

QUARTERLY STATEMENT

OF THE

UAHC HEALTH PLAN OF TENNESSEE

of MEMPHIS
in the state of TENNESSEE

TO THE

Insurance Department

OF THE

STATE OF

TENNESSEE

FOR THE QUARTER ENDED

September 30, 2008

HEALTH

2008

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	7,995,631		7,995,631	9,607,094
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 6,673,367), cash equivalents (\$ 0), and short-term investments (\$ 4,739,226)	11,412,593		11,412,593	8,733,394
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	19,408,224		19,408,224	18,340,488
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	120,884		120,884	368,683
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	1,087,801		1,087,801	1,064,529
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				271,990
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software				
19. Furniture and equipment, including health care delivery assets (\$ 0)				
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates				
22. Health care (\$ 95,109) and other amounts receivable	95,109	60,615	34,494	326,642
23. Aggregate write-ins for other than invested assets				
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	20,712,018	60,615	20,651,403	20,372,332
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	20,712,018	60,615	20,651,403	20,372,332

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	2,292,643		2,292,643	2,262,908
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	69,000		69,000	59,000
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	237,039		237,039	160,110
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))	1,303,505		1,303,505	1,323,996
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	17,420		17,420	
16. Payable for securities				
17. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ 0 current)	1,786,002		1,786,002	1,950,044
22. Total liabilities (Lines 1 to 21)	5,705,609		5,705,609	5,756,058
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X	200,000	200,000
25. Preferred capital stock	X X X	X X X	12,550,000	12,550,000
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X		
29. Unassigned funds (surplus)	X X X	X X X	2,195,794	1,866,274
30. Less treasury stock, at cost:				
30.1 0 shares common (value included in Line 24 \$ 0)	X X X	X X X		
30.2 0 shares preferred (value included in Line 25 \$ 0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	14,945,794	14,616,274
32. Total liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	20,651,403	20,372,332

DETAILS OF WRITE-IN LINES				
2101. PREMIUM TAX PAYABLE	1,087,801		1,087,801	1,064,529
2102. A/P - OTHER	12,106		12,106	42,253
2103. PART D REINSURANCE	586,025		586,025	423,909
2198. Summary of remaining write-ins for Line 21 from overflow page	100,070		100,070	419,353
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,786,002		1,786,002	1,950,044
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801.	X X X	X X X		
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	905,340	958,705	1,275,167
2. Net premium income (including \$ 0 non-health premium income)	X X X	8,668,533	3,003,376	5,710,555
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X	1,438,205	501,790	781,803
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	10,106,738	3,505,166	6,492,358
Hospital and Medical:				
9. Hospital/medical benefits		3,915,989	245,023	867,515
10. Other professional services		1,881,644	428,808	900,458
11. Outside referrals				
12. Emergency room and out-of-area		115,138		41,730
13. Prescription drugs		1,674,935	624,847	1,154,596
14. Aggregate write-ins for other hospital and medical		153,454	1,433,414	2,233,387
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		7,741,160	2,732,092	5,197,686
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)		7,741,160	2,732,092	5,197,686
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 368,245 cost containment expenses		591,245	140,203	670,691
21. General administrative expenses		3,133,787	(391,799)	(876,450)
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		11,466,192	2,480,496	4,991,927
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(1,359,454)	1,024,670	1,500,431
25. Net investment income earned		485,838	620,188	795,631
26. Net realized capital gains (losses) less capital gains tax of \$ 0				
27. Net investment gains (losses) (Lines 25 plus 26)		485,838	620,188	795,631
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]				
29. Aggregate write-ins for other income or expenses			(1,492,942)	(1,497,816)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(873,616)	151,916	798,246
31. Federal and foreign income taxes incurred	X X X	527,058	903,368	977,389
32. Net income (loss) (Lines 30 minus 31)	X X X	(1,400,674)	(751,452)	(179,143)

DETAILS OF WRITE-IN LINES				
0601. TENNCARE SHARED RISK REVENUE	X X X	1,438,205	501,790	781,803
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X	1,438,205	501,790	781,803
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
1401. MEDICARE ACCRUAL		153,454	1,433,414	2,233,387
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)		153,454	1,433,414	2,233,387
2901. CLAIMS AUDIT RESERVE			(1,492,942)	(1,497,816)
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			(1,492,942)	(1,497,816)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	14,616,274	11,699,216	11,699,216
34. Net income or (loss) from Line 32	(1,400,674)	(751,452)	(179,143)
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0	106,771	95,317	122,442
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	797,536	966,319	797,536
39. Change in nonadmitted assets	825,887	1,601,289	2,176,223
40. Change in unauthorized reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Lines 34 to 47)	329,520	1,911,473	2,917,058
49. Capital and surplus end of reporting period (Line 33 plus 48)	14,945,794	13,610,689	14,616,274

