ANNUAL STATEMENT

OF THE

OF

Pittsburgh

IN THE COMMONWEALTH OF

Pennsylvania

TO THE

Pennsylvania Insurance Department

FOR THE YEAR ENDED
DECEMBER 31, 2009

2009

HEALTH

2009

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
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New York, NY 10017-6204
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Statement of Actuarial Opinion

HM Health Insurance Company

Table of Key Indicators

This Opinion is	☒ Unqualified	☐ Qualified	☐ Adverse	☐ Inconclusive
Identification Section	☒ Prescribed Wording Only	☐ Prescribed Wording With Additional Wording	☐ Revised Wording	
Scope Section	☒ Prescribed Wording Only	☐ Prescribed Wording With Additional Wording	☐ Revised Wording	
Reliance Section	☒ Prescribed Wording Only	☐ Prescribed Wording With Additional Wording	☐ Revised Wording	
Opinion Section	☒ Prescribed Wording Only	☐ Prescribed Wording With Additional Wording	☐ Revised Wording	
Relevant Comments Additional statements as required by Sec. 84b.8 of the Actuarial Opinion and Memorandum Regulation of Pennsylvania		☒ Revised Wording		
☐ The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice				

Identification

I, Mark F. St. George, FSA, MAAA, am associated with the accounting firm of PricewaterhouseCoopers LLP. I am a member of the American Academy of Actuaries and have been retained by HM Health Insurance Company (the Corporation) to render an opinion with regard to loss reserves, actuarial liabilities and related items. I was appointed on December 15, 2009 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

Scope

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of the Corporation as prepared for filing with state regulatory officials, as of December 31, 2009.

A. Claims unpaid (Page 3, Line 1); $ 14,411,804

B. Accrued medical incentive pool and bonus payments (Page 3, Line 2); $ 0

C.	Unpaid claims adjustment expenses (Page 3, Line 3);	$	646,121
D.	Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D;	$	19,000
E.	Aggregate life policy reserves (Page 3, Line 5);	$	0
F.	Property/casualty unearned premium reserves (Page 3, Line 6);	$	0
G.	Aggregate health claim reserves (Page 3, Line 7); and	$	0
H.	Any actuarial reserves or liabilities not included in the items above.	$	0

Reliance

In forming my opinion on claims unpaid, unpaid claims adjustment expenses, and aggregate health policy reserves, I relied upon data prepared by William J. Cashion, Vice President & Chief Actuary, as certified in the attached statement. I evaluated that data for reasonableness and consistency. I also reconciled that data to the Underwriting and Investment Exhibit – Part 2B of the Corporation's current annual statement. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.

Opinion

In my opinion, the amounts carried in the balance sheet on account of the items identified above:

A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,

B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,

C. Meet the requirements of the laws of the State of Pennsylvania and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed,

D. Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the Corporation under the terms of its contracts and agreements,

E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,

F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

PRICEWATERHOUSECOOPERS

Actuarial methods, considerations and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

Relevant Comments

The reserves and related actuarial items, when considered in light of the assets held by the Corporation with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts, make adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the Corporation.

This opinion is updated annually as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of the rendering of this opinion which should be considered in reviewing this opinion.

The impact of unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion. The analysis of asset adequacy portion of this opinion should be viewed recognizing that the Corporation's future experience may not follow all the assumptions used in the analysis.

Mark F. St. George, FSA, MAAA
PricewaterhouseCoopers LLP
300 Madison Avenue
New York, NY 10017
(646) 471-6226

2/24/2010
Date Opinion was Rendered

71768200920100100

ANNUAL STATEMENT

As of December 31, 2009

of the Condition and Affairs of the

HM Health Insurance Company

NAIC Group Code..... 00812 , 00812 (Current Period) (Prior Period)

NAIC Company Code..... 71768

Employer's ID Number..... 54-1637426

Organized under the Laws of Pennsylvania

State of Domicile or Port of Entry Pennsylvania

Country of Domicile United States

Licensed as Business Type Life, Accident & Health

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized..... December 8, 1954

Commenced Business..... January 1, 1955

Statutory Home Office	120 Fifth Avenue..... Pittsburgh ..... PA ..... 15222-3099 *(Street and Number) (City or Town, State and Zip Code)*	
Main Administrative Office	120 Fifth Avenue Suite 924..... Pittsburgh ..... PA ..... 15222-3022 *(Street and Number) (City or Town, State and Zip Code)*	412-544-7000 *(Area Code) (Telephone Number)*
Mail Address	120 Fifth Avenue Suite 924..... Pittsburgh ..... PA ..... 15222-3022 *(Street and Number or P. O. Box) (City or Town, State and Zip Code)*	
Primary Location of Books and Records	120 Fifth Avenue Suite 924..... Pittsburgh ..... PA ..... 15222-3022 *(Street and Number) (City or Town, State and Zip Code)*	412-544-6902 *(Area Code) (Telephone Number)*
Internet Web Site Address	www.highmark.com	
Statutory Statement Contact	Janine Kopas Colinear *(Name)* janine.colinear@highmark.com *(E-Mail Address)*	412-544-6902 *(Area Code) (Telephone Number) (Extension)* 412-544-8674 *(Fax Number)*

OFFICERS

Cynthia Mauro Dellecker.....President and CEO
Karen Lynn Hanlon.....Treasurer and CFO
Edward August Bittner, Jr.....Corporate Secretary

OTHER OFFICERS

Deborah Lynn Rice #	Chairperson of the Board of Directors	Janine Kopas Colinear	Assistant Treasurer
Sandra Ruth Tomlinson	Senior Vice President	Vinita Kumari Sinha	Assistant Secretary

DIRECTORS OR TRUSTEES

David Arthur Blandino, M.D.	William John Cashion	Cynthia Mauro Dellecker	Donald Robert Fischer, M.D.
Joseph Clinton Guyaux	Deborah Lynn Rice #	Doris Annette Carson Williams	

State of..... Pennsylvania
County of..... Allegheny

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

Cynthia Mauro Dellecker President and CEO	Karen Lynn Hanlon Treasurer and CFO	Edward August Bittner, Jr. Corporate Secretary

Subscribed and sworn to before me
This 22nd day of February, 2010

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

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Patricia F. Woltjen, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Sept. 5, 2011
Member, Pennsylvania Association of Notaries

ASSETS

	Current Year 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	15,764,420	0	15,764,420	9,428,630
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.....0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less $.....0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less $.....0 encumbrances)	0	0	0	0
5. Cash ($.....202,332, Sch. E-Part 1), cash equivalents ($.....0, Sch. E-Part 2) and short-term investments ($.....6,633,148, Sch. DA)	6,835,480	0	6,835,480	9,278,666
6. Contract loans (including $.....0 premium notes)	0	0	0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables for securities	0	0	0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	22,599,900	0	22,599,900	18,707,296
11. Title plants less $.....0 charged off (for Title insurers only)	0	0	0	0
12. Investment income due and accrued	152,002	0	152,002	129,941
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection	2,300,739	27,775	2,272,964	587,827
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	0	0	0	0
13.3 Accrued retrospective premiums	0	0	0	162,000
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	0	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0	1,447,094
16.1 Current federal and foreign income tax recoverable and interest thereon	1,232,731	0	1,232,731	351,604
16.2 Net deferred tax asset	1,917,311	1,439,382	477,929	562,065
17. Guaranty funds receivable or on deposit	0	0	0	0
18. Electronic data processing equipment and software	0	0	0	0
19. Furniture and equipment, including health care delivery assets ($.....0)	0	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates	12,248	0	12,248	0
22. Health care ($.....673,511) and other amounts receivable	1,349,252	675,741	673,511	296,266
23. Aggregate write-ins for other than invested assets	3,938,635	2,850,000	1,088,635	1,059,684
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	33,502,818	4,992,898	28,509,920	23,303,777
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
26. TOTALS (Lines 24 and 25)	33,502,818	4,992,898	28,509,920	23,303,777

DETAILS OF WRITE-INS

0901.	0	0	0	0
0902.	0	0	0	0
0903.	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Intangible assets	2,850,000	2,850,000	0	0
2302. Mountain State Blue Cross Blue Shield profit sharing arrangement	1,088,635	0	1,088,635	1,059,684
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	3,938,635	2,850,000	1,088,635	1,059,684

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	14,411,804	0	14,411,804	8,968,003
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	646,121	0	646,121	310,365
4. Aggregate health policy reserves	19,000	0	19,000	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	429,942	0	429,942	290,924
9. General expenses due or accrued	1,411,057	0	1,411,057	1,078,223
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized capital gains (losses))	0	0	0	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	0	0	0	0
13. Remittances and items not allocated	0	0	0	0
14. Borrowed money (including $.....0 current) and interest thereon $.....0 (including $.....0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	0	0	0	4,058
16. Payable for securities	0	0	0	0
17. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)	0	0	0	0
18. Reinsurance in unauthorized companies	0	0	0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
20. Liability for amounts held under uninsured plans	199,849	0	199,849	0
21. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	17,117,773	0	17,117,773	10,651,573
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	2,500,000	2,500,000
25. Preferred capital stock	XXX	XXX	0	0
26. Gross paid in and contributed surplus	XXX	XXX	51,438,057	51,438,057
27. Surplus notes	XXX	XXX	0	0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(42,545,910)	(41,285,853)
30. Less treasury stock at cost:				
30.1 .....0.000 shares common (value included in Line 24 $.....0)	XXX	XXX	0	0
30.2 .....0.000 shares preferred (value included in Line 25 $.....0)	XXX	XXX	0	0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	11,392,147	12,652,204
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	28,509,920	23,303,777

DETAILS OF WRITE-INS

2101.	0	0	0	0
2102.	0	0	0	0
2103.	0	0	0	0
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.	XXX	XXX	0	0
2302.	XXX	XXX	0	0
2303.	XXX	XXX	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX	0	0
2802.	XXX	XXX	0	0
2803.	XXX	XXX	0	0
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member months	XXX	109,291	86,913
2. Net premium income (including $.....0 non-health premium income)	XXX	91,686,467	69,911,569
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of $.....0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	91,686,467	69,911,569
Hospital and Medical:			
9. Hospital/medical benefits	0	77,894,993	54,495,418
10. Other professional services	0	0	0
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	0	0
13. Prescription drugs	0	9,782,971	7,986,921
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0
16. Subtotal (Lines 9 to 15)	0	87,677,964	62,482,339
Less:			
17. Net reinsurance recoveries	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	0	87,677,964	62,482,339
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including $.....659,182 cost containment expenses	0	4,643,879	2,928,164
21. General administrative expenses	0	2,938,500	5,333,291
22. Increase in reserves for life and accident and health contracts including $.....0 increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	95,260,343	70,743,794
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(3,573,876)	(832,225)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	498,824	751,259
26. Net realized capital gains or (losses) less capital gains tax of $.....0	0	52,890	21,692
27. Net investment gains or (losses) (Lines 25 plus 26)	0	551,714	772,951
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(3,022,162)	(59,274)
31. Federal and foreign income taxes incurred	XXX	(1,778,028)	(115,063)
32. Net income (loss) (Lines 30 minus 31)	XXX	(1,244,134)	55,789

DETAILS OF WRITE-INS

0601.	XXX	0	0
0602.	XXX	0	0
0603.	XXX	0	0
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	0	0
0702.	XXX	0	0
0703.	XXX	0	0
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.	0	0	0
1402.	0	0	0
1403.	0	0	0
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.	0	0	0
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	12,652,204	12,666,075
34. Net income or (loss) from Line 32	(1,244,134)	55,789
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.....0	0	0
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	(222,246)	(24,924)
39. Change in nonadmitted assets	206,323	(44,736)
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	0	0
44. Capital changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus	0	0
45. Surplus adjustments:		
45.1 Paid in	0	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	(1,260,057)	(13,871)
49. Capital and surplus end of reporting period (Line 33 plus 48)	11,392,147	12,652,204

DETAILS OF WRITE-INS

4701.	0	0
4702.	0	0
4703.	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	90,381,397	69,100,197
2. Net investment income	593,154	847,052
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	90,974,551	69,947,249
5. Benefit and loss related payments	82,603,243	58,061,509
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	5,266,847	10,330,719
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(896,901)	(200,446)
10. Total (Lines 5 through 9)	86,973,189	68,191,782
11. Net cash from operations (Line 4 minus Line 10)	4,001,362	1,755,467
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	11,962,693	2,442,770
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	11,962,693	2,442,770
13. Cost of investments acquired (long-term only):		
13.1 Bonds	18,361,984	500,618
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	18,361,984	500,618
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	(6,399,291)	1,942,152
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	(45,257)	(1,268,160)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(45,257)	(1,268,160)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(2,443,186)	2,429,459
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	9,278,666	6,849,207
19.2 End of year (Line 18 plus Line 19.1)	6,835,480	9,278,666

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

20.0001	0	0

ANALYSIS OF OPERATION BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	91,686,467	0	0	0	0	0	91,686,467	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of $.....0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	91,686,467	0	0	0	0	0	91,686,467	0	0	0
8. Hospital/medical benefits	77,894,993	0	0	0	0	0	77,894,993	0	0	XXX
9. Other professional services	0	0	0	0	0	0	0	0	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs	9,782,971	0	0	0	0	0	9,782,971	0	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0	0	0	0	0	0	XXX
15. Subtotal (Lines 8 to 14)	87,677,964	0	0	0	0	0	87,677,964	0	0	XXX
16. Net reinsurance recoveries	0	0	0	0	0	0	0	0	0	XXX
17. Total hospital and medical (Lines 15 minus 16)	87,677,964	0	0	0	0	0	87,677,964	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $.....659,182 cost containment expenses	4,643,879	0	0	0	0	0	4,643,879	0	0	0
20. General administrative expenses	2,938,500	0	0	0	0	0	2,938,500	0	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserve for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	95,260,343	0	0	0	0	0	95,260,343	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(3,573,876)	0	0	0	0	0	(3,573,876)	0	0	0

DETAILS OF WRITE-INS

0501.	0	0	0	0	0	0	0	0	0	XXX
0502.	0	0	0	0	0	0	0	0	0	XXX
0503.	0	0	0	0	0	0	0	0	0	XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0	0	0	0	0	0	0	0	0	XXX
1302.	0	0	0	0	0	0	0	0	0	XXX
1303.	0	0	0	0	0	0	0	0	0	XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	0	0	0	0
2. Medicare supplement	0	0	0	0
3. Dental only	0	0	0	0
4. Vision only	0	0	0	0
5. Federal employees health benefits plan	0	0	0	0
6. Title XVIII - Medicare	91,686,467	0	0	91,686,467
7. Title XIX - Medicaid	0	0	0	0
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	91,686,467	0	0	91,686,467
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	91,686,467	0	0	91,686,467

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	82,603,245	0	0	0	0	0	82,603,245	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	82,603,245	0	0	0	0	0	82,603,245	0	0	0
2. Paid medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	14,411,804	0	0	0	0	0	14,411,804	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	14,411,804	0	0	0	0	0	14,411,804	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0	0	0	0	0	0	0	0	0	0
6. Net healthcare receivables (a)	369,081	0	0	0	0	0	369,081	0	0	0
7. Amounts recoverable from reinsurers December 31, current year	0	0	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	8,968,003	0	0	0	0	0	8,968,003	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	8,968,003	0	0	0	0	0	8,968,003	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	87,677,965	0	0	0	0	0	87,677,965	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	87,677,965	0	0	0	0	0	87,677,965	0	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

(a) Excludes $.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Medical and Hospital)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct	194,409	0	0	0	0	0	194,409	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	194,409	0	0	0	0	0	194,409	0	0	0
2. Incurred but unreported:										
2.1 Direct	14,217,395	0	0	0	0	0	14,217,395	0	0	0
2.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
2.4 Net	14,217,395	0	0	0	0	0	14,217,395	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct	14,411,804	0	0	0	0	0	14,411,804	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	14,411,804	0	0	0	0	0	14,411,804	0	0	0

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 (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	0	0	0	0	0	0
2. Medicare supplement	0	0	0	0	0	0
3. Dental only	0	0	0	0	0	0
4. Vision only	0	0	0	0	0	0
5. Federal employees health benefits plan	0	0	0	0	0	0
6. Title XVIII - Medicare	9,554,318	73,048,927	403,203	14,008,601	9,957,521	8,968,003
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	9,554,318	73,048,927	403,203	14,008,601	9,957,521	8,968,003
10. Healthcare receivables (a)	22,073	1,327,179	0	0	22,073	980,171
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	0	0	0	0	0
13. Totals (Lines 9 - 10 + 11 + 12)	9,532,245	71,721,748	403,203	14,008,601	9,935,448	7,987,832

(a) Excludes $.....0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	0	0	0	0	0
2. 2005	0	0	0	0	0
3. 2006	XXX	0	0	0	0
4. 2007	XXX	XXX	36,853	41,944	42,124
5. 2008	XXX	XXX	XXX	52,971	62,345
6. 2009	XXX	XXX	XXX	XXX	73,049

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 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	0	0	0	0	0
2. 2005	0	0	0	0	0
3. 2006	XXX	0	0	0	0
4. 2007	XXX	XXX	41,250	42,049	42,146
5. 2008	XXX	XXX	XXX	61,833	62,726
6. 2009	XXX	XXX	XXX	XXX	87,058

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2005	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2006	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2007	52,754	42,124	3,444	8.2	45,568	86.4	22	0	45,590	86.4
4. 2008	69,912	62,345	3,217	5.2	65,562	93.8	381	78	66,021	94.4
5. 2009	91,686	73,049	3,957	5.4	77,006	84.0	14,009	569	91,584	99.9

U & I Ex.-Pt.2C-Sn A-Paid Claims-Hospital & Medical
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Hospital & Medical
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Hospital & Medical
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health
NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	0	0	0	0	0
2. 2005	0	0	0	0	0
3. 2006	XXX	0	0	0	0
4. 2007	XXX	XXX	36,853	41,944	42,124
5. 2008	XXX	XXX	XXX	52,971	62,345
6. 2009	XXX	XXX	XXX	XXX	73,049

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 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	0	0	0	0	0
2. 2005	0	0	0	0	0
3. 2006	XXX	0	0	0	0
4. 2007	XXX	XXX	41,250	42,049	42,146
5. 2008	XXX	XXX	XXX	61,833	62,726
6. 2009	XXX	XXX	XXX	XXX	87,058

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2005	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2006	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2007	52,754	42,124	3,444	8.2	45,568	86.4	22	0	45,590	86.4
4. 2008	69,912	62,345	3,217	5.2	65,562	93.8	381	78	66,021	94.4
5. 2009	91,686	73,049	3,957	5.4	77,006	84.0	14,009	569	91,584	99.9

U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicaid
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicaid
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicaid
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Other
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Other
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Other
NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
POLICY RESERVE									
1. Unearned premium reserves	0	0	0	0	0	0	0	0	0
2. Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including $.....0) for investment income	0	0	0	0	0	0	0	0	0
5. Aggregate write-ins for other policy reserves	19,000	0	0	0	0	0	19,000	0	0
6. Totals (gross)	19,000	0	0	0	0	0	19,000	0	0
7. Reinsurance ceded	0	0	0	0	0	0	0	0	0
8. Totals (net) (Page 3, Line 4)	19,000	0	0	0	0	0	19,000	0	0
CLAIM RESERVE									
9. Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0	0	0	0	0	0	0	0	0
14. Totals (net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. Risk corridor	19,000	0	0	0	0	0	19,000	0	0
0502.	0	0	0	0	0	0	0	0	0
0503.	0	0	0	0	0	0	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	19,000	0	0	0	0	0	19,000	0	0
1101.	0	0	0	0	0	0	0	0	0
1102.	0	0	0	0	0	0	0	0	0
1103.	0	0	0	0	0	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $.....0 premium deficiency reserve.

