



**ANNUAL STATEMENT**  
FOR THE YEAR ENDED DECEMBER 31, 2008  
OF THE CONDITION AND AFFAIRS OF THE

**Martin's Point Generations, LLC**

NAIC Group Code 0000 , 000 NAIC Company Code 12545 Employer's ID Number 20-4505084  
(Current Period) (Prior Period)

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

Country of Domicile US

Licensed as business type:

Life, Accident and Health [ ] Property/Casualty [ ] Hospital, Medical and Dental Service or Indemnity [ ]  
Dental Service Corporation [ ] Vision Service Corporation [ ] Other [ ]  
Health Maintenance Organization [ X ] Is HMO Federally Qualified? Yes (X) No ( )

Incorporated/Organized January 11, 2006 Commenced Business January 1, 2007

Statutory Home Office 331 Veranda Street, Portland, Maine 04104-5040  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 331 Veranda Street, Portland, Maine 04104-5040 207-774-5801  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 9746, Portland, Maine 04104-5040  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 901 Washington Ave, Portland, Maine 04104-5040  
(Street and Number, City or Town, State and Zip Code)  
207-253-6224  
(Area Code) (Telephone Number)

Internet Website Address www.martinspoint.org

Statutory Statement Contact Charles Nicholas Hاديaris 207-253-6224  
(Name) (Area Code) (Telephone Number) (Extension)  
charles.hadiaris@martinspoint.org 207-253-6227  
(E-Mail Address) (Fax Number)

**OFFICERS**

David Hermon Howes, MD (President & CEO)  
Brenda Joyce Maloy-Fiorini# (Chief Operating Officer)  
Sandra Lynn Monfietto# (Chief Human Resources Officer)

**OTHER OFFICERS**

Daniel Bruce Chojnowski (Corporate Controller)

**DIRECTORS OR TRUSTEES**

George Nelson Campbell, Jr, Chair  
Karen Loeb Lifford, MD, Vice Chair  
Robert Adair Moore, Secretary  
Michael Eric Thomas, Treasurer  
Daniel Arthur Gregorie, MD  
Marylou Buyse, MD  
Raymond Eldon Durkee  
David Hermon Howes, MD  
Warren Deems Alpern, MD#  
William Chancy Rupp, MD#

State of Maine }  
County of Cumberland } 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.

David Hermon Howes, MD  
President

Brenda Joyce Maloy-Fiorini#  
Chief Operating Officer

Sandra Lynn Monfietto#  
Chief Human Resources Officer

Subscribed and sworn to before me this  
day of

- a. Is this an original filing? Yes (X) No ( )
- b. If no: 1. State the amendment number \_\_\_\_\_
- 2. Date filed \_\_\_\_\_
- 3. Number of pages attached \_\_\_\_\_

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
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 (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 2,757,807 , Schedule E - Part 1) , cash equivalents (\$ ..... , Schedule E - Part 2) and short-term investments (\$ ..... 1,181,213 , Schedule DA) .....	3,939,020		3,939,020	2,759,940
6. Contract loans (including \$ ..... premium notes) .....				
7. Other invested assets (Schedule BA) .....				
8. Receivables for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Line 1 through Line 9) .....	3,939,020		3,939,020	2,759,940
11. Title plants less \$ ..... charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	423		423	
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	66,983	2,186	64,797	30,957
13.2 Deferred premiums , agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
13.3 Accrued retrospective premiums .....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....	20,063		20,063	
14.2 Funds held by or deposited with reinsured companies .....				
14.3 Other amounts receivable under reinsurance contracts .....				
15. Amounts receivable relating to uninsured plans .....				
16.1 Current federal and foreign income tax recoverable and interest thereon .....				
16.2 Net deferred tax asset .....				
17. Guaranty funds receivable or on deposit .....				
18. Electronic data processing equipment and software .....				
19. Furniture and equipment , including health care delivery assets (\$ ..... ) .....				
20. Net adjustment in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent , subsidiaries and affiliates .....				
22. Health care (\$ ..... ) and other amounts receivable .....	52,216	27,392	24,824	
23. Aggregate write-ins for other than invested assets .....				
24. Total assets excluding Separate Accounts , Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) .....	4,078,705	29,578	4,049,127	2,790,897
25. From Separate Accounts , Segregated Accounts and Protected Cell Accounts .....				
26. Total (Line 24 and Line 25) .....	4,078,705	29,578	4,049,127	2,790,897
<b>DETAILS OF WRITE-INS</b>				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above) .....				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....				