DETAILS OF WRITE-IN LINES			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1	2
	Current Year To Date	Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	8,645,261	5,802,224
2. Net investment income	733,637	829,695
3. Miscellaneous income	1,438,205	775,411
4. Total (Lines 1 to 3)	10,817,103	7,407,330
5. Benefit and loss related payments	7,557,971	2,970,691
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	3,638,103	1,247,730
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	(1,047,523)	23,044
10. Total (Lines 5 through 9)	10,148,551	4,241,465
11. Net cash from operations (Line 4 minus Line 10)	668,552	3,165,865
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	11,444,722	
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		3,019,791
12.8 Total investment proceeds (Lines 12.1 to 12.7)	11,444,722	3,019,791
13. Cost of investments acquired (long-term only):		
13.1 Bonds	9,698,747	
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	287,966	
13.7 Total investments acquired (Lines 13.1 to 13.6)	9,986,713	
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	1,458,009	3,019,791
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	552,638	724,751
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	552,638	724,751
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	2,679,199	6,910,407
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	8,733,394	1,822,987
19.2 End of period (Line 18 plus Line 19.1)	11,412,593	8,733,394

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

20.0001		
20.0002		
20.0003		

Report #2A TENNCARE OPERATIONS STATEMENT OF REVENUE AND EXPENSES

Statement as of September 30, 2008 of UAHC Health Plan of TN, Inc.

	Current Period	Current Year to Date	Prior Calendar Year
MEMBER MONTHS	289,080	897,761	1,270,122
REVENUES:			
1. TennCare Capitation	52,270,504	158,864,843	206,313,119
2. Investment	109,324	485,838	795,631
3. Other Revenue (Provide detail)	33,888,515	44,755,229	45,859,299
4. TOTAL REVENUES (Lines 1 to 3)	86,268,343	204,105,911	252,968,048
EXPENSES:			
Medical and Hospital Services			
5. Capitated Physician Services	1,353,370	4,409,965	6,508,229
6. Fee-for-Service Physician Services	4,915,876	14,708,904	20,686,600
7. Inpatient Hospital Services	11,414,433	33,956,551	46,653,148
8. Outpatient Services	18,009,159	55,448,431	69,863,890
9. Emergency Room Services	6,626,311	19,526,393	22,447,200
10. Mental Health Services	-	-	-
11. Dental Services	-	-	-
12. Vision Services	497,045	1,282,504	1,587,685
13. Pharmacy Services	-	-	-
14. Home Health Services	283,455	1,005,391	1,604,105
15. Chiropractic Services	-	-	-
16. Radiology Services	989,123	3,000,698	4,126,065
17. Laboratory Services	488,737	1,392,501	2,399,071
18. Durable Medical Equipment Services	604,704	1,660,764	2,321,147
19. Transportation Services	2,086,735	5,876,873	6,761,813
20. Outside Referrals	-	-	-
21. Medical Incentive Pool and Withhold Adjustments	-	-	-
22. Occupancy, Depreciation, and Amortization	-	-	-
23. Other Medical and Hospital Services (Provide detail)	34,402,166	44,863,585	47,156,191
24. Subtotal (Lines 5 to 23)	81,671,115	187,132,559	232,115,143
25. Reinsurance Expenses Net of Recoveries	-	-	-
LESS:			
26. Copayments	-	-	-
27. Subrogation	-	-	-
28. Coordination of Benefits	(177,407)	(1,249,149)	(1,007,776)
29. Subtotal (Lines 26 to 28)	(177,407)	(1,249,149)	(1,007,776)
30. TOTAL MEDICAL AND HOSPITAL (Lines 24 and 25 less 29)	81,493,708	185,883,410	231,107,367
Administration:			
31. Compensation	1,043,799	3,612,883	4,857,074
32. Marketing	-	-	-
33. Interest Expense	-	-	-
34. Premium Tax Expense	1,136,993	3,458,138	4,520,716
35. Occupancy, Depreciation and Amortization	58,769	178,527	247,060
36. Other Administration (Provide detail)	1,941,226	8,700,896	9,922,967
37. TOTAL ADMINISTRATION (Lines 31 thru 36)	4,180,787	15,950,444	19,547,816
38. TOTAL EXPENSES (Lines 30 and 37)	85,674,495	201,833,854	250,655,183
39. NET INCOME (LOSS) (Line 4 less 38)	593,847	2,272,057	2,312,865

Report #2s (con't) TENNCARE OPERATIONS STATEMENT OF REVENUE AND EXPENSES

Statement as of September 30, 2008 of UAHC Health Plan of TN, Inc.