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 ($.....0 for occupancy of own building)	4,388	58,555	54,426	275	117,644
2. Salaries, wages and other benefits	117,341	1,778,434	1,507,154	20,793	3,423,722
3. Commissions (less $.....0 ceded plus $.....0 assumed)	0	0	180,684	0	180,684
4. Legal fees and expenses	40	10	40,280	0	40,330
5. Certifications and accreditation fees	0	0	3,073	0	3,073
6. Auditing, actuarial and other consulting services	10,928	223,155	384,941	10,812	629,836
7. Traveling expenses	1,673	17,464	61,757	407	81,301
8. Marketing and advertising	0	0	1,472,061	0	1,472,061
9. Postage, express and telephone	2,740	90,460	67,241	41	160,482
10. Printing and office supplies	833	14,968	55,381	81	71,263
11. Occupancy, depreciation and amortization	1,052	18,669	19,802	257	39,780
12. Equipment	31	18,494	15,699	4	34,228
13. Cost or depreciation of EDP equipment and software	3,131	156,131	106,242	6	265,510
14. Outsourced services including EDP, claims, and other services	502,720	2,666,121	(2,323)	1,582	3,168,100
15. Boards, bureaus and association fees	371	441	32,309	232	33,353
16. Insurance, except on real estate	30	458	27,127	2	27,617
17. Collection and bank service charges	0	0	0	0	0
18. Group service and administration fees	0	0	0	0	0
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	1,508	24,817	20,909	4,967	52,201
22. Real estate taxes	374	4,442	4,036	21	8,873
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	88,488	0	88,488
23.2 State premium taxes	0	0	0	0	0
23.3 Regulatory authority licenses and fees	5,157	0	144,458	0	149,615
23.4 Payroll taxes	6,592	108,497	78,974	869	194,932
23.5 Other (excluding federal income and real estate taxes)	0	0	0	0	0
24. Investment expenses not included elsewhere	0	0	0	35,351	35,351
25. Aggregate write-ins for expenses	273	(1,196,419)	(1,424,219)	15	(2,620,350)
26. Total expenses incurred (Lines 1 to 25)	659,182	3,984,697	2,938,500	75,715	(a) 7,658,094
27. Less expenses unpaid December 31, current year	90,457	555,664	1,411,057	0	2,057,178
28. Add expenses unpaid December 31, prior year	17,380	292,985	1,078,223	0	1,388,588
29. Amounts receivable relating to uninsured plans, prior year	90,838	422,065	934,190	0	1,447,093
30. Amounts receivable relating to uninsured plans, current year	0	0	0	0	0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	495,267	3,299,953	1,671,476	75,715	5,542,411

DETAILS OF WRITE-INS

2501. Mountain State Blue Cross Blue Shield profit sharing	0	(1,558,495)	(1,558,495)	0	(3,116,990)
2502. Other	273	362,076	134,276	15	496,640
2503.	0	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above)	273	(1,196,419)	(1,424,219)	15	(2,620,350)

(a) Includes management fees of $.....0 to affiliates and $.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 196,298	241,237
1.1	Bonds exempt from U.S. tax	(a) 0	0
1.2	Other bonds (unaffiliated)	(a) 250,558	253,386
1.3	Bonds of affiliates	(a) 0	675
2.1	Preferred stocks (unaffiliated)	(b) 0	0
2.11	Preferred stocks of affiliates	(b) 0	0
2.2	Common stocks (unaffiliated)	0	0
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c) 0	0
4.	Real estate	(d) 0	0
5.	Contract loans	0	0
6.	Cash, cash equivalents and short-term investments	(e) 88,573	79,241
7.	Derivative instruments	(f) 0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	535,429	574,539
11.	Investment expenses		(g) 74,846
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 869
13.	Interest expense		(h) 0
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		75,715
17.	Net investment income (Line 10 minus Line 16)		498,824

DETAILS OF WRITE-INS

0901.		0	0
0902.		0	0
0903.		0	0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0
1501.			0
1502.			0
1503.			0
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $.....22,533 accrual of discount less $.....138,924 amortization of premium and less $.....85,465 paid for accrued interest on purchases.
(b) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued dividends on purchases.
(c) Includes $.....0 accrual of discount less $.....0 amortization of premium and less $.....0 paid for accrued interest on purchases.
(d) Includes $.....0 for company's occupancy of its own buildings; and excludes $.....0 interest on encumbrances.
(e) Includes $.....0 accrual of discount less $.....12,617 amortization of premium and less $.....5,295 paid for accrued interest on purchases.
(f) Includes $.....0 accrual of discount less $.....0 amortization of premium.
(g) Includes $.....0 investment expenses and $.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $.....0 interest on surplus notes and $.....0 interest on capital notes.
(i) Includes $.....0 depreciation on real estate and $.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds	2,002	0	2,002	0	0
1.1	Bonds exempt from U.S. tax	0	0	0	0	0
1.2	Other bonds (unaffiliated)	50,888	0	50,888	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	52,890	0	52,890	0	0

DETAILS OF WRITE-INS

0901.		0	0	0	0	0
0902.		0	0	0	0	0
0903.		0	0	0	0	0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only)	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	27,775	87,823	60,048
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
13.3 Accrued retrospective premiums	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset	1,439,382	1,577,492	138,110
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software	0	0	0
19. Furniture and equipment, including health care delivery assets	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	0	0	0
22. Health care and other amounts receivable	675,741	683,906	8,165
23. Aggregate write-ins for other than invested assets	2,850,000	2,850,000	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23)	4,992,898	5,199,221	206,323
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
26. TOTALS (Lines 24 and 25)	4,992,898	5,199,221	206,323

DETAILS OF WRITE-INS

0901.	0	0	0
0902.	0	0	0
0903.	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0
2301. Intangible assets	2,850,000	2,850,000	0
2302.	0	0	0
2303.	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	2,850,000	2,850,000	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health maintenance organizations	0	0	0	0	0	0
2. Provider service organizations	0	0	0	0	0	0
3. Preferred provider organizations	7,547	8,883	9,141	9,271	9,322	109,291
4. Point of service	0	0	0	0	0	0
5. Indemnity only	0	0	0	0	0	0
6. Aggregate write-ins for other lines of business	0	0	0	0	0	0
7. Total	7,547	8,883	9,141	9,271	9,322	109,291

DETAILS OF WRITE-INS

0601.	0	0	0	0	0	0
0602.	0	0	0	0	0	0
0603.	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
A&H Premiums Due and Unpaid						
0199999. Total individuals	168,267	14,289	0	6,771	26,151	163,176
Summary of groups	4,014	178,757	864	0	0	183,635
0299997. Group subscribers subtotal	4,014	178,757	864	0	0	183,635
0299999. Total group	4,014	178,757	864	0	0	183,635
0399999. Premiums due and unpaid from Medicare entities	1,844,509	18,463	0	64,805	1,624	1,926,153
0599999. Accident and health premiums due and unpaid (Page 2, Line 13)	2,016,790	211,509	864	71,576	27,775	2,272,964

EXHIBIT 3 - HEALTH CARE RECEIVABLES

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Pharmaceutical Rebate Receivables						
Medco	149,854	148,584	163,203	887,611	675,741	673,511
0199999. Total Pharmaceutical Rebate Receivables	149,854	148,584	163,203	887,611	675,741	673,511
0799999. Total Health Care Receivables	149,854	148,584	163,203	887,611	675,741	673,511

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0399999. Aggregate accounts not individually listed - covered	194,409	0	0	0	0	194,409
0499999. Subtotals	194,409	0	0	0	0	194,409
0599999. Unreported claim and other claim reserves						14,217,395
0799999. Total claims unpaid						14,411,804

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Amounts Due From Parent, Subsidiaries and Affiliates							
Highmark Inc.	12,248	0	0	0	0	12,248	0
0199999. Individually listed receivables	12,248	0	0	0	0	12,248	0
0399999. Total gross amounts receivable	12,248	0	0	0	0	12,248	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current

NONE

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payment	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0	0	0.0	0	0
2. Intermediaries	768,231	0.9	0	0.0	0	768,231
3. All other providers	0	0.0	0	0.0	0	0
4. Total capitation payments	768,231	0.9	0	0.0	0	768,231
Other Payments:						
5. Fee-for-service	0	0.0	XXX	XXX	0	0
6. Contractual fee payments	81,835,012	99.1	XXX	XXX	0	81,835,012
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX	0	0
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX	0	0
9. Non-contingent salaries	0	0.0	XXX	XXX	0	0
10. Aggregate cost arrangements	0	0.0	XXX	XXX	0	0
11. All other payments	0	0.0	XXX	XXX	0	0
12. Total other payments	81,835,012	99.1	XXX	XXX	0	81,835,012
13. Total (Line 4 plus Line 12)	82,603,243	100.0	XXX	XXX	0	82,603,243

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

NONE

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	0	0	0	0	0	0
2. Medical furniture, equipment and fixtures	0	0	0	0	0	0
3. Pharmaceuticals and surgical supplies	0	0	0	0	0	0
4. Durable medical equipment	0	0	0	0	0	0
5. Other property and equipment		0	0	0	0	0
6. Total	0	0	0	0	0	0

NONE

NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of HM Health Insurance Company (the "Corporation") are presented on the basis of accounting practices prescribed by the Pennsylvania Insurance Department (the "Department"). The Department recognizes only statutory accounting practices prescribed or permitted by the Commonwealth of Pennsylvania for determining and reporting the financial condition and results of operations of an insurance company in order to assess its solvency under Pennsylvania insurance law and regulations. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by Pennsylvania. The Pennsylvania Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

For the years ended December 31, 2009 and 2008, there were no differences between NAIC SAP and practices prescribed or permitted by Pennsylvania.

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

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from estimates.

C. Accounting Policies

The Corporation uses the following accounting policies:

- Short-term investments include Class 1 and exempt money market accounts and securities with a maturity of less than one year but greater than 90 days at the date of purchase. Cash equivalents include securities with a maturity of 90 days or less at the date of purchase. Securities are stated at amortized cost. Class 1 and exempt money market accounts are stated at fair value.

- Bonds not backed by other loans are carried at amortized cost using the effective interest method.

- Loan-backed securities are stated at amortized cost or the lower of amortized cost or market value, contingent upon NAIC designation assigned by the Securities Valuation Office. The retrospective adjustment method is used to value all loan-backed securities, except for securities for which the yield has become negative, which are valued using the prospective method.

- Realized capital gains and losses on the sale of investments are determined using the specific identification method.

- Uncollected premiums are carried at net realizable value. All uncollected premiums aged greater than 90 days are nonadmitted.

- Accounts receivable under government insured plans including accounts receivable aged greater than 90 days are admitted.

- Pharmaceutical rebates receivable are an actuarial estimate based on prescriptions filled and terms of rebate contracts for the most recent three months. For prior months, the Corporation records the actual amounts that have been invoiced or confirmed in writing with the pharmaceutical companies.

- Claims unpaid include claims reported and adjudicated but unpaid as well as an estimate of incurred but not reported claims. The liability for claims incurred but not reported is an actuarial estimate based on historical claims paid data, modified for current conditions and coverage changes. The methods to determine the estimate of incurred but not reported claims use past experience adjusted for current trends. The methods and assumptions are continually reviewed and any resulting adjustments are included in claims incurred in the period determined. Corresponding administrative costs to process unreported claims are estimated and accrued.

- The Corporation's revenue includes premium income from underwritten business. Premiums are generally billed in advance of the contractual coverage periods and are included in premium income as they are earned during the coverage period. Premiums that have been received prior to the service period are reported as premiums received in advance.

- Risk corridor provisions compare costs targeted in the annual bid submitted by the Corporation to the Centers for Medicare & Medicaid Services ("CMS") to actual prescription drug costs, limited to actual costs that would have been incurred under the standard coverage as defined by CMS. Variances exceeding certain thresholds may result in CMS making additional payments to the Corporation or require the Corporation to refund to CMS a portion of the premiums received. Adjustments to premium income related to these risk corridor provisions are based on pharmacy claims experience to date as if the annual contract were to terminate at the end of the reporting period.

- Reinsurance and low-income cost subsidies represent reimbursements from CMS in connection with the Medicare Part D program. Reinsurance subsidies represent reimbursements from CMS for a portion of prescription drug costs which exceed members' out-of-pocket thresholds. Low-income cost subsidies represent reimbursements from CMS for all or a portion of deductible, coinsurance and co-payment amounts above the out-of-pocket thresholds for low-income beneficiaries. Monthly prospective payments from CMS for reinsurance and low-income cost subsidies are based on assumptions submitted with the Corporation's annual bid to CMS. Premium income and claims incurred are not recognized for these subsidies; rather receipt and payment activity is accumulated at the contract level and net balances are recorded in amounts receivable relating to uninsured plans or a liability for amounts held under uninsured plans.

- The Corporation is subject to federal income taxes. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using tax rates and laws that are expected to be in effect when the difference is reversed. Net deferred tax assets are admitted to the extent that they are expected to reverse and become realized within one year. Uncertain tax positions are assessed in accordance with SSAP No. 5 criteria as required by SSAP No. 10R.

  SSAP No. 10R is a revised income tax accounting standard adopted by the NAIC, effective for the first time for the 2009 year. The application of SSAP No. 10R requires a company to evaluate the recoverability of deferred tax assets and to establish a valuation allowance if necessary to reduce the deferred tax asset to an amount which is more likely than not to be realized. Considerable judgment is required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance the Corporation considers many factors, including: (1) the nature of the deferred tax assets and liabilities; (2) whether they are ordinary or capital; (3) the timing of their reversal; (4) taxable income in prior carry back years as well as projected taxable earnings exclusive of reversing temporary differences and carry forwards; (5) the length of time that carryovers can be utilized; (6) unique tax rules that would impact the utilization of the deferred tax assets; and (7) any tax planning strategies that the Corporation would employ to avoid a tax benefit from expiring unused. In addition, to the extent the Corporation is eligible, SSAP No. 10R paragraph 10e provides for increased admissibility standards for deferred tax assets. SSAP No. 10R is effective for the 2009 and 2010 years and as currently drafted, guidance will revert to SSAP No. 10 for 2011 and future years.

2. Accounting Changes and Corrections of Errors

   None.

3. Business Combinations and Goodwill

   None.

4. Discontinued Operations

   None.

5. Investments

   A. Mortgage Loans, including Mezzanine Real Estate Loans

      None.

   B. Debt Restructuring

      None.

   C. Reverse Mortgages

      None.

   D. Loan-Backed Securities

      The aggregate fair value of loan-backed securities held by the Corporation was $2,114,575 and $1,772,036 at December 31, 2009 and 2008, respectively. The Corporation uses the retrospective adjustment method regarding prepayment assumptions, which are generally obtained from broker dealer survey values. The Corporation has no loan-backed securities that were acquired prior to January 1, 1994. The Corporation did not hold any loan-backed securities for which the yield has become negative at December 31, 2009 or 2008.

      The Corporation's investments in loan-backed securities are comprised of mortgage-backed and asset-backed instruments, which are subject to concentrations of credit risk. If parties to the instruments fail to perform to the terms of the contracts and the collateral for the amounts due prove to be inadequate, the Corporation could lose all or a portion of its investment in these securities.

      The Corporation did not have any loan-backed securities with an other-than-temporary impairment at December 31, 2009. The gross unrealized losses and fair values of loan-backed securities classified by length of time individual securities were in a continuous loss position at December 31, 2009 were as follows:

Less Than 12 Months		12 Months or More		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
$1,352,443	($13,199)	$ -	$ -	$1,352,443	($13,199)

NOTES TO FINANCIAL STATEMENTS

The gross unrealized losses and fair values of loan-backed securities classified by length of time individual securities were in a continuous loss position at December 31, 2008 were as follows:

Less Than 12 Months		12 Months or More		Total	
Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
$ -	$ -	$310,775	($61,694)	$310.775	($61,694)

In deciding whether impairments are other-than-temporary, the Corporation may consider several factors, including the adequacy of collateral, probability of default, and estimates regarding timing and amount of recoveries associated with a default.

E. Repurchase Agreements and/or Securities Lending Transactions

None.

F. Real Estate

None.

G. Low-Income Housing Tax Credits

None.

6. Joint Ventures, Partnerships and Limited Liability Companies

None.

7. Investment Income

A. Basis for Excluding Due and Accrued Investment Income from Statutory Surplus

Investment income due and accrued is excluded from the financial statements for all investment income on any invested asset that is 90 days or more past due.

B. Amounts Excluded from Statutory Surplus

None.

8. Derivative Instruments

None.

9. Income Taxes

A., C. Components and Changes in Deferred Taxes

The tax effects of temporary differences that gave rise to significant portions of deferred tax assets and liabilities for 2009 and 2008 were as follows:

	2009			2008		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Deferred tax assets:						
Intangible assets	1,579,289	-	1,579,289	1,718,700	-	1,718,700
Uncollected premiums	204,587	-	204,587	338,309	-	338,309
Other	133,931	-	133,931	84,346	-	84,346
Gross deferred tax assets	1,917,807	-	1,917,807	2,141,355	-	2,141,355
Statutory valuation allowance	-	-	-	-	-	0
Adjusted gross deferred tax asset	1,917,807	-	1,917,807	2,141,355	-	2,141,355
Nonadmitted deferred tax assets	(1,439,382)	-	(1,439,382)	(1,577,492)	-	(1,577,492)
Admitted deferred tax assets	478,425	-	478,425	563,863	-	563,863
Deferred tax liabilities:						
Market discount	496	-	496	1,798		1,798
Total deferred tax liabilities	496	-	496	1,798	-	1,798
Net admitted deferred tax asset	477,929	-	477,929	562,065	-	562,065

Decrease in nonadmitted asset	(138,110)

NOTES TO FINANCIAL STATEMENTS

The amount of each result or component of the calculation by tax character was as follows:

	2009			2008		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted adjusted gross DTA (paragraph 10a.)	-	-	-	562,065	-	562,065
Admitted adjusted gross DTA (paragraph 10b.)	477,929	-	477,929	-	-	-
Admitted adjusted gross DTA (paragraph 10c.)	496	-	496	1,798	-	1,798
Total admitted deferred tax asset	478,425	-	478,425	563,863	-	563,863
Less: gross deferred tax Liabilities			496			1,798
Net admitted deferred tax asset			477,929			562,065

The Corporation had no income tax expenses available for recoupment for the years ended December 31, 2009 and 2008.

For the year ended December 31, 2009, the Corporation has elected not to admit deferred tax assets pursuant to paragraph 10e of SSAP No. 10R. The election was not available in 2008.

