

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	168,417,840		168,417,840	136,176,361
2. Stocks (Schedule D):				
2.1 Preferred stocks.....	1,007,284		1,007,284	1,608,461
2.2 Common stocks.....	40,441,939		40,441,939	32,116,072
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....				
3.2 Other than first liens.....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 16,749,480, Schedule E - Part 1), cash equivalents (\$ 19,808,998, Schedule E - Part 2) and short-term investments (\$ 2,671,755, Schedule DA)	39,230,233		39,230,233	50,855,848
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities.....				24,282,963
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	249,097,297		249,097,297	245,039,704
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued.....	848,786		848,786	367,269
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	9,262,753	75,068	9,187,685	961,306
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 7,427,306) and contracts subject to redetermination (\$ 4,025,068)	11,452,374		11,452,374	56,736,915
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	126,408		126,408	-
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans.....	22,215,705		22,215,705	27,756,661
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset.....	3,747,302		3,747,302	4,368,719
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates.....	3,424,423		3,424,423	2,712,045
24. Health care (\$ 23,672,989) and other amounts receivable.....	37,383,535	13,710,546	23,672,989	14,634,408
25. Aggregate write-ins for other-than-invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	337,558,585	13,785,615	323,772,970	352,577,027
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	337,558,585	13,785,615	323,772,970	352,577,027
Details of Write-Ins				
1101.....				
1102.....				
1103.....				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.....				
2502.....				
2503.....				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	94,963,941		94,963,941	83,147,867
2. Accrued medical incentive pool and bonus amounts	2,994,181		2,994,181	7,709,251
3. Unpaid claims adjustment expenses	1,545,000		1,545,000	1,225,000
4. Aggregate health policy reserves, including the liability of \$ 124,962 for medical loss ratio rebate per the Public Health Service Act	32,963,939		32,963,939	43,434,370
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	2,543,362		2,543,362	2,423,868
9. General expenses due or accrued	2,115,634		2,115,634	4,700,753
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	26,308,337		26,308,337	25,001,415
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities	-		-	52,976,237
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	1,472,344		1,472,344	
23. Aggregate write-ins for other liabilities (including \$ current)				
24. Total liabilities (Lines 1 to 23)	164,906,738		164,906,738	220,618,761
25. Aggregate write-ins for special surplus funds		XXX		
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX		
29. Surplus notes	XXX	XXX	50,000,000	50,000,000
30. Aggregate write-ins for other-than-special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	108,866,232	81,958,266
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	158,866,232	131,958,266
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	323,772,970	352,577,027
Details of Write-Ins				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1	2	3
	Uncovered	Total	Total
1. Member Months	XXX	799,573	715,509
2. Net premium income (including \$ non-health premium income)	XXX	981,230,828	883,372,696
3. Change in unearned premium reserves and reserve for rate credits	XXX	(49,147,025)	(25,973,252)
4. Fee-for-service (net of \$ medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX		92,978
8. Total revenues (Lines 2 to 7)	XXX	932,083,803	857,492,422
Hospital and Medical:			
9. Hospital/medical benefits		620,348,198	566,650,019
10. Other professional services		80,338,952	74,624,328
11. Outside referrals		32,322,144	31,545,656
12. Emergency room and out-of-area		16,333,145	14,107,574
13. Prescription drugs		48,401,943	32,293,252
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts		(7,714,011)	4,129,082
16. Subtotal (Lines 9 to 15)		790,030,371	723,349,911
Less:			
17. Net reinsurance recoveries		372,823	117,898
18. Total hospital and medical (Lines 16 minus 17)		789,657,548	723,232,013
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 29,216,535 cost containment expenses		43,479,013	37,195,511
21. General administrative expenses		70,857,675	69,202,792
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		(10,900,000)	(9,400,000)
23. Total underwriting deductions (Lines 18 through 22)		893,094,236	820,230,315
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	38,989,567	37,262,107
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		(283,062)	1,823,577
26. Net realized capital gains (losses) less capital gains tax of \$		(1,916,513)	3,691,206
27. Net investment gains (losses) (Lines 25 plus 26)		(2,199,575)	5,514,784
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			
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	36,789,992	42,776,890
31. Federal and foreign income taxes incurred	XXX	1,306,922	2,163,246
32. Net income (loss) (Lines 30 minus 31)	XXX	35,483,070	40,613,644
Details of Write-Ins			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX		
0701. Other Income	XXX		92,978
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX		92,978
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (CONTINUED)

CAPITAL & SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year	131,958,267	92,173,451
34. Net income or (loss) from Line 32	35,483,070	40,613,644
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ (944,226)	(3,552,085)	(994,366)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	(2,291,692)	(2,028,312)
39. Change in nonadmitted assets	(2,731,325)	2,193,850
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes	-	-
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital and surplus (Lines 34 to 47)	26,907,968	39,784,816
49. Capital and surplus end of reporting year (Line 33 plus 48)	158,866,235	131,958,267
Details of Write-Ins		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	959,030,861	865,621,694
2. Net investment income	4,062,377	1,934,238
3. Miscellaneous income	-	92,977
4. Total (Lines 1 to 3)	963,093,238	867,648,909
5. Benefit and loss related payments	784,518,741	708,494,196
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	109,587,167	114,117,358
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	-	(2,400,636)
10. Total (Lines 5 through 9)	894,105,908	820,210,918
11. Net cash from operations (Line 4 minus Line 10)	68,987,330	47,437,992
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	102,599,053	264,794,440
12.2 Stocks	404,962	10,152,449
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(11,565)	455
12.7 Miscellaneous proceeds	24,282,963	23,071,486
12.8 Total investment proceeds (Lines 12.1 to 12.7)	127,275,413	298,018,830
13. Cost of investments acquired (long-term only):		
13.1 Bonds	136,605,439	321,859,203
13.2 Stocks	12,594,302	17,137,895
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	52,976,237	4,304,533
13.7 Total investments acquired (Lines 13.1 to 13.6)	202,175,978	343,301,630
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(74,900,565)	(45,282,800)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	-	-
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds	(5,000,000)	
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(712,378)	(6,946,548)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(5,712,378)	(6,946,548)
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)	(11,625,613)	(4,791,356)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	50,855,848	55,647,204
19.2 End of year (Line 18 plus Line 19.1)	39,230,235	50,855,848

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

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