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....	956,756		956,756	531,379
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	34,103		34,103	28,117
4. Aggregate health policy reserves .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	69,912		69,912	23,462
9. General expenses due or accrued .....	358,222		358,222	20,636
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....	331,778		331,778	133,002
13. Remittances and items not allocated .....				
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	494,280		494,280	126,710
16. Payable for securities .....				
17. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... 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 plans .....				
21. Aggregate write-ins for other liabilities (including \$ ..... current) .....				
22. Total liabilities (Line 1 to Line 21) .....	2,245,051		2,245,051	863,306
23. Aggregate write-ins for special surplus funds .....	X X X	X X X		
24. Common capital stock .....	X X X	X X X		
25. Preferred capital stock .....	X X X	X X X		
26. Gross paid in and contributed surplus .....	X X X	X X X	5,000,000	4,000,000
27. Surplus notes .....	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
29. Unassigned funds (surplus) .....	X X X	X X X	(3,195,924)	(2,072,409)
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24 \$ ..... ) .....	X X X	X X X		
30.2 ..... shares preferred (value included in Line 25 \$ ..... ) .....	X X X	X X X		
31. Total capital and surplus (Line 23 to Line 29 minus Line 30) .....	X X X	X X X	1,804,076	1,927,591
32. Total liabilities, capital and surplus (Line 22 and Line 31) .....	X X X	X X X	4,049,127	2,790,897
<b>DETAILS OF WRITE-INS</b>				
2101. ....				
2102. ....				
2103. ....				
2198. Summary of remaining write-ins for Line 21 from overflow page .....				
2199. Totals (Line 2101 through Line 2103 plus Line 2198) (Line 21 above) .....				
2301. ....	X X X	X X X		
2302. ....	X X X	X X X		
2303. ....	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	X X X	X X X		
2801. ....	X X X	X X X		
2802. ....	X X X	X X X		
2803. ....	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page .....	X X X	X X X		
2899. Totals (Line 2801 through Line 2803 plus Line 2898) (Line 28 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	XXX	11,909	3,394
2. Net premium income (including \$ non-health premium income)	XXX	6,550,791	1,874,853
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$ medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX		
8. Total revenues (Line 2 to Line 7)	XXX	6,550,791	1,874,853
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits		4,238,109	1,581,457
10. Other professional services			
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs		738,203	220,414
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments, and bonus amounts			
16. Subtotal (Line 9 to Line 15)		4,976,312	1,801,871
<b>Less:</b>			
17. Net reinsurance recoveries		20,063	
18. Total hospital and medical (Line 16 minus Line 17)		4,956,249	1,801,871
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 40,300 cost containment expenses		87,146	63,014
21. General administrative expenses		2,663,044	1,583,465
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)			
23. Total underwriting deductions (Line 18 through Line 22)		7,706,439	3,448,350
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	XXX	(1,155,648)	(1,573,497)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		82,340	134,963
26. Net realized capital gains (losses) less capital gains tax of \$			
27. Net investment gains (losses) (Line 25 plus Line 26)		82,340	134,963
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ (amount charged off \$ )]			
29. Aggregate write-ins for other income or expenses			
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	XXX	(1,073,308)	(1,438,534)
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Line 30 minus Line 31)	XXX	(1,073,308)	(1,438,534)
<b>DETAILS OF WRITE-INS</b>			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	XXX		
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	XXX		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)			
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)			

**STATEMENT OF REVENUE AND EXPENSES (continued)**

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year .....	1,927,591	2,369,289
34. Net income or (loss) from Line 32 .....	(1,073,308)	(1,438,534)
35. Change in valuation basis of aggregate policy and claims 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 .....		
39. Change in nonadmitted assets .....	(26,414)	(3,164)
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 .....	1,000,000	1,000,000
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 .....	(23,793)	
48. Net change in capital and surplus (Line 34 to Line 47) .....	(123,515)	(441,698)
49. Capital and surplus end of reporting year (Line 33 plus Line 48) .....	1,804,076	1,927,591
<b>DETAILS OF WRITE-INS</b>		
4701. Correction of prior year understatement of General Expenses Due and Accrued .....	(23,793)	
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above) .....	(23,793)	

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	6,564,379	1,861,237
2. Net investment income .....	81,917	134,963
3. Miscellaneous income .....	(24,824)	
4. Total (Line 1 through Line 3) .....	6,621,472	1,996,200
5. Benefit and loss related payments .....	4,578,327	1,270,492
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	2,406,618	1,712,143
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....		
10. Total (Line 5 through Line 9) .....	6,984,945	2,982,635
11. Net cash from operations (Line 4 minus Line 10) .....	(363,473)	(986,435)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....		
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash and short-term investments .....		
12.7 Miscellaneous proceeds .....		
12.8 Total investment proceeds (Line 12.1 through Line 12.7) .....		
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....		
13.2 Stocks .....		
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....		
13.7 Total investments acquired (Line 13.1 through Line 13.6) .....		
14. Net increase (decrease) in contract loans and premium notes .....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....		
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....	1,000,000	1,000,000
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) .....	542,553	(11,588)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	1,542,553	988,412
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17) .....	1,179,080	1,977
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	2,759,940	2,757,963
19.2 End of year (Line 18 plus Line 19.1) .....	3,939,020	2,759,940
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 .....		
20.0002 .....		
20.0003 .....		
20.0004 .....		
20.0005 .....		
20.0006 .....		
20.0007 .....		
20.0008 .....		
20.0009 .....		
20.0010 .....		

ANNUAL STATEMENT FOR THE YEAR 2008 OF THE Martin's Point Generations, LLC

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	6,550,791						6,550,791			
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$ medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues										XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Line 1 through Line 6)	6,550,791						6,550,791			
8. Hospital/medical benefits	4,238,109						4,238,109			XXX
9. Other professional services										XXX
10. Outside referrals										XXX
11. Emergency room and out-of-area										XXX
12. Prescription drugs	738,203						738,203			XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments, and bonus amounts										XXX
15. Subtotal (Line 8 through Line 14)	4,976,312						4,976,312			XXX
16. Net reinsurance recoveries	20,063						20,063			XXX
17. Total hospital and medical (Line 15 minus Line 16)	4,956,249						4,956,249			XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 40,300 cost containment expenses	87,146						87,146			
20. General administrative expenses	2,663,044						2,663,044			
21. Increase in reserves for accident and health contracts										XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Line 17 through Line 22)	7,706,439						7,706,439			
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(1,155,648)						(1,155,648)			
<b>DETAILS OF WRITE-INS</b>										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page										XXX
0599. Total (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)										XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Total (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. Total (Line 1301 through Line 1303 plus Line 1398) (Line 13 above)										XXX

**UNDERWRITING AND INVESTMENT EXHIBIT**

**Part 1 - Premiums**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Column 1 plus Column 2 minus Column 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 .....	6,550,791			6,550,791
7. Title XIX - Medicaid .....				
8. Other health .....				
9. Health subtotal (Line 1 through Line 8) .....	6,550,791			6,550,791
10. Life .....				
11. Property/casualty .....				
12. Totals (Line 9 to Line 11) .....	6,550,791			6,550,791

