

ANNUAL STATEMENT

OF THE

OMNICARE HEALTH PLAN, INC.

of **MEMPHIS**

in the state of **TENNESSEE**

TO THE

Insurance Department

OF THE

STATE OF TENNESSEE

**FOR THE YEAR ENDED
December 31, 2004**

HEALTH

2004



00000200420100100

HEALTH ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2004
OF THE CONDITION AND AFFAIRS OF THE

OmniCare Health Plan Inc

NAIC Group Code 0000 0000 NAIC Company Code 00000 Employer's ID Number 62-1547197

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

Country of Domicile US

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

Date Incorporated or Organized: October 6, 1993 Date Commenced Business: January 3, 1994

Statutory Home Office: 1991 Corporate Avenue 4th Floor Memphis, TN 38132

Main Administrative Office: 1991 Corporate Avenue 4th Floor Memphis, TN 38132 901-346-0064

Mail Address: 1991 Corporate Avenue 4th Floor Memphis, TN 38132

Primary Location of Books and Records: 1991 Corporate Avenue 4th Floor Memphis, TN 38132 901-346-1032

Internet Website Address: N/A

Statutory Statement Contact: Lorenzo Harris 901-346-0064 lharris@ochptn.com 901-346-1032

Policyowner Relations Contact: 1991 Corporate Avenue 4th Floor Memphis, TN 38132 901-346-1032

OFFICERS

Table with 2 columns: Name, Title. Rows include Osbie Howard (Chief Executive Officer), Dorothy Brewer (Assistant Secretary), Lorenzo Harris (Chief Financial Officer).

Vice-Presidents

Table with 4 columns: Name, Title, Name, Title. Rows include Edward W. Reed, M.D. (Senior Vice-President & Medical Director), Stephanie Dowell (Senior Vice-President & COO), Edward Dixon (Vice-President Corporate Compliance), Stacy Hill (Vice-President MIS), Myla Johnson (Vice-President Medical Services).

DIRECTORS OR TRUSTEES

Table with 4 columns: Name, Title, Name, Title. Rows include Alvin King (Frank Banks), Griselle Figueredo, M.D. (Samuel King), Stephen Harris (William Brooks), Charles Carpenter (Rebecca Clark), Tom Gross (Julius V. Combs, M.D.), Beverly Williams-Cleaves, M.D.

State of TN County of Shelby ss

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

(Signature) Osbie Howard (Printed Name) 1. Chief Executive Officer (Title) (Signature) Dorothy Brewer (Printed Name) 2. Assistant Secretary (Title) (Signature) Lorenzo Harris (Printed Name) 3. Chief Financial Officer (Title)

Subscribed and sworn to before me this 1st day of March, 2005

a. Is this an original filing? YES [X] NO [] b. If no: 1. State the amendment number 2. Date filed 03/01/2005 3. Number of pages attached

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)	5,951,898		5,951,898	3,153,128
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks				
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 \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 4,148,476, Schedule E-Part 1), cash equivalents (\$ 0, Schedule E-Part 2) and short-term investments (\$ 0, Schedule DA)	4,148,476		4,148,476	5,567,716
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets (Schedule BA)				
8. Receivable for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	10,100,374		10,100,374	8,720,844
11. Investment income due and accrued	161,483		161,483	97,973
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection	1,253,067		1,253,067	1,231,047
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers				
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts				
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon	335,500		335,500	
15.2 Net deferred tax asset	176,700	176,700		
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software				
18. Furniture and equipment, including health care delivery assets (\$ 0)				
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivables from parent, subsidiaries and affiliates				
21. Health care (\$ 0) and other amounts receivable	1,000,000		1,000,000	1,050,000
22. Other assets nonadmitted				
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	13,027,124	176,700	12,850,424	11,099,864
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	13,027,124	176,700	12,850,424	11,099,864

DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903 + 0998) (Line 9 above)				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 + 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)				17,700
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	(921)		(921)	
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized capital gains (losses))				73,200
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittance and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured accident and health plans				
21. Aggregate write-ins for other liabilities (including \$ 0 current)	1,179,387		1,179,387	1,900,925
22. Total liabilities (Lines 1 to 21)	1,178,466		1,178,466	1,991,825
23. Common capital stock	X X X	X X X	200,000	200,000
24. Preferred capital stock	X X X	X X X	12,550,000	12,550,000
25. Gross paid in and contributed surplus	X X X	X X X		
26. Surplus notes	X X X	X X X		
27. Aggregate write-ins for other than special surplus funds	X X X	X X X		
28. Unassigned funds (surplus)	X X X	X X X	(1,078,042)	(3,641,961)
29. Less treasury stock, at cost:				
29.1 0 shares common (value included in Line 23 \$ 0)	X X X	X X X		
29.2 0 shares preferred (value included in Line 24 \$ 0)	X X X	X X X		
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	11,671,958	9,108,039
31. Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	12,850,424	11,099,864

DETAILS OF WRITE-INS				
2101. premium tax payable	1,179,387		1,179,387	1,085,726
2102.				815,199
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,179,387		1,179,387	1,900,925
2701.	X X X	X X X		
2702.	X X X	X X X		
2703.	X X X	X X X		
2798. Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799. Totals (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	1,552,662	1,456,615
2. Net premium income (including \$ 0 non-health premium income)	X X X	108,049	524,496
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$ 0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X	477,167	1,061,600
7. Aggregate write-ins for other non-health revenues	X X X		
8. Total revenues (Lines 2 to 7)	X X X	585,216	1,586,096
Hospital and Medical:			
9. Hospital/medical benefits		(79,710)	499,885
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments, and bonus amounts			
16. Subtotal (Lines 9 to 15)		(79,710)	499,885
Less:			
17. Net reinsurance recoveries			308,386
18. Total hospital and medical (Lines 16 minus 17)		(79,710)	191,499
19. Non-health claims			
20. Claims adjustment expenses, including \$ 0 cost containment expenses		4,398,932	5,588,030
21. General administrative expenses		(6,183,150)	(6,150,859)
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)			
23. Total underwriting deductions (Lines 18 through 22)		(1,863,928)	(371,330)
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	2,449,144	1,957,426
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		197,364	157,682
26. Net realized capital gains (losses)			
27. Net investment gains (losses) (Lines 25 plus 26)		197,364	157,682
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	2,646,508	2,115,108
31. Federal and foreign income taxes incurred	X X X	47,540	(120,460)
32. Net income (loss) (Lines 30 minus 31)	X X X	2,598,968	2,235,568

DETAILS OF WRITE-INS			
0601. Pharmacy Rebate	X X X	185,392	229,550
0602. Premium Tax Revenue from State	X X X		7,740
0603. Miscellaneous Revenue	X X X	291,775	824,310
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	477,167	1,061,600
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X		
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)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	9,108,039	7,084,131
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	2,598,968	2,235,568
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses	(14,489)	(14,400)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	(20,560)	(197,260)
40. Change in unauthorized reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
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)	2,563,919	2,023,908
49. Capital and surplus end of reporting year (Line 33 plus 48)	11,671,958	9,108,039

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)		

REPORT #2A: TENNCARE OPERATIONS STATEMENT OF REVENUES AND EXPENSE

Statement as of December 31, 2004 of OmniCare Health Plan, Inc.