The change in net deferred income taxes was comprised of the following at December 31, 2009 and 2008 (this analysis is exclusive of nonadmitted assets as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in the surplus section of the Annual Statement):

	2009	2008	Change
Total deferred tax assets	1,917,807	2,141,355	(223,548)
Total deferred tax liabilities	496	1,798	(1,302)
Net deferred tax asset	1,917,311	2,139,557	(222,246)
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			(222,246)

The benefit recognized of $(1,778,028) and $(115,063) for the years ended December 31, 2009 and 2008, respectively, included only federal taxes.

B. Unrecognized Deferred Tax Liabilities

None.

D. Rate Reconciliation

	2009	2008
Provision computed at statutory rate	(1,057,757)	(20,746)
Change in temporary differences recorded directly to surplus	23,874	(44,389)
Relationship management/support services	(520,150)	-
Tax exempt income	(1,749)	(25,004)
	(1,555,782)	(90,139)
Federal and foreign income taxes incurred	(1,778,028)	(115,063)
Change in net deferred income taxes	222,246	24,924
Total statutory income taxes	(1,555,782)	(90,139)

The Corporation's effective tax rate was favorably impacted by the required tax return adjustment to administrative services charges from Highmark. This adjustment has been included as relationship management/support services in the tax rate reconciliation.

E. Income Tax Carryforwards and Carrybacks

None.

NOTES TO FINANCIAL STATEMENTS

F. Consolidation of Federal Return

The Corporation is included in a consolidated federal income tax return with its parent company, Highmark Inc. ("Highmark"), and all subsidiaries of Highmark in which Highmark holds 80% or more of the outstanding ownership interests. A listing of these entities is provided in Schedule Y. The Corporation has a written agreement, approved by the Corporation's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. The agreement generally provides for the settlement of the consolidated federal tax liability as if each subsidiary filed a separate income tax return. Federal income tax benefits or losses are allocated to the entities incurring such benefits or losses to the extent they are used to reduce the consolidated federal income tax liability.

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

A., F. Nature of Relationships Involved

The Corporation is a wholly owned subsidiary of Highmark, a professional health services plan and hospital plan corporation domiciled in Pennsylvania. Highmark owns 250,000 shares of $10 par value common stock. There were no dividends paid or accrued by the Corporation in 2009.

The Corporation has a management services agreement with Highmark to receive substantially all of the financial, investment, administrative and operational services required by the Corporation for operation. The allocated cost of these services is included in general administrative expenses, claims adjustment expenses, and investment expenses as a component of net investment income.

B. & C. Description of Transactions Relating to Subsidiaries, Controlled and Affiliated Entities ("SCAs")

Highmark processes and pays all facility and professional claims on behalf of the Corporation. Facility and professional claims paid by Highmark on behalf of the Corporation amounted to $82,603,245 and $58,061,510 for 2009 and 2008, respectively. The allocated cost of claims processing was included in claim adjustment expenses and cost containment expenses.

D. Related Parties Receivables and Payables

At December 31, 2009 and 2008, the admitted amounts due from Highmark were $12,248 and $0, respectively, for services performed by the Corporation on behalf of Highmark. The terms of the management services agreement with Highmark generally require that amounts be settled within 30 days.

At December 31, 2009 and 2008, the amounts due to related parties were $0 and $4,058, respectively, and consisted of reimbursement of claims processed and paid by Highmark on behalf of the Corporation. Additionally, amounts due to Highmark for administrative services performed by Highmark on behalf of the Corporation were $1,410,023 and $1,078,223, respectively. These amounts were classified as general expenses due or accrued based on the nature of the services performed.

E. Commitments and Contingencies to SCAs

None.

G. Relationships with Enterprises under Common Ownership

The Corporation has entered into an agreement with Highmark and Highmark West Virginia Inc. (d/b/a Mountain State Blue Cross Blue Shield) ("MSBCBS"), an affiliate of Highmark, to share equally in the operating profits or losses from a Medicare Advantage product offered in West Virginia. MSBCBS's share in the operating profits was ($3,116,990) and $190,856 in 2009 and 2008, respectively. At December 31, 2009, the amount due from MSBCBS for the fourth quarter 2009 was $1,088,635 and was included in aggregate write-ins for other than invested assets. At December 31, 2008, the amount due from MSBCBS for the fourth quarter 2008 was $1,059,684 and was included in aggregate write-ins for other than invested assets.

The Corporation has an arrangement with MSBCBS and Parker Benefits, Inc., a subsidiary of MSBCBS ("Parker Benefits"), pursuant to which MSBCBS and Parker Benefits provide certain administrative services to the Corporation. The allocated cost of these services is included in general administrative expenses, claims adjustment expenses and investment expenses.

The Corporation has an arrangement with Highmark and Highmark's wholly owned subsidiary, Davis Vision, Inc., to provide supplemental vision benefits for certain of the Corporation's products. The Corporation also has an arrangement with Highmark and Highmark's wholly owned subsidiary, United Concordia Companies, Inc., to provide supplemental dental benefits for certain of the Corporation's products. The vision and dental claims expense associated with these agreements amounted to $768,231 and $630,928, respectively, for the years ended December 31, 2009 and 2008.

H. Amounts Deducted from Value of an Upstream Intermediate Entity

None.

I. Investments in SCA Entities that exceed 10% of Admitted Assets

None.

NOTES TO FINANCIAL STATEMENTS

J. Impairment in SCAs

None.

K. Investments in Foreign Insurance Subsidiaries

None.

L. Downstream Noninsurance Holding Company

None.

11. Debt

None.

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

None.

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

The Corporation has 2,200,000 common stock shares authorized and 250,000 common stock shares issued and outstanding. The Corporation has no preferred stock authorized, issued or outstanding. There are no restrictions on the Corporation's surplus.

The Corporation's surplus did not include any cumulative unrealized gains or losses at December 31, 2009 or 2008.

14. Contingencies

A. Contingent Commitments

None.

B. Assessments

None.

C. Gain Contingencies

None.

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming From Lawsuits

None.

E. All Other Contingencies

The Corporation is subject to various contingencies, including legal and compliance actions and proceedings that arise in the ordinary course of its business. In the opinion of management, based on consultation with legal counsel, adequate provision has been made in the financial statements for any potential liability related to these matters, and the amount of ultimate liability is not expected to materially affect the financial position of the Corporation

15. Leases

None.

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None.

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

A. Transfers of Receivables as Sales

None.

B. Transfer and Servicing of Financial Assets

None.

C. Wash Sales

None.

NOTES TO FINANCIAL STATEMENTS

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

None.

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

None.

20. Other Items

A. Extraordinary Items

None.

B. Troubled Debt Restructuring: Debtors

None.

C. Other Disclosures

Assets in the amount of $1,585,212 and $1,553,933 at December 31, 2009 and 2008, respectively, were on deposit with the Department as required by law.

D. Uncollectible Receivable Balances

At December 31, 2009 and 2008, the Corporation had admitted assets of $1,730,728 and $2,034,921, respectively, in amounts receivable for insured and uninsured plans. The Corporation routinely assesses the collectability of these receivables. Based upon the Corporation's experience, less than 1% of the balance may become uncollectible, and the potential loss is not material to the Corporation's financial condition.

E. Business Interruption Insurance Recoveries

None.

F. State Transferrable Tax Credits

None.

G. Subprime Mortgage Related Risk Exposure

None.

21. Events Subsequent

In October 2009, Highmark submitted a plan of withdrawal for certain small group health insurance plans from coverage under Highmark. The Corporation subsequently offered the affected policyholders replacement coverage through the Corporation effective July 1, 2010. Also, the Corporation submitted an application for authority to operate a preferred provider organization ("PPO") in Pennsylvania to both the Department and the Department of Health. The Corporation intends to offer Blue-branded PPO coverage in the small group market for coverage dates beginning July 1, 2010.

22. Reinsurance

None.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Corporation estimates retrospective premium adjustments to earned premium for its group health insurance business by examining each group's activity and applying the appropriate contractual limitations. At December 31, 2009, the Corporation's net premiums written that were subject to retrospective rating features were $8,871,256, which represented 9.7% of total net premiums written. At December 31, 2008, the Corporation's net premiums written that were subject to retrospective rating features were $6,487,960, which represented 9.3% of total net premiums written.

24. Change in Incurred Claims and Claim Adjustment Expenses

Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years increased $989,518 and $44,363, respectively, during 2009 and by $799,461 and $27,668, respectively, during 2008 as a result of re-estimation of unpaid claims and claim adjustment expenses. The re-estimation increase was generally the result of ongoing analysis of recent trends. Original estimates are adjusted as additional information becomes known regarding individual claims. Favorable prior year claim development on retrospectively rated policies does not significantly impact surplus because such policies are subject to premium adjustments.

NOTES TO FINANCIAL STATEMENTS

25. Intercompany Pooling Arrangements

None.

26. Structured Settlements

Not applicable.

27. Health Care Receivables

A. Pharmaceutical Rebates Receivable

The following is an analysis of pharmaceutical rebates receivable:

Quarter Ended	Estimated Pharmaceutical Rebates As Reported	Pharmaceutical Rebates as Invoiced or Confirmed	Actual Rebates Collected Within 90 Days	Actual Rebates Collected Within 91-180 Days	Actual Rebates Collected More Than 180 Days
12/31/2009	$ 461,641	$ -	$ -	$ -	$ -
09/30/2009	$ 494,163	$ 492,203	$ 12,879	$ -	$ -
06/30/2009	$ 504,653	$ 525,241	$ 140,521	$ 36,115	$ -
03/31/2009	$ 465,495	$ 495,442	$ 99,964	$ 40,455	$ 317,414
12/31/2008	$ 296,266	$ 348,878	$ 29,945	$ 24,466	$ 272,394
09/30/2008	$ 301,530	$ 344,018	$ 24,825	$ -	$ 319,193
06/30/2008	$ 302,434	$ 337,577	$ 6,131	$ 1,445	$ 330,001
03/31/2008	$ 295,220	$ 310,764	$ -	$ 4,898	$ 305,866
12/31/2007	$ 239,307	$ 244,725	$ -	$ -	$ 244,725
09/30/2007	$ 250,932	$ 240,169	$ -	$ -	$ 240,169
06/30/2007	$ 212,372	$ 258,939	$ -	$ -	$ 258,939
03/31/2007	$ 98,027	$ 233,120	$ -	$ -	$ 233,120

B. Risk Sharing Receivables

None.

28. Participating Policies

None.

29. Premium Deficiency Reserves

None.

30. Anticipated Salvage and Subrogation

None.

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? Pennsylvania

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 [X] No [ ]

2.2 If yes, date of change: 05/26/2009

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 that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 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). 05/27/2009

3.4 By what department or departments? The Pennsylvania Insurance Department

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 the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Co. 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 .....0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

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 locations (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?
PricewaterhouseCoopers LLP, Two Commerce Square, Suite 1700, 2001 Market Street, Philadelphia, PA 19103

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?
Mark F. St. George, FSA, MAAA, PricewaterhouseCoopers LLP, 300 Madison Avenue, New York, NY 10017

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 0

11.13 Total book/adjusted carrying value $.....0

11.2 If yes, provide explanation.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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 [ ]

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).
On May 26, 2009, the Corporation's Board of Directors approved a modified Code of Conduct addressing changes to the compliance organization's management and structure and containing provisions relating to new federal acquisition regulations and organizational conflicts of interest.
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 [ ]

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 $.....0
18.12 To stockholders not officers $.....0
18.13 Trustees, supreme or grand (Fraternal only) $.....0
18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
18.21 To directors or other officers $.....0
18.22 To stockholders not officers $.....0
18.23 Trustees, supreme or grand (Fraternal only) $.....0

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 $.....0
19.22 Borrowed from others $.....0
19.23 Leased from others $.....0
19.24 Other $.....0

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 $.....0
20.22 Amount paid as expenses $.....0
20.23 Other amounts paid $.....0

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. $.....0

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 [X] No [ ]
22.2 If no, give full and complete information relating thereto.

22.3 For 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 the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]
22.5 If answer to 22.4 is yes, report amount of collateral. $.....0
22.6 If answer to 22.4 is no, report amount of collateral. $.....0

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 and 22.3) Yes [X] No [ ]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

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

23.21	Subject to repurchase agreements	$.....0
23.22	Subject to reverse repurchase agreements	$.....0
23.23	Subject to dollar repurchase agreements	$.....0
23.24	Subject to reverse dollar repurchase agreements	$.....0
23.25	Pledged as collateral	$.....0
23.26	Placed under option agreements	$.....0
23.27	Letter stock or securities restricted as to sale	$.....0
23.28	On deposit with state or other regulatory body	$.....3,032,294
23.29	Other	$.....0

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? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

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: $.....0

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
The Bank of New York Mellon	One Mellon Center, Pittsburgh, Pennsylvania 15258

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 [ ] No [X]

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

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

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
	Highmark Inc.	120 Fifth Avenue, Pittsburgh, PA 15222

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/Adj.Carrying Value
27.2999. TOTAL		0

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

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

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	22,397,568	22,600,850	203,282
28.2 Preferred stocks			0
28.3 Totals	22,397,568	22,600,850	203,282

28.4 Describe the sources or methods utilized in determining the fair values:
Fair values are determined by the custodian bank and its pricing service or the NAIC Securities Valuation Office.

29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [X] No [ ]

29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

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

30.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

OTHER

31.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $.....0

31.2 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

32.1 Amount of payments for legal expenses, if any? $.....2,034

32.2 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
Edwards, Angell, Palmer & Dodge LLP	2,034

33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $.....0

33.2 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 (continued)

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 $.....0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $.....0

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. $.....0

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $.....0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $.....0

1.62 Total incurred claims $.....0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $.....0

1.65 Total incurred claims $.....0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $.....0

1.72 Total incurred claims $.....0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $.....0

1.75 Total incurred claims $.....0

1.76 Number of covered lives 0

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	91,686,467	69,911,569
2.2 Premium Denominator	91,686,467	69,911,569
2.3 Premium Ratio (2.1/2.2)	100.0	100.0
2.4 Reserve Numerator	14,430,804	8,968,003
2.5 Reserve Denominator	14,430,804	8,968,003
2.6 Reserve Ratio (2.4/2.5)	100.0	100.0

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, 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 [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [X]

5.2 If no, explain:

The Corporation relies on the size and financial strength of the Corporation's parent company, Highmark Inc.

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive medical $.....0

5.32 Medical only $.....0

5.33 Medicare supplement $.....0

5.34 Dental and vision $.....0

5.35 Other limited benefit plan $.....0

5.36 Other $.....0

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:

Hospital and physician agreements contain hold harmless provisions. Highmark Inc. guarantees contractual and financial obligations to customers for products sold under the Corporation's trade name.

7.1 Does the reporting entity set up its claim liability for provider services on a service date base? 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 6,283

8.2 Number of providers at end of reporting year 6,345

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 $.....0

9.22 Business with rate guarantees over 36 months $.....0

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 $.....0

10.22 Amount actually paid for year bonuses $.....0

10.23 Maximum amount payable withholds $.....0

10.24 Amount actually paid for year withholds $.....0

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

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 [ ] No [X]

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. Commonwealth of Pennsylvania

11.4 If yes, show the amount required. $.....0

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:

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

1 Name of Service Area
Alabama
Alaska
Arizona
Arkansas
California
Colorado
Connecticut
Delaware
District of Columbia
Georgia
Hawaii
Idaho
Illinois
Indiana
Iowa
Kansas
Kentucky
Lousiana
Maryland
Massachusetts
Michigan
Minnesota
Mississppi
Missouri
Montana
Nebraska
Nevada
New Jersey
New Mexico
North Carolina
North Dakota
Ohio
Oklahoma
Oregon
Pennsylvania
Rhode Island
South Carolina
South Dakota
Tennessee
Texas
Utah
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming

13.1 Do you act as a custodian for health savings account? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $.....0

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date. $.....0

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	28,509,920	23,303,777	20,208,283	12,616,819	13,683,992
2. Total liabilities (Page 3, Line 22)	17,117,773	10,651,573	7,542,208	2,156,927	665,076
3. Statutory surplus	0	1,500,000	1,500,000	1,500,000	1,500,000
4. Total capital and surplus (Page 3, Line 31)	11,392,147	12,652,204	12,666,075	10,459,892	13,018,916
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	91,686,467	69,911,569	52,754,019	0	0
6. Total medical and hospital expenses (Line 18)	87,677,964	62,482,339	40,420,360	0	0
7. Claims adjustment expenses (Line 20)	4,643,879	2,928,164	3,045,554	0	0
8. Total administrative expenses (Line 21)	2,938,500	5,333,291	7,435,574	3,202,349	228,763
9. Net underwriting gain (loss) (Line 24)	(3,573,876)	(832,225)	1,852,531	(3,202,349)	(228,763)
10. Net investment gain (loss) (Line 27)	551,714	772,951	959,246	611,153	577,807
11. Total other income (Lines 28 plus 29)	0	0	437,060	108,224	110,247
12. Net income or (loss) (Line 32)	(1,244,134)	55,789	2,347,562	(2,517,051)	326,056
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	4,001,362	1,755,467	6,182,517	(853,052)	403,420
Risk-Based Capital Analysis					
14. Total adjusted capital	11,392,147	0	0	0	0
15. Authorized control level risk-based capital	3,950,059	0	0	0	0
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	9,322	7,547	6,052	0	0
17. Total member months (Column 6, Line 7)	109,291	86,913	67,346	0	0
Operating Percentage (Page 4) **(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0**					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 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)	95.6	89.4	76.6	0.0	0.0
20. Cost containment expenses	0.7	0.7	0.3	0.0	0.0
21. Other claims adjustment expenses	4.3	3.4	5.5	0.0	0.0
22. Total underwriting deductions (Line 23)	103.9	101.2	96.5	3,202.3	228.7
23. Total underwriting gain (loss) (Line 24)	(3.9)	(1.2)	3.5	(3,202.3)	(228.7)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5)	9,935,448	5,186,979	0	0	0
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	7,987,832	3,567,002	0	0	0
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]

If no, please explain:

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....HM Health Insurance Company 2. Pittsburgh, PA

BUSINESS IN THE STATE OF GRAND TOTAL DURING THE YEAR (Location)

NAIC Group Code.....812

NAIC Company Code.....71768

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	7,547	0	0	0	0	0	0	7,547	0	0
2. First quarter	8,883	0	0	0	0	0	0	8,883	0	0
3. Second quarter	9,141	0	0	0	0	0	0	9,141	0	0
4. Third quarter	9,271	0	0	0	0	0	0	9,271	0	0
5. Current year	9,322	0	0	0	0	0	0	9,322	0	0
6. Current year member months	109,291	0	0	0	0	0	0	109,291	0	0
Total Member Ambulatory Encounters for Year:										
7. Physician	114,442	0	0	0	0	0	0	114,442	0	0
8. Non-physician	41,020	0	0	0	0	0	0	41,020	0	0
9. Totals	155,462	0	0	0	0	0	0	155,462	0	0
10. Hospital patient days incurred	25,736	0	0	0	0	0	0	25,736	0	0
11. Number of inpatient admissions	3,329	0	0	0	0	0	0	3,329	0	0
12. Health premiums written (b)	91,686,467	0	0	0	0	0	0	91,686,467	0	0
13. Life premiums direct	0	0	0	0	0	0	0	0	0	0
14. Property/casualty premiums written	0	0	0	0	0	0	0	0	0	0
15. Health premiums earned	91,415,349	0	0	0	0	0	0	91,415,349	0	0
16. Property/casualty premiums earned	0	0	0	0	0	0	0	0	0	0
17. Amount paid for provision of health care services	82,603,243	0	0	0	0	0	0	82,603,243	0	0
18. Amount incurred for provision of health care services	87,677,964	0	0	0	0	0	0	87,677,964	0	0

