ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Prior Year Net Admitted Assets
1. Bonds	0		0	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
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 ($ 1,000,757), cash equivalents ($ .....), and short-term investments ($ 9,724,043)	10,724,800		10,724,800	7,787,351
6. Contract loans (including $ ..... premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets			0	0
9. Receivables for securities	0		0	0
10. Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	10,724,800	0	10,724,800	7,787,351
12. Title plants less $ ..... charged off (for Title insurers only)			0	0
13. Investment income due and accrued	3,369		3,369	7,356
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	595,155		595,155	590,574
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
14.3 Accrued retrospective premiums			0	0
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers			0	0
15.2 Funds held by or deposited with reinsured companies			0	0
15.3 Other amounts receivable under reinsurance contracts			0	0
16. Amounts receivable relating to uninsured plans			0	0
17.1 Current federal and foreign income tax recoverable and interest thereon			0	416,946
17.2 Net deferred tax asset			0	451,916
18. Guaranty funds receivable or on deposit			0	0
19. Electronic data processing equipment and software			0	0
20. Furniture and equipment, including health care delivery assets ($ .....)			0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
22. Receivables from parent, subsidiaries and affiliates	17,373		17,373	6,000,000
23. Health care ($ 7,004) and other amounts receivable	23,487	16,483	7,004	1,471
24. Aggregate write-ins for other than invested assets	0	0	0	0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24)	11,364,184	16,483	11,347,701	15,255,614
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
27. Total (Lines 25 and 26)	11,364,184	16,483	11,347,701	15,255,614
DETAILS OF WRITE-INS				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 through 1003 plus 1098)(Line 10 above)	0	0	0	0
2401.				
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 through 2403 plus 2498)(Line 24 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $ ..... reinsurance ceded)	2,779,780		2,779,780	3,322,195
2.	Accrued medical incentive pool and bonus amounts	0		0	0
3.	Unpaid claims adjustment expenses	41,073		41,073	48,850
4.	Aggregate health policy reserves	1,755,302		1,755,302	3,272,518
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserve			0	0
7.	Aggregate health claim reserves	0		0	0
8.	Premiums received in advance	35,969		35,969	126,114
9.	General expenses due or accrued	155,584		155,584	544,939
10.1	Current federal and foreign income tax payable and interest thereon (including $ ..... on realized gains (losses))	474,869		474,869	0
10.2	Net deferred tax liability	87,148		87,148	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.	Remittances 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	371,539		371,539	396,372
16.	Derivatives			0	0
17.	Payable for securities	0		0	0
18.	Funds held under reinsurance treaties (with $ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
19.	Reinsurance in unauthorized companies			0	0
20.	Net adjustments in assets and liabilities due to foreign exchange rates			0	0
21.	Liability for amounts held under uninsured plans			0	0
22.	Aggregate write-ins for other liabilities (including $ ..... current)	3,796	0	3,796	3,760
23.	Total liabilities (Lines 1 to 22)	5,707,355	0	5,707,355	7,717,154
24.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
25.	Common capital stock	XXX	XXX	1,800,000	1,800,000
26.	Preferred capital stock	XXX	XXX		
27.	Gross paid in and contributed surplus	XXX	XXX	16,138,440	16,138,440
28.	Surplus notes	XXX	XXX		0
29.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
30.	Unassigned funds (surplus)	XXX	XXX	(12,298,094)	(10,399,980)
31.	Less treasury stock, at cost:				
	31.1 ..... shares common (value included in Line 25 $ .....)	XXX	XXX		
	31.2 ..... shares preferred (value included in Line 26 $ .....)	XXX	XXX		
32.	Total capital and surplus (Lines 24 to 30 minus Line 31)	XXX	XXX	5,640,346	7,538,460
33.	Total liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	11,347,701	15,255,614
	DETAILS OF WRITE-INS				
2201.	Unclaimed Property	3,796		3,796	3,760
2202.					
2203.					