MEMBER MONTHS	Current Period	Current Year to Date	Prior Calendar Year
	387,530	1,161,931	1,456,615
REVENUES:			
1. TennCare Capitation	83,951,455	269,450,836	230,141,556
2. Investment	56,266	197,363	169,342
3. Other Revenue (Provide detail)	6,443,033	25,633,879	24,199,672
4. TOTAL REVENUES (Lines 1 to 3)	90,450,754	295,282,078	254,510,570
EXPENSES:			
Medical and Hospital Services			
5. Capitated Physician Services	1,905,865	7,490,917	7,409,522
6. Fee-for-Service Physician Services	6,570,820	13,913,767	18,226,560
7. Inpatient Hospital Services	24,362,077	82,864,473	73,977,299
8. Outpatient Services	26,886,459	84,028,621	59,881,038
9. Emergency Room Services	13,661,122	37,858,220	12,614,856
10. Mental Health Services	-	-	-
11. Dental Services	2,622	3,880	7,792
12. Vision Services	474,482	1,840,015	1,446,574
13. Pharmacy Services	1,296	12,138	17,850,535
14. Home Health Services	423,243	1,614,643	1,331,895
15. Chiropractic Services	-	-	-
16. Radiology Services	1,090,070	5,063,055	4,144,782
17. Laboratory Services	534,283	2,526,854	2,081,940
18. Durable Medical Equipment Services	707,695	3,245,034	4,168,273
19. Transportation Services	1,566,641	6,704,484	6,551,694
20. Outside Referrals	-	-	-
21. Medical Incentive Pool and Withhold Adjustments	-	-	-
22. Occupancy, Depreciation, and Amortization	-	-	-
23. Other Medical and Hospital Services (Provide detail)	5,763,074	22,692,627	20,856,086
24. Subtotal (Lines 5 to 23)	83,949,749	269,858,730	230,548,846
25. Reinsurance Expenses Net of Recoveries	271,538	1,153,533	439,528
LESS:			
26. Copayments	-	-	-
27. Subrogation	(14,560)	(299,517)	-
28. Coordination of Benefits	(164,625)	(914,174)	(202,078)
29. Subtotal (Lines 26 to 28)	(179,185)	(1,213,691)	(202,078)
30. TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)	84,042,102	269,798,572	230,786,296
Administration:			
31. Compensation	1,328,506	5,410,126	5,032,575
32. Marketing	52,943	586,464	162,381
33. Interest Expense	-	-	-
34. Premium Tax Expense	1,189,976	4,635,644	5,047,002
35. Occupancy, Depreciation and Amortization	200,429	810,381	721,562
36. Other Administration (Provide detail)	3,272,595	11,441,923	10,507,487
37. TOTAL ADMINISTRATION (Lines 31 thru 36)	6,044,448	22,884,538	21,471,007
38. TOTAL EXPENSES (Lines 30 and 37)	90,086,550	292,683,110	252,257,303
39. NET INCOME (LOSS) (Line 4 less 38)	364,204	2,598,968	2,253,267

CASH FLOW	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	86,029	2,481,531
2. Net investment income	133,854	127,257
3. Miscellaneous income	477,167	1,061,600
4. Total (Lines 1 through 3)	697,050	3,670,388
5. Benefit and loss related payments		
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	1,767,728	687,661
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ 0 net of tax on capital gains (losses)	(120,740)	(193,080)
10. Total (Lines 5 through 9)	1,646,988	494,581
11. Net cash from operations (Line 4 minus Line 10)	(949,938)	3,175,807
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	701,418	1,800,824
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	701,418	1,800,824
13. Cost of investments acquired (long-term only):		
13.1 Bonds	897,040	1,850,440
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	64,300	(3,600)
13.7 Total investments acquired (Lines 13.1 to 13.6)	961,340	1,846,840
14. Net increase (decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(259,922)	(46,016)
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		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(209,380)	282,960
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(209,380)	282,960
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11, plus Lines 15 and 17)	(1,419,240)	3,412,751
19. Cash and short-term investments:		
19.1 Beginning of year	5,567,716	2,154,965
19.2 End of year (Line 18 plus Line 19.1)	4,148,476	5,567,716

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

20.0001.		
20.0002.		
20.0003.		

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)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid	108,049			108,049
8. Stop loss				
9. Disability income				
10. Long-term care				
11. Other health				
12. Health subtotal (Lines 1 through 11)	108,049			108,049
13. Life				
14. Property / casualty				
15. Totals (Lines 12 to 14)	108,049			108,049

NONE Underwriting and Investment Exhibit - Part 2

NONE Underwriting and Investment Exhibit - Part 2A

NONE Underwriting and Investment Exhibit - Part 2B

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

Hospital & Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior	12,151				
2. 2000	59,441	12,802			
3. 2001	X X X	82,744	19,196		
4. 2002	X X X	X X X	91,479	1,577	
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior	12,255				
2. 2000	75,385	16,048			
3. 2001	X X X	97,575	18,077		
4. 2002	X X X	X X X	93,674	1,077	
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000	86,663	73,383			73,383	84.676			73,383	84.676
2. 2001	113,606	103,227	3,773	3.655	107,000	94.185	(1,119)		105,881	93.200
3. 2002	101,588	92,648	5,822	6.284	98,470	96.931	2,195		100,665	99.091
4. 2003	524		5,570		5,570	1,062.977	(1,076)		4,494	857.634
5. 2004	108									

UNDERWRITING AND INVESTMENT EXHIBIT

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

Medicare Supplement

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000										
2. 2001										
3. 2002										
4. 2003										
5. 2004										

UNDERWRITING AND INVESTMENT EXHIBIT

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

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000										
2. 2001										
3. 2002										
4. 2003										
5. 2004										

UNDERWRITING AND INVESTMENT EXHIBIT

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

Vision Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000										
2. 2001										
3. 2002										
4. 2003										
5. 2004										

UNDERWRITING AND INVESTMENT EXHIBIT

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

Federal Employees Health Benefits Plan

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000										
2. 2001										
3. 2002										
4. 2003										
5. 2004										

UNDERWRITING AND INVESTMENT EXHIBIT

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

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000	113,606	73,383			73,383	64.594			73,383	64.594
2. 2001	101,588	103,227	3,773	3.655	107,000	105.327	(1,119)		105,881	104.226
3. 2002	524	92,648	5,822	6.284	98,470	18,791.985	2,195		100,665	19,210.878
4. 2003			5,570		5,570		(1,076)		4,494	
5. 2004										

UNDERWRITING AND INVESTMENT EXHIBIT

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

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior	12,151				
2. 2000	59,441	12,802			
3. 2001	X X X	82,744	19,196		
4. 2002	X X X	X X X	91,479	1,577	
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior	12,255				
2. 2000	75,385	16,048			
3. 2001	X X X	97,575	18,077		
4. 2002	X X X	X X X	93,674	1,077	
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000	86,663	73,383			73,383	84.676			73,383	84.676
2. 2001	113,606	103,227	3,773	3.655	107,000	94.185	(1,119)		105,881	93.200
3. 2002	101,588	92,648	5,822	6.284	98,470	96.931	2,195		100,665	99.091
4. 2003	524		5,570		5,570	1,062.977	(1,076)		4,494	857.634
5. 2004	108									

UNDERWRITING AND INVESTMENT EXHIBIT

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

Other

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior					
2. 2000					
3. 2001	X X X				
4. 2002	X X X	X X X			
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000										
2. 2001										
3. 2002										
4. 2003										
5. 2004										

UNDERWRITING AND INVESTMENT EXHIBIT

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior	24,302				
2. 2000	118,882	25,604			
3. 2001	X X X	165,488	38,392		
4. 2002	X X X	X X X	182,958	3,154	
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 2000	2 2001	3 2002	4 2003	5 2004
1. Prior	24,510				
2. 2000	150,770	32,096			
3. 2001	X X X	195,150	36,154		
4. 2002	X X X	X X X	187,348	2,154	
5. 2003	X X X	X X X	X X X		
6. 2004	X X X	X X X	X X X	X X X	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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. 2000	286,932	220,149			220,149	76.725			220,149	76.725
2. 2001	328,800	309,681	11,319	3.655	321,000	97.628	(3,357)		317,643	96.607
3. 2002	203,700	277,944	17,466	6.284	295,410	145.022	6,585		301,995	148.255
4. 2003	1,048		16,710		16,710	1,594.466	(3,228)		13,482	1,286.450
5. 2004	216									