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - Claims Incurred During the Year**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	4,578,327						4,578,327			
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	4,578,327						4,578,327			
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	956,756						956,756			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	956,756						956,756			
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	27,392						27,392			
7. Amounts recoverable from reinsurers December 31, current year	20,063						20,063			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	531,379						531,379			
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	531,379						531,379			
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	4,976,312						4,976,312			
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	20,063						20,063			
12.4 Net	4,956,249						4,956,249			
13. Incurred medical incentive pools and bonuses										

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

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - Claims Liability End of Current Year**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	6,937						6,937			
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	6,937						6,937			
2. Incurred but Unreported:										
2.1 Direct .....	949,819						949,819			
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	949,819						949,819			
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS:										
4.1 Direct .....	956,756						956,756			
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	956,756						956,756			

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Column 1 plus Column 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....						
2. Medicare Supplement .....						
3. Dental Only .....						
4. Vision Only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....	500,450	4,057,815	1,391	955,365	501,841	531,379
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Line 1 through Line 8) .....	500,450	4,057,815	1,391	955,365	501,841	531,379
10. Healthcare receivables (a) .....		27,393				
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12) .....	500,450	4,030,422	1,391	955,365	501,841	531,379

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(000 Omitted)

**Section A - Paid Health Claims - Title XVIII Medicare**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....					
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X	1,270,492	1,770,942
6. 2008 .....	X X X	X X X	X X X	X X X	4,030,422

**Section B - Incurred Health Claims - Title XVIII Medicare**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....					
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X	1,801,871	1,772,333
6. 2008 .....	X X X	X X X	X X X	X X X	4,985,787

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2004 .....										
2. 2005 .....										
3. 2006 .....										
4. 2007 .....	1,875	1,772	18	1.016	1,790	95.492	1		1,792	95.569
5. 2008 .....	6,551	4,030	72	1.790	4,103	62.627	955	34	5,092	77.731

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(000 Omitted)

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....					
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X	1,270,492	1,770,942
6. 2008 .....	X X X	X X X	X X X	X X X	4,030,422

**Section B - Incurred Health Claims - Grand Total**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior .....					
2. 2004 .....					
3. 2005 .....	X X X				
4. 2006 .....	X X X	X X X			
5. 2007 .....	X X X	X X X	X X X	1,801,871	1,772,333
6. 2008 .....	X X X	X X X	X X X	X X X	4,985,787

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

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Columns 2 + 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Columns 5 + 7 + 8)	10 (Column 9 divided by Column 1) Percent
1. 2004 .....										
2. 2005 .....										
3. 2006 .....										
4. 2007 .....	1,875	1,772	18	1.016	1,790	95.492	1		1,792	95.569
5. 2008 .....	6,551	4,030	72	1.790	4,103	62.627	955	34	5,092	77.731

**Page 13**

Underwriting and Investment Exhibit, Part 2D

**NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....					
2. Salaries, wages and other benefits .....	35,436	38,474	736,113		810,023
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			20,500		20,500
4. Legal fees and expenses .....	11		5,972		5,983
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....	88	1,912	367,128		369,128
7. Traveling expenses .....	446	78	60,360		60,884
8. Marketing and advertising .....	109		788,002		788,111
9. Postage, express, and telephone .....	100	1	214,738		214,839
10. Printing and office supplies .....	201	114	102,886		103,201
11. Occupancy, depreciation and amortization .....	1,465	1,654	77,939		81,058
12. Equipment .....	26		5,483		5,509
13. Cost or depreciation of EDP equipment and software .....	450	3,079	18,053		21,582
14. Outsourced services including EDP, claims, and other services .....	499	635	76,714		77,848
15. Boards, bureaus and association fees .....	148		6,637		6,785
16. Insurance, except on real estate .....			100,555		100,555
17. Collection and bank service charges .....	37		12,263	3,180	15,480
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 .....			8,000		8,000
23.4 Payroll taxes .....	1,284	899	40,617		42,800
23.5 Other (excluding federal income and real estate taxes) .....			21,084		21,084
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....					
26. Total expenses incurred (Line 1 to Line 25) .....	40,300	46,846	2,663,044	3,180	(a) 2,753,370
27. Less expenses unpaid December 31, current year .....		34,103	358,222		392,325
28. Add expenses unpaid December 31, prior year .....		28,117	20,636		48,753
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 (Line 26 minus Line 27 plus Line 28 minus Line 29 plus Line 30) .....	40,300	40,860	2,325,458	3,180	2,409,798
<b>DETAILS OF WRITE-INS</b>					
2501. ....					
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above) .....					

(a) Includes management fees of \$ ..... 1,108,464 to affiliates and \$ ..... to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
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)	85,097
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income		85,520
11. Investment expenses		(g) 3,180
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. Totals deductions (Line 11 through Line 15)		3,180
17. Net investment income (Line 10 minus Line 16)		82,340

DETAILS OF WRITE-INS	
0901. ....	
0902. ....	
0903. ....	
0998. Summary of remaining write-ins for Line 9 from overflow page	
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)	
1501. ....	
1502. ....	
1503. ....	
1598. Summary of remaining write-ins for Line 15 from overflow page	
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)	

(a) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.	(f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
(b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.	(g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.	(h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.	(i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.
(e) Includes \$ ..... 1,006 accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.	

