QUARTERLY STATEMENT

AS OF September 30, 2009

OF THE CONDITION AND AFFAIRS OF THE

HEALTH RIGHT, INC.

NAIC Group Code 0000 (Current Period), 0000 (Prior Period) NAIC Company Code 95787 Employer's ID Number 52-2011721

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[ ] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]
Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[X]
Other[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]

Incorporated/Organized 11/01/1996 Commenced Business 05/01/1998

Statutory Home Office 1101 14th Street, N.W. Suite 900 (Street and Number), Washington, DC 20005 (City, or Town, State and Zip Code)

Main Administrative Office 1101 14th Street, N.W. Suite 900 (Street and Number)
Washington, DC 20005 (City or Town, State and Zip Code) (202)218-0373 (Area Code) (Telephone Number)

Mail Address 1101 14th Street, N.W. Suite 900 (Street and Number or P.O. Box), Washington, DC 20005 (City, or Town, State and Zip Code)

Primary Location of Books and Records 1101 14th Street, N.W. Suite 900 (Street and Number)
Washington, DC 20005 (City, or Town, State and Zip Code) (202)218-0373 (Area Code) (Telephone Number)

Internet Web Site Address www.healthright-dc.com

Statutory Statement Contact Donna Marie Carris (Name) (202)218-0373-120 (Area Code)(Telephone Number)(Extension)
donna.carris@healthright-dc.com (E-Mail Address) (Fax Number)

OFFICERS

Name	Title
Vincent Augustine Keane	Chairman
Donna Marie Carris	Chief Executive Officer

OTHERS

DIRECTORS OR TRUSTEES

Marlene Kelley
Charles Kenneth Barber
Richard Clayton Bohrer

State of District of Columbia
County of _____ ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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.

(Signature)	(Signature)	(Signature)
Vincent Augustine Keane	Donna Marie Carris	
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
Chairman	Chief Executive Officer	
(Title)	(Title)	(Title)

Subscribed and sworn to before me this 13 day of November, 2009

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

(Notary Public Signature)

