adjusted gross deferred tax assets expected to be realized within one year of the balance sheet date not recovered via loss carrybacks	-	-	
Ten percent adjusted statutory capital and surplus shown on most recently filed financial statement	N/A	N/A	561,457
Adjusted gross deferred tax assets after application of above items that can be offset against existing gross deferred tax liabilities	-	-	-
Admitted deferred tax asset	<u>\$52,944</u>	<u>-</u>	<u>\$52,944</u>

The Company has not elected to admit additional deferred tax assets.

B. There are no unrecognized deferred tax liabilities.

NOTES TO FINANCIAL STATEMENTS

- C. The federal income taxes incurred for the years ended December 31, 2009 and 2008 are as follows:

Description	2009	2008
Current federal income tax provision	\$3,188,137	\$768,225
Capital gains tax	829	-
Total current federal income tax provision	<u>\$3,188,966</u>	<u>\$768,225</u>

The change in net deferred income tax for the years ended December 31, 2009 and 2008, is comprised of the following:

	2009	2008
Change in gross deferred tax assets	\$13,980	\$75,033
Change in statutory valuation allowance	(418)	-
Change in deferred tax liabilities	(415)	-
Change in net deferred income taxes	13,147	75,033
Change in deferred taxes on unrealized (gains) losses on investments	-	-
Total change in net deferred taxes	<u>\$13,147</u>	<u>\$75,033</u>

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of \$418 and \$0 to reduce the gross deferred tax asset to \$88,595 and \$75,033 as of December 31, 2009 and 2008 respectively, which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes. The application of the statutory valuation allowance is required under SSAP No. 10R effective for 2009 and 2010. The change in the valuation allowance is caused by the change in timing of deductibility of expenses and/or expectations for future performance

- D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to income before income taxes. The significant items causing this difference are as follows:

Tax provision at the federal statutory rate	\$3,167,237	\$1,472,196
Tax-exempt interest	(10,918)	(4,772)
Tax effect of nonadmitted assets	19,082	(22,089)
Deferred corrections	-	(379,322)
Change in valuation allowance	418	-
Other – current year income taxed as S-Corp	-	(372,821)
Total	<u>\$3,175,819</u>	<u>\$693,192</u>
Current federal income tax provision	\$3,188,137	\$768,225
Capital gains tax	829	-
Change in net deferred tax	(13,147)	(75,033)
Total statutory income taxes	<u>\$3,175,819</u>	<u>\$693,192</u>

- E. At December 31, 2009 the Company had no net operating losses.

A federal income tax payable of \$186,966 and \$80,072 as of December 31, 2009 and 2008 respectively, are included in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes paid, net of refunds, was \$3,082,072 and \$688,153 in 2009 and 2008, respectively.

Federal income taxes incurred of approximately \$3,188,966 and \$80,072 for 2009 and 2008, respectively, is available for recoupment in the event of future net losses.

There are no aggregate amounts of deposits admitted under Section 6603 of the Internal Revenue Service Code.

- F. The companies included with this Company in a consolidated federal income tax return filing comprise the Company's ultimate parent UnitedHealth Group Incorporated and its subsidiaries as listed in the attached schedule.

The method of allocation between the companies is subject to a written tax sharing agreement 1. that is approved by the Board of Directors of the Company. Under this agreement, the amount of federal income taxes that are paid to or received from UnitedHealth Group Incorporated approximate the amount that would have been computed on a separate company basis. Such payments are made or received on a quarterly basis, at the time of filing of an extension and upon filing of the final return. To the extent the Company's net operating loss or tax credit is utilized on the consolidated tax return, the Company is entitled to receive the amount of tax

NOTES TO FINANCIAL STATEMENTS

savings the consolidated group realizes in that year. Any portion of such loss not so utilized by the Company is available for future use.

The following is a list of the entities that the Company's operating results are combined with on the federal income tax return:

UnitedHealth Group Incorporated
41-1321939
9900 Bren Road east, MN008-55343
Minnetonka, MN 55343

Name:

ACN Group IPA of New York, Inc.
ACN Group of California, Inc.
ACN Group, Inc.
Administration Resources Corporation
AIM Healthcare Services, Inc.
All Savers Insurance Company
All Savers Life Insurance Company of California
American Medical Security Life Insurance Company
AmeriChoice Corporation
AmeriChoice Health Services, Inc.
AmeriChoice of Connecticut, Inc.
AmeriChoice of Georgia, Inc.
AmeriChoice of New Jersey, Inc.
AmeriChoice of Pennsylvania, Inc.
Aperture Credentialing, Inc.
Arizona Physicians IPA, Inc.
Arnett Health Plans, Inc.
Arnett HMO, Inc.
Behavioral Health Administrators
Behavioral Healthcare Options, Inc.
BP Inc.
CareMedic Holdings, Inc.
CareMedic Systems, Inc.
CareTracker Technologies, Inc.
CII Financial, Inc.
Commonwealth Administrators, LLC
DBP Services of New York IPA, Inc.
DCG Resource Options, LLC
Definity Health Corporation
Dental Benefit Providers of California, Inc.
Dental Benefit Providers of Illinois, Inc.
Dental Benefit Providers, Inc.
Disability Consulting Group, LLC
Distance Learning Network, Inc.
Duncan Printing Services, LLC
Electronic Network Systems, Inc.
Envision Care Alliance Inc.
Evercare Collaborative Solutions, Inc.
Evercare Hospice, Inc.
Evercare of Arizona, Inc.
Evercare of New Mexico, Inc.
Evercare of Texas, L.L.C.
Family Health Care Services
Family Home Hospice, Inc.
FOHP, Inc.
Global Works Systems, Inc.
Golden Rule Financial Corporation
Golden Rule Insurance Company
Great Lakes Health Plan, Inc.
Harrington Health Services, Inc.
Health Net Insurance of New York, Inc.
Health Net of Connecticut, Inc.
Health Net of New Jersey, Inc.
Health Net of New York, Inc.
Health Plan of Nevada, Inc.
HealthAllies, Inc.
Healthia Consulting, Inc.
Healthia Exchange LLC

NOTES TO FINANCIAL STATEMENTS

HomeCall Pharmaceutical Services, Inc.
Hygeia Corporation
IBA Health and Life Assurance Company
Information Network Corporation
Ingenix Holdings, LLC
Ingenix MergerCo, Inc.
Ingenix Pharmaceutical Services, Inc.
Ingenix Public Sector Solutions, Inc.
Ingenix, Inc.
Ingram & Associates LLC
Innovative Cost Solutions, LLC
Innoviant Pharmacy, Inc.
Innoviant, Inc.
Integris Inc.
J.W. Hutton, Inc.
LighthouseMD, Inc.
MAMSI Insurance Resources, LLC
MAMSI Life and Health Insurance Company
Managed Physical Network, Inc.
MD-Individual Practice Association, Inc.
Medical Network, Inc.
Mid Atlantic Medical Services, LLC
Midwest Security Care, Inc.
Midwest Security Life Insurance Company
MLH Life Trust
Mohave Valley Hospital, Inc.
National Benefit Resources, Inc.
National Pacific Dental, Inc.
Neighborhood Health Partnership, Inc.
Netwerkes, LLC
Nevada Pacific Dental
Northern Nevada Health Network, Inc.
OneNet PPO, LLC
Optimum Choice, Inc.
OptumHealth Bank, Inc.
OptumHealth Behavioral Solutions, Inc.,
OptumHealth Care Solutions, Inc.
OptumHealth Financial Services MergerCo, Inc.
OptumHealth Financial Services, Inc.
OptumHealth Holdings, LLC
OptumHealth Investment Advisers, Inc.
OptumHealth Specialty Benefits, Inc.
OptumHealth, Inc.
Ovations, Inc.
Oxford Benefit Management, Inc.
Oxford Health Insurance, Inc.
Oxford Health Plans (CT), Inc.
Oxford Health Plans (NJ), Inc.
Oxford Health Plans (NY), Inc.
Oxford Health Plans LLC
PacifiCare Behavioral Health of California, Inc.
PacifiCare Behavioral Health, Inc.
PacifiCare Dental of Colorado, Inc.
PacifiCare Health Plan Administrators, Inc.
PacifiCare Health Systems, LLC
PacifiCare Life and Health Insurance Company
PacifiCare Life Assurance Company
PacifiCare of Arizona, Inc.
PacifiCare of California
PacifiCare of Colorado, Inc.
PacifiCare of Nevada, Inc.
PacifiCare of Oklahoma, Inc.
PacifiCare of Oregon, Inc.
PacifiCare of Texas, Inc.
PacifiCare of Washington, Inc.
PacificDental Benefits, Inc.
Passport Coast-to-Coast LLC
Physicians Health Plan of Maryland, Inc.
PPC International II, LLC
PPC International, LLC
PPO One, Inc.
Prescription Solutions Holdings, LLC