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Cols. 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)					
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)					
<b>NONE</b>					
DETAILS OF WRITE-INS					
0901. ....					
0902. ....					
0903. ....					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 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 (Line 1 to Line 9)			
11. Title plants (for Title insurers only)			
12. Investment income due and accrued			
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	2,186	3,164	978
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
13.3 Accrued retrospective premiums			
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers			
14.2 Funds held by or deposited with reinsured companies			
14.3 Other amounts receivable under reinsurance contracts			
15. Amounts receivable relating to uninsured plans			
16.1 Current federal and foreign income tax recoverable and interest thereon			
16.2 Net deferred tax asset			
17. Guaranty funds receivable or on deposit			
18. Electronic data processing equipment and software			
19. Furniture and equipment, including health care delivery assets			
20. Net adjustment in assets and liabilities due to foreign exchange rates			
21. Receivable from parent, subsidiaries and affiliates			
22. Health care and other amounts receivable	27,392		(27,392)
23. Aggregate write-ins for other than invested assets			
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23)	29,578	3,164	(26,414)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
26. Total (Line 24 and Line 25)	29,578	3,164	(26,414)
<b>DETAILS OF WRITE-INS</b>			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)			
2301.			
2302.			
2303.			
2398. Summary of remaining write-ins for Line 23 from overflow page			
2399. Totals (Line 2301 through Line 2303 plus Line 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 .....	325	870	1,000	1,077	1,149	11,909
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 .....	325	870	1,000	1,077	1,149	11,909
<b>DETAILS OF WRITE-INS</b>						
0601 .....						
0602 .....						
0603 .....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above) .....						

## NOTES TO FINANCIAL STATEMENTS

---

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The accompanying financial statements of Martin's Point Generations, LLC (the "Company") have been prepared in conformity with the National Association of Insurance Commissioners ("NAIC") *Annual Statement Instructions* and in accordance with accounting practices prescribed or permitted by the NAIC *Accounting Practices and Procedures Manual*, subject to any deviations prescribed or permitted by the Maine Bureau of Insurance (the "Bureau").

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

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### C. Accounting Policies

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet as advance premiums and subsequently credited to income as earned during the coverage period.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) The Company does not have any bonds.
- (3) The Company does not have any common stock.
- (4) The Company does not have any preferred stock.
- (5) The Company does not have any mortgage loans.
- (6) The Company does not have any loan-backed securities.
- (7) The Company does not have any investments in subsidiaries, controlled or affiliated companies.
- (8) The Company does not have investments in joint ventures, partnerships or limited liability companies.
- (9) The Company does not have any derivative instruments.
- (10) The Company does not have any premium deficiency.
- (11) The Company's reported unpaid claims are based on adjudicated claims in process of settlement. The amount of unreported claims are based on actuarial estimates. The claims adjustment expenses is estimated at approximately 3.5% of unpaid claims. Liabilities for unpaid claims and claims adjustment expense are based on assumptions and estimates, and while management believes such estimates are reasonable, the ultimate liability may be in excess of or less than the amount provided.
- (12) The Company does not have any capital assets and therefore no capitalization policy.
- (13) The Company does not have any pharmaceutical rebate receivables.

### 2. Accounting Changes and Corrections of Errors

**A. Correction of Errors:** Not applicable

### 3. Business Combinations and Goodwill

**A. Statutory Purchase Method:** Not applicable

**B. Statutory Merger:** Not applicable

**C. Assumption Reinsurance:** Not applicable

**D. Impairment Loss:** Not applicable

### 4. Discontinued Operations

The Company had no operations that were discontinued during 2008.

### 5. Investments

#### A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company has no investments in mortgage loans, including Mezzanine Real Estate Loans.

#### B. Debt Restructuring

The Company has no invested assets that are restructured debt.

#### C. Reverse Mortgages

The Company has no investments in reverse mortgages.

## NOTES TO FINANCIAL STATEMENTS

---

### D. Loan-Backed Securities

The Company has no loan – backed securities.

### E. Repurchase Agreements

The Company has no repurchase agreements at December 31, 2008.

### F. Real Estate

(1) The Company has no investment real estate.

(2) The Company does not engage in retail land sales operations.

## 6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies.

B. Not applicable.

## 7. Investment Income

A. Accrued investment income would be excluded from investment income on the following basis:

Bonds -- where interest is in default, accrued interest on bonds is ineligible for amortization.

B. The Company did not accrue investment income that was nonadmitted at December 31, 2008.

## 8. Derivative Instruments: None

## 9. Income Taxes: The Company is not subject to Federal Income taxes.

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

E. Not applicable

F. Not applicable

## 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

### A., B. & C. Nature of the relationship and transactions involved

The Company is organized as a Maine limited liability company and licensed to transact business as a Medicare Advantage Health Maintenance Organization. The Company is a wholly-owned subsidiary of Martin's Point Health Care, Inc. (the "Parent") a Maine non-profit corporation. During 2007 and 2008 the Parent invested \$1,000,000 in the Company.

### D. Amounts Due to or from Related Parties

At December 31, 2008, the Company reported \$494,280 due to its Parent. The payable is for current items generated in 2008 and will be settled in 2009.

### E. Guarantees or Contingencies for Related Parties

The Company did not enter into guarantees or undertakings for the benefit of a related party that would result in a material contingent exposure of the Company's assets or liabilities.

### F. Management, Service Contracts, Cost Sharing Arrangements

The Company has no employees and purchases all of its marketing, administrative and managerial services under an Operating Agreement with its Parent. For purposes of the Underwriting and Investment Exhibit Part 3, these fees are allocated to the individual line items in the same manner as the direct expenses incurred by the Parent.

Included in the Underwriting and Investment Exhibit Part 3, is \$1,108,464 in net management fees from its Parent during 2008.

### G. Nature of Relationships that Could Affect Operations: None

### H. Amount Deducted for Investment in Upstream Company: Not applicable

## NOTES TO FINANCIAL STATEMENTS

---

- I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets:** Not applicable
- J. Write-down for Impairments of Investments in Subsidiary, Controlled or Affiliated Companies:** Not Applicable
- K. Investment in Foreign Insurance:** Not Applicable
- L. Investment in Downstream Noninsurance Holding Company:** Not Applicable

### 11. Debt

#### A. Capital Notes

The Company had no capital notes outstanding at December 31, 2008.