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31, Prior Year Net Admitted Assets
1. Bonds				
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 $.....0 encumbrances)				
5. Cash ($.....94,476), cash equivalents ($.....0) and short-term investments ($.....35,835,455)	35,929,931		35,929,931	28,926,117
6. Contract loans (including $.....0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets	786,993	282,993	504,000	
10. Subtotals, cash and invested assets (Lines 1 to 9)	36,716,924	282,993	36,433,931	28,926,117
11. Title plants less $.....0 charged off (for Title insurers only)				
12. Investment income due and accrued				
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection				
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	66,439		66,439	124,270
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon	1,366,150		1,366,150	2,652,912
16.2 Net deferred tax asset	206,477	(259,474)	465,951	465,951
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	59,211	59,211		6,318
19. Furniture and equipment, including health care delivery assets ($.....0)	170,097	170,097		97,251
20. Net adjustments in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	978,975		978,975	1,622,400
22. Health care ($.....0) and other amounts receivable				3,273,337
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)	39,564,273	252,827	39,311,446	37,168,556
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	39,564,273	252,827	39,311,446	37,168,556
DETAILS OF WRITE-INS				
0901. Prepaid Expenses and Other Assets	786,993	282,993	504,000	
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)	786,993	282,993	504,000	
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)	27,569,897		27,569,897	26,369,885
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses	538,000		538,000	401,311
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	359,421		359,421	885,302
10.1	Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))				
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 $.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	3,500		3,500	10,000
16.	Payable for securities				
17.	Funds held under reinsurance treaties with ($.....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)				
22.	Total liabilities (Lines 1 to 21)	28,470,818		28,470,818	27,666,498
23.	Aggregate write-ins for special surplus funds	XXX	XXX		
24.	Common capital stock	XXX	XXX	1,651,000	1,651,000
25.	Preferred capital stock	XXX	XXX		
26.	Gross paid in and contributed surplus	XXX	XXX		
27.	Surplus notes	XXX	XXX		
28.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
29.	Unassigned funds (surplus)	XXX	XXX	10,489,628	9,151,058
30.	Less treasury stock, at cost:				
	30.1 .....0 shares common (value included in Line 24 $.....0)	XXX	XXX	1,300,000	1,300,000
	30.2 .....0 shares preferred (value included in Line 25 $.....0)	XXX	XXX		
31.	Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	10,840,628	9,502,058
32.	Total Liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	39,311,446	37,168,556
DETAILS OF WRITE-INS					
2101.					
2102.					
2103.					
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2301.		XXX	XXX		
2302.		XXX	XXX		
2303.		XXX	XXX		
2398.	Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX		
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX		
2801.		XXX	XXX		
2802.		XXX	XXX		
2803.		XXX	XXX		
2898.	Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX		
2899.	TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	XXX	352,275	352,922	458,591
2.	Net premium income (including $.....0 non-health premium income)	XXX	78,246,864	74,717,705	99,962,821
3.	Change in unearned premium reserves and reserves for rate credits	XXX			
4.	Fee-for-service (net of $.....0 medical expenses)	XXX			
5.	Risk revenue	XXX			
6.	Aggregate write-ins for other health care related revenues	XXX			
7.	Aggregate write-ins for other non-health revenues	XXX			
8.	Total revenues (Lines 2 to 7)	XXX	78,246,864	74,717,705	99,962,821
Hospital and Medical:					
9.	Hospital/medical benefits		48,936,568	37,500,450	65,777,386
10.	Other professional services		16,130,328	23,161,425	26,336,487
11.	Outside referrals				
12.	Emergency room and out-of-area		1,706,617	1,246,364	1,172,657
13.	Prescription drugs		5,844,597	4,287,885	5,822,696
14.	Aggregate write-ins for other hospital and medical		24,361	50,173	63,589
15.	Incentive pool, withhold adjustments and bonus amounts				
16.	Subtotal (Lines 9 to 15)		72,642,471	66,246,298	99,172,815
Less:					
17.	Net reinsurance recoveries		170,500	116,547	124,270
18.	Total hospital and medical (Lines 16 minus 17)		72,471,971	66,129,751	99,048,545
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $.....0 cost containment expenses		357,736	177,539	401,311
21.	General administrative expenses		5,183,656	5,683,808	6,309,026
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)		78,013,363	71,991,098	105,758,882
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	233,501	2,726,606	(5,796,061)
25.	Net investment income earned		67,511	805,394	968,446
26.	Net realized capital gains (losses) less capital gains tax of $.....0				
27.	Net investment gains or (losses) (Lines 25 plus 26)		67,511	805,394	968,446
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				
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	301,012	3,532,001	(4,827,615)
31.	Federal and foreign income taxes incurred	XXX		1,163,955	(877,989)
32.	Net income (loss) (Lines 30 minus 31)	XXX	301,012	2,368,046	(3,949,626)
DETAILS OF WRITE-INS					
0601.		XXX			
0602.		XXX			
0603.		XXX			
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX			
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX			
0701.		XXX			
0702.		XXX			
0703.		XXX			
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX			
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX			
1401.	Transportation		18,504	19,211	40,632
1402.	Translation		5,857	30,962	22,957
1403.					
1498.	Summary of remaining write-ins for Line 14 from overflow page				
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		24,361	50,173	63,589
2901.					
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)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	9,502,058	15,164,310	15,164,310
34.	Net income or (loss) from Line 32	301,012	2,368,046	(3,949,626)
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			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			379,072
39.	Change in nonadmitted assets	683,077		(946,914)
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			(773,195)
47.	Aggregate write-ins for gains or (losses) in surplus	354,481		(371,589)
48.	Net change in capital and surplus (Lines 34 to 47)	1,338,570	2,368,046	(5,662,252)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	10,840,628	17,532,356	9,502,058
DETAILS OF WRITE-INS				
4701.	Adj in Surplus	354,481		(371,589)
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)	354,481		(371,589)