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....HM Health Insurance Company 2. Pittsburgh, PA

BUSINESS IN THE STATE OF WEST VIRGINIA DURING THE YEAR (Location)

NAIC Group Code.....812

NAIC Company Code.....71768

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior year	7,547	0	0	0	0	0	0	7,547	0	0
2. First quarter	8,883	0	0	0	0	0	0	8,883	0	0
3. Second quarter	9,141	0	0	0	0	0	0	9,141	0	0
4. Third quarter	9,271	0	0	0	0	0	0	9,271	0	0
5. Current year	9,322	0	0	0	0	0	0	9,322	0	0
6. Current year member months	109,291	0	0	0	0	0	0	109,291	0	0
Total Member Ambulatory Encounters for Year:										
7. Physician	114,442	0	0	0	0	0	0	114,442	0	0
8. Non-physician	41,020	0	0	0	0	0	0	41,020	0	0
9. Totals	155,462	0	0	0	0	0	0	155,462	0	0
10. Hospital patient days incurred	25,736	0	0	0	0	0	0	25,736	0	0
11. Number of inpatient admissions	3,329	0	0	0	0	0	0	3,329	0	0
12. Health premiums written (b)	91,686,467	0	0	0	0	0	0	91,686,467	0	0
13. Life premiums direct	0	0	0	0	0	0	0	0	0	0
14. Property/casualty premiums written	0	0	0	0	0	0	0	0	0	0
15. Health premiums earned	91,415,349	0	0	0	0	0	0	91,415,349	0	0
16. Property/casualty premiums earned	0	0	0	0	0	0	0	0	0	0
17. Amount paid for provision of health care services	82,603,243	0	0	0	0	0	0	82,603,243	0	0
18. Amount incurred for provision of health care services	87,677,964	0	0	0	0	0	0	87,677,964	0	0

(a) For health business: number of persons insured under PPO managed care products.....0 and number of persons insured under indemnity only products.....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $.....0

Sch. S-Pt. 1-Sn. 2
NONE

Sch. S-Pt. 2
NONE

Sch. S-Pt. 3-Sn. 2
NONE

Sch. S-Pt. 4
NONE

Sch. S-Pt. 5
NONE

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit for Ceded Reinsurance

		1 As Reported (Net of Ceded)	2 Restatement Adjustments	3 Restated (Gross of Ceded)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	22,599,900	0	22,599,900
2.	Accident and health premiums due and unpaid (Line 13)	2,272,964	0	2,272,964
3.	Amounts recoverable from reinsurers (Line 14.1)	0	0	0
4.	Net credit for ceded reinsurance	XXX	0	0
5.	All other admitted assets (balance)	3,637,056	0	3,637,056
6.	Totals assets (Line 26)	28,509,920	0	28,509,920
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	14,411,804	0	14,411,804
8.	Accrued medical incentive pool and bonus payments (Line 2)	0	0	0
9.	Premiums received in advance (Line 8)	429,942	0	429,942
10.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17)	0	0	0
11.	Reinsurance in unauthorized companies (Line 18)	0	0	0
12.	All other liabilities (balance)	2,276,027	0	2,276,027
13.	Total liabilities (Line 22)	17,117,773	0	17,117,773
14.	Total capital and surplus (Line 31)	11,392,147	XXX	11,392,147
15.	Total liabilities, capital and surplus (Line 32)	28,509,920	0	28,509,920
	NET CREDIT FOR CEDED REINSURANCE			
16.	Claims unpaid	0		
17.	Accrued medical incentive pool	0		
18.	Premiums received in advance	0		
19.	Reinsurance recoverable on paid losses	0		
20.	Other ceded reinsurance recoverables	0		
21.	Total ceded reinsurance recoverables	0		
22.	Premiums receivable	0		
23.	Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
24.	Unauthorized reinsurance	0		
25.	Other ceded reinsurance payables/offsets	0		
26.	Total ceded reinsurance payables/offsets	0		
27.	Total net credit for ceded reinsurance	0		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama AL	L	0	0	0	0	0	0	0	0
2. Alaska AK	L	0	0	0	0	0	0	0	0
3. Arizona AZ	L	0	0	0	0	0	0	0	0
4. Arkansas AR	L	0	0	0	0	0	0	0	0
5. California CA	L	0	0	0	0	0	0	0	0
6. Colorado CO	L	0	0	0	0	0	0	0	0
7. Connecticut CT	L	0	0	0	0	0	0	0	0
8. Delaware DE	L	0	0	0	0	0	0	0	0
9. District of Columbia DC	L	0	0	0	0	0	0	0	0
10. Florida FL	N	0	0	0	0	0	0	0	0
11. Georgia GA	L	0	0	0	0	0	0	0	0
12. Hawaii HI	L	0	0	0	0	0	0	0	0
13. Idaho ID	L	0	0	0	0	0	0	0	0
14. Illinois IL	L	0	0	0	0	0	0	0	0
15. Indiana IN	L	0	0	0	0	0	0	0	0
16. Iowa IA	L	0	0	0	0	0	0	0	0
17. Kansas KS	L	0	0	0	0	0	0	0	0
18. Kentucky KY	L	0	0	0	0	0	0	0	0
19. Louisiana LA	L	0	0	0	0	0	0	0	0
20. Maine ME	N	0	0	0	0	0	0	0	0
21. Maryland MD	L	0	0	0	0	0	0	0	0
22. Massachusetts MA	L	0	0	0	0	0	0	0	0
23. Michigan MI	L	0	0	0	0	0	0	0	0
24. Minnesota MN	L	0	0	0	0	0	0	0	0
25. Mississippi MS	L	0	0	0	0	0	0	0	0
26. Missouri MO	L	0	0	0	0	0	0	0	0
27. Montana MT	L	0	0	0	0	0	0	0	0
28. Nebraska NE	L	0	0	0	0	0	0	0	0
29. Nevada NV	L	0	0	0	0	0	0	0	0
30. New Hampshire NH	N	0	0	0	0	0	0	0	0
31. New Jersey NJ	L	0	0	0	0	0	0	0	0
32. New Mexico NM	L	0	0	0	0	0	0	0	0
33. New York NY	N	0	0	0	0	0	0	0	0
34. North Carolina NC	L	0	0	0	0	0	0	0	0
35. North Dakota ND	L	0	0	0	0	0	0	0	0
36. Ohio OH	L	0	0	0	0	0	0	0	0
37. Oklahoma OK	L	0	0	0	0	0	0	0	0
38. Oregon OR	L	0	0	0	0	0	0	0	0
39. Pennsylvania PA	L	0	0	0	0	0	0	0	0
40. Rhode Island RI	L	0	0	0	0	0	0	0	0
41. South Carolina SC	L	0	0	0	0	0	0	0	0
42. South Dakota SD	L	0	0	0	0	0	0	0	0
43. Tennessee TN	L	0	0	0	0	0	0	0	0
44. Texas TX	L	0	0	0	0	0	0	0	0
45. Utah UT	L	0	0	0	0	0	0	0	0
46. Vermont VT	L	0	0	0	0	0	0	0	0
47. Virginia VA	L	0	0	0	0	0	0	0	0
48. Washington WA	L	0	0	0	0	0	0	0	0
49. West Virginia WV	L	0	91,686,467	0	0	0	0	91,686,467	0
50. Wisconsin WI	L	0	0	0	0	0	0	0	0
51. Wyoming WY	L	0	0	0	0	0	0	0	0
52. American Samoa AS	N	0	0	0	0	0	0	0	0
53. Guam GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0
57. Canada CN	N	0	0	0	0	0	0	0	0
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	91,686,467	0	0	0	0	91,686,467	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Total (Direct Business)	(a) 47	0	91,686,467	0	0	0	0	91,686,467	0

DETAILS OF WRITE-INS

5801.	0	0	0	0	0	0	0	0
5802.	0	0	0	0	0	0	0	0
5803.	0	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for line 58	0	0	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 + 5898) (Line 58 above)	0	0	0	0	0	0	0	0

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

All premium written within the State of West Virginia.

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

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SCHEDULE T - PART 2

INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

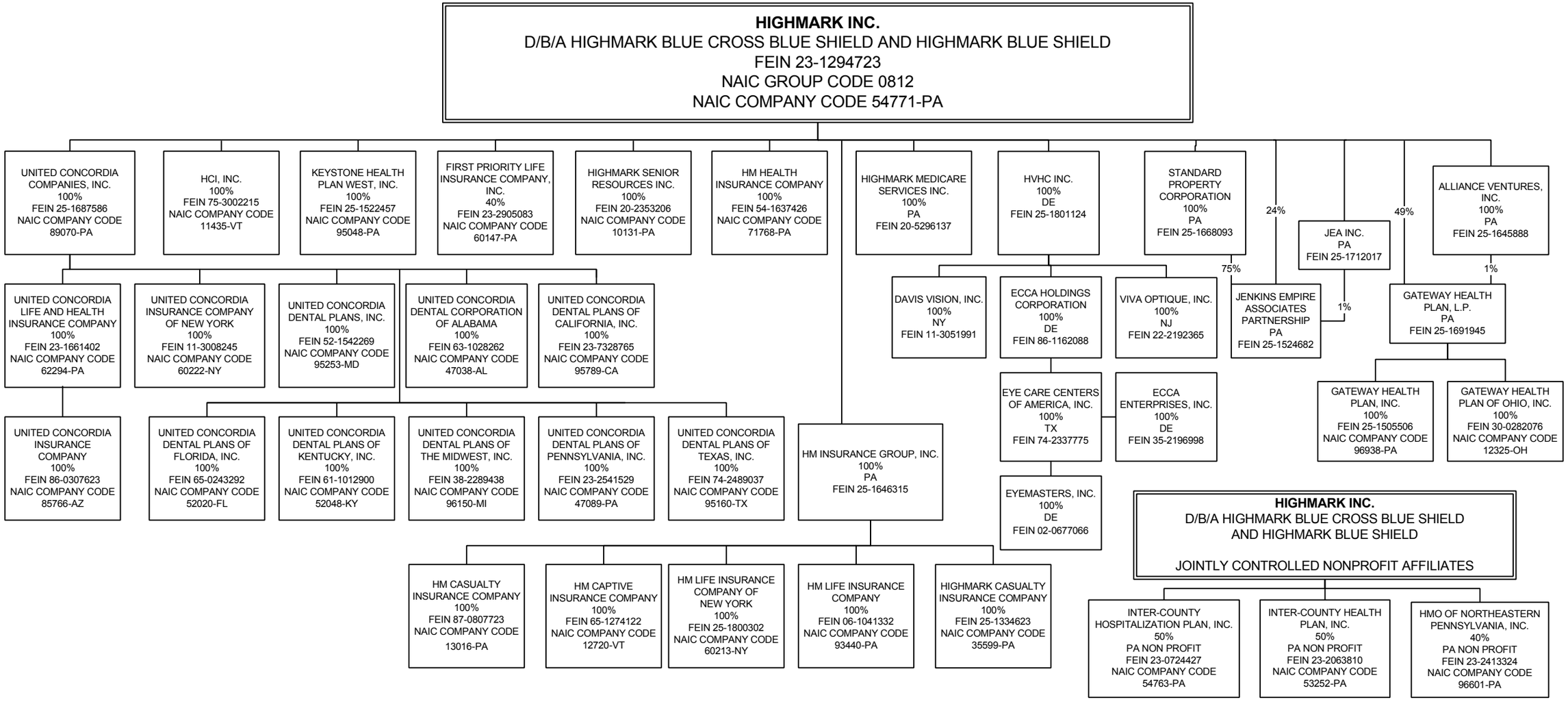
Allocated by States and Territories

		Direct Business Only					
	States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1.	Alabama AL	0	0	0	0	0	0
2.	Alaska AK	0	0	0	0	0	0
3.	Arizona AZ	0	0	0	0	0	0
4.	Arkansas AR	0	0	0	0	0	0
5.	California CA	0	0	0	0	0	0
6.	Colorado CO	0	0	0	0	0	0
7.	Connecticut CT	0	0	0	0	0	0
8.	Delaware DE	0	0	0	0	0	0
9.	District of Columbia DC	0	0	0	0	0	0
10.	Florida FL	0	0	0	0	0	0
11.	Georgia GA	0	0	0	0	0	0
12.	Hawaii HI	0	0	0	0	0	0
13.	Idaho ID	0	0	0	0	0	0
14.	Illinois IL	0	0	0	0	0	0
15.	Indiana IN	0	0	0	0	0	0
16.	Iowa IA	0	0	0	0	0	0
17.	Kansas KS	0	0	0	0	0	0
18.	Kentucky KY	0	0	0	0	0	0
19.	Louisiana LA	0	0	0	0	0	0
20.	Maine ME	0	0	0	0	0	0
21.	Maryland MD	0	0	0	0	0	0
22.	Massachusetts MA	0	0	0	0	0	0
23.	Michigan MI	0	0	0	0	0	0
24.	Minnesota MN	0	0	0	0	0	0
25.	Mississippi MS	0	0	0	0	0	0
26.	Missouri MO	0	0	0	0	0	0
27.	Montana MT	0	0	0	0	0	0
28.	Nebraska NE	0	0	0	0	0	0
29.	Nevada NV	0	0	0	0	0	0
30.	New Hampshire NH	0	0	0	0	0	0
31.	New Jersey NJ	0	0	0	0	0	0
32.	New Mexico NM	0	0	0	0	0	0
33.	New York NY	0	0	0	0	0	0
34.	North Carolina NC	0	0	0	0	0	0
35.	North Dakota ND	0	0	0	0	0	0
36.	Ohio OH	0	0	0	0	0	0
37.	Oklahoma OK	0	0	0	0	0	0
38.	Oregon OR	0	0	0	0	0	0
39.	Pennsylvania PA	0	0	0	0	0	0
40.	Rhode Island RI	0	0	0	0	0	0
41.	South Carolina SC	0	0	0	0	0	0
42.	South Dakota SD	0	0	0	0	0	0
43.	Tennessee TN	0	0	0	0	0	0
44.	Texas TX	0	0	0	0	0	0
45.	Utah UT	0	0	0	0	0	0
46.	Vermont VT	0	0	0	0	0	0
47.	Virginia VA	0	0	0	0	0	0
48.	Washington WA	0	0	0	0	0	0
49.	West Virginia WV	0	0	0	0	0	0
50.	Wisconsin WI	0	0	0	0	0	0
51.	Wyoming WY	0	0	0	0	0	0
52.	American Samoa AS	0	0	0	0	0	0
53.	Guam GU	0	0	0	0	0	0
54.	Puerto Rico PR	0	0	0	0	0	0
55.	US Virgin Islands VI	0	0	0	0	0	0
56.	Northern Mariana Islands MP	0	0	0	0	0	0
57.	Canada CN	0	0	0	0	0	0
58.	Aggregate Other Alien OT	0	0	0	0	0	0
59.	Totals	0	0	0	0	0	0

NONE

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
Affiliated Transactions												
95048	25-1522457	Keystone Health Plan West, Inc.	(75,000,000)	0	0	0	(164,054,473)	0		1,709,538	(237,344,935)	0
35599	25-1334623	Highmark Casualty Insurance Company	0	0	0	0	0	(4,768,448)		(7,743,213)	(12,511,661)	(9,444,969)
93440	06-1041332	HM Life Insurance Company	0	0	0	0	0	4,768,448		(7,053,246)	(2,284,798)	9,444,969
0	25-1645888	Alliance Ventures, Inc.	140,000	0	0	0	0	0		0	140,000	0
0	25-1668093	Standard Property Corporation	2,100,000	0	0	0	0	0		0	2,100,000	0
0	25-1712017	JEA, Inc.	28,000	0	0	0	0	0		0	28,000	0
0	25-1524682	Jenkins-Empire Associates	(2,800,000)	0	0	0	0	0		0	(2,800,000)	0
11435	75-3002215	HCI, Inc.	0	0	0	0	(37,088)	0		(375,650)	(412,738)	0
89070	25-1687586	United Concordia Companies, Inc.	(10,000,000)	(162,940)	0	0	(15,783,047)	0		0	(25,945,987)	0
85766	86-0307623	United Concordia Insurance Company	0	0	0	0	(24,592,370)	3,774,574		1,277,106	(19,540,690)	778,748
62294	23-1661402	United Concoria Life & Health Insurance Co.	(14,000,000)	0	0	0	(46,395,591)	(3,780,854)		(13,341,119)	(77,517,564)	(778,748)
47089	23-2541529	United Concordia Dental Plan of Pennsylvania, Inc.	0	0	0	0	(4,317,691)	0		(43,897)	(4,361,588)	0
95253	52-1542269	United Concordia Dental Plans, Inc.	0	0	0	0	(2,648,214)	0		(98,914)	(2,747,128)	0
95789	23-7328765	United Concordia Dental Plans of California, Inc.	0	0	0	0	(1,578,264)	0		280,197	(1,298,067)	0
96150	38-2289438	United Concordia Dental Plans of Midwest, Inc.	0	0	0	0	(982,114)	0		(24,154)	(1,006,268)	0
47038	63-1028262	United Concordia Dental Corporation of Alabama	0	0	0	0	(763,397)	0		152,155	(611,242)	0
60222	11-3008245	United Concordia Insurance Company of New York	0	0	0	0	(697,474)	0		16,885	(680,589)	0
96849	54-1093109	United Concordia Dental Plans of Delaware, Inc.	0	0	0	0	-	6,280		3,527	9,807	0
52048	61-1012900	United Concordia Dental Plans of Kentucky, Inc.	0	42,228	0	0	(68,776)	0		68,357	41,809	0
95160	74-2489037	United Concordia Dental Plans of Texas, Inc.	0	117,786	0	0	(137,271)	0		117,434	97,949	0
52020	65-0243292	United Concordia Dental Plans of Florida, Inc.	0	2,926	0	0	(5,957)	0		(3,511)	(6,542)	0
0	37-1494957	United Concordia Service Company	0	0	0	0	0	0		(20,579)	(20,579)	0
53252	23-2063810	Inter-County Health Plan, Inc.	0	1,135,000	0	0	(9,381)	3,601,314		0	4,726,933	(2,208,871)
54763	23-0724427	Inter-County Hpospitalization Plan, Inc.	0	1,315,000	0	0	0	0		0	1,315,000	0
0	25-1691945	Gateway Health Plan, L.P.	(7,000,000)	0	0	0	0	0		0	(7,000,000)	0
10131	20-2353206	Highmark Senior Resources, Inc.	0	0	0	0	(16,549,140)	0		(18,587,988)	(35,137,128)	0
71768	54-1637426	HM Health Insurance Company	0	0	0	0	(10,377,188)	0		896,901	(9,480,287)	0
96601	23-2413324	HMO of Northeastern Pennsylvania, Inc.	(15,820,000)	12,820,000	0	0	0	0		(1,028,300)	(4,028,300)	0
54771	23-1294723	HIghmark, Inc.	122,352,000	(15,270,000)	0	0	288,997,436	(3,601,314)		43,798,471	436,276,593	2,208,871
9999999.	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