<u>Line 3 - Other Revenue</u>	Current Period	Current Year to Date	Prior Calendar Year
Administrative Fee Revenue from State	3,423,039	10,559,158	14,968,111
Revenue from State for Premium Tax	1,142,476	3,434,866	4,612,385
Miscellaneous Revenue	-	-	-
Shared Risk Revenue	-	1,438,205	781,802
Pharmacy Rebates	-	-	-
IBNR	29,323,000	29,323,000	25,497,000
Total	33,888,515	44,755,229	45,859,299

Line 23 - Other Medical and Hospital Services

Other Referral/Specialist Services	5,079,166	15,540,585	21,659,191
Other	-	-	-
Physical Therapy	-	-	-
IBNR	29,323,000	29,323,000	25,497,000
Total	34,402,166	44,863,585	47,156,191

Line 36 - Other Administration

Accounting Services	22,500	78,700	90,423.75
Legal Services	7,977	63,208	11,757.74
Professional Services	1,017,958	3,365,583	4,350,592.65
Board of Directors' Meetings	9,915	39,581	48,120.51
Outreach/Member Services	79,605	202,696	230,166
Bank Charges	11,743	30,827	27,729.28
Administrative Expenses	1,100,453	4,634,675	2,718,194.31
Consumables	51,423	186,399	420,477.94
Travel & Entertainment	23,834	97,919	150,683.80
Other Administrative Expenses	23,000	59,002	1,497,816
Provision for Income Taxes	67,696	527,058	977,388.67
Deferred Income Tax	(519,619)	(797,536)	(797,536)
Other Professional Services	44,742	212,783	197,152
Total	1,941,226	8,700,896	9,922,966

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	106,005							816	105,189	
2. First Quarter	102,168							848	101,320	
3. Second Quarter	101,034							839	100,195	
4. Third Quarter	97,744							845	96,899	
5. Current Year										
6. Current Year Member Months	905,340							7,579	897,761	
Total Member Ambulatory Encounters for Period:										
7. Physician	610,894							11,065	599,829	
8. Non-Physician	90,009							1,501	88,508	
9. Totals	700,903							12,566	688,337	
10. Hospital Patient Days Incurred	177,420							7,249	170,171	
11. Number of Inpatient Admissions	6,186							221	5,965	
12. Health Premiums Written (a)	8,668,533							8,668,533		
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	8,668,533							8,668,533		
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	7,587,706							7,587,706		
18. Amount Incurred for Provision of Health Care Services	7,741,160							7,741,160		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 8,668,533

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare	3,996,550	1,902,784	354,424	1,938,220	4,350,974	2,262,908
7. Title XIX - Medicaid		(28,808)				
8. Other health						
9. Health subtotal (Lines 1 to 8)	3,996,550	1,873,976	354,424	1,938,220	4,350,974	2,262,908
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	3,996,550	1,873,976	354,424	1,938,220	4,350,974	2,262,908

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The financial statements of UAHC Health Plan of Tennessee, Inc. are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (the NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee.

There are no reconciling items between the Company's net income and capital and surplus between NAIC SAP practices prescribed and permitted by the state of Tennessee.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

7. Investment Income

None

8. Derivative Instruments

None

9. Income Tax

None

10. Information Concerning Parent, Subsidiaries and Affiliates

None

11. Debt

None

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

None

NOTES TO FINANCIAL STATEMENTS

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

None

14. Contingencies

None

15. Leases

No Change

16. Off Balance Sheet Risk

None

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

None

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

None

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

None

20. Other Items

On April 22, 2008, the Company learned that UAHC-TN will cease providing managed care services as a TennCare contractor when its present TennCare contract expires. UAHC-TN's TennCare members transferred to other managed care organizations on November 1, 2008, after which UAHC-TN will perform its remaining contractual obligations through its TennCare contract expiration date of June 30, 2009. However, revenue under this contract was only earned through October 31, 2008. Revenue under this contract represented 53% and 60% of the Company's total revenues for the three months ended September 30, 2008 and 2007, respectively. Management believes that the discontinuance of the TennCare contract will have a material impact on the Company's operations.

21. Events Subsequent

The schedule below reflects the amount of surplus as of September 30, 2008, restated to include the valuation as of October 31, 2008, of those assets owned as of September 30, 2008.