NONE Underwriting and Investment Exhibit - Part 2D

**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 (\$ 0 for occupancy of own building)		30,467	477,315		507,782
2. Salaries, wages and other benefits		303,484	5,106,643		5,410,127
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)					
4. Legal fees and expenses		21,474	39,951		61,425
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services		14,568	31,463		46,031
7. Traveling expenses			172,629		172,629
8. Marketing and advertising			83,678		83,678
9. Postage, express and telephone		17,980	364,625		382,605
10. Printing and office supplies		753	278,251		279,004
11. Occupancy, depreciation and amortization		9,065	182,179		191,244
12. Equipment					
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services		3,939,818			3,939,818
15. Boards, bureaus and association fees			137,693		137,693
16. Insurance, except on real estate		25,265	227,384		252,649
17. Collection and bank service charges		8,954	4,889		13,843
18. Group service and administration fees					
19. Reimbursements by uninsured accident and health plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulator authority licenses and fees					
23.4 Payroll taxes		20,636	333,364		354,000
23.5 Other (excluding federal income and real estate taxes)		671	6,036		6,707
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses		5,798	(13,629,250)		(13,623,452)
26. Total expenses incurred (Lines 1 to 25)		4,398,932	(6,183,150)		(a) (1,784,217)
27. Less expenses unpaid December 31, current year					
28. Add expenses unpaid December 31, prior year					
29. Amounts receivable relating to uninsured accident and health plans, prior year					
30. Amounts receivable relating to uninsured accident and health plans, current year					
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)		4,398,932	(6,183,150)		(1,784,217)

DETAILS OF WRITE-INS					
2501. Administrative Expense		12,963	116,672		129,635
2502. Consumables		9,740	87,658		97,398
2503. Other Unassigned		(16,905)	(13,833,580)		(13,850,485)
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. Totals (Lines 2501 through 2503 + 2598) (Line 25 above)		5,798	(13,629,250)		(13,623,452)

(a) Includes management fees of \$ 18,545,251 to affiliates and \$ 0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 109,418	104,169
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 5,905	50,052
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) 58,356	43,144
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	173,680	197,364
11. Investment expenses		(g)
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		
17. Net investment income (Line 10 minus Line 16)		197,364
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15, above)		
(a) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.		
(c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.		
(e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.		
(f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.		
(g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Total
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)				
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9, above)				

EXHIBIT OF NONADMITTED 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)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
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			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Other invested assets (Schedule BA)			
8. Receivable for securities			
9. Aggregate write-ins for invested assets			
10. Subtotals, cash and invested assets (Lines 1 to 9)			
11. Investment income due and accrued			
12. Premiums and considerations:			
12.1 Uncollected premiums and agents' balances in the course of collection			
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
12.3 Accrued retrospective premiums			
13. Reinsurance:			
13.1 Amounts recoverable from reinsurers			
13.2 Funds held by or deposited with reinsured companies			
13.3 Other amounts receivable under reinsurance contracts			
14. Amounts receivable relating to uninsured plans			
15.1 Current federal and foreign income tax recoverable and interest thereon			
15.2 Net deferred tax asset	(176,700)	(197,260)	(20,560)
16. Guaranty funds receivable or on deposit			
17. Electronic data processing equipment and software			
18. Furniture and equipment, including health care delivery assets			
19. Net adjustment in assets and liabilities due to foreign exchange rates			
20. Receivable from parent, subsidiaries and affiliates			
21. Health care and other amounts receivable			
22. Other assets nonadmitted			
23. Aggregate write-ins for other than invested assets			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	(176,700)	(197,260)	(20,560)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Lines 24 and 25)	(176,700)	(197,260)	(20,560)

DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 09 from overflow page			
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)			
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)			

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	129,146	129,353	129,484	129,370	130,298	1,552,662
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. Total	129,146	129,353	129,484	129,370	130,298	1,552,662

DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0499999 Premiums due and unpaid from Medicaid entities	1,253,067					1,253,067
0599999 Accident and health premiums due and unpaid (Page 2, Line 12)	1,253,067					1,253,067

- NONE** **Exhibit 4 - Claims Unpaid (Reported and Unreported)**
- NONE** **Exhibit 5 - Amounts Due from Parent, Subsidiaries and Affiliates**
- NONE** **Exhibit 6 - Amounts Due to Parent, Subsidiaries and Affiliates**

NONE **Exhibit 8 - Furniture, Equipment, and Supplies Owned**

NOTES TO FINANCIAL STATEMENTS

SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	44,577	0.441	44,577	0.441
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies				
1.22 Issued by U.S. government sponsored agencies				
1.3 Foreign government (including Canada, excluding mortgage-backed securities)				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations				
1.43 Revenue and assessment obligations				
1.44 Industrial development and similar obligations				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA				
1.512 Issued or guaranteed by FNMA and FHLMC	2,302,321	22.794	2,302,321	22.794
1.513 All other				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521				
1.523 All other				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	3,605,000	35.692	3,605,000	35.692
2.2 Unaffiliated foreign securities				
2.3 Affiliated securities				
3. Equity interests:				
3.1 Investments in mutual funds				
3.2 Preferred stocks:				
3.21 Affiliated				
3.22 Unaffiliated				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated				
3.32 Unaffiliated				
3.4 Other equity securities:				
3.41 Affiliated				
3.42 Unaffiliated				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated				
3.52 Unaffiliated				
4. Mortgage loans:				
4.1 Construction and land development				
4.2 Agricultural				
4.3 Single family residential properties				
4.4 Multifamily residential properties				
4.5 Commercial loans				
4.6 Mezzanine real estate loans				
5. Real estate investments:				
5.1 Property occupied by company				
5.2 Property held for production of income (includes \$ 0 of property acquired in satisfaction of debt)				
5.3 Property held for sale (\$ 0 including property acquired in satisfaction of debt)				
6. Policy loans				
7. Receivables for securities				
8. Cash, cash equivalents and short-term investments	4,148,476	41.072	4,148,476	41.072
9. Other invested assets				
10. Total invested assets	10,100,374	100.000	10,100,374	100.000

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 [] 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 [] No [] N/A []
- 1.3 State Regulating? _____ TN _____
- 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 []
- 2.2 If yes, date of change: _____ 01/01/2004 _____
 If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 01/01/2004 _____
- 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. _____ 01/01/2004 _____
- 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). _____ 01/01/2004 _____
- 3.4 By what department or departments? STATE OF TN
 Department of Commerce and Insurance
 TennCare Division
- 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 [] No []
 4.12 renewals? Yes [] 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 []
 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the 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? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No []
- 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 []
- 7.2 If yes, _____ 0 % _____
- 7.21 State the percentage of foreign control
- 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, 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 [] No [X]
 8.4 If response to 8.3 is yes, please provide the names and location (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	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO
		NO	NO	NO	NO	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Follmer Rudzewicz Advisors, Inc.
 26200 American Drive, Suite 500 Southfield, MI 48086-5004

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? Edgar W. Schneider
 2170 Satellite Blvd, Suite 150, Atlanta, GA 30097
 Reden & Anders, Ltd.

11. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

- 11.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
 11.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [X] No []
 11.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
 11.4 If answer to (11.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

BOARD OF DIRECTORS

12. 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 []
 13. 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 []
 14. 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 which is in or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

- 15.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 15.11 To directors or other officers \$ _____
 15.12 To stockholders not officers \$ _____
 15.13 Trustees, supreme or grand (Fraternal only) \$ _____
 15.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 15.21 To directors or other officers \$ _____
 15.22 To stockholders not officers \$ _____
 15.23 Trustees, supreme or grand (Fraternal only) \$ _____
 16.1 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]
 16.2 If yes, state the amount thereof at December 31 of the current year:
 16.21 Rented from others \$ _____
 16.22 Borrowed from others \$ _____
 16.23 Leased from others \$ _____
 16.24 Other \$ _____
 Disclose in Notes to Financial the nature of each obligation.
 17.1 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]
 17.2 If answer is yes:
 17.21 Amount paid as losses or risk adjustment \$ _____
 17.22 Amount paid as expenses \$ _____
 17.23 Other amounts paid \$ _____

GENERAL INTERROGATORIES

INVESTMENT

18. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred	12,550,000	12,550,000	1	1	Yes [X] No []	Yes [] No [X]
Common	89,100,000	8,000,000		X X X	X X X X X X	X X X X X X

19.1 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, except as shown by Schedule E - Part 3 - Special Deposits? Yes [X] No []

19.2 If no, give full and complete information, relating thereto

20.1 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, except as shown on Schedule E - Part 3 - Special Deposits, 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 16.1). Yes [] No [X]

20.2 If yes, state the amount thereof at December 31 of the current year:

20.21 Loaned to others	\$ _____
20.22 Subject to repurchase agreements	\$ _____
20.23 Subject to reverse repurchase agreements	\$ _____
20.24 Subject to dollar repurchase agreements	\$ _____
20.25 Subject to reverse dollar repurchase agreements	\$ _____
20.26 Pledged as collateral	\$ _____
20.27 Placed under option agreements	\$ _____
20.28 Letter stock or securities restricted as to sale	\$ _____
20.29 Other	\$ _____

20.3 For category (20.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

21.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

21.2 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.

22.1 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]

22.2 If yes, state the amount thereof at December 31 of the current year. \$ _____

GENERAL INTERROGATORIES

INVESTMENT

23. Excluding items in Schedule E, 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 Part 1-General, Section IV.H-Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook?

Yes No

23.01 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
AMSOUTH BANK	NASHVILL TENNESSEE

23.02 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)

23.03 Have there been any changes, including name changes, in the custodian(s) identified in 23.01 during the current year?

Yes No

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

23.05 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

24.1 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

24.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
9999999	Total	

24.3 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

INVESTMENT

25. 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 (+)
25.1 Bonds			
25.2 Preferred stocks			
25.3 Totals			

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

.....

.....

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

26.2 If no, list exceptions:

.....

.....

OTHER

27.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ _____

27.2 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
	\$
	\$
	\$
	\$
	\$

28.1 Amount of payments for legal expenses, if any? \$ _____ 21,497

28.2 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
CHARLES CARPENTER	\$ 21,497
	\$
	\$
	\$
	\$

29.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ _____

29.2 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 department 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. \$ _____

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

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 \$ _____

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ _____

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____

1.62 Total incurred claims \$ _____

1.63 Number of covered lives \$ _____

All years prior to most current three years:

1.64 Total premium earned \$ _____

1.65 Total incurred claims \$ _____

1.66 Number of covered lives \$ _____

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____

1.72 Total incurred claims \$ _____

1.73 Number of covered lives \$ _____

All years prior to most current three years:

1.74 Total premium earned \$ _____

1.75 Total incurred claims \$ _____

1.76 Number of covered lives \$ _____

2. Health Test:

	1	2
	Current Year	Prior Year
2.1 Premium Numerator	\$ _____	\$ _____
2.2 Premium Denominator	\$ _____	\$ _____
2.3 Premium Ratio (2.1/2.2)	_____	_____
2.4 Reserve Numerator	\$ _____	\$ _____
2.5 Reserve Denominator	\$ _____	\$ _____
2.6 Reserve Ratio (2.4/2.5)	_____	_____

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 [X] NO []

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	\$ _____
5.32	Medical Only	\$ _____
5.33	Medicare Supplement	\$ _____
5.34	Dental	\$ _____
5.35	Other Limited Benefit Plan	\$ _____ 200,000
5.36	Other	\$ _____

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: _____

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 _____

8.2 Number of providers at end of reporting year _____

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 _____

9.22 Business with rate guarantees over 36 months _____

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH 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 | \$ _____ |
| | 10.22 Amount actually paid for year bonuses | \$ _____ |
| | 10.23 Maximum amount payable withholds | \$ _____ |
| | 10.24 Amount actually paid for year withholds | \$ _____ |
- 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 [X] NO [] |
- 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. TN
- 11.4 If yes, show the amount required. \$ _____ 7,087,612
- 11.5 Is this amount included as part of contingency reserve in stockholder's equity? YES [] NO [X]
- 11.6 If the amount is calculated, show the calculation _____

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

1 Name of Service Area		
Shelby County	Southwest Tennessee	Northwest Tennessee

FIVE-YEAR HISTORICAL DATA

	1	2	3	4	5
	2004	2003	2002	2001	2000
BALANCE SHEET ITEMS (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	12,850,424	11,117,114	10,344,947	25,952,931	21,794,036
2. Total liabilities (Page 3, Line 22)	1,178,466	1,991,825	1,974,125	3,260,816	18,825,687
3. Statutory surplus					
4. Total capital and surplus (Page 3, Line 30)	11,671,958	9,108,039	7,084,131	7,127,243	5,084,781
INCOME STATEMENT ITEMS (Page 4)					
5. Total revenues (Line 8)	585,216	1,586,096	110,833,538	113,491,948	88,114,592
6. Total medical and hospital expenses (Line 18)	(79,710)	191,499	93,674,236	97,575,047	75,072,004
7. Claims adjustment expenses (Line 20)	4,398,932				
8. Total administrative expenses (Line 21)	(6,183,150)	(6,150,859)	12,359,491	11,514,272	13,485,756
9. Net underwriting gain (loss) (Line 24)	2,449,144	1,975,126	(1,021,943)	629,207	(1,488,004)
10. Net investment gain (loss) (Line 27)	197,364	157,682	444,291	1,136,350	1,044,836
11. Total other income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	2,598,968	2,253,268	(1,887,052)	3,132,457	(446,468)
RISK-BASED CAPITAL ANALYSIS					
13. Total adjusted capital	11,671,958	9,108,039	7,084,131	6,712,833	5,090,981
14. Authorized control level risk-based capital	838,549	838,584	4,841,400	4,863,153	1,635,166
ENROLLMENT (Exhibit 1)					
15. Total members at end of period (Column 5, Line 7)	130,298	129,146	114,544	79,739	51,092
16. Total members months (Column 6, Line 7)	1,552,662	1,456,615	1,377,079	778,207	562,540
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
17. Premiums earned (Lines 2 plus 3)	100.0	100.0	100.0	100.0	100.0
18. Total hospital and medical (Line 18)	73.8	36.5	92.5	86.4	86.6
19. Cost containment expenses		X X X	X X X	X X X	X X X
20. Other claims adjustment expenses					
21. Total underwriting deductions (Line 23)		(74.2)	100.1	99.8	102.2
22. Total underwriting gain (loss) (Line 24)		376.6	(1.0)	0.6	(1.7)
UNPAID CLAIMS ANALYSIS (U&I Exhibit, Part 2B)					
23. Total claims incurred for prior years (Line 12, Col. 5)		1,268,190	18,077,140	16,048,143	12,254,948
24. Estimated liability of unpaid claims - [prior year (Line 12, Col. 6)]		1,076,691	18,077,140	16,048,143	12,254,948
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
25. Affiliated bonds (Sch. D Summary, Line 25, Col. 1)					
26. Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1)					
27. Affiliated common stocks (Sch. D Summary, Line 53, Col. 2)					
28. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11)					
29. Affiliated mortgage loans on real estate					
30. All other affiliated					
31. Total of above Lines 25 to 30					



00000200443043000

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

2.