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
	Cash from Operations		
1.	Premiums collected net of reinsurance	78,246,864	99,962,821
2.	Net investment income	67,511	968,446
3.	Miscellaneous income		
4.	Total (Lines 1 to 3)	78,314,375	100,931,267
5.	Benefit and loss related payments	67,940,791	94,759,555
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	5,846,969	7,662,289
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	(1,563,826)	2,652,912
10.	Total (Lines 5 through 9)	72,223,934	105,074,756
11.	Net cash from operations (Line 4 minus Line 10)	6,090,441	(4,143,489)
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds		
	12.2 Stocks		
	12.3 Mortgage loans		
	12.4 Real estate		
	12.5 Other invested assets		
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7 Miscellaneous proceeds		
	12.8 Total investment proceeds (Lines 12.1 to 12.7)		
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds		
	13.2 Stocks		
	13.3 Mortgage loans		
	13.4 Real estate		
	13.5 Other invested assets		
	13.6 Miscellaneous applications	786,993	
	13.7 Total investments acquired (Lines 13.1 to 13.6)	786,993	
14.	Net increase (or decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(786,993)	
	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		773,195
	16.6 Other cash provided (applied)	1,700,366	
17.	Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	1,700,366	(773,195)
	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)	7,003,814	(4,916,684)
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	28,926,117	33,842,801
	19.2 End of period (Line 18 plus Line 19.1)	35,929,931	28,926,117

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

	Description	Amount 1	Amount 2
20.0001			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	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	39,206	16,443							20,348	2,415
2. First Quarter	39,060	16,612							20,167	2,281
3. Second Quarter	38,834	17,208							20,295	1,331
4. Third Quarter	41,264	17,631							20,737	2,896
5. Current Year										
6. Current Year Member Months	352,275	152,687							183,006	16,582
Total Member Ambulatory Encounters for Period:										
7. Physician	20,602	13,836							4,924	1,842
8. Non-Physician	2,899	1,659							1,052	188
9. Total	23,501	15,495							5,976	2,030
10. Hospital Patient Days Incurred	3,356	1,865							1,114	377
11. Number of Inpatient Admissions	2,396	1,629							598	169
12. Health Premiums Written (a)	78,246,864	32,300,255							41,148,369	4,798,239
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	78,246,863	32,300,255							41,148,369	4,798,239
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services										
18. Amount Incurred for Provision of Health Care Services	72,642,472	30,417,076							38,957,703	3,267,693

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

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
Individually Listed Claims Unpaid						
Caremark	282,254					282,254
Quality Plan Administration	387,643					387,643
0199999 Individually Listed Claims Unpaid	669,897					669,897
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals	669,897					669,897
0599999 Unreported claims and other claim reserves						26,900,000
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						27,569,897
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

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	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
1. Comprehensive (hospital & medical)	13,217,763	20,488,036	119,798	12,492,542	13,337,561	12,365,541
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	11,117,197	22,323,855	70,061	12,287,496	11,187,258	12,380,062
8. Other health	1,369,227	2,755,880	56,272	2,543,728	1,425,499	1,624,281
9. Health subtotal (Lines 1 to 8)	25,704,187	45,567,771	246,131	27,323,766	25,950,318	26,369,884
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	25,704,187	45,567,771	246,131	27,323,766	25,950,318	26,369,884

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

Notes to Financial Statement

HEALTH RIGHT, INC.

Notes To Financial Statement

Note 1. **Summary of Significant Accounting Policies**

A. Accounting Practices - The accompanying financial statements of Health Right, Inc. (HRI) are presented on the basis of accounting practices prescribed or permitted by the District of Columbia's Department of Insurance and Securities Regulations (DISR).

The District of Columbia Department of Insurance and Securities Regulations recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the District of Columbia Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, version effective March 2005 (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the District of Columbia.

B. Use of Estimates in the Preparation of the Financial Statements – The preparation of financial statements in conformity with the NAIC Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy – HRI records premium revenues based on its membership records. Premiums are due monthly and are recognized as revenue during the period in which the company is obliged to provide service to members.

In addition, the company uses the following accounting policies:

1) Short-term investments consist of readily marketable securities with maturities greater than three months but less than one year at the time of purchase.

2) None.

3) Unpaid claims and loss adjustment expenses include an amount determined from individual case estimates and claim reports and an amount, based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

4) HRI has not modified its capitalization policy from the prior period.

Note 2. **Accounting Changes and Corrections of Errors**

None.

Note 3. **Business Combinations and Goodwill**

None.

Note 4. **Discontinued Operations**

None.