	Net admitted	Adjustments		Adjusted value
	assets reported	October 2008		of remaining
	as of	Realized	Unrealized	9/30/08 assets
	9/30/2008	Gain/(Loss)	Gain/(Loss)	as of 10/31/08
		Sales)	
Bonds	7,561,676	-	(15,251)	7,546,425
Stocks				
Preferred	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

Common	-	-	-	-	-
Mortgage Loans	-	-	-	-	-
Other invested assets	-	-	-	-	-
	<u>7,561,676</u>	<u>-</u>	<u>-</u>	<u>(15,251)</u>	<u>7,546,425</u>

(1) (2)

Total Capital and Surplus reported on quarterly statement. (Health: page 3, line 31)	(3)	<u>14,945,794</u>
Change in 9/30/08 surplus as a result of realized and unrealized gains/(losses) occurring October 2008 related to assets owned as of 9/30/08. ((1) + (2))	(4)	<u>(15,251)</u>
Total Capital and Surplus restated for investment fluctuations during October 2008 related to assets owned 9/30/08. ((3) + (4))		<u>14,930,543</u>
Percentage change in 9/30/08 surplus resulting from October 2008 realized and unrealized gains/losses on assets owned as of 9/30/08. ((4) / (3))		<u>-0.10%</u>

22. Reinsurance

No change

23. Retrospectively Rated Contracts

None

24. Organization and Operations

None

25. Salvage and Subrogation

None

26. Change in Incurred Claims and Claim Adjustment Expense

None

27. Minimum Net Worth

No Change

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y – Part 1 – organizational chart. Yes [] No [X]

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation. Yes [] No [X] N/A []

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____

6.2 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. _____

6.3 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). _____

6.4 By what department or departments?
.....
.....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this 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]

7.2 If yes, give full information
.....
.....

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 below the names and location (city and state of the main office) of any affiliates regulated by a federal 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

GENERAL INTERROGATORIES (Continued)

9.1 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?
 (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. Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ _____

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ _____	\$ _____
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ _____	\$ _____
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ _____	\$ _____
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement. Yes [] No [X]

16. Excluding items in Schedule E, 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, G – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

GENERAL INTERROGATORIES (Continued)

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

1 Name of Custodian(s)	2 Custodian Address
REGIONS MORGAN KEEGAN	ONE BURTON HILLS BOULEVARD, SUITE 225 NASHVILLE, T

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

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

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

16.5 Identify all investment advisors, broker/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	2 Name(s)	3 Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

NONE Schedule S

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

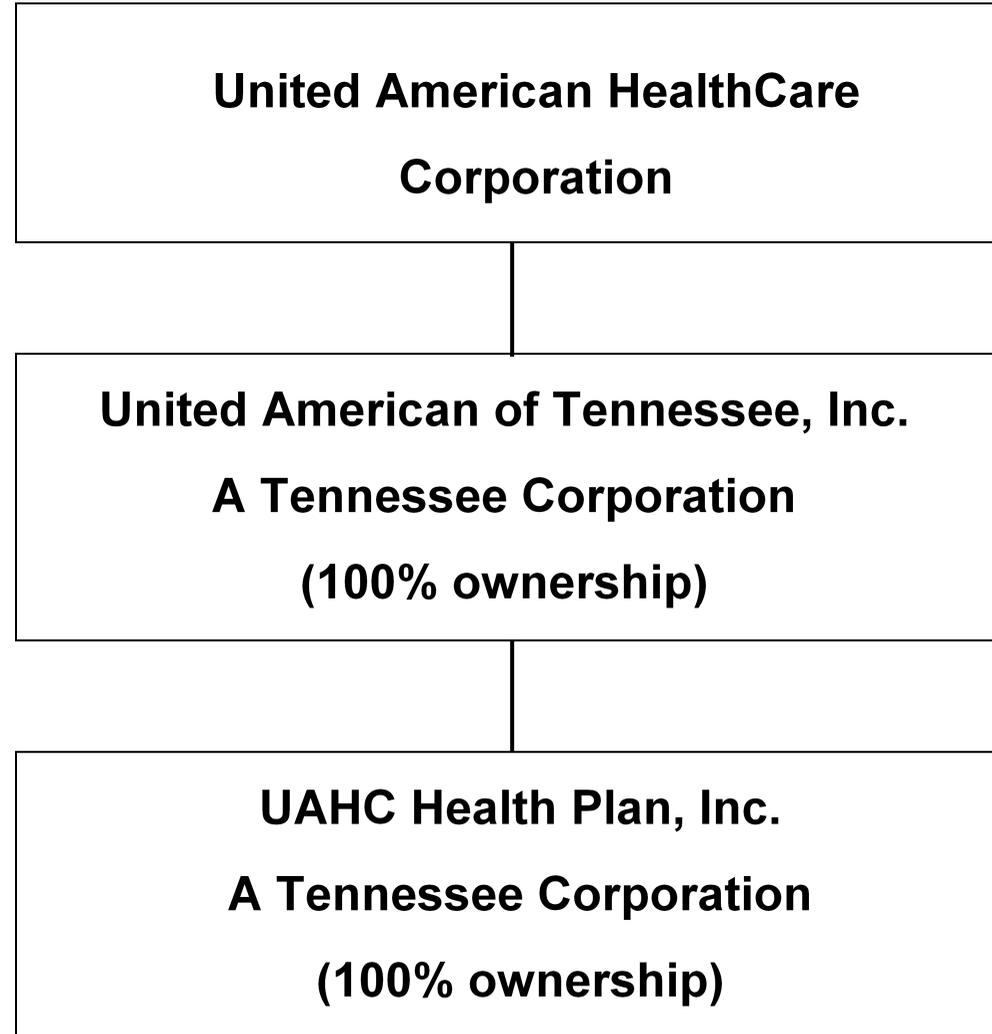
Current Year To Date - Allocated by States and Territories