(LOCATION)

NAIC Group Code: 0000

BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR 2004

NAIC Company Code 00000

	1 Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
	2 Individual	3 Group										
Total Members at end of:												
1. Prior Year	108,049							108,049				
2. First Quarter												
3. Second Quarter												
4. Third Quarter												
5. Current Year												
6. Current Year Member Months				NONE								
Total Member Ambulatory Encounters for Year:												
7. Physician												
8. Non-Physician												
9. Total												
10. Hospital Patient Days Incurred												
11. Number of Inpatient Admissions												
12. Health Premiums Written												
13. Life Premiums Direct												
14. Property/Casualty Premiums Written												
15. Health Premiums Earned												
16. Property/Casualty Premiums Earned												
17. Amount Paid for Provision of Health Care Services												
18. Amount Incurred for Provision of Health Care Services												

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

NONE **Schedule A, B, and BA Verification**

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1	2	3	4
		Book/Adjusted Carrying Value	Fair Value	Actual Cost	Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	2,346,898	2,340,601	2,349,316	2,350,000
	2. Canada				
	3. Other Countries				
	4. Totals	2,346,898	2,340,601	2,349,316	2,350,000
States, Territories and Possessions (Direct and guaranteed)	5. United States				
	6. Canada				
	7. Other Countries				
	8. Totals				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States				
	10. Canada				
	11. Other Countries				
	12. Totals				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States				
	14. Canada				
	15. Other Countries				
	16. Totals				
Public Utilities (unaffiliated)	17. United States				
	18. Canada				
	19. Other Countries				
	20. Totals				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States	3,605,000	3,605,000	3,605,000	
	22. Canada				
	23. Other Countries				
	24. Totals	3,605,000	3,605,000	3,605,000	
Parent, Subsidiaries and Affiliates	25. Totals				
26. Total Bonds		5,951,898	5,945,601	5,954,316	2,350,000
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States				
	28. Canada				
	29. Other Countries				
	30. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States				
	32. Canada				
	33. Other Countries				
	34. Totals				
Industrial and Miscellaneous (unaffiliated)	35. United States				
	36. Canada				
	37. Other Countries				
	38. Totals				
Parent, Subsidiaries and Affiliates	39. Totals				
40. Total Preferred Stocks					
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States				
	42. Canada				
	43. Other Countries				
	44. Totals				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States				
	46. Canada				
	47. Other Countries				
	48. Totals				
Industrial and Miscellaneous (unaffiliated)	49. United States				
	50. Canada				
	51. Other Countries				
	52. Totals				
Parent, Subsidiaries and Affiliates	53. Totals				
54. Total Common Stocks					
55. Total Stocks					
56. Total Bonds and Stocks		5,951,898	5,945,601	5,954,316	

SCHEDULE D - VERIFICATION BETWEEN YEARS

1. Book/adjusted carrying value of bonds and stocks, prior year	3,153,128	6. Foreign Exchange Adjustment:	
2. Cost of bonds and stocks acquired, Column 7, Part 3	897,040	6.1 Column 15, Part 1	
3. Increase (decrease) by adjustment:		6.2 Column 19, Part 2, Section 1	
3.1 Columns 12 + 13 - 14, Part 1	2,603,148	6.3 Column 16, Part 2, Section 2	
3.2 Column 18, Part 2, Section 1		6.4 Column 15, Part 4	
3.3 Column 15, Part 2, Section 2		7. Book/adjusted carrying value at end of current period	5,951,898
3.4 Column 14, Part 4	2,603,148	8. Total valuation allowance	
4. Total gain (loss), Column 19, Part 4		9. Subtotal (Lines 7 plus 8)	5,951,898
5. Deduct consideration for bonds and stocks disposed of Column 7, Part 4	701,418	10. Total nonadmitted amounts	
		11. Statement value of bonds and stocks, current period	5,951,898

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments, Schedules D & DA (Group 1)											
1.1 Class 1		2,346,898				2,346,898	39.431	2,153,128	68.285	2,346,898	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 Totals		2,346,898				2,346,898	39.431	2,153,128	68.285	2,346,898	
2. All Other Governments, Schedules D & DA (Group 2)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 Totals											
3. States, Territories and Possessions, etc., Guaranteed, Schedules D & DA (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 Totals											
4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 Totals											
5. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed, Schedules D & DA (Group 5)											
5.1 Class 1											
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 Totals											

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Class 1											
6.2 Class 2											
6.3 Class 3											
6.4 Class 4											
6.5 Class 5											
6.6 Class 6											
6.7 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Class 1		3,605,000				3,605,000	60.569	1,000,000	31.715	3,605,000	
7.2 Class 2											
7.3 Class 3											
7.4 Class 4											
7.5 Class 5											
7.6 Class 6											
7.7 Totals		3,605,000				3,605,000	60.569	1,000,000	31.715	3,605,000	
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Class 1											
8.2 Class 2											
8.3 Class 3											
8.4 Class 4											
8.5 Class 5											
8.6 Class 6											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Class 1											
9.2 Class 2											
9.3 Class 3											
9.4 Class 4											
9.5 Class 5											
9.6 Class 6											
9.7 Totals											

SCHEDULE D - PART 1A - SECTION 1 (continued)
 Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1		5,951,898				5,951,898	100.000	X X X	X X X	5,951,898	
10.2 Class 2								X X X	X X X		
10.3 Class 3								X X X	X X X		
10.4 Class 4								X X X	X X X		
10.5 Class 5						(c)		X X X	X X X		
10.6 Class 6						(c)		X X X	X X X		
10.7 Totals		5,951,898				(b) 5,951,898	100.000	X X X	X X X	5,951,898	
10.8 Line 10.7 as a % of Col. 6		100.000				100.000	X X X	X X X	X X X	100.000	
11. Total Bonds Prior Year											
11.1 Class 1		3,153,128				X X X	X X X	3,153,128	100.000	3,153,128	
11.2 Class 2						X X X	X X X				
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 Totals		3,153,128				X X X	X X X	(b) 3,153,128	100.000	3,153,128	
11.8 Line 11.7 as a % of Col. 8		100.000				X X X	X X X	100.000	X X X	100.000	
12. Total Publicly Traded Bonds											
12.1 Class 1		5,951,898				5,951,898	100.000	3,153,128	100.000	5,951,898	X X X
12.2 Class 2											X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 Totals		5,951,898				5,951,898	100.000	3,153,128	100.000	5,951,898	X X X
12.8 Line 12.7 as a % of Col. 6		100.000				100.000	X X X	X X X	X X X	100.000	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10		100.000				100.000	X X X	X X X	X X X	100.000	X X X
13. Total Privately Placed Bonds											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

(a) Includes \$ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ 0 current year, \$ 0 prior year of bonds with Z designations and \$ 0 current year, \$ 0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.

(c) Includes \$ 0 current year, \$ 0 prior year of bonds with 5* designations and \$ 0 current year, \$ 0 prior year of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
6.3 Defined											
6.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
6.5 Defined											
6.6 Other											
6.7 Totals											
7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7)											
7.1 Issuer Obligations		3,605,000				3,605,000	60.569	1,000,000	31.715	3,605,000	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
7.3 Defined											
7.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
7.5 Defined											
7.6 Other											
7.7 Totals		3,605,000				3,605,000	60.569	1,000,000	31.715	3,605,000	
8. Credit Tenant Loans, Schedules D & DA (Group 8)											
8.1 Issuer Obligations											
8.7 Totals											
9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
9.3 Defined											
9.4 Other											
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
9.5 Defined											
9.6 Other											
9.7 Totals											

SCHEDULE D - PART 1A - SECTION 2 (continued)

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations		5,951,898				5,951,898	100.000	X X X	X X X	5,951,898	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES								X X X	X X X		
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 Totals		5,951,898				5,951,898	100.000	X X X	X X X	5,951,898	
10.8 Line 10.7 as a % of Col. 6		100.000				100.000	X X X	X X X	X X X	100.000	
11. Total Bonds Prior Year											
11.1 Issuer Obligations		3,153,128				X X X	X X X	3,153,128	100.000	3,153,128	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES						X X X	X X X				
11.3 Defined						X X X	X X X				
11.4 Other						X X X	X X X				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined						X X X	X X X				
11.6 Other						X X X	X X X				
11.7 Totals		3,153,128				X X X	X X X	3,153,128	100.000	3,153,128	
11.8 Line 11.7 as a % of Col. 8		100.000				X X X	X X X	100.000	X X X	100.000	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations		5,951,898				5,951,898	100.000	3,153,128	100.000	5,951,898	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											X X X
12.3 Defined											X X X
12.4 Other											X X X
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined											X X X
12.6 Other											X X X
12.7 Totals		5,951,898				5,951,898	100.000	3,153,128	100.000	5,951,898	X X X
12.8 Line 12.7 as a % of Col. 6		100.000				100.000	X X X	X X X	X X X	100.000	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10		100.000				100.000	X X X	X X X	X X X	100.000	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES										X X X	
13.3 Defined										X X X	
13.4 Other										X X X	
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 Totals										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