Note 5. **Investments**

Notes to Financial Statement

Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities Repurchase Agreements, or Real Estate – None.

Note 6. **Joint Ventures, Partnerships and Limited Liability Companies**

None.

Note 7. **Investment Income**

HRI reports only investment income that is earned as due and accrued.

Note 8. **Derivative Instruments**

None.

Note 9. **Income Taxes**

A. The components of the net deferred income tax assets recognized in the Company's Assets, Liabilities, Surplus and Other Funds is as follows:

	December 31, 2008	December 31, 2007	Change
Total of all deferred tax assets (admitted and nonadmitted)	483,541	38,100	445,441
Total of all deferred tax liabilities	0	0	0
Net deferred tax asset	483,541	38,100	445,441
Total deferred tax assets nonadmitted in accordance with SSAP No. 10, Income Taxes	(17,590)	0	(17,590)
Net admitted deferred tax asset	465,951	38,100	427,851

B. The Company has not recognized DTL's for the following:

1. N/A
2. N/A
3. N/A
4. N/A

C. Current income taxes incurred consist of the following major components

	2008	2007
Federal tax on operations	(1,434,912)	2,786,938
Foreign tax		
Prior year taxes	556,923	0
Federal and foreign income taxes incurred	(877,989)	2,786,938

The main components of the 2008 deferred tax amounts are as follows:

DTAs	Statutory	Tax	Difference	Tax Effect
Losses and Loss Adjustment Expenses	26,771,196	26,253,843	517,353	175,900
Charitable Contributions Carryforward	0	(89,931)	89,931	30,577
Nonadmitted assets	0	(814,896)	814,896	277,065
Total DTAs	26,771,196	25,349,016	1,422,180	483,541
DTAs nonadmitted				(17,590)
Admitted DTAs				465,950

The changes in the main components of DTAs and DTLs are as follows:

DTAs resulting from book/tax differences in	2008	2007	Change
Losses and Loss Adjustment Expenses	175,900	0	175,900
Depreciation	0	38,100	(38,100)
Capital Loss Carryforward	30,577	0	30,577
Nonadmitted assets	277,065	0	277,065
Total DTAs	483,541	38,100	445,441
DTAs not admitted	(17,590)	0	(17,590)
Admitted DTAs	465,951	38,100	427,851

Notes to Financial Statement

D. The provision for Federal and foreign income taxes incurred is different from that which would be obtained by applying the statutory Federal income rate to income before income taxes. The significant items causing this difference are as follows:

Effective tax rate reconciliation (total of current and deferred)

	Tax	Effective Rate
Income tax expense (benefit) computed at statutory tax rate	(1,641,388)	34.0%
Prior year under (over) accrual	556,923	-11.5%
Other	38,100	-0.8%
Total statutory income tax expense (benefit)	(1,046,365)	21.7%

Recap:	Tax	Effective Rate
Current Federal and foreign income taxes incurred per statement of income	(877,989)	18.2%
Deferred tax expense (benefit) related to statement of income but reflected in surplus	(168,377)	3.5%
Total statutory income tax expense (benefit)	(1,046,365)	21.7%

Current Income tax incurred (benefit) per statement of income:

	Amount	Tax Effect	Effective Rate
Net gain from operations	(4,827,613)	(1,641,388)	34.0%
Tax adjustments:			
Loss Reserve Discounting	517,353	175,900	-3.6%
Charitable contributions c/f	89,931	30,577	-0.6%
Prior year under (over) accrual		556,923	-11.5%
Total Federal taxable income and income tax incurred	(4,220,329)	(877,989)	18.2%

Deferred Income tax expense (benefit) in surplus:

	Tax	Effective Rate
Change in net admitted DTA--expense or (benefit) (per 9A above)	(427,851)	8.9%
Less items unrelated to statement of operations:		
Change in DTA nonadmitted in line 27, page 4	(17,590)	0.4%
Change in DTA related to other nonadmitted assets	277,065	-5.7%
Deferred tax expense (benefit) related to statement of income	(168,377)	3.5%

E. Loss carryforwards and potential tax recoveries:

1. At December 31, 2008 the company had no net operating loss carryforwards.

2. The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:
   a. 2008 $0
   b. 2007 $9,447,840

3. The Company has not made any deposits under Section 6603 of the Internal Revenue Code as of December 31, 2008

F. Federal tax allocation

1. The company's federal income tax return is not consolidated with those of any other entity or entities.

2. N/A

Notes to Financial Statement

Note 10. **Information Concerning Parent, Subsidiaries and Affiliates**

A. HRI is primarily owned by Unity Health Care, Inc. (UHC), who has rights to 97% of the organization.

B. As of September 30, 2009, HRI reported $978,975 as amounts due from the Parent Company, Unity Health Care. These receivables are dated within 60 days.