States, Etc.	1	Active Status	Direct Business Only							
			2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property / Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	N								
41. South Carolina	SC	N								
42. South Dakota	SD	N								
43. Tennessee	TN	L		8,668,533					8,668,533	
44. Texas	TX	N								
45. Utah	UT	N								
46. Vermont	VT	N								
47. Virginia	VA	N								
48. Washington	WA	N								
49. West Virginia	WV	N								
50. Wisconsin	WI	N								
51. Wyoming	WY	N								
52. American Samoa	AS	N								
53. Guam	GU	N								
54. Puerto Rico	PR	N								
55. U.S. Virgin Islands	VI	N								
56. Northern Mariana Islands	MP	N								
57. Canada	CN	N								
58. Aggregate other alien	OT	XXX								
59. Subtotal		XXX		8,668,533					8,668,533	
60. Reporting entity contributions for Employee Benefit Plans		XXX								
61. Totals (Direct Business)	(a)	1		8,668,533					8,668,533	

DETAILS OF WRITE-INS										
5801		XXX								
5802		XXX								
5803		XXX								
5898	Summary of remaining write-ins for Line 58	XXX								
5899	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

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

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART**



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

Explanation:

Bar Code:



0200836500003

OVERFLOW PAGE FOR WRITE-INS

Page 3 - Continuation

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
REMAINING WRITE-INS AGGREGATED AT LINE 21 FOR OTHER LIABILITIES				
2104. DUE TO/(FROM) STATE/MEDICAL	100,070		100,070	419,353
2105.				
2106.				
2107.				
2108.				
2109.				
2110.				
2111.				
2112.				
2113.				
2114.				
2115.				
2116.				
2117.				
2118.				
2119.				
2120.				
2121.				
2122.				
2121.				
2124.				
2125.				
2197. Totals (Lines 2104 through 2125) (Page 3, Line 2198)	100,070		100,070	419,353

SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amount		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted accounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisitions		
2.2 Additional investment made after acquisitions		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	9,607,095	7,445,153
2. Cost of bonds and stocks acquired	9,728,548	2,033,955
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	104,710	127,987
5. Total gain (loss) on disposals		
6. Deduct consideration for bonds and stocks disposed of	11,444,722	
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	7,995,631	9,607,095
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	7,995,631	9,607,095

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
 During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	9,548,074	2,418,684	4,003,438	32,311	9,662,011	9,548,074	7,995,631	9,607,095
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	9,548,074	2,418,684	4,003,438	32,311	9,662,011	9,548,074	7,995,631	9,607,095
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	9,548,074	2,418,684	4,003,438	32,311	9,662,011	9,548,074	7,995,631	9,607,095

S102

(a) Book/Adjusted Carrying Value column for the end of the current reporting period 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 DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999	4,739,226	X X X	4,739,226	355,203	28,222

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,825,709	
2. Cost of short-term investments acquired	4,739,226	1,825,709
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	1,825,709	
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	4,739,226	1,825,709
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	4,739,226	1,825,709

- NONE Schedule DB - Part F - Section 1**
- NONE Schedule DB - Part F - Section 2**
- NONE Schedule E Verification**
- NONE Schedule A - Part 2 and 3**
- NONE Schedule B - Part 2 and 3**
- NONE Schedule BA - Part 2 and 3**

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	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	10 NAIC Designation or Market Indicator (a)
31331V-PQ-3	Bond at Regions Bank		07/28/2008	Federal Farm Credit Bank		382,032	379,000.00	9,799	
31331V-DZ-6	Bond at Regions Bank		07/28/2008	Federal Farm Credit Bank		1,005,469	1,000,000.00	11,958	
31331Y-V3-1	Bond at Regions Bank		07/28/2008	Federal Farm Credit Bank		1,005,313	1,000,000.00	7,725	
31331Y-F9-6	Bond at Regions Bank		07/28/2008	Federal Farm Credit Bank		25,870	26,000.00	319	
0399999	Total Bonds U. S. Government				X X X	2,418,684	2,405,000.00	29,801	X X X
6099997	Total Bonds Part 3				X X X	2,418,684	2,405,000.00	29,801	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	2,418,684	2,405,000.00	29,801	X X X
7499999	Totals				X X X	2,418,684	X X X	29,801	X X X