		Responses
	MARCH FILING	
1.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2.	Will an actuarial opinion be filed by March 1?	YES
3.	Will the confidential Risk-Based Capital Report be filed with the NAIC by March 1?	YES
4.	Will the confidential Risk-Based Capital Report be filed with the state of domicile, if required, by March 1?	YES
	APRIL FILING	
5.	Will the Management's Discussion and Analysis be filed by April 1?	YES
6.	Will the Supplemental Investment Risk Interrogatories be filed by April 1?	YES
7.	Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES

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

	MARCH FILING	
10.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
11.	Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
12.	Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
13.	Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
14.	Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
15.	Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16.	Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
	APRIL FILING	
17.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
18.	Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
19.	Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO

EXPLANATIONS:

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BAR CODE:

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SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings 1 Amount	2 Percentage	Admitted Assets as Reported in the Annual Statement 3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	4,036,594	17.9	4,036,594	17.9
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	0	0.0	0	0.0
1.22 Issued by U.S. government sponsored agencies	3,756,939	16.6	3,756,939	16.6
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	0	0.0	0	0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	0	0.0	0	0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations	0	0.0	0	0.0
1.43 Revenue and assessment obligations	250,000	1.1	250,000	1.1
1.44 Industrial development and similar obligations	0	0.0	0	0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	2,116,045	9.4	2,116,045	9.4
1.512 Issued or guaranteed by FNMA and FHLMC	0	0.0	0	0.0
1.513 All other	0	0.0	0	0.0
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	0	0.0	0	0.0
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	0	0.0	0	0.0
1.523 All other	0	0.0	0	0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	5,604,842	24.8	5,604,842	24.8
2.2 Unaffiliated non-U.S. securities (including Canada)	0	0.0	0	0.0
2.3 Affiliated securities	0	0.0	0	0.0
3. Equity interests:				
3.1 Investments in mutual funds	0	0.0	0	0.0
3.2 Preferred stocks:				
3.21 Affiliated	0	0.0	0	0.0
3.22 Unaffiliated	0	0.0	0	0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.0	0	0.0
3.32 Unaffiliated	0	0.0	0	0.0
3.4 Other equity securities:				
3.41 Affiliated	0	0.0	0	0.0
3.42 Unaffiliated	0	0.0	0	0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.0	0	0.0
3.52 Unaffiliated	0	0.0	0	0.0
4. Mortgage loans:				
4.1 Construction and land development	0	0.0	0	0.0
4.2 Agricultural	0	0.0	0	0.0
4.3 Single family residential properties	0	0.0	0	0.0
4.4 Multifamily residential properties	0	0.0	0	0.0
4.5 Commercial loans	0	0.0	0	0.0
4.6 Mezzanine real estate loans	0	0.0	0	0.0
5. Real estate investments:				
5.1 Property occupied by company	0	0.0	0	0.0
5.2 Property held for production of income (including $.....0 of property acquired in satisfaction of debt)	0	0.0	0	0.0
5.3 Property held for sale (including $.....0 property acquired in satisfaction of debt)	0	0.0	0	0.0
6. Contract loans	0	0.0	0	0.0
7. Receivables for securities	0	0.0	0	0.0
8. Cash, cash equivalents and short-term investments	6,835,480	30.2	6,835,480	30.2
9. Other invested assets	0	0.0	0	0.0
10. Total invested assets	22,599,900	100.0	22,599,900	100.0

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

1.	Book/adjusted carrying value, December 31 of prior year		0
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 6)	0	
2.2	Additional investment made after acquisition (Part 2, Column 9)	0	0
3.	Current year change in encumbrances:		
3.1	Totals, Part 1, Column 13	0	
3.2	Totals, Part 3, Column 11	0	0
4.	Total gain (loss) on disposals, Part 3, Column 18		0
5.	Deduct amounts received on disposals, Part 3, Column 15		0
6.	Total foreign exchange change in book/adjusted carrying value:		
6.1	Totals, Part 1, Column 15	0	
6.2	Totals, Part 3, Column 13	0	0
7.	Deduct current year's other than temporary impairment recognized:		
7.1	Totals, Part 1, Column 12	0	
7.2	Totals, Part 3, Column 10	0	0
8.	Deduct current year's depreciation:		
8.1	Totals, Part 1, Column 11	0	
8.2	Totals, Part 3, Column 9	0	0
9.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)		0
10.	Deduct total nonadmitted amounts		0
11.	Statement value at end of current period (Line 9 minus Line 10)		0

NONE

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year		0
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 7)	0	
2.2	Additional investment made after acquisition (Part 2, Column 8)	0	0
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 12	0	
3.2	Totals, Part 3, Column 11	0	0
4.	Accrual of discount		0
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 9	0	
5.2	Totals, Part 3, Column 8	0	0
6.	Total gain (loss) on disposals, Part 3, Column 18		0
7.	Deduct amounts received on disposals, Part 3, Column 15		0
8.	Deduct amortization of premium and mortgage interest points and commitment fees		0
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest:		
9.1	Totals, Part 1, Column 13	0	
9.2	Totals, Part 3, Column 13	0	0
10.	Deduct current year's other than temporary impairment recognized:		
10.1	Totals, Part 1, Column 11	0	
10.2	Totals, Part 3, Column 10	0	0
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Total valuation allowance		0
13.	Subtotal (Line 11 plus Line 12)		0
14.	Deduct total nonadmitted amounts		0
15.	Statement value at end of current period (Line 13 minus Line 14)		0

NONE

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

NONE

1.	Book/adjusted carrying value, December 31 of prior year		0
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 8)	0	
2.2	Additional investment made after acquisition (Part 2, Column 9)	0	0
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 16	0	
3.2	Totals, Part 3, Column 12	0	0
4.	Accrual of discount		0
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 13	0	
5.2	Totals, Part 3, Column 9	0	0
6.	Total gain (loss) on disposals, Part 3, Column 19		0
7.	Deduct amounts received on disposals, Part 3, Column 16		0
8.	Deduct amortization of premium and depreciation		0
9.	Total foreign exchange change in book/adjusted carrying value:		
9.1	Totals, Part 1, Column 17	0	
9.2	Totals, Part 3, Column 14	0	0
10.	Deduct current year's other than temporary impairment recognized:		
10.1	Totals, Part 1, Column 15	0	
10.2	Totals, Part 3, Column 11	0	0
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		0
12.	Deduct total nonadmitted amounts		0
13.	Statement value at end of current period (Line 11 minus Line 12)		0

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year		9,428,630
2.	Cost of bonds and stocks acquired, Part 3, Column 7		18,361,984
3.	Accrual of discount		22,533
4.	Unrealized valuation increase (decrease):		
4.1	Part 1, Column 12	0	
4.2	Part 2, Section 1, Column 15	0	
4.3	Part 2, Section 2, Column 13	0	
4.4	Part 4, Column 11	0	0
5.	Total gain (loss) on disposals, Part 4, Column 19		52,890
6.	Deduct consideration for bonds and stocks disposed of, Part 4, Column 7		11,962,693
7.	Deduct amortization of premium		138,924
8.	Total foreign exchange change in book/adjusted carrying value:		
8.1	Part 1, Column 15	0	
8.2	Part 2, Section 1, Column 19	0	
8.3	Part 2, Section 2, Column 16	0	
8.4	Part 4, Column 15	0	0
9.	Deduct current year's other than temporary impairment recognized:		
9.1	Part 1, Column 14	0	
9.2	Part 2, Section 1, Column 17	0	
9.3	Part 2, Section 2, Column 14	0	
9.4	Part 4, Column 13	0	0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		15,764,420
11.	Deduct total nonadmitted amounts		0
12.	Statement value at end of current period (Line 10 minus Line 11)		15,764,420

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	9,909,578	9,889,101	9,973,976	9,736,585
Governments (Including all obligations	2. Canada	0	0	0	0
guaranteed by governments)	3. Other Countries	0	0	0	0
	4. Totals	9,909,578	9,889,101	9,973,976	9,736,585
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special Revenue and Special Assessment Obligations and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions	7. Totals	250,000	249,025	250,000	250,000
Industrial and Miscellaneous, Credit Tenant	8. United States	5,604,842	5,829,576	5,665,741	5,470,000
Loans and Hybrid Securities (Unaffiliated)	9. Canada	0	0	0	0
	10. Other Countries	0	0	0	0
	11. Totals	5,604,842	5,829,576	5,665,741	5,470,000
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	15,764,420	15,967,702	15,889,717	15,456,585
PREFERRED STOCKS	14. United States	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	15. Canada	0	0	0	
	16. Other Countries	0	0	0	
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	
	19. Total Preferred Stocks	0	0	0	
COMMON STOCKS	20. United States	0	0	0	
Industrial and Miscellaneous (Unaffiliated)	21. Canada	0	0	0	
	22. Other Countries	0	0	0	
	23. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	
	25. Total Common Stocks	0	0	0	
	26. Total Stocks	0	0	0	
	27. Total Bonds and Stocks	15,764,420	15,967,702	15,889,717	

SCHEDULE D - PART 1A - SECTION 1

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. **U.S. Governments**											
1.1 Class 1	4,562,344	2,081,728	1,518,328	659,577	1,087,603	9,909,580	44.2	7,632,268	41.1	9,909,580	0
1.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	4,562,344	2,081,728	1,518,328	659,577	1,087,603	9,909,580	44.2	7,632,268	41.1	9,909,580	0
2. **All Other Governments**											
2.1 Class 1	0	0	0	0	0	0	0.0	98,882	0.5	0	0
2.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
2.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
2.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	98,882	0.5	0	0
3. **U.S. States, Territories and Possessions, etc., Guaranteed**											
3.1 Class 1	0	0	0	0	0	0	0.0	338,872	1.8	0	0
3.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
3.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
3.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	338,872	1.8	0	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 Class 1	0	0	0	0	0	0	0.0	520,347	2.8	0	0
4.2 Class 2	0	0	0	0	0	0	0.0	104,511	0.6	0	0
4.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
4.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	624,858	3.4	0	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 Class 1	0	250,000	0	0	0	250,000	1.1	1,958,652	10.6	250,000	0
5.2 Class 2	0	0	0	0	0	0	0.0	52,473	0.3	0	0
5.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	0	250,000	0	0	0	250,000	1.1	2,011,125	10.8	250,000	0

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 Class 1	7,255,823	2,518,658	1,957,908	0	0	11,732,389	52.4	7,128,368	38.4	10,720,949	1,011,440
6.2 Class 2	0	505,599	0	0	0	505,599	2.3	718,715	3.9	205,599	300,000
6.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
6.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	7,255,823	3,024,257	1,957,908	0	0	12,237,988	54.6	7,847,083	42.3	10,926,548	1,311,440
7. **Credit Tenant Loans**											
7.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
7.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
7.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
7.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
7.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. **Hybrid Securities**											
8.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
8.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
8.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. **Parent, Subsidiaries and Affiliates**											
9.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
9.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
9.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. **Total Bonds Current Year**											
10.1 Class 1	(d) 11,818,167	4,850,386	3,476,236	659,577	1,087,603	21,891,969	97.7	XXX	XXX	20,880,529	1,011,440
10.2 Class 2	(d) 0	505,599	0	0	0	505,599	2.3	XXX	XXX	205,599	300,000
10.3 Class 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	11,818,167	5,355,985	3,476,236	659,577	1,087,603	(b) 22,397,568	100.0	XXX	XXX	21,086,128	1,311,440
10.8 Line 10.7 as a % of Col. 6	52.8	23.9	15.5	2.9	4.9	100.0	XXX	XXX	XXX	94.1	5.9
11. **Total Bonds Prior Year**											
11.1 Class 1	12,327,942	3,127,978	900,055	640,241	681,173	XXX	XXX	17,677,389	95.3	17,677,389	0
11.2 Class 2	0	730,209	145,490	0	0	XXX	XXX	875,699	4.7	875,699	0
11.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
11.7 Totals	12,327,942	3,858,187	1,045,545	640,241	681,173	XXX	XXX	(b) 18,553,088	100.0	18,553,088	0
11.8 Line 11.7 as a % of Col. 8	66.4	20.8	5.6	3.5	3.7	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Class 1	11,818,168	4,088,723	3,226,458	659,577	1,087,603	20,880,529	93.2	17,677,389	95.3	20,880,529	XXX
12.2 Class 2	0	205,599	0	0	0	205,599	0.9	875,699	4.7	205,599	XXX
12.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	11,818,168	4,294,322	3,226,458	659,577	1,087,603	21,086,128	94.1	18,553,088	100.0	21,086,128	XXX
12.8 Line 12.7 as a % of Col. 6	56.0	20.4	15.3	3.1	5.2	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	52.8	19.2	14.4	2.9	4.9	94.1	XXX	XXX	XXX	94.1	XXX
13. **Total Privately Placed Bonds**											
13.1 Class 1	0	511,662	499,778	0	0	1,011,440	4.5	0	0.0	XXX	1,011,440
13.2 Class 2	0	300,000	0	0	0	300,000	1.3	0	0.0	XXX	300,000
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	811,662	499,778	0	0	1,311,440	5.9	0	0.0	XXX	1,311,440
13.8 Line 13.7 as a % of Col. 6	0.0	61.9	38.1	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	3.6	2.2	0.0	0.0	5.9	XXX	XXX	XXX	XXX	5.9

(a) Includes $.....1,311,440 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $.....0 current year, $.....52,473 prior year of bonds with Z designations and $.....0 current year, $.....0 prior year of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

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

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 $.....0; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE D - PART 1A - SECTION 2

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. **U.S. Governments**											
1.1 Issuer Obligations	4,534,320	1,951,881	1,307,335	0	0	7,793,536	34.8	6,838,371	36.9	7,793,536	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	28,025	129,847	210,992	659,577	1,087,603	2,116,044	9.4	793,897	4.3	2,116,044	0
1.7 Totals	4,562,345	2,081,728	1,518,327	659,577	1,087,603	9,909,580	44.2	7,632,268	41.1	9,909,580	0
2. **All Other Governments**											
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	98,882	0.5	0	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	98,882	0.5	0	0
3. **U.S. States, Territories and Possessions, Guaranteed**											
3.1 Issuer Obligations	0	0	0	0	0	0	0.0	338,872	1.8	0	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	338,872	1.8	0	0
4. **U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed**											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	624,858	3.4	0	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	624,858	3.4	0	0
5. **U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed**											
5.1 Issuer Obligations	0	250,000	0	0	0	250,000	1.1	1,383,907	7.5	250,000	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	627,218	3.4	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	0	250,000	0	0	0	250,000	1.1	2,011,125	10.8	250,000	0

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. **Industrial and Miscellaneous (unaffiliated)**											
6.1 Issuer Obligations	7,255,823	3,024,257	1,957,908	0	0	12,237,988	54.6	7,474,613	40.3	10,926,548	1,311,440
6.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
6.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
6.5 Defined	0	0	0	0	0	0	0.0	372,470	2.0	0	0
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	7,255,823	3,024,257	1,957,908	0	0	12,237,988	54.6	7,847,083	42.3	10,926,548	1,311,440
7. **Credit Tenant Loans**											
7.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
7.2 Single Class Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. **Hybrid Securities**											
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
8.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
8.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. **Parent, Subsidiaries and Affiliates**											
9.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
9.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
9.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total from Column 6 Prior Year	9 % from Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. **Total Bonds Current Year**											
10.1 Issuer Obligations	11,790,143	5,226,138	3,265,243	0	0	20,281,524	90.6	XXX	XXX	18,970,084	1,311,440
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	28,025	129,847	210,992	659,577	1,087,603	2,116,044	9.4	XXX	XXX	2,116,044	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	11,818,168	5,355,985	3,476,235	659,577	1,087,603	22,397,568	100.0	XXX	XXX	21,086,128	1,311,440
10.8 Line 10.7 as a % of Col. 6	52.8	23.9	15.5	2.9	4.9	100.0	XXX	XXX	XXX	94.1	5.9
11. **Total Bonds Prior Year**											
11.1 Issuer Obligations	12,280,127	3,635,743	843,633	0	0	XXX	XXX	16,759,503	90.3	16,759,503	0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	43,363	202,178	170,003	545,840	459,731	XXX	XXX	1,421,115	7.7	1,421,115	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
11.5 Defined	4,452	20,266	31,909	94,401	221,442	XXX	XXX	372,470	2.0	372,470	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	12,327,942	3,858,187	1,045,545	640,241	681,173	XXX	XXX	18,553,088	100.0	18,553,088	0
11.8 Line 11.7 as a % of Col. 8	66.4	20.8	5.6	3.5	3.7	XXX	XXX	100.0	XXX	100.0	0.0
12. **Total Publicly Traded Bonds**											
12.1 Issuer Obligations	11,790,143	4,164,476	3,015,465	0	0	18,970,084	84.7	16,759,503	90.3	18,970,084	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	28,025	129,847	210,992	659,577	1,087,603	2,116,044	9.4	1,421,115	7.7	2,116,044	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
12.5 Defined	0	0	0	0	0	0	0.0	372,470	2.0	0	XXX
12.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	11,818,168	4,294,323	3,226,457	659,577	1,087,603	21,086,128	94.1	18,553,088	100.0	21,086,128	XXX
12.8 Line 12.7 as a % of Col. 6	56.0	20.4	15.3	3.1	5.2	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	52.8	19.2	14.4	2.9	4.9	94.1	XXX	XXX	XXX	94.1	XXX
13. **Total Privately Placed Bonds**											
13.1 Issuer Obligations	0	811,662	499,778	0	0	1,311,440	5.9	0	0.0	XXX	1,311,440
13.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ ASSET-BACKED SECURITIES:											
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	811,662	499,778	0	0	1,311,440	5.9	0	0.0	XXX	1,311,440
13.8 Line 13.7 as a % of Col. 6	0.0	61.9	38.1	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	3.6	2.2	0.0	0.0	5.9	XXX	XXX	XXX	XXX	5.9

SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1 Total	2 Bonds	3 Mortgage Loans	4 Other Short-term Investment Assets (a)	5 Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value December 31 of prior year	9,135,427	9,024,457	0	110,970	0
2. Cost of short-term investments acquired	114,398,996	113,627,910	0	771,086	0
3. Accrual of discount	0	0	0	0	0
4. Unrealized valuation increase (decrease)	0	0	0	0	0
5. Total gain (loss) on disposals	0	0	0	0	0
6. Deduct consideration received on disposals	116,888,658	116,006,602	0	882,056	0
7. Deduct amortization of premium	12,617	12,617	0	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0	0	0	0
9. Deduct current year's other than temporary impairment recognized	0	0	0	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	6,633,148	6,633,148	0	0	0
11. Deduct total nonadmitted amounts	0	0	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	6,633,148	6,633,148	0	0	0

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Sch. DB-Pt.A-Verification
NONE

Sch. DB-Pt.B-Verification
NONE

Sch. DB-Pt.C-Verification
NONE

Sch. DB-Pt.D-Verification
NONE

Sch. DB-Pt.E-Verification
NONE

Sch. DB-Pt. F-Sn. 1
NONE

Sch. DB-Pt. F-Sn. 2
NONE

SCHEDULE E- VERIFICATION BETWEEN YEARS

Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year	0	0	0
2. Cost of cash equivalents acquired	500,000	500,000	0
3. Accrual of discount	0	0	0
4. Unrealized valuation increase (decrease)	0	0	0
5. Total gain (loss) on disposals	0	0	0
6. Deduct consideration received on disposals	500,000	500,000	0
7. Deduct amortization of premium	0	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0	0
9. Deduct current year's other than temporary impairment recognized	0	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0	0
11. Deduct total nonadmitted amounts	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	0	0	0

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:.