- NONE** **Schedule DA - Part 2**

- NONE** **Schedule DB - Part A and B Verification**

- NONE** **Schedule DB - Part C, D and E Verification**

- NONE** **Schedule DB - Part F - Section 1**

- NONE** **Schedule DB - Part F - Section 2**

NONE

Schedule S - Part 2

NONE **Schedule S - Part 4**

SCHEDULE S - PART 5
Five-Year Exhibit of Reinsurance Ceded Business
(000 Omitted)

	1 2004	2 2003	3 2002	4 2001	5 2000
A. OPERATIONS ITEMS					
1. Premiums					
2. Title XVIII-Medicare					
3. Title XIX-Medicaid			322	463	5
4. Commissions and reinsurance expense allowance					
5. Total hospital and medical expenses					
B. BALANCE SHEET ITEMS					
6. Premiums receivable					
7. Claims payable					
8. Reinsurance recoverable on paid losses					
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	10,100,374		10,100,374
2. Accident and health premiums due and unpaid (Line 12)	1,253,067		1,253,067
3. Amounts recoverable from reinsurers (Line 13.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)			
6. Total assets (Line 26)	11,353,441		11,353,441
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)			
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)			
10. Reinsurance in unauthorized companies (Line 18)			
11. All other liabilities (Balance)	1,178,466		1,178,466
12. Total liabilities (Line 22)	1,178,466		1,178,466
13. Total capital and surplus (Line 30)	11,671,958	X X X	11,671,958
14. Total liabilities, capital and surplus (Line 31)	12,850,424		12,850,424
NET CREDIT FOR CEDED REINSURANCE			
15. Claims unpaid			
16. Accrued medical incentive pool			
17. Premiums received in advance			
18. Reinsurance recoverable on paid losses			
19. Other ceded reinsurance recoverables			
20. Total ceded reinsurance recoverables			
21. Premiums receivable			
22. Unauthorized reinsurance			
23. Other ceded reinsurance payables/offsets			
24. Total ceded reinsurance payables/offsets			
25. Total net credit for ceded reinsurance			

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only					
			3 Accident & Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life & Annuity Premiums & Deposit-Type Contract Funds	8 Property/Casualty Premiums
1. Alabama	AL	NO						
2. Alaska	AK	NO						
3. Arizona	AZ	NO						
4. Arkansas	AR	NO						
5. California	CA	NO						
6. Colorado	CO	NO						
7. Connecticut	CT	NO						
8. Delaware	DE	NO						
9. Dist. Columbia	DC	NO						
10. Florida	FL	NO						
11. Georgia	GA	NO						
12. Hawaii	HI	NO						
13. Idaho	ID	NO						
14. Illinois	IL	NO						
15. Indiana	IN	NO						
16. Iowa	IA	NO						
17. Kansas	KS	NO						
18. Kentucky	KY	NO						
19. Louisiana	LA	NO						
20. Maine	ME	NO						
21. Maryland	MD	NO						
22. Massachusetts	MA	NO						
23. Michigan	MI	NO						
24. Minnesota	MN	NO						
25. Mississippi	MS	NO						
26. Missouri	MO	NO						
27. Montana	MT	NO						
28. Nebraska	NE	NO						
29. Nevada	NV	NO						
30. New Hampshire	NH	NO						
31. New Jersey	NJ	NO						
32. New Mexico	NM	NO						
33. New York	NY	NO						
34. North Carolina	NC	NO						
35. North Dakota	ND	NO						
36. Ohio	OH	NO						
37. Oklahoma	OK	NO						
38. Oregon	OR	NO						
39. Pennsylvania	PA	NO						
40. Rhode Island	RI	NO						
41. South Carolina	SC	NO						
42. South Dakota	SD	NO						
43. Tennessee	TN	NO	YES		108,049			
44. Texas	TX	NO	NO					
45. Utah	UT	NO	NO					
46. Vermont	VT	NO	NO					
47. Virginia	VA	NO	NO					
48. Washington	WA	NO	NO					
49. West Virginia	WV	NO	NO					
50. Wisconsin	WI	NO	NO					
51. Wyoming	WY	NO	NO					
52. American Samoa	AS	NO	NO					
53. Guam	GU	NO	NO					
54. Puerto Rico	PR	NO	NO					
55. U.S. Virgin Islands	VI	NO	NO					
56. Canada	CN	NO	NO					
57. Aggregate other alien	OT	X X X	X X X					
58. Total (Direct Business)	X X X	(a)	1		108,049			

DETAILS OF WRITE-INS								
5701.		X X X	X X X					
5702.		X X X	X X X					
5703.		X X X	X X X					
5798. Summary of remaining write-ins for Line 57 from overflow page		X X X	X X X					
5799. Totals (Lines 5701 through 5703 plus 5798) (Line 57 above)		X X X	X X X					

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

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.....

(a) Insert the number of yes responses except for Canada and other Alien.

Annual Statement for the year 2004 of the

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

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	RESPONSES
MARCH FILING	
1. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
2. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
3. Will an actuarial certification be filed by March 1?	YES
4. Will the Risk-based Capital Report be filed with the NAIC by March 1?	NO
5. Will the Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	NO
6. Will the Life Supplement be filed with the state of domicile and the NAIC by March 1?	YES
7. Will the Property / Casualty Supplement be filed with the state of domicile and the NAIC by March 1?	NO
APRIL FILING	
8. Will Management's Discussion and Analysis be filed by April 1?	NO
9. Will the Long-Term Care Experience Reporting Forms be filed with the the state of domicile by April 1?	YES
10. Will the Investment Risks Interrogatories be filed by April 1?	NO
JUNE FILING	
11. Will an audited financial report be filed by June 1 with the state of domicile?	YES

Explanations:

Bar code:



OVERFLOW PAGE FOR WRITE-INS

NONE **Schedule A - Part 1**

NONE **Schedule A - Part 2**

NONE **Schedule A - Part 3**

NONE **Schedule B - Part 1**

NONE **Schedule B - Part 2**

NONE **Schedule BA - Part 1**

NONE **Schedule BA - Part 2**

SCHEDULE D - PART 1

Showing All Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identifi- cation	2 Description	Codes			6 NAIC Desig- nation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				Interest					Dates		
		3 *	4 F o r e i g n	5 Bond CHAR			8 Rate Used To Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amort- ization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 How Paid	19 Admitted Amount Due & Accrued	20 Gross Amt. Rec. During Year	21 Acquired	22 Maturity	
3133X92G4	FEDERAL HOME LOAN BANK					399,293	99.77	398,125	400,000	399,080					3.560	3.390	JD		1,168	11/02/2004	11/02/2007	
3133X6Q74	FEDERAL HOME LOAN BANK					98,853	100.28	98,750	100,000	100,280					4.407	4.125	JD		2,063	04/28/2004	04/28/2009	
3128X2L29	FEDERAL HOME LOAN MORTGAGE					201,966	99.69	201,875	200,000	199,380					4.100	3.129	JD		4,100	03/19/2004	03/15/2005	
3133MUWA9	FEDERAL HOME LOAN BANK					1,406,756	100.02	1,406,756	1,405,000	1,405,281						3.650	JJ		51,283	01/29/2003	01/24/2008	
912828BF6	US TREASURY NOTE					45,309	99.06	45,309	45,000	44,577						2.375	FA		1,069	09/09/2003	08/15/2006	
3133X5YC6	FEDERAL HOME LOAN BANK					198,500	99.150.00	198,500	200,000	198,300						3.500	JD		4,929	04/15/2004	10/15/2008	
0199999	Subtotal - Issuer Obligations					2,350,677	X X X	2,349,315	2,350,000	2,346,898					X X X	X X X	X X X		4,929	59,683	X X X	X X X
0399999	Subtotals - U.S. Governments					2,350,677	X X X	2,349,315	2,350,000	2,346,898					X X X	X X X	X X X		4,929	59,683	X X X	X X X
	CD- Nat'l Bank of Commerce Memphis, TN					2,600,000		2,600,000		2,600,000					4.000		N/A		145,304			07/22/2008
	CD- Memphis First Community Bank					1,005,000		1,005,000		1,005,000					2.350		N/A		11,250			
3999999	Subtotal - Issuer Obligations					3,605,000	X X X	3,605,000		3,605,000					X X X	X X X	X X X		156,554		X X X	X X X
4599999	Subtotals - Industrial and Miscellaneous (Unaffiliated)					3,605,000	X X X	3,605,000		3,605,000					X X X	X X X	X X X		156,554		X X X	X X X
5499999	Total Bonds - Issuer Obligations					5,955,677	X X X	5,954,315	2,350,000	5,951,898					X X X	X X X	X X X		161,483	59,683	X X X	X X X
6099999	Total Bonds					5,955,677	X X X	5,954,315	2,350,000	5,951,898					X X X	X X X	X X X		161,483	59,683	X X X	X X X

8 0 7

NONE **Schedule D - Part 2 - Section 1**

NONE **Schedule D - Part 2 - Section 2**

SCHEDULE D - PART 3

Showing all Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
3133X6Q74	FEDERAL HOME LOAN BANK		04/28/2004	AMSOUTH CAPITAL MARKETS		100,280	100,000.00	103
3133X92G4	FEDERAL HOME LOAN BANK		11/02/2004	AMSOUTH CAPITAL MARKETS		399,080	400,000.00	1,168
3133X5YC6	FEDERAL HOME LOAN BANK		04/15/2004	AMSOUTH CAPITAL MARKETS		198,300	200,000.00	117
3133X2L29	FEDERAL HOME LOAN BANK		03/19/2004	AMSOUTH CAPITAL MARKETS		199,380	200,000.00	91
0399999	Subtotal - Bonds - U.S. Governments				X X X	897,040	900,000.00	1,479
6099997	Subtotal - Bonds - Part 3				X X X	897,040	900,000.00	1,479
6099999	Total - Bonds				X X X	897,040	900,000.00	1,479
7499999	Totals					897,040	X X X	1,479

E 1 1

SCHEDULE D - PART 4

Showing all Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.						
3133MNJS1	FEDERAL HOME LOAN BANK		05/10/2004	CALLED BY ISSUER		100,616	100,000.00	100,500	100,616						100,616				9,181	
3133MUFK6	FEDERAL HOME LOAN BANK		03/19/2004	CALLED BY ISSUER		202,348	200,000.00	202,188	202,348						202,348				9,825	
3136F4VY7	FEDERAL NATIONAL MORTGAGE ASSOCIATION		12/03/2004	CALLED BY ISSUER		398,454	400,000.00	398,375	398,375						398,375				3,410	
0399999	Subtotal - Bonds - U.S. Governments				X X X	701,418	700,000.00	701,063	701,339						701,339				22,415	X X X
6099997	Subtotal - Bonds - Part 4				X X X	701,418	700,000.00	701,063	701,339						701,339				22,415	X X X
6099999	Total - Bonds				X X X	701,418	700,000.00	701,063	701,339						701,339				22,415	X X X
7499999	Totals					701,418	X X X	701,063	701,339						701,339				22,415	X X X

E 1 2

- NONE** **Schedule D - Part 5**
- NONE** **Schedule D - Part 6 - Section 1 and 2**
- NONE** **Schedule DA - Part 1**
- NONE** **Schedule DB - Part A - Section 1 and 2**
- NONE** **Schedule DB - Part A - Section 3 and Part B - Section 1**
- NONE** **Schedule DB - Part B - Section 2 and 3**
- NONE** **Schedule DB - Part C - Section 1 and 2**
- NONE** **Schedule DB - Part C - Section 3 and Part D - Section 1**
- NONE** **Schedule DB - Part D - Section 2 and 3**
- NONE** **Schedule DB - Part E - Section 1**

NONE **Schedule E - Part 2**

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

1 Line Number	2 Type	3 Description of Deposit	4 Where Deposited and Purpose of Deposit	5 Par or Book Value	6 Statement Value (a)	7 Fair Value
	B	Federal Home Loan Bank	AmSouth Capital Markets, Nashville, TN-Statutory Reserve	400,000	399,080	398,125
	B	Federal Home Loan Bank	AmSouth Capital Markets, Nashville, TN-Statutory Reserve	100,000	100,280	98,750
	B	Federal Home Loan Mortgage	AmSouth Capital Markets, Nashville, TN-Statutory Reserve	200,000	199,380	201,875
	B	Federal Home Loan Bank	AmSouth Capital Markets, Nashville, TN-Statutory Reserve	1,405,000	1,405,281	1,406,756
	B	US Treasury Note	AmSouth Capital Markets, Nashville, TN-Statutory Reserve	45,000	44,577	45,309
	B	Federal Home Loan Bank	AmSouth Capital Markets, Nashville, TN-Statutory Reserve	200,000	198,300	198,500
5299999		ALL OTHER		2,350,000	2,346,898	2,349,315
9999997		Total - Special Deposits NOT held for the benefit of all Policyholders, Claimants, and Creditors of the Company		2,350,000	2,346,898	2,349,315
E 2 5						
9999999		Totals		2,350,000	2,346,898	2,349,315

(a) Including \$ 0 cash and short-term investments as defined in SSAP No. 2 of the NAIC Accounting Practices and Procedures Manual.



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SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

Due April 1
For the year ended December 31, 2004

Of The Insurance Company
Address (City, State, Zip Code)
NAIC Group Code 0000 NAIC Company Code 11111 Employer's ID Number 11-1111111

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.
Answer the following interrogatories by reporting the applicable U. S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

- 1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. \$
2. Ten largest exposures to a single issuer/borrower/investment.

	<u>1</u> Issuer	<u>2</u> Description of Exposure	<u>3</u> Amount	<u>4</u> Percentage of Total Admitted Assets
2.01	\$ %
2.02	\$ %
2.03	\$ %
2.04	\$ %
2.05	\$ %
2.06	\$ %
2.07	\$ %
2.08	\$ %
2.09	\$ %
2.10	\$ %

- 3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

	<u>Bonds</u>	<u>1</u>	<u>2</u>	<u>Preferred Stocks</u>	<u>3</u>	<u>4</u>	
3.01	NAIC-1	\$ .....	..... %	3.07	P/RP-1	\$ %
3.02	NAIC-2	\$ .....	..... %	3.08	P/RP-2	\$ %
3.03	NAIC-3	\$ .....	..... %	3.09	P/RP-3	\$ %
3.04	NAIC-4	\$ .....	..... %	3.10	P/RP-4	\$ %
3.05	NAIC-5	\$ .....	..... %	3.11	P/RP-5	\$ %
3.06	NAIC-6	\$ .....	..... %	3.12	P/RP-6	\$ %

- 4. Assets held in foreign investments:

4.01	Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?	Yes [] No [X]
4.02	Total admitted assets held in foreign investments.	\$ %
4.03	Foreign-currency-denominated investments.	\$ %
4.04	Insurance liabilities denominated in that same foreign currency.	\$ %

If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.