E04

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid-eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort-ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
3136F8-N3-5	Bond at Regions Bank		07/29/2008	Fannie Mae		1,362,989	1,405,000.00	1,405,000							1,374,273		(42,011)	(42,011)		01/28/2013		
31398ANC2	Bond at Regions Bank		07/29/2008	Fannie Mae		994,583	1,000,000.00	998,438							991,560		(3,855)	(3,855)		02/11/2011		
69000504	SunTrust CD'S		07/25/2008	Maturity		1,877,693	1,600,000.00	1,600,000	1,600,000						1,600,000		277,693	277,693		07/22/2008		
0399999	Total - Bonds - U.S. Governments				X X X	4,235,265	4,005,000.00	4,003,438	1,600,000						3,965,833		231,827	231,827		X X X	X X X	
6099997	Total - Bonds - Part 4				X X X	4,235,265	4,005,000.00	4,003,438	1,600,000						3,965,833		231,827	231,827		X X X	X X X	
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	4,235,265	4,005,000.00	4,003,438	1,600,000						3,965,833		231,827	231,827		X X X	X X X	
7499999	Totals					4,235,265	X X X	4,003,438	1,600,000						3,965,833		231,827	231,827		X X X	X X X	

EOS

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

NONE Schedule DB - Part A and B - Section 1

NONE Schedule DB - Part C and D - Section 1

NONE Schedule E - Part 2



00000200836500003

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0000

NAIC Company Code

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected		XXX		XXX	
2. Earned Premiums		XXX		XXX	XXX
3. Claims Paid		XXX		XXX	
4. Claims Incurred		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	NONE				
6. Aggregate Policy Reserves - Change		XXX	XXX	XXX	XXX
7. Expenses Paid		XXX		XXX	
8. Expenses Incurred		XXX		XXX	XXX
9. Underwriting Gain or Loss		XXX		XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ 0 due from CMS or \$ 0 due to CMS

Medical Services Monitoring Report

MCO																								
UAHC Health Plan of TN		2007												2008										
Reporting Month		Incurred Month												Incurred Month								TOTAL		
September, 2008		January	February	March	April	May	June	July	August	September	October	November	December	Total	January	February	March	April	May	June	July	August	September	TOTAL
Enrollment		112,604	111,774	110,612	110,074	109,138	108,492	108,059	107,766	107,624	107,419	106,794	106,374	1,306,730	105,683	105,145	104,698	103,689	102,389	101,335	100,067	98,880	98,611	920,497
Payments for Medical Services for the Month																								
UB 92 Payments by the Claims Processing System		12,359,962	11,166,456	11,039,650	11,196,634	10,984,502	10,832,373	11,805,439	11,618,637	10,916,348	11,500,807	11,194,069	10,994,315	135,609,193	12,490,001	10,728,484	11,187,898	11,029,523	10,902,278	10,132,538	9,742,608	7,185,747	60,361	66,470,723
HCFA1500 Payments by the Claims Processing System		5,763,489	5,318,459	5,779,219	5,527,616	5,702,228	5,449,506	5,440,267	6,280,248	5,424,056	6,029,451	5,381,960	5,184,099	67,280,596	6,082,774	5,600,740	5,476,327	5,668,263	5,165,898	4,892,977	5,172,801	4,061,650	192,939	32,886,981
Dental Payments by the Claims Processing System																								
Capitation Payments		494,267	478,875	465,612	485,384	465,095	473,122	470,432	461,298	466,928	482,146	472,381	468,880	5,684,419	479,228	471,314	470,282	463,981	453,465	459,655	446,698	452,940	453,733	2,797,925
Pharmacy Payments																								
Subcontractor Payments for Medical Services		17,578	0	16,990	34,654	16,741	16,618	16,839	16,471	28,504	16,921	16,345	16,512	214,172	16,724	16,110	16,007	15,828	15,664	15,829	15,275	15,636	15,802	96,162
Reinsurance Payment																								
Other Payments/Adjustments to Medical Costs		1,006	685	598	4,493	371	0	584	1,867	753	1,280	341	2,155	14,132	928	890	1,568	406	100	561	1,897	654	1,662	4,452
Less:																								
BHO Capitation Revenue																								
Pharmacy Rebates																								
Recoveries not Claims Payments																								
Total Payments for the month		18,636,302	16,964,475	17,302,069	17,248,780	17,168,937	16,771,618	17,733,561	18,378,520	16,836,589	18,030,605	17,065,095	16,665,961	208,802,512	19,069,655	16,817,539	17,152,083	17,178,001	16,537,405	15,501,561	15,379,278	11,716,627	724,497	102,256,243
Remaining IBNR for the month		0	0	0	0	0	0	8,000	22,000	46,000	85,000	126,000	171,000	458,000	251,000	317,000	445,000	547,000	901,000	1,346,000	2,378,000	5,741,000	16,939,000	29,781,000
Payments and Remaining IBNR for the month		18,636,302	16,964,475	17,302,069	17,248,780	17,168,937	16,771,618	17,741,561	18,400,520	16,882,589	18,115,605	17,191,095	16,836,961	209,260,512	19,320,655	17,134,539	17,597,083	17,725,001	17,438,405	16,847,561	17,757,278	17,457,627	17,663,497	209,260,512
Per Member Expense		165.50	151.77	156.42	156.70	157.31	154.59	164.18	170.75	156.87	158.28	158.28	158.28	160.14	182.82	162.96	168.07	170.94	170.32	166.26	177.45	176.55	179.12	227.33
Per Member Month Exp. For Quarter				157.92			156.21			163.94			162.65				171.31			169.19			177.71	
Per Member Month Exp. For Quarter in 2004				144.31			140.68			149.83			145.17				157.92			156.21			163.94	
Per Member Month Exp. For Quarter in 2003				149.60			147.21			141.53			135.73				144.31			140.68			149.83	
Percent Change from 2003 to 2004				(0.04)			(0.04)			0.06			0.07				0.09			0.11			0.09	
Medical Services Budget for 2005 Quarter				139.20			134.44			158.62			155.26				172.83			173.44			179.37	
(Over)/Under Budget				(18.72)			(21.76)			(5.32)			(7.39)				1.52			4.25			1.66	