Sch. A-Pt. 1
NONE

Sch. A-Pt. 2
NONE

Sch. A-Pt. 3
NONE

Sch. B-Pt. 1
NONE

Sch. B-Pt. 2
NONE

Sch. B-Pt. 3
NONE

Sch. BA-Pt. 1
NONE

Sch. BA-Pt. 2
NONE

Sch. BA-Pt. 3
NONE

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	Foreign	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity
U.S. Government - Issuer Obligations																					
3128X8 FT 4	FEDERAL HOME LOAN MTG CORP STEP CPN NTS		.	1	1	1,684,158	100.063	1,686,062	1,685,000	1,702,337	0	18,180	0	0	2.000	3.161	JJ	14,229	16,850	########	########
3128X9 BU 3	FEDERAL HOME LOAN MTG CORP NTS		.	1	1	503,650	100.436	502,180	500,000	502,024	0	(1,626)	0	0	3.000	0.603	MS	4,917	0	########	########
3128X9 QJ 2	FEDERAL HOME LOAN MTG CORP STP CPN BONDS		.	1	1	500,000	100.000	500,000	500,000	500,000	0	0	0	0	0.500	0.500	MJSD	7	0	########	########
3133XV RK 9	FEDERAL HOME LOAN BANK BONDS		.		1	303,069	97.156	291,468	300,000	303,035	0	(34)	0	0	4.125	4.000	JD	1,650	0	########	########
3133XW AH 2	FEDERAL HOME LOAN BANK STP CPN BONDS		.	1	1	500,000	100.000	500,000	500,000	500,000	0	0	0	0	2.000	2.005	MJSD	194	0	########	########
31398A ZD 7	FNMA NTS		.	1	1	249,505	99.688	249,220	250,000	249,544	0	39	0	0	2.170	2.229	MS	1,507	0	########	########
912827 6J 6	US TREASURY NOTE	SD.	.		1	429,000	103.332	413,328	400,000	403,909	0	(6,086)	0	0	5.750	4.141	FA	8,688	23,000	########	########
912828 EG 1	US TREASURY NOTE	SD.	.		1	2,682,839	102.426	2,632,348	2,570,000	2,628,384	0	(54,455)	0	0	3.875	0.624	MS	29,711	49,794	########	########
912828 JR 2	US TREASURY NOTE		.		1	1,004,531	99.992	999,920	1,000,000	1,004,301	0	(231)	0	0	3.750	3.693	MN	4,869	18,750	########	########
0199999 U.S. Government - Issuer Obligations						7,856,752	XXX	7,774,526	7,705,000	7,793,534	0	(44,213)	0	0	XXX	XXX	XXX	65,772	108,394	XXX	XXX
U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities																					
36202E 4K 2	GNMA SF II POOL #4426		.	2	1	750,791	106.015	762,132	718,890	750,402	0	(389)	0	0	6.000	5.575	MON.	3,594	21,567	########	########
36297K YP 0	GNMA I POOL #714518		.	2	1	1,366,433	103.028	1,352,443	1,312,695	1,365,642	0	(791)	0	0	5.000	4.640	MON.	5,470	38,287	########	########
0299999 U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities						2,117,224	XXX	2,114,575	2,031,585	2,116,044	0	(1,180)	0	0	XXX	XXX	XXX	9,064	59,854	XXX	XXX
0399999 Total - U.S. Government						9,973,976	XXX	9,889,101	9,736,585	9,909,578	0	(45,393)	0	0	XXX	XXX	XXX	74,836	168,248	XXX	XXX
U.S. Special Revenue & Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their U.S. Political Subdivisions - Issuer Obligations																					
20281P CW 0	COMMONWEALTH FING AUTH PA REV BUILD		.		1FE	250,000	99.610	249,025	250,000	250,000	0	0	0	0	4.180	4.180	JD	1,422	0	########	########
	AMERICA BONDS		.			0	0.000	0	0	0	0	0	0	0	0.000	0.000		0	0		
2599999 U.S. Special Revenue & Assessment Obligations - Issuer Obligations						250,000	XXX	249,025	250,000	250,000	0	0	0	0	XXX	XXX	XXX	1,422	0	XXX	XXX
3199999 Total - U.S. Special Revenue & Special Assessment Obligations						250,000	XXX	249,025	250,000	250,000	0	0	0	0	XXX	XXX	XXX	1,422	0	XXX	XXX
Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations																					
00184A AB 1	TIME WARNER INC SR NTS		.		2FE	109,328	105.950	105,950	100,000	102,330	0	(1,718)	0	0	6.750	4.857	AO	1,425	6,750	########	########
00209A AE 6	NEW CINGULAR WIRELESS SERVICES SR NTS		.		1FE	292,445	107.440	290,088	270,000	290,072	0	(2,373)	0	0	7.875	1.410	MS	7,088	0	########	########
054937 AD 9	BB&T CORP NTS		.		1FE	99,406	104.101	104,101	100,000	99,751	0	83	0	0	4.750	4.848	AO	1,188	4,750	########	########
09247X AC 5	BLACKROCK INC SR NTS		.		1FE	218,986	107.522	215,044	200,000	218,627	0	(359)	0	0	6.250	4.789	MS	3,681	0	########	########
097023 AT 2	BOEING CO SR NTS		.		1FE	530,225	106.885	534,425	500,000	525,639	0	(4,586)	0	0	5.125	3.380	FA	9,681	12,813	########	########
12572Q AD 7	CME GROUP INC SR NTS		.		1FE	269,160	109.377	273,443	250,000	267,314	0	(1,846)	0	0	5.750	3.914	FA	5,431	7,427	########	########
141781 AX 2	CARGILL INC SER 144A SR NTS		.		1FE	499,705	106.583	532,915	500,000	499,778	0	73	0	0	6.000	6.007	MN	2,833	30,000	########	########
191219 BS 2	COCA-COLA ENTERPRISES SR NTS		.		1FE	258,068	107.602	269,005	250,000	256,653	0	(1,415)	0	0	5.000	4.200	FA	4,722	6,250	########	########
25179S AC 4	DEVON FINANCIAL CORP		.		2FE	110,421	108.632	108,632	100,000	103,268	0	(1,756)	0	0	6.875	4.894	MS	1,738	6,875	########	########
278058 DH 2	EATON CORP SR NTS		.		1FE	501,435	113.999	569,995	500,000	501,378	0	(57)	0	0	6.950	6.909	MS	9,749	17,761	########	########
369604 BC 6	GENERAL ELECTRIC CO SR NTS		.		1FE	235,748	102.186	255,465	250,000	236,708	0	961	0	0	5.250	6.106	JD	911	13,125	########	########
41283D AA 1	HARLEY DAVIDSON FUNDING SER 144A SR NTS		.		2FE	300,000	102.222	306,666	300,000	300,000	0	0	0	0	5.250	5.250	JD	700	7,875	########	########
428236 AT 0	HEWLETT PACKARD CO SR NTS		.		1FE	265,838	111.739	279,348	250,000	263,537	0	(2,300)	0	0	6.125	4.678	MS	5,104	7,656	########	########
452308 AJ 8	ILLINOIS TOOL WORKS INC. SR NTS		.		1FE	251,444	111.735	279,338	250,000	251,417	0	(26)	0	0	6.250	6.168	AO	3,906	8,030	########	########
66988A AD 6	NOVANT HEALTH INC BONDS SER 09B		.		1FE	250,000	98.605	246,513	250,000	250,000	0	0	0	0	5.345	5.345	MN	1,819	0	########	########
74451P AA 1	PUBLIC SERVICE CO NC NTS		.		1FE	108,843	104.650	104,650	100,000	101,982	0	(1,682)	0	0	6.625	4.788	FA	2,503	6,625	########	########
771196 AX 0	ROCHE HOLDINGS INC SER 144A FLT RT NTS		.		1FE	512,355	102.108	510,540	500,000	511,662	0	(693)	0	0	2.261	0.258	FMAN	1,163	0	########	########
904764 AG 2	UNILEVER CAP CORP		.		1FE	647,414	105.409	632,454	600,000	622,677	0	(24,737)	0	0	7.125	2.500	MN	7,125	42,750	########	########
906548 BX 9	UNION ELEC CO SEC NTS		.		1FE	102,765	105.863	105,863	100,000	101,152	0	(396)	0	0	5.250	4.784	MS	1,750	5,250	########	########
949746 CL 3	WELLS FARGO & CO SUB NTS		.		1FE	102,155	105.143	105,141	100,000	100,897	0	(310)	0	0	5.125	4.762	MS	1,707	5,125	########	########
3299999 Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations						5,665,741	XXX	5,829,576	5,470,000	5,604,842	0	(43,137)	0	0	XXX	XXX	XXX	74,224	189,062	XXX	XXX
3899999 Total - Industrial & Miscellaneous (Unaffiliated)						5,665,741	XXX	5,829,576	5,470,000	5,604,842	0	(43,137)	0	0	XXX	XXX	XXX	74,224	189,062	XXX	XXX
Totals																					
7799999 Total - Issuer Obligations						13,772,493	XXX	13,853,127	13,425,000	13,648,376	0	(87,350)	0	0	XXX	XXX	XXX	141,418	297,456	XXX	XXX
7899999 Total - Single Class Mortgage-Backed/Asset-Backed Securities						2,117,224	XXX	2,114,575	2,031,585	2,116,044	0	(1,180)	0	0	XXX	XXX	XXX	9,064	59,854	XXX	XXX
8399999 Grand Total - Bonds						15,889,717	XXX	15,967,702	15,456,585	15,764,420	0	(88,530)	0	0	XXX	XXX	XXX	150,482	357,310	XXX	XXX

Sch. D-Pt. 2-Sn. 1
NONE

Sch. D-Pt. 2-Sn. 2
NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
Bonds - U.S. Government								
3128X8 FT 4	FEDERAL HOME LOAN MTG CORP STEP CPN NTS		########	DEANWITTERREYNOLDSINC NY		1,684,158	1,685,000	0
	2.000% 01/29/14					0	0	0
3128X9 BU 3	FEDERAL HOME LOAN MTG CORP NTS		########	G X CLARKE		503,650	500,000	2,917
	3.000% 09/03/13					0	0	0
3128X9 QJ 2	FEDERAL HOME LOAN MTG CORP STP CPN BONDS		########	BARCLAYS CAPITAL INC		500,000	500,000	0
	0.500% 12/28/12					0	0	0
3133XV RK 9	FEDERAL HOME LOAN BANK BONDS		########	BAIRD ROBERT W & CO INC		303,069	300,000	206
	4.125% 12/13/19					0	0	0
3133XW AH 2	FEDERAL HOME LOAN BANK STP CPN BONDS		########	PITTSBURGH NATIONAL BANK-SECUR		500,000	500,000	0
	2.000% 12/24/14					0	0	0
31398A ZD 7	FNMA NTS 2.170% 03/21/13		########	PERSHING LLC		249,505	250,000	0
36202E 4K 2	GNMA SF II POOL #4426 6.000% 04/20/39		########	UBS SECURITIES LLC		750,791	718,890	2,037
36297K YP 0	GNMA I POOL #714518 5.000% 05/15/39		########	MCDONALD & COMPANY		1,366,433	1,312,695	3,829
912828 EG 1	US TREASURY NOTE 3.875% 09/15/10		########	DEANWITTERREYNOLDSINC NY		2,682,839	2,570,000	14,072
912828 JR 2	US TREASURY NOTE 3.750% 11/15/18		########	UBSFINANCIALSERVICESINC WE		1,004,531	1,000,000	1,325
0399999.	Total - Bonds - U.S. Government					9,544,976	9,336,585	24,386
Bonds - U.S. Special Revenue and Special Assessment								
20281P CW 0	COMMONWEALTH FING AUTH PA		########	PITTSBURGH NATIONAL BANK-SECUR		250,000	250,000	0
	REV BUILD AMERICA BONDS 4.180% 06/01/15					0	0	0
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					250,000	250,000	0
Bonds - Industrial and Miscellaneous								
00209A AE 6	NEW CINGULAR WIRELESS SERVICES SR NTS		########	PNC SECURITIES CORP		292,445	270,000	4,193
	7.875% 03/01/11					0	0	0
09247X AC 5	BLACKROCK INC SR NTS 6.250% 09/15/17		########	PNC SECURITIES CORP		218,986	200,000	1,458
097023 AT 2	BOEING CO SR NTS 5.125% 02/15/13		########	STIFEL NICOLAUS & CO INC		530,225	500,000	7,189
12572Q AD 7	CME GROUP INC SR NTS 5.750% 02/15/14		########	MCDONALD & COMPANY		269,160	250,000	5,910
141781 AX 2	CARGILL INC SER 144A SR 6.000% 11/27/17		########	RAYMOND JAMES & ASSOCIATES INC		499,705	500,000	6,333
191219 BS 2	COCA-COLA ENTERPRISES SR NTS		########	PNC SECURITIES CORP		258,068	250,000	382
	5.000% 08/15/13					0	0	0
278058 DH 2	EATON CORP SR NTS 6.950% 03/20/19		########	BAIRD ROBERT W & CO INC		501,436	500,000	1,062
369604 BC 6	GENERAL ELECTRIC CO SR 5.250% 12/06/17		########	BAIRD ROBERT W & CO INC		235,748	250,000	4,448
41283D AA 1	HARLEY DAVIDSON FUNDING SER 144A SR NTS		########	STIFEL NICOLAUS & CO INC		300,000	300,000	5,819
	5.250% 12/15/12					0	0	0
428236 AT 0	HEWLETT PACKARD CO SR N 6.125% 03/01/14		########	PNC SECURITIES CORP		265,838	250,000	638
452308 AJ 8	ILLINOIS TOOL WORKS INC. SR NTS		########	Tax Free Exchange		251,444	250,000	0
	6.250% 04/01/19					0	0	0
66988A AD 6	NOVANT HEALTH INC BONDS SER 09B		########	BEAR STEARNS & CO		250,000	250,000	0
	5.345% 11/01/16					0	0	0
771196 AX 0	ROCHE HOLDINGS INC SER 144A FLT RT NTS		########	BAIRD ROBERT W & CO INC		512,355	500,000	377
	2.261% 02/25/11					0	0	0
904764 AG 2	UNILEVER CAP CORP 7.125% 11/01/10		########	STIFEL NICOLAUS & CO INC		647,412	600,000	10,331
3899999.	Total - Bonds - Industrial and Miscellaneous					5,032,822	4,870,000	48,140
8399997.	Total - Bonds - Part 3					14,827,798	14,456,585	72,526
8399998.	Total - Bonds - Summary Item from Part 5					3,534,186	3,551,240	12,939
8399999.	Total - Bonds					18,361,984	18,007,825	85,465
9999999.	Total - Bonds, Preferred and Common Stocks					18,361,984	XXX	85,465