NOTES TO FINANCIAL STATEMENTS

Prescription Solutions, Inc.
Prime Health, Inc.
ProcessWorks, Inc.
PsychCME, Inc.
Receivable Process Management, Inc.
Red Oak E-Commerce Solutions, Inc.
RIO Holdings, Inc.
RSB Holdings, Inc.
Rx Solutions NY IPA, Inc.
RxSolutions, Inc.
Sheridan Re, Inc.
Sierra Health and Life Insurance Company, Inc.
Sierra Health Services, Inc.
Sierra Health-Care Options, Inc.
Sierra Home Medical Products, Inc.
Sierra Military Health Services, LLC
Sierra Nevada Administrators, Inc.
Southwest Medical Associates, Inc.
Southwest Michigan Health Network Inc.
Special Risk International, Inc.
Spectera of New York, IPA, Inc.
Spectera, Inc.
The Lewin Group, Inc.
Third Millennium Healthcare Systems, Inc.
Three Rivers Holdings, Inc.
U.S. Behavioral Health Plan, California
UHC International Services, Inc.
UHIC Holdings, Inc.
UMR Care Management, LLLP
UMR, Inc.
Unimerica Insurance Company
Unimerica Life Insurance Company of New York
Union Health Solutions, Inc.
Unison Administrative Services, LLC
Unison Family Health Plan of Pennsylvania, Inc.
Unison Health Holdings of Ohio, Inc.
Unison Health Plan of Delaware, Inc.
Unison Health Plan of New Jersey, Inc.
Unison Health Plan of Ohio, Inc.
Unison Health Plan of Pennsylvania, Inc.
Unison Health Plan of South Carolina, Inc.
Unison Health Plan of Tennessee, Inc.
Unison Health Plan of the Capital Area, Inc.
United Behavioral Health
United Behavioral Health of New York, I.P.A., Inc.
United Health Foundation
United HealthCare of Louisiana, Inc.
United HealthCare of Mississippi, Inc.
United HealthCare Services, Inc.
United Resource Networks IPA of New York, Inc.
UnitedHealth Advisors, LLC
UnitedHealth Capital, LLC
UnitedHealth Group Incorporated
UnitedHealth International, Inc.
UnitedHealth Military & Veterans Services, LLC
UnitedHealthcare Insurance Company
UnitedHealthcare Insurance Company of Illinois
UnitedHealthcare Insurance Company of New York
UnitedHealthcare Insurance Company of Ohio
UnitedHealthcare Insurance Company of the River Valley
UnitedHealthcare International Asia, LLC
UnitedHealthcare of Alabama, Inc.
UnitedHealthcare of Arizona, Inc.
UnitedHealthcare of Arkansas, Inc.
UnitedHealthcare of Colorado, Inc.
UnitedHealthcare of Florida, Inc.
UnitedHealthcare of Georgia, Inc.
UnitedHealthcare of Illinois, Inc.
UnitedHealthcare of Kentucky, Ltd.
UnitedHealthcare of New England, Inc.
UnitedHealthcare of New York, Inc.
UnitedHealthcare of North Carolina, Inc.

NOTES TO FINANCIAL STATEMENTS

UnitedHealthcare of Ohio, Inc.
UnitedHealthcare of Tennessee, Inc.
UnitedHealthcare of Texas, Inc.
UnitedHealthcare of the Mid-Atlantic, Inc.
UnitedHealthcare of the Midlands, Inc.
UnitedHealthcare of the Midwest, Inc.
UnitedHealthcare of Utah, Inc.
UnitedHealthcare of Wisconsin, Inc.
UnitedHealthcare Plan of the River Valley, Inc.
UnitedHealthcare Service LLC
UnitedHealthcare Services Company of the River Valley,
Inc.
UnitedHealthcare, Inc.
UnitedHealthOne Agency, Inc.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. B. & C.

All outstanding shares of the Company are owned by Three Rivers Holdings, Inc. (Holdings), a wholly owned subsidiary of AmeriChoice Corporation, which is, in turn, a wholly owned subsidiary of UnitedHealth Group, Inc.

During 2009 and 2008 ordinary dividends were paid to the Company's parent Holdings of \$2,749,000 and \$0, respectively.

D. At December 31, 2009, the Company reported the following amounts payable/receivable:

At December 31, 2009 the Company reported a payable of \$1,837,451 to UAS for amounts due under the 2006 Medicare Operations Outsourcing Agreement offset by \$4,000 of TennCare liquidated damages not reimbursed by UAS under the Administrative Services Agreement and \$21 of lockbox payments not transferred for a net payable of 1,833,430. Payment is made monthly. Total expense incurred under this agreement for 2009 is \$8,348,278.

At December 31, 2009 the Company reported a receivable of \$448,649 to Unison Health Plan of Ohio, Inc. due under the 2006 Medicare Operations Outsourcing Agreement/2006 Restated Operations Outsourcing Agreement

Schedule Y Part 2 summarizes the net flow of funds among affiliates for various types of transactions between affiliates. Regulatory prior approval and/or prior notification have been satisfied for any transaction requiring such action. Most transactions are settled promptly in cash or its equivalent, and most are to settle normal business receipts and disbursements. In all instances, the value of the assets received by one party is the same as the value of the assets disposed of by the other party.

E. There were no guarantees or undertakings for the benefit of an affiliate that resulted in a material contingent exposure for the Company or any affiliated insurer's assets or liabilities.

F. Significant management or service contracts and cost sharing arrangements, involving the Company or any affiliate, other than cost allocation arrangements based upon generally accepted accounting principles:

(1) Effective August 1, 2000, the Company entered into an Administrative Services Agreement with UAS, a limited liability company 100% owned by Holdings. Under the agreement, UAS performs all administrative services necessary for the Company to carry on its HMO business (Medicaid Line of Business) in return for a PMPM fee. The agreement with UAS ended June 30, 2002 with automatic renewals for successive one-year terms thereafter, unless either party to the agreement gives notice of termination. Effective July 1, 2002, the State of Tennessee modified the TennCare program to change it to an ASO program during the period July 1, 2002 to December 31, 2003 (Stabilization Period). As a result of the modifications to the TennCare program, the Administrative Services Agreement with UAS was modified so that the fee payable to UAS is equal to 95% (percent) of the ASO fees (fixed and contingent) earned by the Company under the TennCare program during the stabilization period. See Note 1. C. paragraph one and Note 4. for details regarding this agreement.

(2) The Company is party to a 2006 Medicare Operations Outsourcing Agreement with UAS. Under the agreement, UAS performs all operational services necessary for the Company to carry on its Medicare Advantage HMO business in return for a percentage of revenue fee. UAS engages in no activities other than the performance of services for the companies within the holding company system. The agreement with UAS terminates on December 31, 2007,

NOTES TO FINANCIAL STATEMENTS

with automatic successive one (1) year renewals unless either party to the agreement gives notice of termination.