UAHC Health Plan of Tennessee, Inc
Reconciliation from MFT to NAIC
September 2008

Medical Expenses Per NAIC:

Statement of Revenue and Expenses- Page 2A, Line 24	157,809,559
Add: Reinsurance Ceded from U & I Exhibit, Page 8, Line 15	-
Total	157,809,559

Total Medical Expenses Paid per 09/30/08 MFT

January-September, 2008 for Facility	103,295,157
January-September, 2008 for Physician	49,302,018
Primary Care - Caps	4,151,296
CHA - Transportation	142,876
Appeals - Other	8,664
Total	156,900,011

Unreconciled difference	(909,548)	-0.5797%
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**MEDICAL FUND MONITORING REPORT
GRAND REGION - WEST**

**MEDICAL FUND MONITORING REPORT
GRAND REGION - WEST**

**MEDICAL FUND MONITORING REPORT
GRAND REGION - WEST**

MCO																																									
UAHC Health Plan of TN																																									
Reporting Month																																									
September, 2008																																									
		2006						2007						For the Year	2007						2008						For the Year	2008						For the Year							
		Incurred Month						Incurred Month						Ending	Incurred Month						Incurred Month						Ending	Incurred Month						Ending							
		July	August	September	October	November	December	January	February	March	April	May	June	6/30/2007	July	August	September	October	November	December	January	February	March	April	May	June	6/30/2008	July	August	September	October	November	December	6/30/2008	July	August	September	October	November	December	6/30/2009
Enrollment		120,321	117,046	116,697	115,893	114,826	122,716	112,604	111,774	110,612	110,074	109,138	108,492	1,370,193	108,059	107,766	107,624	107,419	106,794	106,374	105,683	105,145	104,698	103,689	102,389	101,335	1,266,975	100,067	98,880	98,880	98,611	98,611	98,611	98,611	297,558						
TennCare Medical Fund Target		11,390,208	11,086,173	11,046,277	10,951,045	10,847,751	11,564,627	10,603,731	10,520,064	10,408,886	10,353,609	10,267,979	10,211,170	129,251,520	10,166,720	10,143,096	10,132,637	10,120,626	10,071,765	10,044,388	9,989,425	9,944,977	9,901,048	9,783,061	9,634,206	9,511,845	119,443,795	9,356,170	9,207,517	9,207,517	9,136,174	9,136,174	9,136,174	9,136,174	27,699,861						
Payments for Medical Services for the Month																																									
UB 92 Payments by the Claims Processing System		11,061,262	11,617,125	11,399,023	11,913,286	10,831,344	10,515,732	12,359,962	11,166,456	11,039,650	11,196,634	10,984,502	10,832,373	134,917,350	11,805,439	11,618,637	10,916,348	11,500,807	11,194,069	10,994,315	12,490,001	10,728,484	11,187,898	11,029,523	10,902,278	10,132,538	134,500,337	9,742,608	7,185,747	7,185,747	60,361	60,361	60,361	60,361	16,988,716						
HCFA1500 Payments by the Claims Processing System		5,548,696	6,175,489	5,626,826	5,909,695	5,423,445	5,141,776	5,763,489	5,318,459	5,779,219	5,527,616	5,702,228	5,449,506	67,366,442	5,440,267	6,280,248	5,424,056	6,029,451	5,381,960	5,184,099	6,082,774	5,600,740	5,476,327	5,668,263	5,165,898	4,892,977	66,627,061	5,172,801	4,061,650	4,061,650	192,939	192,939	192,939	192,939	9,427,390						