SUPPLEMENT FOR THE YEAR 2004 OF THE

5.	Aggregate foreign investment exposure categorized by NAIC sovereign rating:	<u>1</u>	<u>2</u>
5.01	Countries rated NAIC-1	\$ %
5.02	Countries rated NAIC-2	\$ %
5.03	Countries rated NAIC-3 or below	\$ %
6.	Two largest foreign investment exposures in a single country, categorized by the country's NAIC sovereign rating:	<u>1</u>	<u>2</u>
	Countries rated NAIC-1:		
6.01	Country:	\$ %
6.02	Country:	\$ %
	Countries rated NAIC-2:		
6.03	Country:	\$ %
6.04	Country:	\$ %
	Countries rated NAIC-3 or below:		
6.05	Country:	\$ %
6.06	Country:	\$ %
		<u>1</u>	<u>2</u>
7.	Aggregate unhedged foreign currency exposure	\$ %
8.	Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating:	<u>1</u>	<u>2</u>
8.01	Countries rated NAIC-1	\$ %
8.02	Countries rated NAIC-2	\$ %
8.03	Countries rated NAIC-3 or below	\$ %
9.	Two largest unhedged foreign currency exposures to a single country, categorized by the country's NAIC sovereign rating:	<u>1</u>	<u>2</u>
	Countries rated NAIC-1:		
9.01	Country:	\$ %
9.02	Country:	\$ %
	Countries rated NAIC-2:		
9.03	Country:	\$ %
9.04	Country:	\$ %
	Countries rated NAIC-3 or below:		
9.05	Country:	\$ %
9.06	Country:	\$ %
10.	Ten largest non-sovereign (i.e. non-governmental) foreign issues:	<u>3</u>	<u>4</u>
	<u>1</u>	<u>2</u>	
	Issuer	NAIC Rating	
10.01	.....	\$ .....	..... %
10.02	.....	\$ .....	..... %
10.03	.....	\$ .....	..... %
10.04	.....	\$ .....	..... %
10.05	.....	\$ .....	..... %
10.06	.....	\$ .....	..... %
10.07	.....	\$ .....	..... %
10.08	.....	\$ .....	..... %
10.09	.....	\$ .....	..... %
%0.10	.....	\$ .....	..... %

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01 Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]

If response to 11.01 is yes, detail is not required for the remainder of Interrogatory 11.

	<u>1</u>	<u>2</u>	
11.02 Total admitted assets held in Canadian Investments	\$	%
11.03 Canadian-currency-denominated investments	\$	%
11.04 Canadian-denominated insurance liabilities	\$	%
11.05 Unhedged Canadian currency exposure	\$	%

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions.

12.01 Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]

If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.

	<u>1</u>	<u>2</u>	<u>3</u>	
12.02 Aggregate statement value of investments with contractual sales restrictions	\$	%
Largest 3 investments with contractual sales restrictions:				
12.03	\$	%
12.04	\$	%
12.05	\$	%

13. Amounts and percentages of admitted assets held in the largest 10 equity interests:

13.01 Are assets held in equity interest less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]

If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.

	<u>1</u> Name of Issuer	<u>2</u>	<u>3</u>	
13.02		\$	%
13.03		\$	%
13.04		\$	%
13.05		\$	%
13.06		\$	%
13.07		\$	%
13.08		\$	%
13.09		\$	%
13.10		\$	%
13.11		\$	%

SUPPLEMENT FOR THE YEAR 2004 OF THE

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]

If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

	<u>1</u>	<u>2</u>	<u>3</u>
14.02	Aggregate statement value of investments held in nonaffiliated, privately placed equities	\$ %
	Largest 3 investments held in nonaffiliated, privately placed equities:		
14.03	.....	\$ .....	..... %
14.04	.....	\$ .....	..... %
14.05	.....	\$ .....	..... %

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]

If response to 15.01 is yes, responses are not required for the remainder of Interrogatory 15.

	<u>1</u>	<u>2</u>	<u>3</u>
15.02	Aggregate statement value of investments held in general partnership interests.	\$ %
	Largest 3 investments in general partnership interests:		
15.03	.....	\$ .....	..... %
15.04	.....	\$ .....	..... %
15.05	.....	\$ .....	..... %

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? Yes [] No [X]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	<u>1</u>	<u>2</u>	<u>3</u>
	<u>Type (Residential, Commercial, Agricultural)</u>		
16.02	.....	\$ .....	..... %
16.03	.....	\$ .....	..... %
16.04	.....	\$ .....	..... %
16.05	.....	\$ .....	..... %
16.06	.....	\$ .....	..... %
16.07	.....	\$ .....	..... %
16.08	.....	\$ .....	..... %
16.09	.....	\$ .....	..... %
16.10	.....	\$ .....	..... %
16.11	.....	\$ .....	..... %

SUPPLEMENT FOR THE YEAR 2004 OF THE

20. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

		<u>Owned</u>			<u>Written</u>	
	<u>1</u>	<u>2</u>		<u>3</u>	<u>4</u>	
20.01 Hedging	\$	%	\$	%
20.02 Income generation	\$	%	\$	%
20.03 Other	\$	%	\$	%

21. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

		<u>At Year-end</u>			<u>At End of Each Quarter</u>	
	<u>1</u>	<u>2</u>		1st Qtr	2nd Qtr	3rd Qtr
	<u>1</u>	<u>2</u>		<u>3</u>	<u>4</u>	<u>5</u>
21.01 Hedging	\$	%	\$	\$	\$
21.02 Income generation	\$	%	\$	\$	\$
21.03 Replications	\$	%	\$	\$	\$
21.04 Other	\$	%	\$	\$	\$

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

		<u>At Year-end</u>			<u>At End of Each Quarter</u>	
	<u>1</u>	<u>2</u>		1st Qtr	2nd Qtr	3rd Qtr
	<u>1</u>	<u>2</u>		<u>3</u>	<u>4</u>	<u>5</u>
22.01 Hedging	\$	%	\$	\$	\$
22.02 Income generation	\$	%	\$	\$	\$
22.03 Replications	\$	%	\$	\$	\$
22.04 Other	\$	%	\$	\$	\$



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SUPPLEMENTAL COMPENSATION EXHIBIT

(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system: _____ yes no. If yes, do the amounts below represent
 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group: Yes []; or 2) allocation to each insurer: Yes [].
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes [] No [X]
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement? Yes [] No [X]

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1 Name and Principal Position	2 Year	Annual Compensation				6 Totals
		3 Salary	4 Bonus	5 All Other Compensation		
Osbie Howard President & Chief Executive Officer	2004	235,980				235,980
	2003	308,706				308,706
	2002	254,661				254,661
1. Lorenzo Harris Senior Vice President-Cheif Financial Officer	2004	119,506				119,506
	2003	129,378				129,378
	2002	125,305				125,305
2. Edward W. Reed, M.D. Senior Vice President- Medical Director	2004	107,513				107,513
	2003	122,315				122,315
	2002	178,837				178,837
3. Stephanie Dowell Senior Vice President-Cheif Operating Officer	2004	105,837				105,837
	2003	114,529				114,529
	2002	92,123				92,123
4. Stacy Hill Vice President, MIS	2004	90,800				90,800
	2003	83,385				83,385
	2002					
5. Myla Johnson Vice President-Medical Service	2004	85,698				85,698
	2003					
	2002					
6. Edward Dixon Vice President-Corporate Compliance	2004	71,006				71,006
	2003					
	2002					
7.	2004					
	2003					
	2002					
8.	2004					
	2003					
	2002					
9.	2004					
	2003					
	2002					
10.	2004					
	2003					
	2002					

PART 3 - DIRECTOR COMPENSATION

1 Name and Principal Position or Occupation	2 Compensation Paid or Deferred for Services as Director	3 All Other Compensation Paid or Deferred	4 Totals
1. Banks, Frank	6,500		6,500
2. Carpenter, Charles	5,000		5,000
3. Clark, Rebecca	6,000		6,000
4. Combs MD, Julius	7,620		7,620
5. Figueredo MD, Griselle	8,520		8,520
6. Goss, Thomas, Chairman	6,117		6,117
7. King, Alvin	8,500		8,500
8. King, Samuel, Secretary/Treasurer	5,250		5,250
9. Williams-Cleaves MD, Beverly	3,000		3,000
10.			
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