(3) As part of operations performed on behalf of the Company under the 2006 Medicare Operations Outsourcing Agreement, UAS negotiated a PBM agreement with Rx Solutions, a related party. The Company is bound by the terms of that PBM agreement with Rx Solutions and is responsible for payment of the drug costs incurred thereunder.

(4) The Company is party to the First Restated Tax Sharing Agreement with UnitedHealth Group, Inc. See Note 9. for details regarding this agreement.

- G. The Company does not have any relationships whereby the Company and one or more other enterprises are under common ownership or control and the existence of that control could result in operating results or financial positions of the Company being significantly different from those that would have been obtained if the enterprises were autonomous.
- H. The Company has no upstream intermediate entity or ultimate parent owned via a downstream subsidiary, controlled, or affiliated entity.
- I. The Company has no investment in an SCA entity that exceeds 10% of the admitted assets of the Company.
- J. The Company did not recognize any impairment write down for its investments in SCA's during 2009 or 2008.
- K. The Company does not have any investments in foreign insurance subsidiaries.
- L. The Company does not have any investment in downstream non-insurance holding company.

11. Debt

- A. Capital Notes – The Company did not have any capital note obligations outstanding as of December 31, 2009 and 2008.
- B. For FHLB (Federal Home Loan Bank) agreements - The Company did not have any FHLB agreements outstanding as of December 31, 2009 and 2008.

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

- A. The Company did not offer defined benefit plans as of December 31, 2009 or 2008.
- B. The Company did not offer defined contribution plans as of December 31, 2009 or 2008.
- C. The Company did not participate in any multiemployer plans as of December 31, 2009 or 2008.
- D. The Company did not offer consolidated/holding company plans as of December 31, 2009 or 2008.
- E. The Company did not offer post-employment benefits and compensated absences as of December 31, 2009 or 2008.
- F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17).

- (1) Not Applicable
- (2) Not Applicable
- (3) Not Applicable

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

- (1) The Company has 2,000 common shares authorized, with 100 issued and outstanding
- (2) The Company has no preferred stock outstanding.
- (3) Under the laws of the State of Tennessee, all dividends and other distributions to shareholders must be reported to the Commissioner of Commerce and Insurance within five (5) days following the declaration thereof and at least ten (10) days prior to payment. An extraordinary dividend is one which exceeds the greater of ten (10) per cent of the Company's surplus as of December 31 next preceding or the net income for the twelve month period ending December 31 next preceding. Extraordinary dividends must be approved in advance by the commissioner.

NOTES TO FINANCIAL STATEMENTS

- (4) During 2009 and 2008 ordinary dividends were paid to the Company's parent, Holdings, of \$2,749,000 and \$0, respectively.
- (5) Within the limitations of (3) above, there are no restrictions on the portion of the Company's profits that may be paid as ordinary dividends to the shareholder.
- (6) The Company has no restrictions on unassigned surplus.
- (7) The Company has no advances to surplus.
- (8) The Company has no stock held for special purposes.
- (9) The Company has no special surplus funds.
- (10) The Company has no unrealized gains or losses.
- (11) The Company has no surplus debentures or similar obligations.
- (12) & (13) The Company has no quasi-reorganizations.

14. Contingencies

- A. The Company has no contingent commitments
- B. The Company has no reportable assessments.
- C. The Company has no gain contingencies.
- D. The Company has no claims related extra contractual obligation or bad faith losses stemming from lawsuits.
- E. All Other Contingencies:

Because of the nature of the business, the Company is routinely made party to a variety of legal actions related to the design and management of its service offerings. The Company records liabilities for estimates of probable costs resulting from these matters. These matters include, but are not limited to, claims relating to health care benefits coverage, medical malpractice actions, contract disputes, and claims related to disclosure of certain business practices. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

15. Leases

- A. The Company has no lessee arrangements as of December 31, 2009 or 2008.
- B. The Company has no lessor business activities in 2009 or 2008.

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company did not have any financial instruments with off-balance sheet risk or concentration of credit risk.

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

- A. The Company did not have any transfers of receivables reported as sales as of December 31, 2009 or 2008.
- B. The Company did not have any transfer and servicing of financial assets as of December 31, 2009 or 2008.
- C. No transactions involving wash sales of securities with a NAIC designation of 3 or below or unrated securities occurred during the year ended December 31, 2009 or 2008.

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

NOTES TO FINANCIAL STATEMENTS

A. The gain from operations from the Company's ASO uninsured plan is as follows:

	ASO Uninsured Plans
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 326,673
b. Total net other income or expenses (including interest paid to or received from plans)	\$ 1,207
c. Net gain or (loss) from operations	\$ 327,880
d. Total claim payment volume	\$ 5,750,223

B. ASC Plans

The Company did not serve as an administrator for any Administrative Services Contract plans during 2009 or 2008.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts

- (1) Revenue from the Company's Medicare Part D contract for the year 2009 consisted of \$4,525,875 for pharmacy related services.
- (2) As of December 31, 2009, the Company has recorded payables to CMS of \$2,357,613 for reimbursement of pharmacy services.
- (3) In Connection with the Company's Medicare contract, the Company has recorded a payable for adjustment of recorded revenues in the amount of \$768,573 at December 31, 2009.
- (4) The Company has recorded an increase of \$84,932 to revenue resulting from the settlement of amount due for the prior year from CMS for the risk sharing revenue.

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

The Company had no direct premiums written through managing general agents or third party administrators during 2009 or 2008.

20. Other Items

- A. Extraordinary Items – The Company did not have any extraordinary items or transactions during 2009 or 2008.
- B. Troubled Debt Restructuring – The Company does not have any restructured troubled debt during 2009 or 2008.
- C. Other Disclosures – The Company determined that certain pharmaceutical rebate receivables were no longer collectable and a loss of \$48,811 and \$0, related to this determination, was charged to income in 2009 and 2008, respectively. There is no impact to statutory surplus as the pharmaceutical rebate receivable deemed uncollectable was classified as a non-admitted asset at the time of the uncollectibility determination.
- D. Uncollected Premiums – At December 31, 2009 and 2008, the Company had admitted assets of \$2,267,895 and \$757,100 in accounts receivable for insured plans. The Company routinely assesses the collectability of these receivables. Based upon Company experience, balances that may become uncollectable and the potential loss related to those balances is not material to the Company's financial condition.
- E. Business Interruption Insurance Recoveries - The Company did not have any recoveries to report as of December 31, 2009 or 2008.
- F. State Transferable Tax Credits – The Company had no state transferable tax credits at December 31, 2009 or 2008.
- G. Sub-Prime Mortgage Related Risk Exposure - The Company has no Subprime Mortgage Risk to report.

21. Events Subsequent

TYPE I - Recognized Subsequent events – Subsequent events have been considered through February 2010 for the statutory statement issued on March 1, 2010. There are no events subsequent to December 31, 2009 that require disclosure.

NOTES TO FINANCIAL STATEMENTS

TYPE II – Nonrecognized Subsequent events - Subsequent events have been considered through February 2010 for the statutory statement issued on March 1, 2010. There are no events subsequent to December 31, 2009 that require disclosure.

22. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)

If yes, give full details.

- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or similar credit?

Yes (X) No ()

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the company to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability, for these agreements in this statement? \$120,638

- (2) Does the Company have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts which, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premiums or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts which were in-force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$0

NOTES TO FINANCIAL STATEMENTS

B. Uncollectible Reinsurance

No specific reinsurance recoverables were written off by the Company as uncollectible during 2009 or 2008.

C. Commutation of Ceded Reinsurance

During the current year, no ceded reinsurance was commuted and charged to income.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Generally, the provision for experience rating revenue or refunds is developed based on our contract with CMS to provide Medicare Advantage Part D coverage, using the most recent available experience data. The total receivable or payable is reviewed for reasonableness, relative to the claim experience on this book of business.
- B. The Company records accrued retrospective premium through written premium or as an adjustment to earned premium.
- C. The amount of net premiums written by the Company in 2009 that are subject to retrospective rating features was \$4,594,653 which represented 100% of the total net premiums written under the Company's Medicare Advantage Part D contract. No other net premiums written by the Company are subject to retrospective rating features.