C. Management and Administrative Services Agreement: On January 1, 2000, HRI has a management and administrative service agreement with UHC to provide senior management support, medical personnel support, human resources and payroll support, and financial and accounting support. This agreement was amended in November 2008 to a cost-based contract. In accordance with the amended agreement, HRI shall reimburse UHC for the total allocated share of General and Administrative (G&A) Services. UHC shall accumulate G&A costs that benefit both HRI and UHC into a cost pool and shall allocate a fair share of the pool to HRI on a quarterly basis using direct labor as an allocation. Any services not accounted for in the G&A cost pool shall be charged to HRI at the full cost of such services, including labor, fringe, overhead, space, and any other reasonable, allocable cost of providing such services. The agreement is retroactive to June 1, 2008 and shall continue until terminated by either party, or at any time upon the mutual consent of the parties. The management fees incurred through September 30, 2009 under this agreement was $208,362.

   HRI has agreed to perform claim administrative services for Unity Health Care who services the Department of Corrections population.

D. HRI is primarily owned by UHC.

Note 11. **Debt**

None.

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

HRI employees are covered by a defined contribution plan but contributions are matched up to 5% of each employee's compensation at the end of the each year. HRI's contribution for the plan was $0 for the period ended September 30, 2009 and for the year ended December 31, 2008, respectively.

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

1) HRI has 1,000 shares authorized and issued and 369 shares outstanding.

2) HRI has no preferred stock outstanding.

3) Dividend restrictions – None.

4) Ordinary dividends – None.

5) Restrictions on surplus – None.

6) Advances to surplus – None.

7) HRI has 631 shares of common stock held by the company in treasury.

8) Changes of balance in surplus funds – None.

9) Unassigned funds (surplus) were reduced in as follows:
   a) Unrealized gains and losses: $0
   b) Nonadmitted asset values: $0
   c) Separate account business: $0
   d) Asset valuation reserves: $0
   e) Provision for reinsurance: $0

Notes to Financial Statement

10) Surplus debentures or similar obligations – None.

11) Quasi-reorganizations – None.

12) Quasi-reorganizations – None.

Note 14. **Contingencies**

None.

Note 15. **Leases**

HRI entered into an office lease agreement commencing October 1, 2001 with an expiration date of September 30, 2011. The lease was amended in December 2005 for additional space, and the termination date was extended to July 31, 2013. The lease has an initial monthly payment approximating $18,340 with an escalation of at least 2.5% per year. Rent expense incurred under the office lease for the period ended September 30, 2009 and the year ended December 31, 2008 was $357,861 and $423,584, respectively.

Future lease commitments under the agreement are estimated as follows:

Years ending December 31	
2009	387,674
2010	391,443
2011	409,843
2012 through 2013	670,352
Total	$ 1,859,312

Note 16. **Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

None.

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

None.

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

None.

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

None.

Note 20. **Other Items**

None.

Note 21. **Events Subsequent**

None.

Note 22. **Reinsurance**

HRI entered into a stop-loss insurance agreement with an insurance company to limit its losses on individual claims. Under the terms of this agreement, the insurance company will reimburse HRI approximately 90% of the cost of each member's eligible annual hospital services and eligible medical services, in excess of $100,000 per member, respectively; if services are performed in a "per diem" or approved fixed procedural fee hospital. In the event HRI ceases operations, plan benefits will continue for members until the end of the contract period for which premiums have been paid.

Notes to Financial Statement

Stop Loss insurance premiums for the period ended September 30, 2009 and year ended December 31, 2008 were $813,212 and $1,206,109, respectively. Reinsurance recovery for the period ended September 30, 2009 and year ended December 31, 2008 were $170,500 and $231,502, respectively. Uncollectible Reinsurance and Commutation of Ceded Reinsurance – None.