Dental Payments by the Claims Processing System														0												0								0							
Capitation Payments		526,559	504,119	520,761.88	522,014	508,681	486,721	494,267	478,875	465,612	485,384	465,095	473,122	5,931,210	470,432	461,298	466,927.78	482,146	472,381	468,880	479,228	471,314	470,282	463,981	453,465	459,655	5,619,990	446,698	452,940	452,940	453,733	453,733	453,733	453,733	1,353,370						
Pharmacy Payments														0												0								0							
Subcontractor Payments for Medical Services		18,074	18,074	17,841.37	18,325	17,578	17,578	17,578	0	16,990	34,654	16,741	16,618	210,052	16,839	16,471	28,503.76	16,921	16,345	16,512	16,724	16,110	16,007	15,828	15,664	15,829	207,754	15,275	15,636	15,636	15,802	15,802	15,802	15,802	46,714						
Reinsurance Payment														0												0								0							
Other Payments/Adjustments to Medical Costs		595	12,989	1,446.00	98	253	874	1,006	685	598	4,493	371	0	23,407	584	1,866.73	753.00	1,280	341	2,155	928	890	1,568	406	100	561	11,432	1,897	653.64	1,662	4,212	4,212	4,212	4,212	4,212						
Less:														0												0								0							
BHO Capitation Revenue														0												0								0							
Pharmacy Rebates														0												0								0							
Recoveries not Reflected in Payments by the Claims System														0												0								0							
Total Payments for the month		17,155,186	18,327,796	17,565,898	18,363,417	16,781,301	16,162,680	18,636,302	16,964,475	17,302,069	17,248,780	17,168,937	16,771,618	208,448,461	17,733,561	18,378,520	16,836,589	18,030,605	17,065,095	16,665,961	19,069,655	16,817,539	17,152,083	17,178,001	16,537,405	15,501,561	206,966,573	15,379,278	11,716,627	11,716,627	724,497	724,497	724,497	724,497	27,820,403						
Remaining IBNR for the month		0	0	0	0	0	0	0	0	0	0	0	0	8,000	22,000	46,000	85,000	126,000	171,000	251,000	317,000	445,000	547,000	901,000	1,346,000	4,265,000	2,378,000	5,741,000	5,741,000	16,939,000	16,939,000	16,939,000	16,939,000	25,058,000							
Payments and Remaining IBNR for the month		17,155,186	18,327,796	17,565,898	18,363,417	16,781,301	16,162,680	18,636,302	16,964,475	17,302,069	17,248,780	17,168,937	16,771,618	208,448,461	17,741,561	18,400,520	16,882,589	18,115,605	17,191,095	16,836,961	19,320,655	17,134,539	17,597,083	17,725,001	17,438,405	16,847,561	211,231,573	17,757,278	17,457,627	17,457,627	17,663,497	17,663,497	17,663,497	17,663,497	52,878,403						
Medical Fund / Total Payments		150.6%	165.3%	159.0%	167.7%	154.7%	139.8%	175.8%	161.3%	166.2%	166.6%	167.2%	164.2%	161.3%	174.5%	181.4%	166.6%	179.0%	170.7%	167.6%	193.4%	172.3%	177.7%	181.2%	181.0%	177.1%	176.8%	189.8%	189.6%	193.3%	193.3%	193.3%	193.3%	190.9%							

UAHC Health Plan of Tennessee, Inc
Reconciliation from MLR to NAIC
September 2008

Medical Expenses Per NAIC:

Statement of Revenue and Expenses- Page 4, Line 16	-
Add: Reinsurance Ceded from U & I Exhibit, Page 8, Line 15	-
Total	<u>-</u>

Total Medical Expenses Paid per 09/30/08 MLR
January-September, 2008

Lag Timing Adjustment	-
Less: IBNR as of 09/30/08	-
	-
	<u>-</u>
	-

Unreconciled difference	<u><u>-</u></u>
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