#### A. All Other Debt

The Company had no other debt outstanding at December 31, 2008.

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans: The Company has no employees.

**A Defined Benefit Plan:** Not applicable

**B. Defined Contribution Plan:** Not applicable

**C. Multi-employer Plan:** Not applicable

**D. Consolidated/Holding Company Plans:** Not applicable

**E. Postemployment Benefits and Compensated Absences:** Not applicable

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

- (1) The Company has no common stock.
- (2) The Company has no preferred stock.
- (3) The Company is not a stock company and is not subject to dividend restrictions.
- (4) As noted above, no dividends were paid.
- (5) Company is not a stock company and is not subject to dividend restrictions.
- (6) Unassigned surplus funds are not restricted.
- (7) There have been no advances to surplus.
- (8) There are no shares of stock held for special purposes.
- (9) The Company has no special surplus funds.
- (10) The Company has no surplus adjustments due to cumulative unrealized losses.
- (11) The Company has not issued any surplus notes or debentures or similar obligations.
- (12) The Company had no restatements due to prior quasi-reorganizations.
- (13) The Company has not been involved in any quasi-reorganizations during the past 10 years.

### 14. Contingencies

#### A. Contingent Commitments

The Company has no contingent commitments.

#### B. Assessments

The Company is subject to guaranty fund by the state in which it writes business. Guaranty fund assessments are accrued at the time of insolvencies.

#### C. Gain Contingencies

The Company has no gain contingencies.

## NOTES TO FINANCIAL STATEMENTS

---

### **D. Claims related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits**

The Company has no lawsuits on claims in 2008.

### **E. All Other Contingencies**

The Company has no other contingencies.

## **15. Leases**

### **A. Lessee Leasing Arrangements**

1. The Company has not entered into any operating leases.
2. The Company has no rental commitments.
3. The Company is not involved in any sales – leaseback transactions.

### **B Lessor Leasing Arrangements**

1. The Company has not entered into any operating leases.
2. The Company has not entered into any leveraged leases.

## **16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

The Company has no financial instruments with off-balance sheet risk.

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

**A. Transfers of receivables reported as Sales:** Not Applicable

**B. Transfer and Servicing of Financial Assets:** Not applicable

**C. Wash Sales:** The Company had no Wash Sales during the period.

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

**A. ASO Plans:** Not applicable

**B. ASC Plans:** Not Applicable

**C. Medicare or Similarly Structured Cost Based Reimbursement Contract:** Not applicable

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

No premiums were written by managing general agents or third party administrators during the period.

## **20. Other Items**

**A. Extraordinary Items:** None

**B. Troubled Debt Restructuring:** Not applicable

**C. Other Disclosures:** None

**D. Uncollectible Premiums Receivable:** The Company has reported \$2,186 as nonadmitted assets for uncollected premiums that are over 60 days past due. Management believes this amount is sufficient to cover all uncollectible amounts.

**E. Business Interruption Insurance Recoveries:** None

**F. State Transferable Tax Credits:** Not Applicable

**G. Hybrid Securities :** Not Applicable

**H. Subprime Mortgage Related Risk Exposure:** The Company has no Subprime Mortgages.

## **21. Events Subsequent**

There were no events occurring subsequent to December 31, 2008 requiring disclosure.

## **22. Reinsurance**

### **A. Ceded Reinsurance Report**

#### **Section 1 - General Interrogatories**

## NOTES TO FINANCIAL STATEMENTS

---

1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?  
Yes ( ) No (X)

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

Yes ( ) No (X)

### Section 2 - Ceded Reinsurance Report - Part A

1. Does the reporting entity have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premiums or other similar credits?

Yes ( ) No (X)

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

Yes ( ) No (X)

### Section 3 - Ceded Reinsurance Report - Part B

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement?

None

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

Yes ( ) No (X)

#### B. Uncollectible Reinsurance

The Company has no uncollectible reinsurance.

#### C. Commutation of Ceded Reinsurance

The Company has not commuted any ceded reinsurance during the period.

### 23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. Not applicable  
B. Not applicable  
C. Not applicable

### 24. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2007 were \$559,496. As of December 31, 2008, \$517,966 has been paid for incurred claims and claim adjustment expenses attributable to insured events of the prior year. Reserves remaining for prior years are now \$1,443 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been \$40,087 favorable prior-year development since December 31, 2007 to December 31, 2008. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

### 25. Intercompany Pooling Arrangements: Not applicable

### 26. Structured Settlements: Not applicable

### 27. Health Care Receivables

- A. **Pharmaceutical Rebate Receivables:** The Company has no Rebate Receivable.

**NOTES TO FINANCIAL STATEMENTS**

---

**B. Risk Sharing Receivables:** Not applicable

**28. Participating Policies:** Not applicable

**29. Premium Deficiency Reserves:** Not applicable

**30. Anticipated Salvage and Subrogation:** The Company had no subrogations for 2008.

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ( )
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No ( ) N/A ( )
- 1.3 State Regulating? Maine
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes ( ) No (X)
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 3.2 State the as of date of 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. 12/31/2007
- 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). 10/15/2008
- 3.4 By what department or departments?  
STATE OF MAINE, BUREAU OF INSURANCE
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes ( ) No ( ) N/A (X)
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes ( ) No ( ) N/A (X)
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes ( ) No (X)
- 4.12 renewals? Yes ( ) No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes ( ) No (X)
- 4.22 renewals? Yes ( ) No (X)
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes ( ) No (X)
- 5.2 If yes, provide name of 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? Yes ( ) No (X)
- 6.2 If yes, give full information:  
.....  
.....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes ( ) No (X)
- 7.2 If yes, .....
- 7.21 State the percentage of foreign control; .....
- 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....	.....