24. Change in Incurred Losses and Loss Adjustment Expenses

Changes in estimates related to prior years' incurred claims are included in total hospital and medical expenses in the current year in the accompanying statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid liability, for the year ended December 31, 2009 and December 31, 2008:

	2009		
	Current Year Incurred Claims	Prior Year Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$ (7,078,442)	\$ (7,078,442)
Paid claims	32,166,930	4,761,083	\$ 36,928,013
End of year claim reserve	8,167,042	277,515	\$ 8,444,557
Incurred claims	\$ 40,333,972	\$ (2,039,844)	\$ 38,294,128
	2008		
	Current Year Incurred Claims	Prior Year Incurred Claims	Total
Beginning of year claim reserve	\$ -	\$(2,841,820)	\$ (2,841,820)
Paid claims	14,125,376	1,342,285	\$ 15,467,661
End of year claim reserve	6,645,142	433,300	\$ 7,078,442
Incurred claims	\$ 20,770,518	\$ (1,066,235)	\$ 19,704,283

The liability for claims unpaid at December 31, 2008 was greater than actual claims incurred in 2009 by \$2,039,844. The primary drivers consist of favorable development as a result of on-going analysis of loss development trends.

25. Intercompany Pooling Arrangements

The company has no Intercompany Pooling Arrangements.

26. Structured Settlements

Not applicable.

NOTES TO FINANCIAL STATEMENTS

27. Health Care Receivables

- A. Pharmaceutical Rebate Receivables – The contract with the Pharmacy Benefit Manager (PBM) defines the drug rebate formula that will be paid to the Company. The PBM is UAS (see note 10. F. 2)), an affiliated company. The Company records the receivable based on information provided by the PBM and has calculated the admitted asset portion related to this receivable in accordance with SSAP No. 84 and correspondingly non-admits portions of the receivable over 90 days old. During 2009, information supporting the admission of certain pharmaceutical rebates was obtained and such amounts are shown as admitted assets.

Quarter	Estimated Pharmacy Rebates as Reported on financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Rebates Collected Within 90 Days of Invoicing / Confirmation	Rebates Received Within 91 to 180 Days of Invoicing / Confirmation	Rebates Received More than 181 Days of Invoicing /Confirmation
12/31/2009	145,593				
9/30/2009	83,688	165,516	133,431		
6/30/2009	64,410	140,283	110,550	26,470	
3/31/2009	47,867	116,305	67,407	45,537	3,416
12/31/2008	35,085	53,632	32,179		3,146
9/30/2008	25,582	44,588	26,753		4,455
6/30/2008	16,539	36,268	21,761		2,118
3/31/2008	12,247	21,595	12,957	7,552	6,894
12/31/2007	4,392	11,138	6,683		401
9/30/2007	2,631	9,020	5,412	3,525	1,260
6/30/2007	2,960	1,781	1,069		4,030
3/31/2007	1,755	1,781	1,102		(1)

- B. The Company has no Risk Sharing Receivables.

28. Participating Policies

The Company did not issue any participating policies during 2009 or 2008.

29. Premium Deficiency Reserves

The Company did not have any Premium Deficiency Reserves during 2009 or 2008.

30. Anticipated Salvage and Subrogation

The Company did not anticipate any salvage and subrogation recoverable during 2009 or 2008.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? Tennessee
- 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:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 01/25/2010
- 3.2 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. 06/30/2005
- 3.3 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). 03/24/2006
- 3.4 By what department or departments?
Tennessee Department of Commerce and Insurance
- 3.5 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]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A [X]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [X] No []
4.12 renewals? Yes [X] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 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 |
|---------------------|------------------------|------------------------|
| | | |
- 6.1 Has the 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]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; 0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 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 [X] No []
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial 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
OptumHealth Bank	Salt Lake City, Utah	NO	NO	NO	YES	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Baker Tilly Virchow Krause, LLP Ten Terrace Court PO Box 7398 Madison, WI 53707
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Jed L. Linfield, FSA, MAAA Director of Actuarial Reserving Services, AmeriChoice Corporation 12010 Sunrise Valley Drive Reston, VA 20191
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company
- 11.12 Number of parcels involved 0
- 11.13 Total book/adjusted carrying value \$ 0
- 11.2 If, yes provide explanation:
.....
- 12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 13.1 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.
- 13.11 If the response to 13.1 is No, please explain:
.....
- 13.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
.....
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).
.....

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []
15. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No []

GENERAL INTERROGATORIES

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$ 0
 - 18.12 To stockholders not officers \$ 0
 - 18.13 Trustees, supreme or grand (Fraternal Only) \$ 0
- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers \$ 0
 - 18.22 To stockholders not officers \$ 0
 - 18.23 Trustees, supreme or grand (Fraternal Only) \$ 0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others \$ 0
 - 19.22 Borrowed from others \$ 0
 - 19.23 Leased from others \$ 0
 - 19.24 Other \$ 0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 20.2 If answer is yes,
- 20.21 Amount paid as losses or risk adjustment \$ 0
 - 20.22 Amount paid as expenses \$ 0
 - 20.23 Other amounts paid \$ 0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes [X] No []
- 22.2 If no, give full and complete information relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
- 22.5 If answer to 22.4 is YES, report amount of collateral. \$ 0
- 22.6 If answer to 22.4 is NO, report amount of collateral. \$ 0
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3). Yes [X] No []
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$ 0
 - 23.22 Subject to reverse repurchase agreements \$ 0
 - 23.23 Subject to dollar repurchase agreements \$ 0
 - 23.24 Subject to reverse dollar repurchase agreements \$ 0
 - 23.25 Pledged as collateral \$ 0
 - 23.26 Placed under option agreements \$ 0
 - 23.27 Letter stock or other securities restricted as to sale \$ 0
 - 23.28 On deposit with state or other regulatory body \$ 6,458,118
 - 23.29 Other \$ 0

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

GENERAL INTERROGATORIES

26. 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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	Global Liquidity Services, 1 Wall St, 14th Floor, New York NY 10286

26.02 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)

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes No

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
	Bank of New York Mellon	10/17/2009	Automation

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/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 Number(s)	2 Name	3 Address
	Internally Managed	N/A

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes No

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 - Total		0

27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

GENERAL INTERROGATORIES

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds	6,458,118	6,459,606	1,488
28.2 Preferred stocks0
28.3 Totals	6,458,118	6,459,606	1,488

28.4 Describe the sources or methods utilized in determining the fair values:

For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, GAAP pricing was used. GAAP pricing was obtained from HUB which is an external data sources vendor. Hub utilizes various pricing sources. <http://www.hubdata.com/homepage.asp>

29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]

29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No [X]

29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D: <http://www.hubdata.com/homepage.asp>

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

30.2 If no, list exceptions:

OTHER

31.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?\$0

31.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

32.1 Amount of payments for legal expenses, if any?\$0

32.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?\$0

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]

1.2 If yes, indicate premium earned on U. S. business only \$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives 0

All years prior to most current three years

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	55,633,406	26,688,637
2.2 Premium Denominator	55,633,406	26,688,637
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	9,213,130	7,778,237
2.5 Reserve Denominator	9,213,130	7,778,237
2.6 Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [X] No []

5.2 If no, explain

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ 232,500

5.32 Medical Only \$ 0

5.33 Medicare Supplement \$ 0

5.34 Dental & Vision \$ 0

5.35 Other Limited Benefit Plan \$ 0

5.36 Other \$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 Hold harmless agreements are included in all provider contracts. An endorsement to our Medicare reinsurance contract provides for the reinsurer to reimburse expenses incurred by covered persons from the beginning of the insolvency to the end of the prepaid premium period, at which time the member obtains coverage under Medicare fee for service or another Medicare Advantage HMO.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No []

