STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months	XXX	1,818,878	1,823,386
2. Net premium income (including $.....0 non-health premium income)	XXX	450,055,597	411,089,369
3. Change in unearned premium reserves and reserve for rate credits	XXX	(1,152,779)	
4. Fee-for-service (net of $.....0 medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	448,902,818	411,089,369
Hospital and Medical:			
9. Hospital/medical benefits		302,819,437	283,245,009
10. Other professional services		3,809,709	10,049,712
11. Outside referrals		404,439	278,668
12. Emergency room and out-of-area		9,758,013	312,667
13. Prescription drugs		62,735,798	64,815,262
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool and withhold adjustments			
16. Subtotal (Lines 9 to 15)	0	379,527,396	358,701,318
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)	0	379,527,396	358,701,318
19. Non-health claims			
20. Claims adjustment expenses		25,450,094	17,760,731
21. General administrative expenses		19,160,063	23,136,009
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)			(3,988,255)
23. Total underwriting deductions (Lines 18 through 22)	0	424,137,553	395,609,803
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	24,765,265	15,479,566
25. Net investment income earned		2,898,196	2,811,426
26. Net realized capital gains or (losses)		247,120	477,156
27. Net investment gains or (losses) (Lines 25 plus 26)	0	3,145,316	3,288,582
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]			
29. Aggregate write-ins for other income or expenses	0	(24,688)	372,884
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	27,885,893	19,141,032
31. Federal and foreign income taxes incurred	XXX	9,450,450	4,323,369
32. Net income (loss) (Lines 30 minus 31)	XXX	18,435,443	14,817,663

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Prescription Drug Paid Claims			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0
2901. Miscellaneous Income / (Expense)		(24,688)	372,884
2902. Correct Prior Year Equity Change in Machigonne, Inc.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	(24,688)	372,884

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year
33. Capital and surplus prior reporting period	92,053,961	53,353,704
GAINS AND LOSSES TO CAPITAL & SURPLUS		
34. Net income or (loss) from Line 32	18,435,443	44,797,048
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses	2,873,858	1,953,311
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	934,087	(8,600,540)
39. Change in nonadmitted assets	(525,065)	76,261,999
40. Change in unauthorized reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus	430,913	(75,711,561)
48. Net change in capital and surplus (Lines 34 to 47)	22,149,236	38,700,257
49. Capital and surplus end of reporting period (Line 33 plus 48)	114,203,197	92,053,961

DETAILS OF WRITE-INS

4701. Non Allowed Intangibles		(76,773,810)
4702. Beginning GAAP Allowance for Bad Debt		1,468,804
4703. Depreciation on Nonadmitted Increase to Market Value of Buildings		(620,911)
4798. Summary of remaining write-ins for Line 47 from overflow page	430,913	214,356
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	430,913	(75,711,561)