2298.	Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299.	Totals (Lines 2201 through 2203 plus 2298)(Line 22 above)	3,796	0	3,796	3,760
2401.		XXX	XXX		
2402.		XXX	XXX		
2403.		XXX	XXX		
2498.	Summary of remaining write-ins for Line 24 from overflow page	XXX	XXX	0	0
2499.	Totals (Lines 2401 through 2403 plus 2498)(Line 24 above)	XXX	XXX	0	0
2901.		XXX	XXX		
2902.		XXX	XXX		
2903.		XXX	XXX		
2998.	Summary of remaining write-ins for Line 29 from overflow page	XXX	XXX	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	51,620	53,930	71,608
2. Net premium income (including $ ..... non-health premium income)	XXX	20,936,082	22,021,280	29,156,319
3. Change in unearned premium reserves and reserve for rate credits	XXX	518	303	315
4. Fee-for-service (net of $ ..... medical expenses)	XXX			0
5. Risk revenue	XXX			0
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	20,936,600	22,021,584	29,156,634
Hospital and Medical:				
9. Hospital/medical benefits		19,221,125	16,230,440	22,647,020
10. Other professional services		43,427	33,292	50,048
11. Outside referrals				0
12. Emergency room and out-of-area				0
13. Prescription drugs		2,670,918	2,656,499	3,556,528
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts				0
16. Subtotal (Lines 9 to 15)	0	21,935,470	18,920,231	26,253,596
Less:				
17. Net reinsurance recoveries				0
18. Total hospital and medical (Lines 16 minus 17)	0	21,935,470	18,920,231	26,253,596
19. Non-health claims (net)				
20. Claims adjustment expenses, including $ ..... 93,012 cost containment expenses		543,539	378,197	772,033
21. General administrative expenses		2,898,790	3,265,492	4,117,386
22. Increase in reserves for life and accident and health contracts (including $ ..... increase in reserves for life only)		(1,517,000)	87,000	2,989,000
23. Total underwriting deductions (Lines 18 through 22)	0	23,860,799	22,650,919	34,132,015
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(2,924,199)	(629,336)	(4,975,381)
25. Net investment income earned		12,996	37,292	42,655
26. Net realized capital gains (losses) less capital gains tax of $				
27. Net investment gains (losses) (Lines 25 plus 26)	0	12,996	37,292	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	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	(2,911,203)	(592,043)	(4,932,726)
31. Federal and foreign income taxes incurred	XXX	(1,561,126)	(176,765)	(665,925)
32. Net income (loss) (Lines 30 minus 31)	XXX	(1,350,077)	(415,278)	(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	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901.				
2902.				
2903				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	7,538,460	5,488,821	5,488,822
34. Net income or (loss) from Line 32	(1,350,077)	(415,278)	(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	(539,065)	35,456	215,980
39. Change in nonadmitted assets	(8,972)	(14,303)	100,459
40 Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0	0
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in	0	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	0
48. Net change in capital & surplus (Lines 34 to 47)	(1,898,114)	(394,125)	2,049,638
49. Capital and surplus end of reporting period (Line 33 plus 48)	5,640,346	5,094,696	7,538,460
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	20,841,547	21,462,160	31,525,963
2. Net investment income	16,983	44,258	45,997
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	20,858,530	21,506,418	31,571,960
5. Benefit and loss related payments	22,492,390	16,564,428	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	3,839,461	3,245,324	4,328,784
8. Dividends paid to policyholders	0		
9. Federal and foreign income taxes paid (recovered) net of $ ..... tax on capital gains (losses)	(2,452,940)	(128,504)	37,413
10. Total (Lines 5 through 9)	23,878,911	19,681,247	31,058,198
11. Net cash from operations (Line 4 minus Line 10)	(3,020,381)	1,825,171	513,762
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	0
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	0
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	0
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	0
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	0	0
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	6,000,000
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	5,957,830	757,842	(5,023,329)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	5,957,830	757,842	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)	2,937,449	2,583,013	1,490,433
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	7,787,351	6,296,918	6,296,918
19.2 End of period (Line 18 plus Line 19.1)	10,724,800	8,879,931	7,787,351

16.2 & 16.6 - Capital Contribution from parent.

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