In May 2006, HRI added a retro corridor to the reinsurance policy. In the event total eligible claims under the policy exceed 55% of the total premium due, the reinsuring company will reimburse HRI an amount equal to 55% of the total premium. If total claims exceed the sum of 55% of the total premium due plus the PMPM multiplied by the annual member months, the responsibility for payment of the excess will also be of the reinsuring company.

Note 23. **Retrospectively Rated Contracts & Contracts Subject to Redetermination**

None.

Note 24. **Change in Incurred Claims and Claim Adjustment Expenses**

Reserves for claims unpaid and claim adjustment expenses were $27,569,897 and $538,000 as of September 30, 2009. The reserves were developed through analysis of historical claims experiences with consulting advice provided by an outside actuary.

Note 25. **Intercompany Pooling Arrangements**

None.

Note 26. **Structured Settlements**

None.

Note 27. **Health Care Receivables**

On December 31, 2008, HRI had a receivable of $4,822,400; $3,200,000 due from DCHCSNA and $1,622,400 from Unity Health Care Inc. HRI received the funds due from DCHCSNA on January 14, 2009.

On June 30, 2009, HRI had a receivable of $4,855,080; $3,232,680 due from Washington Hospital Center (WHC) and $1,622,400 from Unity Health Care Inc. The $1,622,400 represented capitation receivables for the months of April, May and June of 2009. HRI received the funds due from WHC in September 2009.

On September 30, 2009, HRI had a receivable of $978,975 from Unity Health Care Inc. The $978,975 represented receivables for the months of August and September of 2009.

Note 28. **Participating Policies**

None.

Note 29. **Premium Deficiency Reserves**

None.

Note 30. **Anticipated Salvage and Subrogation**

None.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the 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[ ] N/A[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? Yes[ ] No[X]
If yes, complete the Schedule Y - Part 1 - organizational chart.

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? Yes[ ] No[ ] N/A[X]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2003
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. 12/31/2003
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). 07/07/2004
6.4 By what department or departments?
Department of Insurance, Securities and Banking
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
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

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? 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.
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[X] No[ ]
10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 978,975

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: $ 0

13. Amount of real estate and mortgages held in short-term investments: $ 0

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

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

		1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21	Bonds		
14.22	Preferred Stock		
14.23	Common Stock		
14.24	Short-Term Investments		
14.25	Mortgages 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? Yes[ ] No[ ] N/A[X]
If no, attach a description with this statement.

16. 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[ ] No[X]
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
SunTrust Bank	Washington, DC 20005-2108

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, 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	2 Name(s)	3 Address
SunTrust Bank	Trustco Capital Management	1445 New York Avenue NW, Ste. 800, Washington, DC 20005

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:

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

			Direct Business Only							
		1	2	3	4	5	6	7	8	9
	State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	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)	L	32,300,255		41,148,369				73,448,624	
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)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CN)	N								
58.	Aggregate other alien (OT)	XXX								
59.	Subtotal	XXX	32,300,255		41,148,369				73,448,624	
60.	Reporting entity contributions for Employee Benefit Plans	XXX								
61.	Total (Direct Business)	(a) 1	32,300,255		41,148,369				73,448,624	
DETAILS OF WRITE-INS										
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX								