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value 11	12	13	14	15	16	17	18	19	20	21
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date
Bonds - U.S. Government																				
36202E TV 1	GNMA SF II POOL# 4164 6.000% 06/20/38		07/08/2009	BAIRD ROBERT W & CO INC		322,962	313,746	314,825	314,810	0	(28)	0	(28)	0	314,782	0	8,180	8,180	11,609	06/20/2038
36202E TV 1	GNMA SF II POOL# 4164 6.000% 06/20/38		07/01/2009	Paydown		172,566	172,566	173,159	173,151	0	(585)	0	(585)	0	172,566	0	0	0	3,667	06/20/2038
36225B EK 0	GNMA SF I POOL# 781038 6.500% 05/15/29		12/14/2009	UBS SECURITIES LLC		252,416	234,532	246,135	244,796	0	(398)	0	(398)	0	244,398	0	8,018	8,018	16,092	05/15/2029
36225B EK 0	GNMA SF I POOL# 781038 6.500% 05/15/29		12/01/2009	Paydown		58,577	58,577	61,475	61,140	0	(2,563)	0	(2,563)	0	58,577	0	0	0	2,195	05/15/2029
912827 5G 3	US TREASURY NOTE 5.500% 05/15/09		05/15/2009	Maturity		2,970,000	2,970,000	3,023,509	2,977,536	0	(7,536)	0	(7,536)	0	2,970,000	0	0	0	81,675	05/15/2009
0399999.	Total - Bonds - U.S. Government					3,776,521	3,749,421	3,819,103	3,771,433	0	(11,110)	0	(11,110)	0	3,760,323	0	16,198	16,198	115,238	XXX
Bonds - All Other Government																				
465410 BN 7	REPUBLIC OF ITALY NTS 4.500% 01/21/15	F	11/02/2009	PNC SECURITIES CORP		105,250	100,000	98,375	98,882	0	138	0	138	0	99,020	0	6,230	6,230	5,125	01/21/2015
1099999.	Total - Bonds - All Other Government					105,250	100,000	98,375	98,882	0	138	0	138	0	99,020	0	6,230	6,230	5,125	XXX
Bonds - U.S. States, Territories and Possessions																				
452151 HL 0	ILLINOIS ST 1ST SER FSA 5.000% 12/01/09		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		76,500	75,000	80,246	76,170	0	(24)	0	(24)	0	76,145	0	355	355	385	12/01/2009
604128 4G 0	MINNESOTA ST GENL OBLIG 5.250% 11/01/13		01/06/2009	PNC SECURITIES CORP		54,850	50,000	55,184	52,907	0	(16)	0	(16)	0	52,892	0	1,958	1,958	496	11/01/2013
644682 RK 4	NEW HAMPSHIRE ST GENL OBLIG SER A		01/06/2009	PNC SECURITIES CORP		54,648	50,000	54,720	52,785	0	(13)	0	(13)	0	52,771	0	1,876	1,876	583	04/15/2013
	5.000% 04/15/13					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
658256 MB 5	NORTH CAROLINA ST GENL OBLIG SER B		01/06/2009	PNC SECURITIES CORP		54,083	50,000	54,628	52,386	0	(15)	0	(15)	0	52,371	0	1,712	1,712	681	04/01/2012
	5.000% 04/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
76222N FM 8	RHODE IS ST & PROV CONS CAP DEV LN SER A		01/07/2009	PNC SECURITIES CORP		53,255	50,000	54,254	52,139	0	(20)	0	(20)	0	52,119	0	1,136	1,136	1,118	02/01/2012
	5.000% 02/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
917542 ME 9	UTAH ST REF SER A 5.000% 07/01/12		01/07/2009	PNC SECURITIES CORP		54,129	50,000	54,638	52,486	0	(20)	0	(20)	0	52,465	0	1,663	1,663	1,326	07/01/2012
1799999.	Total - Bonds - U.S. States, Territories & Possessions					347,465	325,000	353,670	338,873	0	(108)	0	(108)	0	338,763	0	8,700	8,700	4,589	XXX
Bonds - U.S. Political Subdivisions of States																				
021087 NK 3	ALPINE UTAH SCH DIST 5.000% 03/15/11		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		52,640	50,000	54,006	51,660	0	(14)	0	(14)	0	51,646	0	994	994	785	03/15/2011
033161 BG 4	ANCHORAGE ALASKA SER B 5.500% 07/01/12		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		52,500	50,000	55,235	52,345	0	(18)	0	(18)	0	52,328	0	172	172	1,428	07/01/2012
258165 PT 0	DORCHESTER CNTY SC SCH DIST REF SER C		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		53,000	50,000	54,436	52,077	0	(14)	0	(14)	0	52,063	0	937	937	1,090	02/01/2012
	5.000% 02/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
341422 5T 6	FLORIDA ST BRD ED CAP OUTLAY SER G		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		53,436	50,000	55,199	52,754	0	(15)	0	(15)	0	52,739	0	697	697	270	06/01/2012
	5.250% 06/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
442565 JU 2	HOWARD CNTY MD REF CONS PUB IMP SER A		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		52,085	50,000	54,096	51,391	0	(16)	0	(16)	0	51,375	0	710	710	993	08/15/2010
	5.000% 08/15/10					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
566897 RD 8	MARICOPA CNTY ARIZ SCH DIST NO 4		01/06/2009	PNC SECURITIES CORP		52,023	50,000	53,832	51,235	0	(18)	0	(18)	0	51,217	0	806	806	1,306	07/01/2010
	5.000% 07/01/10					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
592013 4T 0	NASHVILLE & DAVIDSON CNTY TN REF SER B		01/06/2009	PNC SECURITIES CORP		15,338	15,000	16,198	15,434	0	(5)	0	(5)	0	15,429	0	(92)	(92)	175	10/15/2010
	5.000% 10/15/10					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
592013 5U 6	NASHVILLE & DAVIDSON CNTY TN IMPT SER A		01/06/2009	PNC SECURITIES CORP		36,299	35,000	37,796	36,014	0	(12)	0	(12)	0	36,002	0	297	297	408	10/15/2010
	5.000% 10/15/10					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
594610 PA 9	MICHIGAN ST ENV PROTN P 6.250% 11/01/12		01/06/2009	PNC SECURITIES CORP		51,760	50,000	57,142	51,461	0	(39)	0	(39)	0	51,422	0	338	338	590	11/01/2012
613664 N5 6	MONTGOMERY CNTY TN CAP OUTLAY NTS		01/06/2009	PNC SECURITIES CORP		52,828	50,000	54,175	51,791	0	(16)	0	(16)	0	51,774	0	1,053	1,053	472	05/01/2011
	5.000% 05/01/11					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
656678 KW 8	NORTH ALLEGHENY PA SCHOOL		01/06/2009	PNC SECURITIES CORP		53,897	50,000	55,670	52,720	0	(20)	0	(20)	0	52,700	0	1,197	1,197	519	11/01/2011
	DIST GENL OBLIG 5.500% 11/01/11					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
737237 5J 2	PORTSMOUTH VA GENL OBLI 5.000% 07/01/14		01/07/2009	PNC SECURITIES CORP		55,505	50,000	55,180	53,389	0	(17)	0	(17)	0	53,372	0	2,132	2,132	1,326	07/01/2014
741701 PN 0	PRINCE GEORGES CTY MD GENL OBLIG SER B.		01/07/2009	PNC SECURITIES CORP		54,563	50,000	54,669	52,587	0	(20)	0	(20)	0	52,567	0	1,995	1,995	701	10/01/2012
	5.000% 10/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
2499999.	Total - Bonds - U.S. Political Subdivisions of States					635,874	600,000	657,634	624,858	0	(224)	0	(224)	0	624,634	0	11,236	11,236	10,063	XXX
Bonds - U.S. Special Revenue and Special Assessment																				
013554 NV 8	ALBUQUERQUE NM JT WTR & SWR REV		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		50,500	50,000	53,730	50,503	0	(19)	0	(19)	0	50,483	0	17	17	1,364	07/01/2009
	5.250% 07/01/09					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13067J BL 4	CALIFORNIA ST ECON REC SER A		02/19/2009	PNC SECURITIES CORP		51,125	50,000	53,537	51,588	0	(91)	0	(91)	0	51,497	0	(372)	(372)	1,618	07/01/2016
	5.000% 07/01/16					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
161045 CD 9	CHARLOTTE NC WTR & SWR 5.750% 06/01/16		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		52,600	50,000	55,964	52,189	0	(23)	0	(23)	0	52,166	0	433	433	295	06/01/2016
20774L G4 1	CONNECTICUT ST HEALTH & EDL FACS SER F		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		53,500	50,000	54,733	52,650	0	(13)	0	(13)	0	52,638	0	862	862	465	11/01/2012
	5.000% 11/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
31380N 6W 9	FNMA POOL# 445585 5.500% 12/01/13		04/30/2009	PNC CAPITAL MKTS		113,965	109,846	112,503	111,311	0	(113)	0	(113)	0	111,199	0	2,766	2,766	2,299	12/01/2013
31380N 6W 9	FNMA POOL# 445585 5.500% 12/01/13		05/01/2009	Paydown		8,860	8,860	9,074	8,978	0	(118)	0	(118)	0	8,860	0	0	0	626	12/01/2013

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date
31403M WQ 8	FNMA POOL# 753155 5.000% 11/01/33		04/30/2009	PNC CAPITAL MKTS		141,212	137,600	135,783	135,905	0	13	0	13	0	135,919	0	5,293	5,293	2,504	11/01/2033
31403M WQ 8	FNMA POOL# 753155 5.000% 11/01/33		05/01/2009	Paydown		3,806	3,806	3,756	3,759	0	47	0	47	0	3,806	0	0	0	628	11/01/2033
31407B KW 8	FNMA POOL# 825709 4.500% 07/01/35		04/30/2009	PNC CAPITAL MKTS		365,027	359,632	345,052	346,201	0	118	0	118	0	346,319	0	18,708	18,708	5,889	07/01/2035
31407B KW 8	FNMA POOL# 825709 4.500% 07/01/35		05/01/2009	Paydown		21,880	21,880	20,993	21,063	0	817	0	817	0	21,880	0	0	0	1,693	07/01/2035
342816 RY 3	FLORIDA ST MUN PWR AGY REF SER A		10/26/2009	PNC SECURITIES CORP		53,250	50,000	54,823	52,975	0	(481)	0	(481)	0	52,494	0	756	756	2,694	10/01/2013
	5.000% 10/01/13					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
46613Q AK 0	JACKSONVILLE ELEC AUTH REF ISS 2-17 SER		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		51,632	50,000	54,759	52,247	0	(15)	0	(15)	0	52,232	0	(600)	(600)	707	10/01/2011
	5.250% 10/01/11					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
485093 BZ 0	KANSAS CITY MO SCH DIST REF		02/19/2009	PNC SECURITIES CORP		53,725	50,000	54,277	52,473	0	(83)	0	(83)	0	52,390	0	1,335	1,335	1,410	02/01/2013
	CAP IMP SER A 5.000% 02/01/13					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
485424 JM 8	KANSAS ST DEPT TRANS HWY REV REF SER A		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		53,665	50,000	54,573	52,506	0	(12)	0	(12)	0	52,494	0	1,172	1,172	882	09/01/2012
	5.000% 09/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
485512 JM 0	KANSAS ST TPK AUTH REF SER A		01/05/2009	PITTSBURGH NATIONAL BANK-SECUR		52,500	50,000	54,947	53,025	0	(12)	0	(12)	0	53,014	0	(514)	(514)	882	09/01/2013
	5.000% 09/01/13					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
49151E UM 3	KENTUCKY ST PPTY & BLDG REV		01/06/2009	PNC SECURITIES CORP		53,331	50,000	55,155	52,860	0	(16)	0	(16)	0	52,844	0	486	486	715	10/01/2012
	REF PROJ NO 82 5.250% 10/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
534272 VK 2	LINCOLN NEB ELEC SYS RE 5.000% 09/01/10		01/06/2009	PNC SECURITIES CORP		52,097	50,000	53,854	51,332	0	(17)	0	(17)	0	51,315	0	781	781	889	09/01/2010
560462 HB 2	MAINE MUN BD BK REF WSTWTR PG SER B		01/06/2009	PNC SECURITIES CORP		53,905	50,000	54,399	52,467	0	(13)	0	(13)	0	52,454	0	1,451	1,451	472	11/01/2012
	5.000% 11/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
575832 MB 3	MASSACHUSETTS ST COL BLDG AUTH REV SER		01/06/2009	PNC SECURITIES CORP		26,252	25,000	27,144	26,122	0	(7)	0	(7)	0	26,115	0	136	136	236	05/01/2012
	5.000% 05/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
57604P VB 7	MASSACHUSETTS ST WTR POLL		01/06/2009	PNC SECURITIES CORP		48,192	45,000	49,378	47,380	0	(13)	0	(13)	0	47,366	0	826	826	1,037	08/01/2013
	TR PREREF SER B 5.250% 08/01/13					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
59455R D4 5	MICHIGAN MUN BD AUTH WTR ST REV FD		01/06/2009	PNC SECURITIES CORP		54,163	50,000	55,355	52,968	0	(16)	0	(16)	0	52,952	0	1,211	1,211	715	10/01/2012
	5.250% 10/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
64605L EL 8	NEW JERSEY ST EDL FACS AUTH REV		01/07/2009	PNC SECURITIES CORP		54,805	50,000	54,570	52,758	0	(17)	0	(17)	0	52,741	0	2,064	2,064	1,326	07/01/2014
	5.000% 07/01/14					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
646135 L3 5	NEW JERSEY ST TRANS TR FUND REV		01/07/2009	PNC SECURITIES CORP		55,247	50,000	57,315	53,588	0	(35)	0	(35)	0	53,553	0	1,694	1,694	225	12/15/2014
	6.000% 12/15/14					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
649901 SL 0	NEW YORK ST DORM AUTH REV SER E		02/19/2009	PNC SECURITIES CORP		51,734	50,000	54,244	52,002	0	(103)	0	(103)	0	51,899	0	(165)	(165)	993	10/01/2011
	5.000% 10/01/11					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
650017 QV 1	NEW YORK ST TWY AUTH REV BONDS		01/07/2009	PNC SECURITIES CORP		52,047	50,000	54,980	52,094	0	(27)	0	(27)	0	52,067	0	(20)	(20)	772	04/01/2011
	5.500% 04/01/11					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
709221 EW 1	PA ST TPK COMMN REV SER 5.250% 12/01/12		01/07/2009	PNC SECURITIES CORP		53,701	50,000	55,396	53,055	0	(22)	0	(22)	0	53,033	0	668	668	299	12/01/2012
733581 2T 8	PORT AUTH NY & NJ CONS 128TH SER		01/07/2009	PNC SECURITIES CORP		54,000	50,000	54,307	52,640	0	(16)	0	(16)	0	52,625	0	1,376	1,376	493	11/01/2014
	5.000% 11/01/14					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
873545 FE 2	TACOMA WASH SWR REV REF 5.500% 12/01/13		01/07/2009	PNC SECURITIES CORP		53,865	50,000	55,420	52,879	0	(24)	0	(24)	0	52,855	0	1,010	1,010	313	12/01/2013
917328 JZ 0	UTAH ASSD MUN PWR SYS PWR PROJ SER A		02/19/2009	PNC SECURITIES CORP		51,107	50,000	53,919	51,646	0	(105)	0	(105)	0	51,542	0	(435)	(435)	993	04/01/2011
	5.000% 04/01/11					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
921645 PS 0	VANCOUVER WASH WTR & SWR REF		01/07/2009	PNC SECURITIES CORP		53,175	50,000	54,192	52,224	0	(19)	0	(19)	0	52,205	0	970	970	285	06/01/2012
	5.000% 06/01/12					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
927793 FX 2	VIRGINIA COM TRANS BD DEV PG SER B		01/07/2009	PNC SECURITIES CORP		53,013	50,000	54,887	52,120	0	(26)	0	(26)	0	52,094	0	919	919	426	05/15/2013
	5.375% 05/15/13					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
92817F WC 6	VIRGINIA ST PUB SCH AUTH SER A		01/07/2009	PNC SECURITIES CORP		53,884	50,000	55,612	52,557	0	(28)	0	(28)	0	52,529	0	1,355	1,355	1,230	08/01/2011
	5.500% 08/01/11					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
977123 QG 6	WISCONSIN ST TRANSN REV REF SER 2		01/07/2009	PNC SECURITIES CORP		53,903	50,000	55,693	53,058	0	(25)	0	(25)	0	53,033	0	870	870	1,459	07/01/2013
	5.500% 07/01/13					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments					2,055,668	1,961,624	2,074,324	2,011,123	0	(514)	0	(514)	0	2,010,613	0	45,053	45,053	36,834	XXX
Bonds - Industrial and Miscellaneous																				
060505 BS 2	BANK OF AMERICA CORP SR 4.750% 08/01/15		12/02/2009	PNC SECURITIES CORP		101,819	100,000	98,578	98,989	0	124	0	124	0	99,114	0	2,705	2,705	6,413	08/01/2015
07383F 3Z 9	BEAR STEARNS COMM MTG SER		11/05/2009	PITTSBURGH NATIONAL BANK-SECUR		44,500	50,000	50,636	50,589	0	(12)	0	(12)	0	50,577	0	(6,077)	(6,077)	2,409	02/11/2041
	2005-PWR7 CL A3 5.116% 02/11/41					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
125581 AK 4	CIT GROUP INC SR NTS 5.125% 09/30/14		11/02/2009	DUNCAN WILLIAMS INC		67,000	100,000	99,703	99,803	0	25	0	25	0	99,828	0	(32,828)	(32,828)	5,125	09/30/2014
149123 BM 2	CATERPILLAR INC NTS 5.700% 08/15/16		01/07/2009	MCDONALD & COMPANY		201,236	200,000	203,348	202,774	0	(9)	0	(9)	0	202,766	0	(1,530)	(1,530)	4,655	08/15/2016

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date
172967 CQ 2	CITIGROUP INC SUB NTS 5.000% 09/15/14		10/22/2009	PNC SECURITIES CORP		193,860	200,000	192,542	194,543	0	678	0	678	0	195,221	0	(1,361)	(1,361)	11,167	09/15/2014
20029P AN 9	COMCAST CABLE COMMUNICATIONS SR NTS		10/26/2009	PNC SECURITIES CORP		55,012	50,000	56,375	53,917	0	(661)	0	(661)	0	53,256	0	1,755	1,755	3,107	06/15/2013
	7.125% 06/15/13					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26439X AB 9	DUKE ENERGY FIELD SRVCS 7.875% 08/16/10		10/26/2009	PNC SECURITIES CORP		51,500	50,000	56,625	52,313	0	(1,154)	0	(1,154)	0	51,158	0	342	342	4,736	08/16/2010
364725 AC 5	GANNETT CO INC NTS 6.375% 04/01/12		05/06/2009	Tax Free Exchange		52,090	50,000	54,398	52,318	0	(228)	0	(228)	0	52,090	0	0	0	1,912	04/01/2012
36962G YY 4	GENERAL ELECTRIC CAP CO 6.000% 06/15/12		10/26/2009	PNC SECURITIES CORP		80,438	75,000	80,238	77,847	0	(639)	0	(639)	0	77,208	0	3,229	3,229	3,925	06/15/2012
381317 AQ 9	GOLDEN WEST FINL SR NTS 4.750% 10/01/12		10/26/2009	PNC SECURITIES CORP		51,375	50,000	49,516	49,728	0	56	0	56	0	49,783	0	1,592	1,592	2,560	10/01/2012
396789 JU 4	GREENWICH CAP COMM FDG SER		11/05/2009	PITTSBURGH NATIONAL BANK-SECUR		44,000	50,000	49,656	49,673	0	5	0	5	0	49,678	0	(5,678)	(5,678)	2,260	08/10/2042
	2005-GG3 CL A4 4.799% 08/10/42					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
46625Y GP 2	JP MORGAN CHASE COMM MTG		11/05/2009	PITTSBURGH NATIONAL BANK-SECUR		45,000	50,000	50,499	50,467	0	(8)	0	(8)	0	50,459	0	(5,459)	(5,459)	2,372	03/15/2046
	SER 2005-LDP1 CL A4 5.038% 03/15/46					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
46625Y JF 1	JP MORGAN CHASE COMM MTG		11/05/2009	PITTSBURGH NATIONAL BANK-SECUR		45,000	50,000	51,642	51,509	0	(33)	0	(33)	0	51,476	0	(6,476)	(6,476)	2,512	08/12/2037
	SER 2005-CB11 CL A4 5.335% 08/12/37					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
49306C AD 3	KEY BANK NA SUB BKNTS 7.000% 02/01/11		12/02/2009	PNC SECURITIES CORP		104,488	100,000	110,484	104,297	0	(1,871)	0	(1,871)	0	102,426	0	2,072	2,072	9,450	02/01/2011
52108H 2U 7	LB UBS COMM MTG TR SER 2005-C1 CL A4		10/26/2009	PITTSBURGH NATIONAL BANK-SECUR		18,800	20,000	19,719	19,749	0	8	0	8	0	19,757	0	(957)	(957)	838	02/15/2030
	4.742% 02/15/30					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
61745M 2F 9	MORGAN STANLEY CAPITAL I		11/05/2009	PITTSBURGH NATIONAL BANK-SECUR		44,000	50,000	49,248	49,286	0	5	0	5	0	49,291	0	(5,291)	(5,291)	2,213	07/15/2056
	SER 2005-IQ9 CL A5 4.700% 07/15/56					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
61745M 3F 8	MORGAN STANLEY CAPITAL I		10/26/2009	PNC SECURITIES CORP		48,250	50,000	50,809	50,752	0	(14)	0	(14)	0	50,738	0	(2,488)	(2,488)	2,354	01/14/2042
	SER 2005-HQ5 CL A4 5.168% 01/14/42					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
655844 AU 2	NORFOLK SOUTHERN CORP SR NTS		10/26/2009	PNC SECURITIES CORP		47,250	45,000	46,013	45,687	0	(88)	0	(88)	0	45,599	0	1,651	1,651	2,642	09/17/2014
	5.257% 09/17/14					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
843646 AC 4	SOUTHERN POWER CO SR NT 6.250% 07/15/12		07/10/2009	PITTSBURGH NATIONAL BANK-SECUR		107,750	100,000	107,359	104,058	0	(572)	0	(572)	0	103,486	0	4,264	4,264	6,250	07/15/2012
929766 C3 5	WACHOVIA COMM MTG TR SER 2005-C17 CL A4		11/05/2009	PITTSBURGH NATIONAL BANK-SECUR		45,000	50,000	50,481	50,444	0	(9)	0	(9)	0	50,435	0	(5,435)	(5,435)	2,393	03/15/2042
	5.083% 03/15/42					0	0	0	0	0	0	0	0	0	0	0	0	0	0	
92976G AB 7	WACHOVIA BANK NA SUB NT 4.800% 11/01/14		10/26/2009	PNC SECURITIES CORP		50,500	50,000	49,359	49,565	0	54	0	54	0	49,617	0	882	882	2,386	11/01/2014
3899999.	Total - Bonds - Industrial and Miscellaneous					1,498,868	1,540,000	1,577,228	1,558,308	0	(4,343)	0	(4,343)	0	1,553,963	0	(55,088)	(55,088)	81,679	XXX
8399997.	Total - Bonds - Part 4					8,419,646	8,276,045	8,580,334	8,403,477	0	(16,161)	0	(16,161)	0	8,387,316	0	32,329	32,329	253,528	XXX
8399998.	Total - Bonds - Summary Item from Part 5					3,543,047	3,551,240	3,534,186	0	0	(11,700)	0	(11,700)	0	3,522,486	0	20,561	20,561	37,874	XXX
8399999.	Total - Bonds					11,962,693	11,827,285	12,114,520	8,403,477	0	(27,861)	0	(27,861)	0	11,909,802	0	52,890	52,890	291,402	XXX
9999999.	Total - Bonds, Preferred and Common Stocks					11,962,693	XXX	12,114,520	8,403,477	0	(27,861)	0	(27,861)	0	11,909,802	0	52,890	52,890	291,402	XXX