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 2,268

8.2 Number of providers at end of reporting year 1,397

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months.. \$ 0

9.22 Business with rate guarantees over 36 months \$ 0

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses\$0

10.22 Amount actually paid for year bonuses.....\$0

10.23 Maximum amount payable withholds.....\$0

10.24 Amount actually paid for year withholds.....\$0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [] No [X]

11.13 An Individual Practice Association (IPA), or, .. Yes [] No [X]

11.14 A Mixed Model (combination of above)? Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No []

11.3 If yes, show the name of the state requiring such net worth Tennessee

11.4 If yes, show the amount required\$ 2,508,160

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation

4% of the first \$150,000,000 of annual amount received under the TennCare contract plus premium revenue as reported on the most recent annual statement filed with the commissioner and 1.5% of the amount received under the TennCare contract and annual premium revenue in excess of \$150,000,000 (\$62,703,998 x 4%)

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Craighead, AR
Crittenden, AR
Mississippi, AR
Poinsett, AR
Desoto, MS
Tunica, MS
Union, MS
Benton, TN
Carroll, TN
Chester, TN
Crockett, TN
Decatur, TN
Dyer, TN
Fayette, TN
Gibson, TN
Hardeman, TN
Hardin, TN
Haywood, TN
Henderson, TN
Henry, TN
Lake, TN
Lauderdale, TN
Madison, TN
McNairy, TN
Obion, TN
Shelby, TN
Tipton, TN
Weakley, TN
.....
.....

13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date.\$0

13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date.\$0

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	28,189,667	21,373,557	12,046,541	6,700,249	5,778,439
2. Total liabilities (Page 3, Line 22)	14,673,750	11,058,680	5,218,042	1,248,652	821,925
3. Statutory surplus	2,508,160	6,120,722	5,111,954	3,918,549	3,129,911
4. Total capital and surplus (Page 3, Line 31)	13,515,917	10,314,877	6,828,499	5,451,597	4,956,514
Income Statement (Page 4)					
5. Total revenues (Line 8)	55,564,628	26,150,912	7,113,723	0	0
6. Total medical and hospital expenses (Line 18)	38,294,128	19,704,283	5,000,883	0	0
7. Claims adjustment expenses (Line 20)	1,079,636	651,737	(349,181)	(283,604)	(160,687)
8. Total administrative expenses (Line 21)	7,317,407	2,103,108	763,851	(224,096)	(279,753)
9. Net underwriting gain (loss) (Line 24)	8,873,456	3,691,784	1,698,170	507,700	440,440
10. Net investment gain (loss) (Line 27)	174,965	514,490	373,643	220,120	144,031
11. Total other income (Lines 28 plus 29)	0	0	0	0	25,000
12. Net income or (loss) (Line 32)	5,860,284	3,438,050	1,435,397	480,361	402,250
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	6,647,752	10,730,847	4,582,734	750,938	439,865
Risk-Based Capital Analysis					
14. Total adjusted capital	13,515,917	10,314,877	6,828,499	5,451,597	4,956,514
15. Authorized control level risk-based capital	1,945,926	1,278,896	450,215	83,272	72,433
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	5,461	3,103	945	0	0
17. Total members months (Column 6, Line 7)	57,782	28,820	8,752	0	0
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	68.9	75.3	70.3	0.0	0.0
20. Cost containment expenses	1.7	0.5	(5.0)	0.0	0.0
21. Other claims adjustment expenses	0.3	2.0	0.1	0.0	0.0
22. Total underwriting deductions (Line 23)	84.0	85.9	76.1	0.0	0.0
23. Total underwriting gain (loss) (Line 24)	16.0	14.1	23.9	0.0	0.0
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	5,038,598	1,775,585	243,979	233,646	279,225
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	7,078,442	2,841,820	243,979	233,646	279,225
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [] No []
 If no, please explain: _____

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, etc.	1 Active Status	Direct Business Only								
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts	
1. Alabama	AL	N						0		
2. Alaska	AK	N						0		
3. Arizona	AZ	N						0		
4. Arkansas	AR	L	1,463,360				1,463,360			
5. California	CA	N						0		
6. Colorado	CO	N						0		
7. Connecticut	CT	N						0		
8. Delaware	DE	N						0		
9. District of Columbia	DC	N						0		
10. Florida	FL	N						0		
11. Georgia	GA	N						0		
12. Hawaii	HI	N						0		
13. Idaho	ID	N						0		
14. Illinois	IL	N						0		
15. Indiana	IN	N						0		
16. Iowa	IA	N						0		
17. Kansas	KS	N						0		
18. Kentucky	KY	N						0		
19. Louisiana	LA	N						0		
20. Maine	ME	N						0		
21. Maryland	MD	N						0		
22. Massachusetts	MA	N						0		
23. Michigan	MI	N						0		
24. Minnesota	MN	N						0		
25. Mississippi	MS	L	446,753				446,753			
26. Missouri	MO	N						0		
27. Montana	MT	N						0		
28. Nebraska	NE	N						0		
29. Nevada	NV	N						0		
30. New Hampshire	NH	N						0		
31. New Jersey	NJ	N						0		
32. New Mexico	NM	N						0		
33. New York	NY	N						0		
34. North Carolina	NC	N						0		
35. North Dakota	ND	N						0		
36. Ohio	OH	N						0		
37. Oklahoma	OK	N						0		
38. Oregon	OR	N						0		
39. Pennsylvania	PA	N						0		
40. Rhode Island	RI	N						0		
41. South Carolina	SC	N						0		
42. South Dakota	SD	N						0		
43. Tennessee	TN	L	53,887,946				53,887,946			
44. Texas	TX	N						0		
45. Utah	UT	N						0		
46. Vermont	VT	N						0		
47. Virginia	VA	N						0		
48. Washington	WA	N						0		
49. West Virginia	WV	N						0		
50. Wisconsin	WI	N						0		
51. Wyoming	WY	N						0		
52. American Samoa	AS	N						0		
53. Guam	GU	N						0		
54. Puerto Rico	PR	N						0		
55. U.S. Virgin Islands	VI	N						0		
56. Northern Mariana Islands	MP	N						0		
57. Canada	CN	N						0		
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	
59. Subtotal	XXX	0	55,798,059	0	0	0	0	55,798,059	0	
60. Reporting Entity Contributions for Employee Benefit Plans	XXX							0		
61. Totals (Direct Business)	(a) 3	0	55,798,059	0	0	0	0	55,798,059	0	
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	

Explanation of basis of allocation by states, premiums by state, etc.