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
BAKER NEWMAN & NOYES, 280 FORE STREET, PORTLAND, ME 04112-0507  
.....
- 10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
TIMOTHY J. WILDER, FSA, MAAA, PRINCIPAL AND CONSULTING ACTUARY  
MILLMAN, LA JOLLA CENTRE 11, 9255 TOWNE CENTRE DRIVE, SUITE 900, SAN DIEGO, CA 92121-3042
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes ( ) No (X)
  - 11.11 Name of real estate holding company  
.....  
.....
  - 11.12 Number of parcels involved .....
  - 11.13 Total book/adjusted carrying value \$ .....
- 11.2 If yes, provide explanation  
.....  
.....
- 12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
  - 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....  
.....
  - 12.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes ( ) No ( )
  - 12.3 Have there been any changes made to any of the trust indentures during the year? Yes ( ) No ( )
  - 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes ( ) No ( ) N/A (X)
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes (X) No ( )
  - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain:  
.....  
.....
- 13.2 Has the code of ethics for senior managers been amended? Yes (X) No ( )
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).  
January 8, 2008 - Legal Review and Compliance Officer  
November 10, 2008 - Director, C & PI - phone number change
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes ( ) No (X)
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).  
.....  
.....

**BOARD OF DIRECTORS**

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

**GENERAL INTERROGATORIES**

**FINANCIAL**

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

**INVESTMENT**

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes ( ) No (X)
- 22.2 If no, give full and complete information relating thereto:  
SEE ITEM 26.01  
.....
- 22.3 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provided)  
.....
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes ( ) No (X)
- 22.5 If answer to 22.4 is YES, report amount of collateral for conforming programs. \$ .....
- 22.6 If answer to 22.4 is NO, report amount of collateral for other programs. \$ .....
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1) Yes (X) No ( )
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- |  |  |                  |
|--|--|------------------|
|  | 23.21 Subject to repurchase agreements                 | \$ .....         |
|  | 23.22 Subject to reverse repurchase agreements         | \$ .....         |
|  | 23.23 Subject to dollar repurchase agreements          | \$ .....         |
|  | 23.24 Subject to reverse dollar repurchase agreements  | \$ .....         |
|  | 23.25 Pledged as collateral                            | \$ .....         |
|  | 23.26 Placed under option agreements                   | \$ .....         |
|  | 23.27 Letter stock or securities restricted as to sale | \$ .....         |
|  | 23.28 On deposit with state or other regulatory body   | \$ ..... 108,749 |
|  | 23.29 Other  | \$ .....         |
- 23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....
.....	.....	.....
.....	.....	.....

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

**GENERAL INTERROGATORIES**

**INVESTMENT**

26. Excluding items in Schedule E, Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

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

1 Name of Custodian(s)	2 Custodian's Address
TD BANKNORTH WEALTH MANAGEMENT .....	ONE PORTLAND SQUARE, PORTLAND, ME 04112 .....
KEYBANC CAPITAL MARKETS, INC. ....	800 SUPERIOR AVENUE, CLEVELAND, OH 44114-2603 .....
.....	.....

26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....
.....	.....	.....
.....	.....	.....

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
MCDONALD FINANCIAL GROUP .....	KEYBANC CAPITAL MARKETS, INC. ....	04/01/2007	NAME CHANGE .....
.....	.....	.....	.....
.....	.....	.....	.....

26.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/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
.....	.....	.....
.....	.....	.....
.....	.....	.....

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

27.2 If yes, complete the following schedule:

1 CUSIP#	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
.....	.....	.....
Line 27.2998 from Overflow page .....	.....	.....
Line 27.2999 TOTAL (9999999) .....	.....	.....

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

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

**GENERAL INTERROGATORIES**

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds .....	\$ ..... 108,749	\$ ..... 110,259	\$ ..... 1,510
28.2 Preferred stocks .....	\$ .....	\$ .....	\$ .....
28.3 Totals .....	\$ ..... 108,749	\$ ..... 110,259	\$ ..... 1,510

28.4 Describe the sources or methods utilized in determining the fair values:  
 Value provided by custodian

29.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ( )

29.2 If no, list exceptions:  
 .....

**OTHER**

30.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$ .....

30.2 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
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

31.1 Amount of payments for legal expenses, if any? \$ ..... 5,983

31.2 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
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

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

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

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

## GENERAL INTERROGATORIES

### PART 2 - HEALTH INTERROGATORIES

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

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

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 Current Year	2 Prior Year
2.1 Premium Numerator	\$ ..... 6,550,791	\$ ..... 1,874,853
2.2 Premium Denominator	\$ ..... 6,550,791	\$ ..... 1,874,853
2.3 Premium Ratio (2.1 / 2.2)	..... 1.000	..... 1.000
2.4 Reserve Numerator	\$ ..... 956,756	\$ ..... 531,379
2.5 Reserve Denominator	\$ ..... 956,756	\$ ..... 531,379
2.6 Reserve Ratio (2.4 / 2.5)	..... 1.000	..... 1.000

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

3.2 If yes, give particulars:  
 .....  
 .....

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

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

5.1 Does the reporting entity have stop-loss reinsurance? Yes (X) No ( )

5.2 If no, explain:  
 .....  
 .....

5.3 Maximum retained risk (see instructions)

	5.31 Comprehensive Medical	\$ .....
	5.32 Medical Only	\$ .....
	5.33 Medicare Supplement	\$ .....
	5.34 Dental & Vision	\$ .....
	5.35 Other Limited Benefit Plan	\$ .....
	5.36 Other	\$ ..... 125,000

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:  
 PROVIDER AND PROFESSIONAL CONTRACTS CONTAIN A HOLD HARMLESS PROVISION.  
 .....