SCHEDULE D - PART 5

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

1	2	3	4	5	6	7	8	9	10	11	Change in Book/Adjusted Carrying Value 12	13	14	15	16	17	18	19	20	21
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Disposal Date	Name of Purchaser	Par Value (Bonds) or Number of Shares (Stock)	Actual Cost	Consideration	Book/ Adjusted Carrying Value at Disposal	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (12+13-14)	Total Foreign Exchange Change in B./A.C.V.	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Interest and Dividends Received During Year	Paid for Accrued Interest and Dividends
Bonds - U.S. Government																				
3133XU LE 1	FEDERAL HOME LOAN BANK BOND		08/07/2009	G X CLARKE	09/17/2009	PERSHING LLC	250,000	249,748	251,760	249,757	0	10	0	10	0	0	2,003	2,003	384	0
	1.625% 12/14/11						0	0	0	0	0	0	0	0	0	0	0	0	0	0
36202E 4K 2	GNMA SF II POOL #4426 6.000% 04/20/39		06/01/2009	UBS SECURITIES LLC	12/01/2009	Paydown	225,830	235,851	225,830	225,830	0	(10,021)	0	(10,021)	0	0	0	0	4,697	640
36297K YP 0	GNMA I POOL #714518 5.000% 05/15/39		05/19/2009	MCDONALD & COMPANY	12/01/2009	Paydown	27,769	28,905	27,769	27,769	0	(1,137)	0	(1,137)	0	0	0	0	489	82
0399999.	Total - Bonds - U.S. Government						503,599	514,504	505,359	503,356	0	(11,148)	0	(11,148)	0	0	2,003	2,003	5,570	722
Bonds - U.S. Special Revenue and Special Assessment																				
31410V 6P 0	FNMA POOL# 899178 6.000% 02/01/37		07/07/2009	BAIRD ROBERT W & CO INC	11/01/2009	Paydown	16,576	17,415	16,576	16,576	0	(839)	0	(839)	0	0	0	0	210	33
31410V 6P 0	FNMA POOL# 899178 6.000% 02/01/37		07/07/2009	BAIRD ROBERT W & CO INC	11/12/2009	UBSFINANCIALSERVICESINC WE	281,065	295,293	297,621	295,164	0	(129)	0	(129)	0	0	2,457	2,457	6,137	562
3199999.	Total - Bonds - U.S. Special Revenue and Special Assessments						297,641	312,708	314,197	311,740	0	(968)	0	(968)	0	0	2,457	2,457	6,347	595
Bonds - Industrial and Miscellaneous																				
02580E BV 4	AMERICAN EXPRESS BK FSB SER BKNT		04/29/2009	WACHOVIACAPITALMARKETSLLC	05/14/2009	PNC SECURITIES CORP	250,000	205,000	210,000	205,541	0	541	0	541	0	0	4,459	4,459	78	20
	0.361% 05/29/12						0	0	0	0	0	0	0	0	0	0	0	0	0	0
07181X AB 9	BAXTER FINCO BV SR NTS 4.750% 10/15/10		02/23/2009	BAIRD ROBERT W & CO INC	03/23/2009	PNC SECURITIES CORP	250,000	256,925	257,663	256,601	0	(324)	0	(324)	0	0	1,061	1,061	5,311	4,321
166751 AH 0	CHEVRON CORP SR NTS 3.950% 03/03/14		02/27/2009	Direct	07/01/2009	MCDONALD & COMPANY	250,000	249,540	256,800	249,569	0	29	0	29	0	0	7,231	7,231	3,401	0
189054 AF 6	CLOROX CO SR NTS 5.000% 01/15/15		03/10/2009	MCDONALD & COMPANY	04/03/2009	BAIRD ROBERT W & CO INC	250,000	245,055	245,568	245,110	0	55	0	55	0	0	457	457	2,882	2,014
364725 AK 7	GANNETT CO INC SER 144A SR NTS		05/06/2009	Tax Free Exchange	10/27/2009	PITTSBURGH NATIONAL BANK-SE	50,000	52,090	47,500	51,993	0	(97)	0	(97)	0	0	(4,493)	(4,493)	2,403	0
	10.000% 04/01/16						0	0	0	0	0	0	0	0	0	0	0	0	0	0
36962G 2N 3	GENERAL ELECTRIC CAP CORP FLT RT SER M		04/16/2009	MCDONALD & COMPANY	05/12/2009	RAYMOND JAMES & ASSOCIATES	150,000	132,329	135,563	132,797	0	468	0	468	0	0	2,766	2,766	474	343
	0.343% 08/15/11						0	0	0	0	0	0	0	0	0	0	0	0	0	0
452308 AG 4	ILLINOIS TOOL WORKS INC. SER 144A SR NTS		04/03/2009	BAIRD ROBERT W & CO INC	09/16/2009	Tax Free Exchange	250,000	251,483	251,444	251,444	0	(39)	0	(39)	0	0	0	0	0	521
	6.250% 04/01/19						0	0	0	0	0	0	0	0	0	0	0	0	0	0
532457 BE 7	ELI LILLY & CO SR NTS 4.200% 03/06/14		03/03/2009	UBSFINANCIALSERVICESINC WE	03/12/2009	UBSFINANCIALSERVICESINC WE	300,000	299,865	304,380	299,866	0	1	0	1	0	0	4,514	4,514	385	0
871829 AM 9	SYSCO CORP SR NTS 5.375% 03/17/19		03/24/2009	MCDONALD & COMPANY	06/02/2009	CANTOR FITZGERALD/MORTGAG	250,000	254,088	255,000	254,029	0	(59)	0	(59)	0	0	971	971	2,911	373
904764 AK 3	UNILEVER CAP CORP SR NTS		02/09/2009	BEAR STEARNS & CO	03/24/2009	BAIRD ROBERT W & CO INC	500,000	499,485	493,430	499,490	0	5	0	5	0	0	(6,060)	(6,060)	3,000	0
	4.800% 02/15/19						0	0	0	0	0	0	0	0	0	0	0	0	0	0
50065L AA 8	KOREA NATIONAL OIL CORP SER 144A SR NTS	F	11/13/2009	BAIRD ROBERT W & CO INC	12/14/2009	BAIRD ROBERT W & CO INC	250,000	261,114	266,143	260,950	0	(164)	0	(164)	0	0	5,195	5,195	5,112	4,030
	5.375% 07/30/14						0	0	0	0	0	0	0	0	0	0	0	0	0	0
3899999.	Total - Bonds - Industrial and Miscellaneous						2,750,000	2,706,974	2,723,491	2,707,390	0	416	0	416	0	0	16,101	16,101	25,957	11,622
8399998.	Total - Bonds						3,551,240	3,534,186	3,543,047	3,522,486	0	(11,700)	0	(11,700)	0	0	20,561	20,561	37,874	12,939
9999999.	Total - Bonds, Preferred and Common Stocks							3,534,186	3,543,047	3,522,486	0	(11,700)	0	(11,700)	0	0	20,561	20,561	37,874	12,939

SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1	2	3	4	5	6	7	8	Stock of Such Company Owned by Insurer on Statement Date	
								9	10
CUSIP Identification	Description Name of Subsidiary, Controlled or Affiliated Company	Foreign	NAIC Company Code or Alien Insurer Identification Number	NAIC Valuation Method (See SVO Purposes and Procedures Manual)	Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	Total Amount of Such Intangible Assets	Book/Adjusted Carrying Value	Number of Shares	% of Outstanding

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: $.....0.
2. Total amount of intangible assets nonadmitted $.....0.

NONE

SCHEDULE D - PART 6 - SECTION 2

1	2	3	4	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5	6
CUSIP Identification	Name of Lower-Tier Company	Name of Company Listed in Section 1 Which Controls Lower-Tier Company	Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Number of Shares	% of Outstanding

NONE

SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1	2	Codes		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest						21
		3	4					9	10	11	12			15	16	17	18	19	20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due and Accrued December 31 of Current Year on Bond Not in Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest
Class One Money Market Mutual Funds																				
09248U 61 9	Blackrock Temp MM FD			12/01/2009	Direct	XXX	6,500,000	0	0	0	0	0	6,500,000	0	0	0.000	4.950		1,461	0
26188J 20 6	Dreyfus Cash Mgmt FD			12/21/2009	Mellon Bank	XXX	133,148	0	0	0	0	0	133,148	0	0	0.000	4.875		58	0
8999999. Total - Class One Money Market Mutual Funds							6,633,148	0	0	0	0	XXX	6,633,148	0	0	XXX	XXX	XXX	1,519	0
9199999. Total - Short-Term Investments							6,633,148	0	0	0	0	XXX	6,633,148	0	0	XXX	XXX	XXX	1,519	0

Sch. DB-Pt. A-Sn. 1
NONE

Sch. DB-Pt. A-Sn. 2
NONE

Sch. DB-Pt. A-Sn. 3
NONE

Sch. DB-Pt. B-Sn. 1
NONE

Sch. DB-Pt. B-Sn. 2
NONE

Sch. DB-Pt. B-Sn. 3
NONE

Sch. DB-Pt. C-Sn. 1
NONE

Sch. DB-Pt. C-Sn. 2
NONE

Sch. DB-Pt. C-Sn. 3
NONE

Sch. DB-Pt. D-Sn. 1
NONE

Sch. DB-Pt. D-Sn. 2
NONE

Sch. DB-Pt. D-Sn. 3
NONE

Sch. DB-Pt. E-Sn. 1
NONE

SCHEDULE E - PART 1 - CASH

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
Open Depositories							
The Bank of New York Mellon	Pittsburgh, Pennsylvania		0.000	0	0	61,223	XXX
BB&T Bank	Charleston, West Virginia		0.000	0	0	141,109	XXX
0199999. Total - Open Depositories		XXX	XXX	0	0	202,332	XXX
0399999. Total Cash on Deposit		XXX	XXX	0	0	202,332	XXX
0599999. Total Cash		XXX	XXX	0	0	202,332	XXX

TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January	1,021,507	4. April	165,644	7. July	121,085	10. October	619,364
2. February	184,007	5. May	215,861	8. August	258,216	11. November	218,587
3. March	247,633	6. June	358,750	9. September	215,642	12. December	202,332

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year

NONE

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

	1	2	Deposits for the Benefit of All Policyholders		All Other Special Deposits	
			3	4	5	6
States, Etc.	Type of Deposit	Purpose of Deposit	Book/Adjusted Carrying Value	Fair Value	Book/Adjusted Carrying Value	Fair Value
1. Alabama AL			0	0	0	0
2. Alaska AK			0	0	0	0
3. Arizona AZ			0	0	0	0
4. Arkansas AR	B	Statutory deposit	0	0	102,272	102,426
5. California CA			0	0	0	0
6. Colorado CO			0	0	0	0
7. Connecticut CT			0	0	0	0
8. Delaware DE			0	0	0	0
9. District of Columbia DC			0	0	0	0
10. Florida FL			0	0	0	0
11. Georgia GA	B	Statutory deposit	0	0	51,136	51,213
12. Hawaii HI			0	0	0	0
13. Idaho ID			0	0	0	0
14. Illinois IL			0	0	0	0
15. Indiana IN			0	0	0	0
16. Iowa IA			0	0	0	0
17. Kansas KS			0	0	0	0
18. Kentucky KY			0	0	0	0
19. Louisiana LA			0	0	0	0
20. Maine ME			0	0	0	0
21. Maryland MD			0	0	0	0
22. Massachusetts MA	B	Statutory deposit	0	0	151,466	154,998
23. Michigan MI			0	0	0	0
24. Minnesota MN			0	0	0	0
25. Mississippi MS			0	0	0	0
26. Missouri MO			0	0	0	0
27. Montana MT			0	0	0	0
28. Nebraska NE			0	0	0	0
29. Nevada NV			0	0	0	0
30. New Hampshire NH			0	0	0	0
31. New Jersey NJ			0	0	0	0
32. New Mexico NM	B	Statutory deposit	0	0	126,222	129,165
33. New York NY			0	0	0	0
34. North Carolina NC	B	Statutory deposit	0	0	407,469	410,837
35. North Dakota ND			0	0	0	0
36. Ohio OH			0	0	0	0
37. Oklahoma OK			0	0	0	0
38. Oregon OR			0	0	0	0
39. Pennsylvania PA	B	Statutory deposit	1,585,212	1,587,603	0	0
40. Rhode Island RI			0	0	0	0
41. South Carolina SC	B	Statutory deposit	0	0	97,158	97,305
42. South Dakota SD			0	0	0	0
43. Tennessee TN			0	0	0	0
44. Texas TX			0	0	0	0
45. Utah UT			0	0	0	0
46. Vermont VT			0	0	0	0
47. Virginia VA	B	Statutory deposit	0	0	511,359	512,130
48. Washington WA			0	0	0	0
49. West Virginia WV			0	0	0	0
50. Wisconsin WI			0	0	0	0
51. Wyoming WY			0	0	0	0
52. American Samoa AS			0	0	0	0
53. Guam GU			0	0	0	0
54. Puerto Rico PR			0	0	0	0
55. US Virgin Islands VI			0	0	0	0
56. Northern Mariana Islands MP			0	0	0	0
57. Canada CN			0	0	0	0
58. Aggregate Alien and Other OT	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	1,585,212	1,587,603	1,447,082	1,458,074

DETAILS OF WRITE-INS

5801.			0	0	0	0
5802.			0	0	0	0
5803.			0	0	0	0
5898. Summary of remaining write-ins for line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Total (Lines 5801 thru 5803+5898) (Line 58 above)	XXX	XXX	0	0	0	0

MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For the Year Ended December 31, 2009
(To Be Filed by March 1)
FOR THE STATE OF.....West Virginia

NAIC Group Code.....812
Address (City, State and Zip Code).....
Person Completing This Exhibit.....
Title.....

NAIC Company Code.....71768

Telephone Number.....

NONE

1	2	3	4	5	6	7	8	9	10	Policies Issued Through 2006				Policies Issued in 2007, 2008 & 2009			
										11	Incurred Claims		14	15	Incurred Claims		18
											12	13			16	17	
Compliance with OBRA	Policy Form Number	Standardized Medicare Supplement Benefit Plan	Medicare Select	Plan Characteristics	Date Approved	Date Approval Withdrawn	Date Last Amended	Date Closed	Policy Marketing Trade Name	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives	Premiums Earned	Amount	Percent of Premiums Earned	Number of Covered Lives

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details.....

2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
   2.1 Address.....
   2.2 Contact person and phone number.....
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
   3.1 Address.....
   3.2 Contact person and phone number.....
4. Explain any policies identified as policy type "O".

NONE

* 7 1 7 6 8 2 0 0 9 3 6 5 0 0 0 0 0 *

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code....812 (To Be Filed By March 1) NAIC Company Code.....71768

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected:					
1.1 Standard Coverage:					
1.11 With Reinsurance Coverage	0	XXX	0	XXX	0
1.12 Without Reinsurance Coverage	0	XXX	0	XXX	0
1.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	0
1.2 Supplemental Benefits	0	XXX	0	XXX	0
2. Premiums Due and Uncollected-Change:					
2.1 Standard Coverage:					
2.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
2.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
2.2 Supplemental Benefits	0	XXX	0	XXX	XXX
3. Unearned Premium and Advance Premium-Change:					
3.1 Standard Coverage:					
3.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
3.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
3.2 Supplemental Benefits	0	XXX	0	XXX	XXX
4. Risk-Corridor Payment Adjustments-Change:					
4.1 Receivable	0	XXX	0	XXX	XXX
4.2 Payable	0	XXX	0	XXX	XXX
5. Earned Premiums:					
5.1 Standard Coverage:					
5.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	XXX
5.2 Supplemental Benefits	0	XXX	0	XXX	XXX
6. Total Premiums	0	XXX	0	XXX	0
7. Claims Paid:					
7.1 Standard Coverage:					
7.11 With Reinsurance Coverage	0	XXX	0	XXX	0
7.12 Without Reinsurance Coverage	0	XXX	0	XXX	0
7.2 Supplemental Benefits	0	XXX	0	XXX	0
8. Claim Reserves and Liabilities-Change:					
8.1 Standard Coverage:					
8.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
8.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
8.2 Supplemental Benefits	0	XXX	0	XXX	XXX
9. Health Care Receivables-Change:					
9.1 Standard Coverage:					
9.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
9.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
9.2 Supplemental Benefits	0	XXX	0	XXX	XXX
10. Claims Incurred:					
10.1 Standard Coverage:					
10.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
10.2 Supplemental Benefits	0	XXX	0	XXX	XXX
11. Total Claims	0	XXX	0	XXX	0
12. Reinsurance Coverage and Low Income Cost Sharing:					
12.1 Claims Paid - Net of Reimbursements Applied	XXX	0	XXX	0	0
12.2 Reimbursements Received but Not Applied-Change	XXX	0	XXX	0	0
12.3 Reimbursements Receivable-Change	XXX	0	XXX	0	XXX
12.4 Health Care Receivables-Change	XXX	0	XXX	0	XXX
13. Aggregate Policy Reserves-Change	0	0	0	0	XXX
14. Expenses Paid	0	XXX	0	XXX	0
15. Expenses Incurred	0	XXX	0	XXX	XXX
16. Underwriting Gain/Loss	0	XXX	0	XXX	XXX
17. Cash Flow Result	XXX	XXX	XXX	XXX	0

NONE

* 7 1 7 6 8 2 0 0 9 4 6 0 0 0 1 0 0 *

SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2009
(To be filed by March 1)

PART 1 - INTERROGATORIES

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

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1	2	Annual Compensation			
		3	4	5	6
Name and Principal Position	Year	Salary	Bonus	All Other Compensation	Totals
Chief Executive Officer					
	2009				0
	2008				0
	2007				0
1. Note: The Corporation has no employees. The compensation	2009				0
expense recorded by the Corporation relates to services	2008				0
performed for the Corporation by Highmark Inc. See Highmark	2007				0
2. Inc.'s supplemental compensation exhibit for annual	2009				0
compensation detail	2008				0
	2007				0
3.	2009				0
	2008				0
	2007				0
4.	2009				0
	2008				0
	2007				0
5.	2009				0
	2008				0
	2007				0
6.	2009				0
	2008				0
	2007				0
7.	2009				0
	2008				0
	2007				0
8.	2009				0
	2008				0
	2007				0
9.	2009				0
	2008				0
	2007				0

PART 3 - DIRECTOR COMPENSATION

1	2	3	4
Name and Principal Position or Occupation	Compensation Paid or Deferred for Services as Director	All Other Compensation Paid or Deferred	Totals
Directors			
1. David Arthur Blandino, M.D.	5,400		5,400
2. Doris Annette Carson Williams	4,800		4,800
3. Joseph Clinton Guyaux	3,600		3,600

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