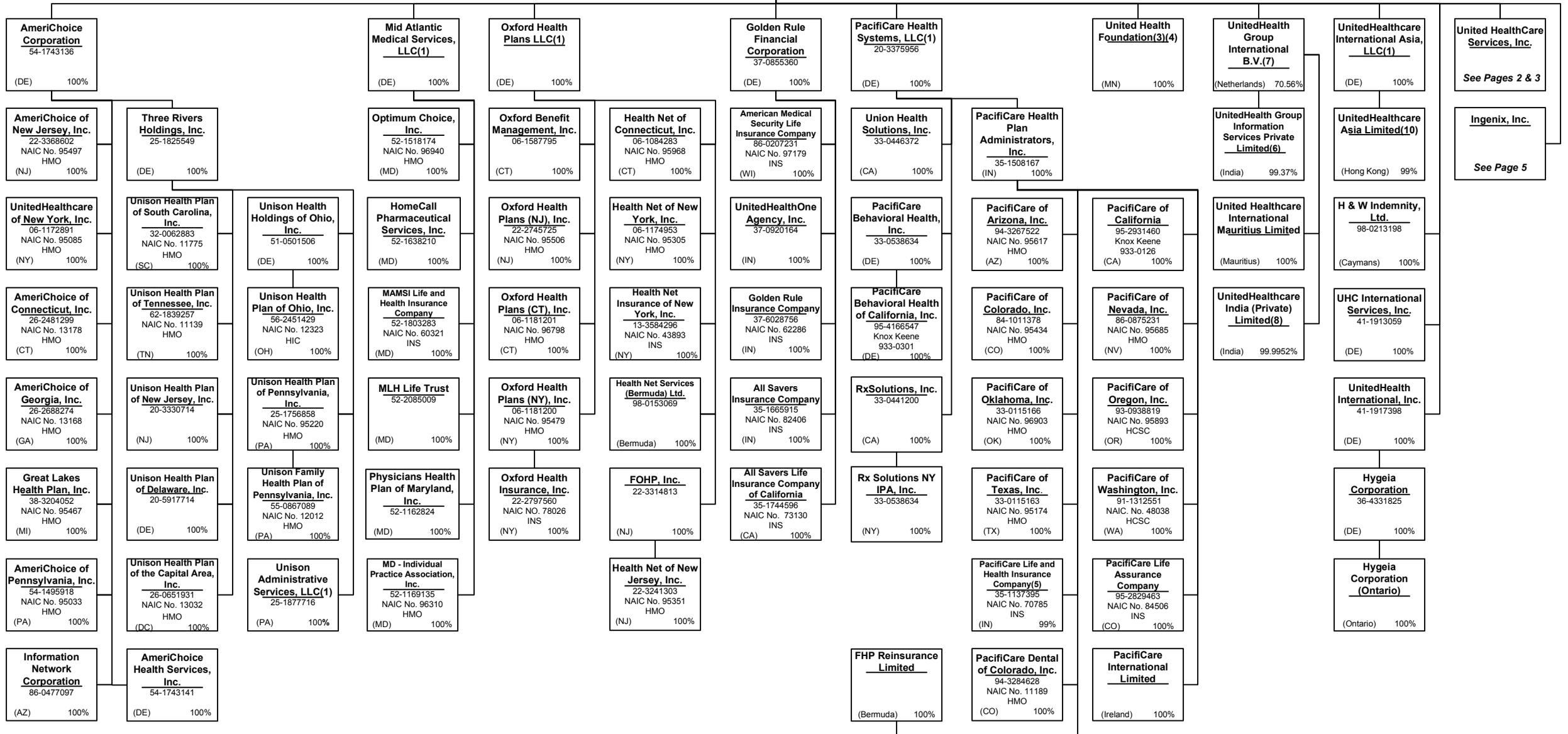
There is no allocation of premiums by states as all premiums are written in and allocable to each state under separate contracts.