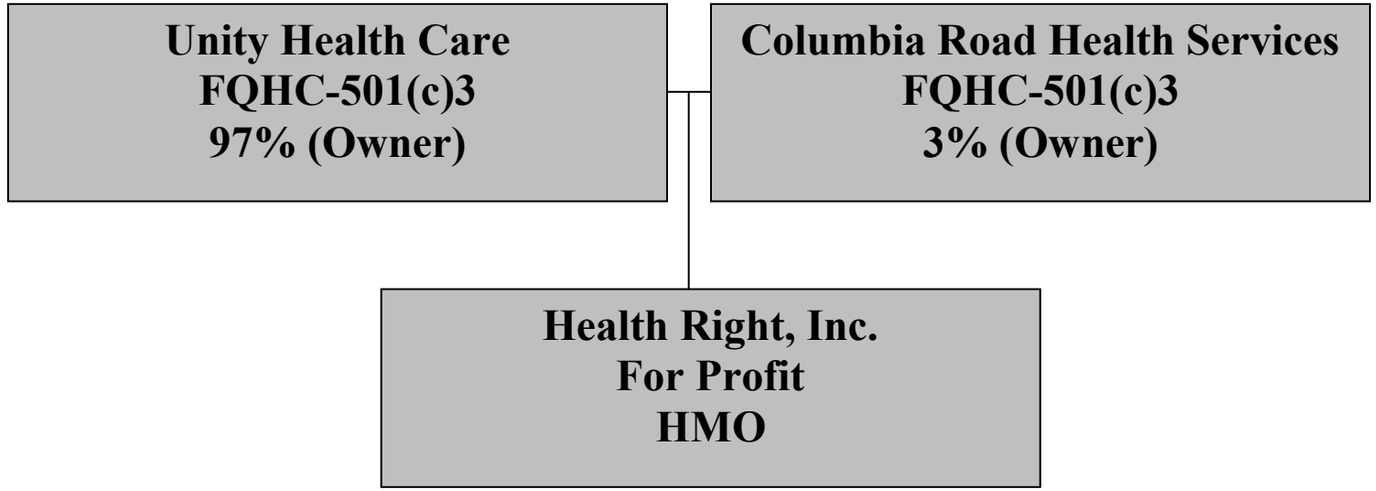
(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

HEALTH RIGHT, INC.
OWNERSHIP STRUCTURE



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

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement

95787200936500003 2009 Document Code: 365

OVERFLOW PAGE FOR WRITE-INS

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 acquisition		
	2.2 Additional investment made after acquisition		
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 amounts		
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 acquisition		
	2.2 Additional investment made after acquisition		
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.	Total valuation allowance		
13.	Subtotal (Line 11 plus Line 12)		
14.	Deduct total nonadmitted amounts		
15.	Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	Description	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 acquisition		
	2.2 Additional investment made after acquisition		
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		
2.	Cost of bonds and stocks acquired		
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration for bonds and stocks disposed of		
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)		
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)		

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)								
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds								
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								

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 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals	35,835,455	X X X			

SCHEDULE DA - Verification

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	28,143,694	32,484,609
2.	Cost of short-term investments acquired	7,691,761	
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		(4,340,915)
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals		
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)	35,835,455	28,143,694
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)	35,835,455	28,143,694

SCHEDULE DB - PART F - SECTION 1

Summary of Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset						
					Derivative Instruments Open		Cash Instrument(s) Held				
1 Replication RSAT Number	2 Description	3 NAIC Designation or Other Description	4 Statement Value	5 Fair Value	6 Description	7 Fair Value	8 CUSIP	9 Description	10 Statement Value	11 Fair Value	12 NAIC Designation or Other Description
9999999 Totals					XXX		XXX	XXX			XXX

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year-To-Date	
	1 Number of Positions	2 Total Replicated (Synthetic) Assets Statement Value	3 Number of Positions	4 Total Replicated (Synthetic) Assets Statement Value	5 Number of Positions	6 Total Replicated (Synthetic) Assets Statement Value	7 Number of Positions	8 Total Replicated (Synthetic) Assets Statement Value	9 Number of Positions	10 Total Replicated (Synthetic) Assets Statement Value
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replicated Asset Statement Value	XXX		XXX		XXX		XXX		XXX	
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX		XXX		XXX		XXX		XXX	
7. Ending Inventory										

SCHEDULE E - Verification

(Cash Equivalents)

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year		
2.	Cost of cash equivalents acquired		
3.	Accrual of discount		
4.	Unrealized valuation increase (decrease)		
5.	Total gain (loss) on disposals		
6.	Deduct consideration received on disposals		
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)		
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)		

SCHEDULE A - PART 2

Showing all Real Estate ACQUIRED and Additions Made During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Description of Property	City	State	Date Acquired	Name of Vendor	Actual Cost at Time of Acquisition	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Additional Investment Made After Acquisition
0399999 Totals								

SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1	Location		4	5	6	7	8	Change in Book/Adjusted Carrying Value Less Encumbrances					14	15	16	17	18	19	20
	2	3						9	10	11	12	13							
Description of Property	City	State	Disposal Date	Name of Purchaser	Actual Cost	Expended for Additions, Permanent Improvements and Changes in Encumbrances	Book/Adjusted Carrying Value Less Encumbrances Prior Year	Current Year's Depreciation	Current Year's Other Than Temporary Impairment Recognized	Current Year's Change in Encumbrances	Total Change in B/A C.V. (11 - 9 - 10)	Total Foreign Exchange Change in B/A C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Amounts Received During Year	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Gross Income Earned Less Interest Incurred on Encumbrances	Taxes, Repairs and Expenses Incurred
0399999 Totals																			

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED During the Current Quarter

1	Location		4	5	6	7	8	9
	2	3						
Loan Number	City	State	Loan Type	Date Acquired	Rate of Interest	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Value of Land and Buildings
3399999 Total Mortgages (sum of Lines 0899999, 1699999, 2499999 and 3299999)								

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1	Location		4	5	6	7	Change in Book Value/Recorded Investment						14	15	16	17	18
	2	3					8	9	10	11	12	13					
Loan Number	City	State	Loan Type	Date Acquired	Disposal Date	Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in Book Value (8+9-10+11)	Total Foreign Exchange Change in Book Value	Book Value/Recorded Investment Excluding Accrued Interest on Disposal	Consider-ation	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal
0599999 Totals																	

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13
		3	4									
CUSIP Identification	Name or Description	City	State	Name of Vendor or General Partner	NAIC Designation	Date Originally Acquired	Type and Strategy	Actual Cost at Time of Acquisition	Additional Investment Made After Acquisition	Amount of Encumbrances	Commitment for Additional Investment	Percentage of Ownership
3999999 Total - Unaffiliated												X X X
4099999 Total - Affiliated												X X X
4199999 TOTALS												X X X

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1	2	Location		5	6	7	8	Change in Book/Adjusted Carrying Value						15	16	17	18	19	20
		3	4					9	10	11	12	13	14						
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Disposal Date	Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Unrealized Valuation Increase (Decrease)	Current Year's (Depreciation) or (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Capitalized Deferred Interest and Other	Total Change in B./A.C.V. (9 + 10 - 11 + 12)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value Less Encumbrances on Disposal	Consideration	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
3999999 Total - Unaffiliated																			
4099999 Total - Affiliated																			
4199999 TOTALS																			

SCHEDULE D - PART 3

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

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	10 NAIC Designation or Market Indicator (a)
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X		X X X		X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X		X X X		X X X

(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 Stocks Sold, Redeemed, or Otherwise Disposed of by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										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	NAIC Designation or Market Indicator (a)
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9899999 Subtotal - Preferred and Common Stocks					XXX		XXX													XXX	XXX
9999999 Total - Bonds, Preferred and Common Stocks					XXX		XXX													XXX	XXX

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/ Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income
9999999 Total								XXX					

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
9999999 Total								XXX					

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1 Description	2 Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price Rate or Index Rec (Pay)	5 Date of Opening Position or Agreement	6 Exchange or Counterparty	7 Cost or (Consideration Received)	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income	15 Potential Exposure
9999999 Total								XXX						

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Contracts at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure
9999999 Total						XXX	XXX					

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1			2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
							6	7	8	
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
open depositories										
Business Checking-Operations Account	SunTrust Bank						17,885	18,715	19,342	X X X
Business Checking-Beacon Health Account	SunTrust Bank						89,193	82,908	75,135	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X			107,078	101,623	94,476	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X			107,078	101,623	94,476	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X			107,078	101,623	94,476	X X X

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
8399999 Subtotals - Bonds							
8499999 Sweep Accounts							
8599999 Other Cash Equivalents							
8699999 Total - Cash Equivalents							

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MEDICARE PART D COVERAGE SUPPLEMENT

Net of Reinsurance

For the Quarter Ended September 30, 2009

NAIC Group Code: **NAIC Company Code: 95787**

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
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)	XXX		XXX		
6. Aggregate Policy Reserves - change		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 Results	XXX	XXX	XXX	XXX	

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

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