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

7.2 If no, give details:  
 .....  
 .....

8. Provide the following information regarding participating providers:

	8.1 Number of providers at start of reporting year	..... 2,274
	8.2 Number of providers at end of reporting year	..... 2,466

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. ..... Maine
- 11.4 If yes, show the amount required. \$ ..... 1,000,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes ( ) No (X)
- 11.6 If the amount is calculated, show the calculation
- THE GREATER OF RISK-BASED CAPITAL (COMPANY ACTION LEVEL) OR 2% OF PREMIUMS OR 3 MONTHS OF UNCOVERED CLAIMS OR 8 % OF PRIOR YEAR CLAIMS EXPENSE.
12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
YORK, CUMBERLAND, OXFORD, ANDROSCOGGIN
SAGadahoc, KENNEBEC
.....

**FIVE - YEAR HISTORICAL DATA**

	1	2	3	4	5
	2008	2007	2006	2005	2004
<b>BALANCE SHEET (Page 2 and Page 3)</b>					
1. Total admitted assets (Page 2, Line 26)	4,049,127	2,790,897	2,758,900		
2. Total liabilities (Page 3, Line 22)	2,245,051	863,306	389,611		
3. Statutory surplus	1,000,000	1,000,000	1,500,000		
4. Total capital and surplus (Page 3, Line 31)	1,804,076	1,927,591	2,369,289		
<b>INCOME STATEMENT (Page 4)</b>					
5. Total revenues (Line 8)	6,550,791	1,874,853			
6. Total medical and hospital expenses (Line 18)	4,956,249	1,801,871			
7. Claims adjustment expenses (Line 20)	87,146	63,014			
8. Total administrative expenses (Line 21)	2,663,044	1,583,465	675,480		
9. Net underwriting gain (loss) (Line 24)	(1,155,648)	(1,573,497)	(675,480)		
10. Net investment gain (loss) (Line 27)	82,340	134,963	44,769		
11. Total other income (Line 28 plus Line 29)					
12. Net income or (loss) (Line 32)	(1,073,308)	(1,438,534)	(630,711)		
<b>CASH FLOW (Page 6)</b>					
13. Net cash from operations (Line 11)	(363,473)	(986,435)	(513,337)		
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. Total adjusted capital	1,804,076	1,927,591	2,369,289		
15. Authorized control level risk-based capital	384,762	184,256	3,988		
<b>ENROLLMENT (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7)	1,149	325			
17. Total members months (Column 6, Line 7)	11,909	3,394			
<b>OPERATING PERCENTAGE (Page 4)</b> (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	75.7	96.1			
20. Cost containment expenses	0.6	1.4			
21. Other claims adjustment expenses	0.7	2.0			
22. Total underwriting deductions (Line 23)	117.6	183.9			
23. Total underwriting gain (loss) (Line 24)	(17.6)	(83.9)			
<b>UNPAID CLAIMS ANALYSIS</b> (U and I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	501,841				
25. Estimated liability of unpaid claims of prior year (Line 13, Column 6)	531,379				
<b>INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES</b>					
26. Affiliated bonds (Schedule D Summary, Line 25, Column 1)					
27. Affiliated preferred stocks (Schedule D Summary, Line 39, Column 1)					
28. Affiliated common stocks (Schedule D Summary, Line 53, Column 2)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Line 26 to Line 31					

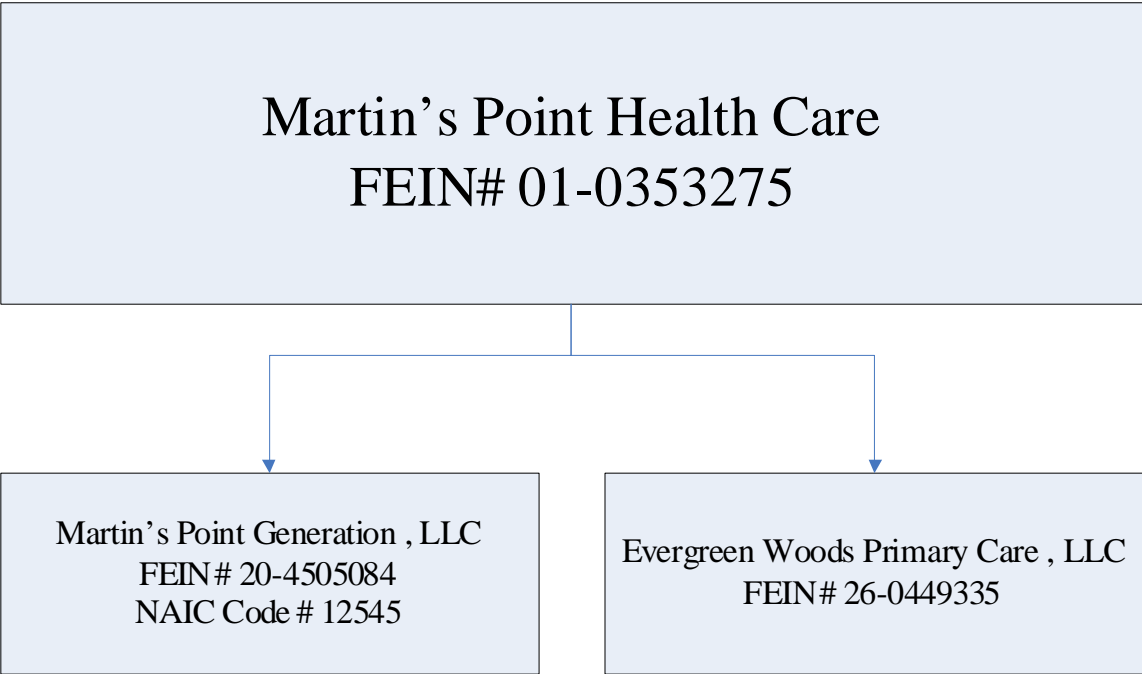
**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