(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

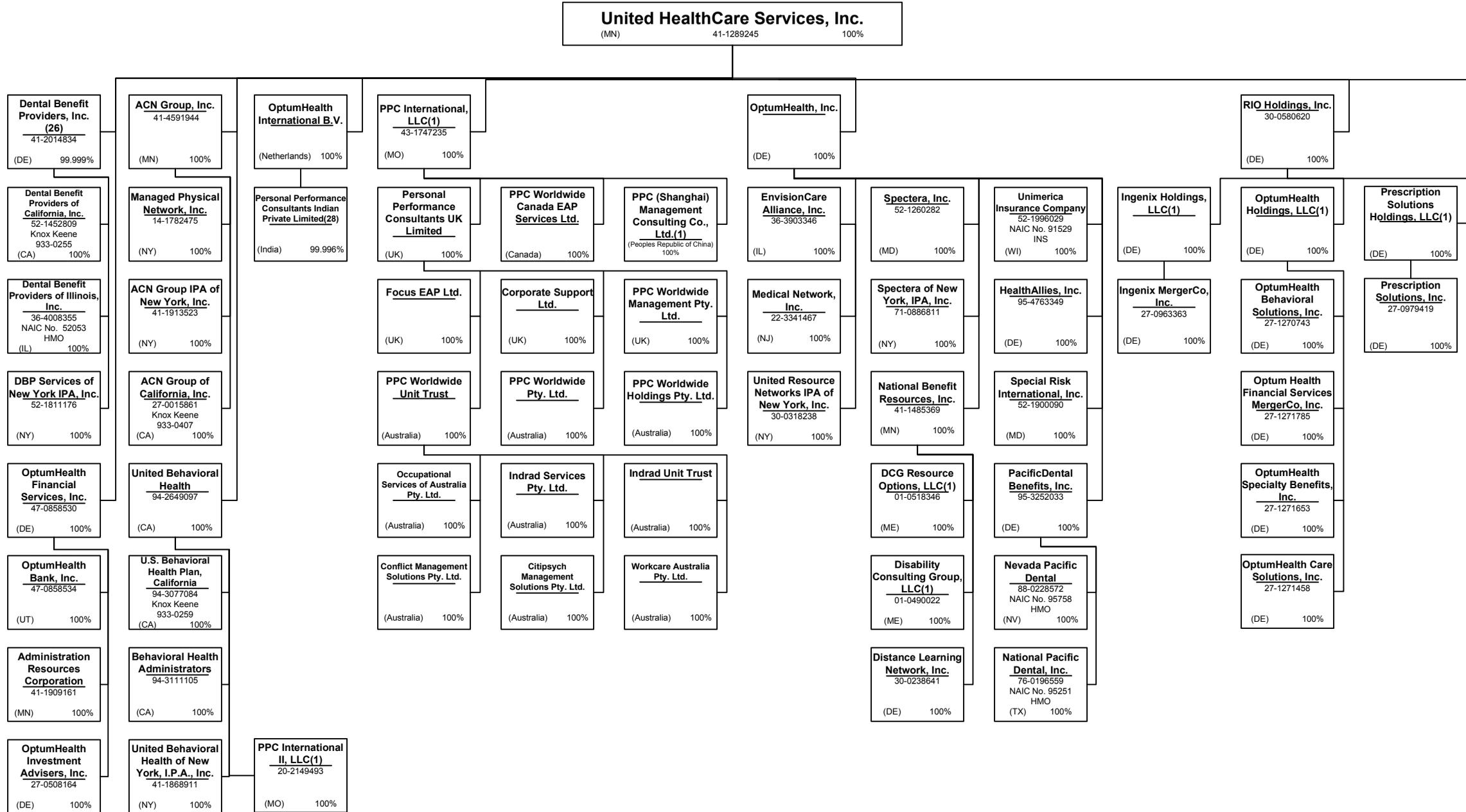
PART 1 - ORGANIZATIONAL CHART

UnitedHealth Group Incorporated
(MN) 41-1321939



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

PART 1 - ORGANIZATIONAL CHART



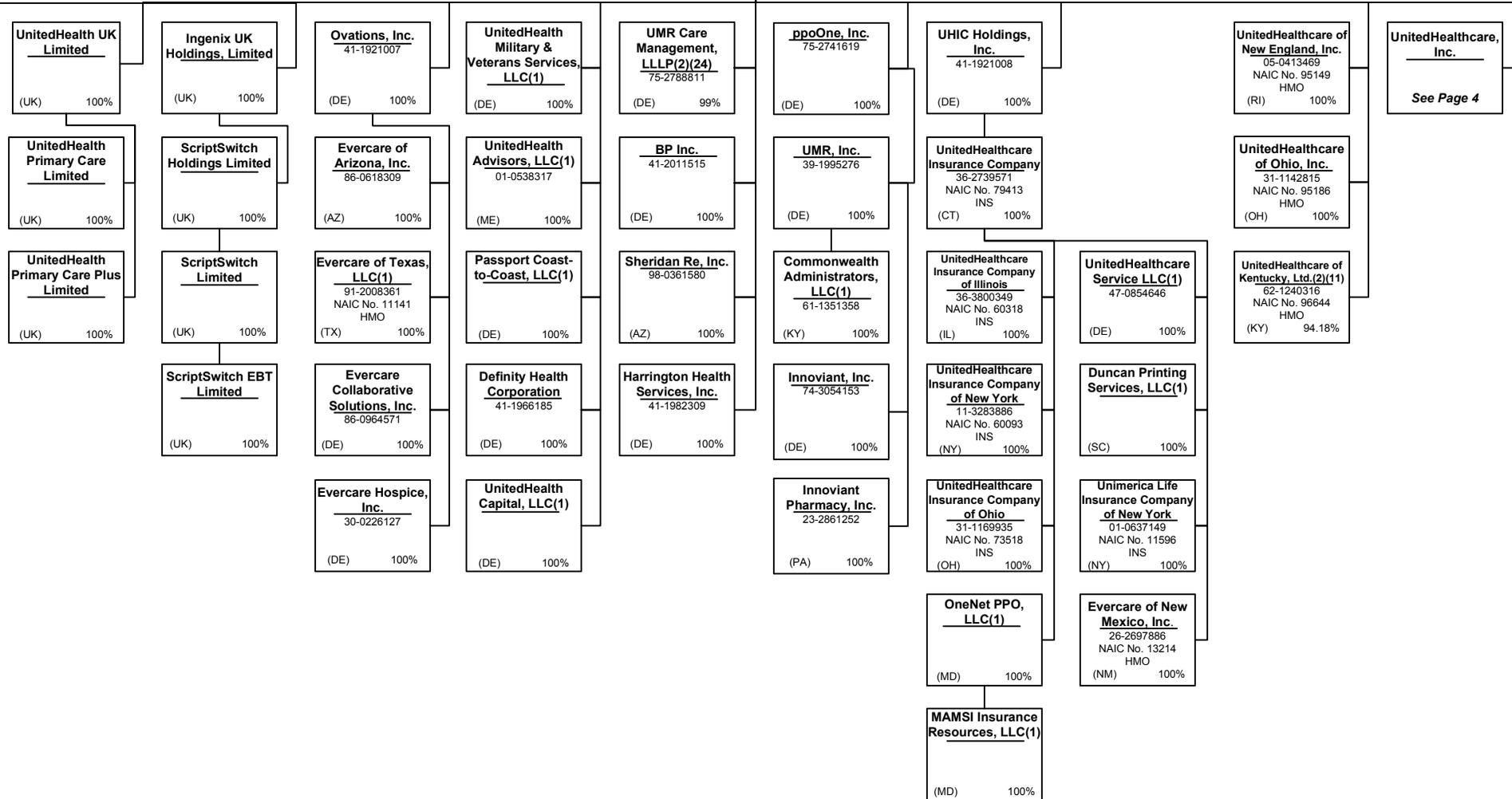
Continued on Page 3

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

PART 1 - ORGANIZATIONAL CHART

United HealthCare Services, Inc.
(MN) 41-1289245 100%

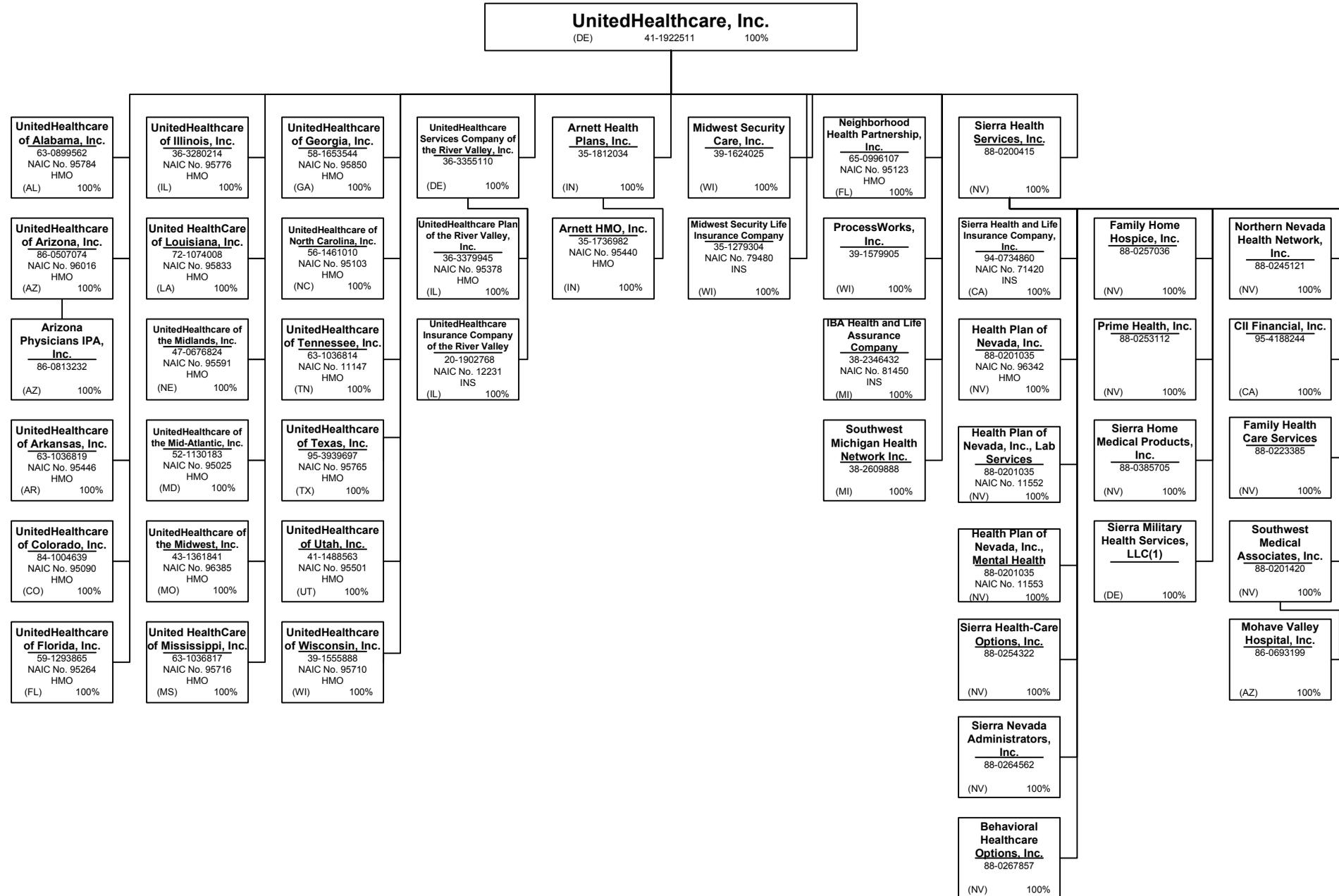
Continued from
Page 2



38.2

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

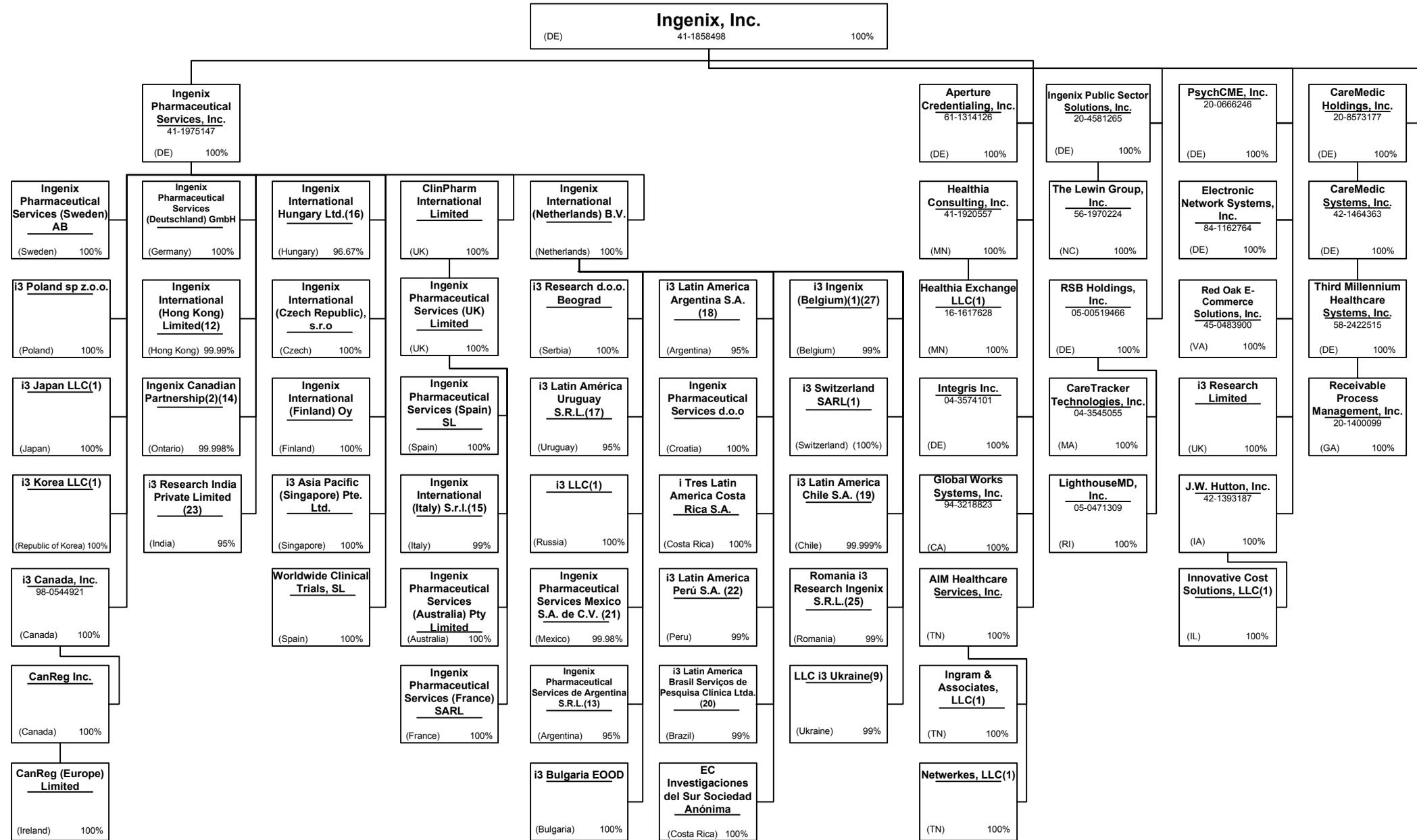
PART 1 - ORGANIZATIONAL CHART



38.3

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

PART 1 - ORGANIZATIONAL CHART



38.4

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

PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) PacifiCare Life and Health Insurance Company is 99% owned by PacifiCare Health Plan Administrators, Inc. and 1% owned by PacifiCare Health Systems, LLC

(6) UnitedHealth Group Information Services Private Limited is 99.37% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) UnitedHealth Group International B.V. is 70.56% owned by UnitedHealth Group Incorporated and 29.44% owned by United HealthCare Services, Inc.

(8) United Healthcare India (Private) Limited is 99.9952% owned by UnitedHealth Group International B.V. and 0.0048% owned by UnitedHealth International, Inc.

(9) LLC i3 Ukraine is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services, Inc.

(10) UnitedHealthcare Asia Limited is 99% owned by UnitedHealthcare International Asia, LLC and 1% owned by UnitedHealth International, Inc.

(11) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(12) Ingenix International (Hong Kong) Limited is 99.99% owned by Ingenix Pharmaceutical Services, Inc. and 0.01% owned by Ingenix, Inc.

(13) Ingenix Pharmaceutical Services de Argentina S.R.L. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix, Inc.

(14) Ingenix Canada Partnership is 99.998% owned by Ingenix Pharmaceutical Services, Inc. and 0.002% owned by Ingenix, Inc.

(15) Ingenix International (Italy) S.r.l. is 99% owned by Ingenix Pharmaceutical Services (UK) Limited and 1% owned by Ingenix Pharmaceutical Services, Inc.

(16) Ingenix International Hungary Ltd. is 96.67% owned by Ingenix Pharmaceutical Services, Inc. and 3.33% owned by Ingenix, Inc.

(17) i3 Latin América Uruguay S.R.L. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix Pharmaceutical Services, Inc.

(18) i3 Latin America Argentina S.A. is 95% owned by Ingenix International (Netherlands) B.V. and 5% owned by Ingenix Pharmaceutical Services, Inc.

(19) i3 Latin America Chile S.A. is 99.9999% owned by Ingenix International (Netherlands) B.V. and 0.0001% owned by Ingenix Pharmaceutical Services, Inc.

(20) i3 Latin America Brasil Serviços de Pesquisa Clínica Ltda. Is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services, Inc.

(21) Ingenix Pharmaceutical Services Mexico S.A. de C.V. is 99.98% owned by Ingenix International (Netherlands) B.V. The remaining 0.02% is owned by i3 Latin America Argentina S.A..

