

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)			0	0
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens.....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$1,001,425 , Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$8,534,833 , Schedule DA)	9,536,258		9,536,258	7,787,351
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives			0	
8. Other invested assets (Schedule BA)			0	0
9. Receivables for securities	0		0	0
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	9,536,258	0	9,536,258	7,787,351
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	5,203		5,203	7,356
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	590,831		590,831	590,574
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts	0		0	0
17. Amounts receivable relating to uninsured plans	0		0	
18.1 Current federal and foreign income tax recoverable and interest thereon	135,451	0	135,451	416,946
18.2 Net deferred tax asset	0		0	451,916
19. Guaranty funds receivable or on deposit		0	0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets (\$)	0		0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	0		0	6,000,000
24. Health care (\$0) and other amounts receivable	18,117	18,117	0	1,471
25. Aggregate write-ins for other than invested assets	160	160	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	10,286,020	18,277	10,267,743	15,255,614
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	10,286,020	18,277	10,267,743	15,255,614
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid Expenses	160	160	0	0
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	160	160	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	3,419,328		3,419,328	3,322,195
2. Accrued medical incentive pool and bonus amounts	0		0	0
3. Unpaid claims adjustment expenses	49,978		49,978	48,850
4. Aggregate health policy reserves	73,000		73,000	3,272,518
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves	0		0	0
8. Premiums received in advance	82,132		82,132	126,114
9. General expenses due or accrued	144,157		144,157	544,939
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	0		0	0
10.2 Net deferred tax liability	0		0	0
11. Ceded reinsurance premiums payable	2,295		2,295	2,406
12. Amounts withheld or retained for the account of others	0		0	0
13. Remittance and items not allocated	0		0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	359,387		359,387	396,372
16. Derivatives			0	0
17. Payable for securities	0		0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$0 unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including \$ current)	31	0	31	3,760
24. Total liabilities (Lines 1 to 23)	4,130,308	0	4,130,308	7,717,154
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	1,800,000	1,800,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	16,138,440	16,138,440
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(11,801,005)	(10,399,980)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	6,137,435	7,538,460
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	10,267,743	15,255,614
DETAILS OF WRITE-INS				
2301. Unclaimed Property	31		31	3,760
2302.				
2303.				
2308. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309. Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above)	31	0	31	3,760
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	69,209	71,608
2. Net premium income (including \$ non-health premium income)	XXX	27,992,372	29,156,319
3. Change in unearned premium reserves and reserve for rate credits	XXX	518	315
4. Fee-for-service (net of \$ medical expenses).....	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	27,992,890	29,156,634
Hospital and Medical:			
9. Hospital/medical benefits		25,921,328	22,647,020
10. Other professional services		23,813	50,048
11. Outside referrals		0	0
12. Emergency room and out-of-area		0	0
13. Prescription drugs		3,701,450	3,556,528
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments, and bonus amounts		0	0
16. Subtotal (Lines 9 to 15)	0	29,646,591	26,253,596
Less:			
17. Net reinsurance recoveries		0	0
18. Total hospital and medical (Lines 16 minus 17)	0	29,646,591	26,253,596
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$252,500 cost containment expenses		585,075	772,033
21. General administrative expenses		4,172,054	4,117,386
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		(3,199,000)	2,989,000
23. Total underwriting deductions (Lines 18 through 22).....	0	31,204,720	34,132,015
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(3,211,830)	(4,975,381)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		17,041	42,655
26. Net realized capital gains (losses) less capital gains tax of \$			
27. Net investment gains (losses) (Lines 25 plus 26)	0	17,041	42,655
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(3,194,789)	(4,932,726)
31. Federal and foreign income taxes incurred	XXX	(2,256,446)	(665,925)
32. Net income (loss) (Lines 30 minus 31)	XXX	(938,343)	(4,266,801)
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	7,538,460	5,488,822
34. Net income or (loss) from Line 32.....	(938,343)	(4,266,801)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	(451,916)	215,980
39. Change in nonadmitted assets.....	(10,766)	100,459
40. Change in unauthorized reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	0	6,000,000
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(1,401,025)	2,049,638
49. Capital and surplus end of reporting period (Line 33 plus 48)	6,137,435	7,538,460
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	27,948,022	31,525,963
2. Net investment income	19,194	45,997
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	27,967,216	31,571,960
5. Benefit and loss related payments	29,558,593	26,692,001
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	5,156,783	4,328,784
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	(2,537,941)	37,413
10. Total (Lines 5 through 9)	32,177,435	31,058,198
11. Net cash from operations (Line 4 minus Line 10)	(4,210,219)	513,762
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	0	0
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	6,000,000
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	5,959,126	(5,023,329)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	5,959,126	976,671
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	1,748,907	1,490,433
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	7,787,351	6,296,918
19.2 End of year (Line 18 plus Line 19.1)	9,536,258	7,787,351

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

--	--	--