States, Etc.	1		Direct Business Only Year to Date							
	Active Status		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Column 2 Through Column 7	9 Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	L		6,550,791				6,550,791		
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	N								
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CN	N								
58. Aggregate Other Alien	OT	XXX								
59. Subtotal		XXX		6,550,791				6,550,791		
60. Reporting entity contributions for Employee Benefit Plans		XXX								
61. Total (Direct Business)	(a)	1		6,550,791				6,550,791		
<b>DETAILS OF WRITE-INS</b>										
5801.										
5802.										
5803.										
5898.	Summary of remaining write-ins for Line 58 from overflow page									
5899.	Total (Line 5801 through Line 5803 plus Line 5898) (Line 58 above)									

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

(a) Insert the number of "L" responses except for Canada and Other Alien.



# Health

## Annual Statement Blank Alphabetical Index

Analysis of Operations By Lines of Business .....	7	Schedule DB - Part E - Verification .....	SI13
Assets .....	2	Schedule DB - Part F - Section 1 .....	SI14
Cash Flow .....	6	Schedule DB - Part F - Section 2 .....	SI15
Exhibit 1 - Enrollment By Product Type for Health Business Only .....	17	Schedule E - Part 1 - Cash .....	E25
Exhibit 2 - Accident and Health Premiums Due and Unpaid .....	18	Schedule E - Part 2 - Cash Equivalents .....	E26
Exhibit 3 - Health Care Receivables .....	19	Schedule E - Part 3 - Special Deposits .....	E27
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus .....	20	Schedule E - Verification Between Years .....	E27
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates .....	21	Schedule S - Part 1 - Section 2 .....	30
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates .....	22	Schedule S - Part 2 .....	31
Exhibit 7 - Part 1 - Summary of Transactions With Providers .....	23	Schedule S - Part 3 - Section 2 .....	32
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries .....	23	Schedule S - Part 4 .....	33
Exhibit 8 - Furniture, Equipment and Supplies Owned .....	24	Schedule S - Part 5 .....	34
Exhibit of Capital Gains (Losses) .....	15	Schedule S - Part 6 .....	35
Exhibit of Net Investment Income .....	15	Schedule T - Part 2 - Interstate Compact .....	37
Exhibit of Nonadmitted Assets .....	16	Schedule T - Premiums and Other Considerations .....	36
Exhibit of Premiums, Enrollment and Utilization (State Page) .....	29	Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group .....	38
Five-Year Historical Data .....	28	Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates .....	39
General Interrogatories .....	26	Statement of Revenue and Expenses .....	4
Jurat Page .....	1	Summary Investment Schedule .....	SI01
Liabilities, Capital and Surplus .....	3	Supplemental Exhibits and Schedules Interrogatories .....	40
Notes To Financial Statements .....	25	Underwriting and Investment Exhibit - Part 1 .....	8
Overflow Page For Write-ins .....	41	Underwriting and Investment Exhibit - Part 2 .....	9
Schedule A - Part 1 .....	E01	Underwriting and Investment Exhibit - Part 2A .....	10
Schedule A - Part 2 .....	E02	Underwriting and Investment Exhibit - Part 2B .....	11
Schedule A - Part 3 .....	E03	Underwriting and Investment Exhibit - Part 2C .....	12
Schedule A - Verification Between Years .....	SI02	Underwriting and Investment Exhibit - Part 2D .....	13
Schedule B - Part 1 .....	E04	Underwriting and Investment Exhibit - Part 3 .....	14
Schedule B - Part 2 .....	E05		
Schedule B - Part 3 .....	E06		
Schedule B - Verification Between Years .....	SI02		
Schedule BA - Part 1 .....	E07		
Schedule BA - Part 2 .....	E08		
Schedule BA - Part 3 .....	E09		
Schedule BA - Verification Between Years .....	SI03		
Schedule D - Part 1 .....	E10		
Schedule D - Part 1A - Section 1 .....	SI05		
Schedule D - Part 1A - Section 2 .....	SI08		
Schedule D - Part 2 - Section 1 .....	E11		
Schedule D - Part 2 - Section 2 .....	E12		
Schedule D - Part 3 .....	E13		
Schedule D - Part 4 .....	E14		
Schedule D - Part 5 .....	E15		
Schedule D - Part 6 - Section 1 .....	E16		
Schedule D - Part 6 - Section 2 .....	E16		
Schedule D - Summary by Country .....	SI04		
Schedule D - Verification Between Years .....	SI03		
Schedule DA - Part 1 .....	E17		
Schedule DA - Verification Between Years .....	SI11		
Schedule DB - Part A - Section 1 .....	E18		
Schedule DB - Part A - Section 2 .....	E18		
Schedule DB - Part A - Section 3 .....	E19		
Schedule DB - Part A - Verification Between Years .....	SI12		
Schedule DB - Part B - Section 1 .....	E19		
Schedule DB - Part B - Section 2 .....	E20		
Schedule DB - Part B - Section 3 .....	E20		
Schedule DB - Part B - Verification Between Years .....	SI12		
Schedule DB - Part C - Section 1 .....	E21		
Schedule DB - Part C - Section 2 .....	E21		
Schedule DB - Part C - Section 3 .....	E22		
Schedule DB - Part C - Verification Between Years .....	SI13		
Schedule DB - Part D - Section 1 .....	E22		
Schedule DB - Part D - Section 2 .....	E23		
Schedule DB - Part D - Section 3 .....	E23		
Schedule DB - Part D - Verification Between Years .....	SI13		
Schedule DB - Part E - Section 1 .....	E24		