(22) i3 Latin America Perú S.A. is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by i3 Latin America Argentina S.A.

(23) i3 Research India Private Limited is 95% owned by Ingenix Pharmaceutical Services, Inc. and 5% owned by Ingenix, Inc.

(24) Limited partnership interest is held by United HealthCare Services, Inc. (99%). General partnership interest is held by UMR, Inc. (1%)

(25) Romania i3 Research Ingenix S.R.L. is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services (UK) Limited

(26) Dental Benefit Providers, Inc. is 99.999% owned by United HealthCare Services, Inc. and 0.001% owned by PacificDental Benefits, Inc.

(27) i3 Ingenix (Belgium) is 99% owned by Ingenix International (Netherlands) B.V. and 1% owned by Ingenix Pharmaceutical Services, Inc.

(28) Personal Performance Consultants India Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.

OVERFLOW PAGE FOR WRITE-INS

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 - Enrollment By Product Type for Health Business Only	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid	18
Exhibit 3 - Health Care Receivables	19
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus	20
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates	21
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates	22
Exhibit 7 - Part 1 - Summary of Transactions With Providers	23
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries	23
Exhibit 8 - Furniture, Equipment and Supplies Owned	24
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	29
Five-Year Historical Data	28
General Interrogatories	26
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	25
Overflow Page For Write-ins	41
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI11
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E18
Schedule DB - Part A - Section 3	E19
Schedule DB - Part A - Verification Between Years	SI12
Schedule DB - Part B - Section 1	E19
Schedule DB - Part B - Section 2	E20
Schedule DB - Part B - Section 3	E20
Schedule DB - Part B - Verification Between Years	SI12
Schedule DB - Part C - Section 1	E21
Schedule DB - Part C - Section 2	E21
Schedule DB - Part C - Section 3	E22
Schedule DB - Part C - Verification Between Years	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23
Schedule DB - Part D - Section 3	E23
Schedule DB - Part D - Verification Between Years	SI13
Schedule DB - Part E - Section 1	E24
Schedule DB - Part E - Verification	SI13
Schedule DB - Part F - Section 1	SI14
Schedule DB - Part F - Section 2	SI15

ANNUAL STATEMENT BLANK (Continued)

Schedule E - Part 1 - Cash	E25
Schedule E - Part 2 - Cash Equivalents	E26
Schedule E - Part 3 - Special Deposits	E27
Schedule E - Verification Between Years	SI16
Schedule S - Part 1 - Section 2	30
Schedule S - Part 2	31
Schedule S - Part 3 - Section 2	32
Schedule S - Part 4	33
Schedule S - Part 5	34
Schedule S - Part 6	35
Schedule T - Part 2 - Interstate Compact	37
Schedule T - Premiums and Other Considerations	36
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	39
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	40
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14