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OFFICE

ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2010
OF THE CONDITION AND AFFAIRS OF THE

Preferred Health Partnership of Tennessee, Inc.

NAIC Group Code 0119 (Current Period) 0119 (Prior Period) NAIC Company Code 95749 Employer's ID Number 62-1546662

Organized under the Laws of Tennessee State of Domicile or Port of Entry Tennessee

Country of Domicile United States

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 [X] No []

Incorporated/Organized 09/02/1993 Commenced Business 01/01/1994

Statutory Home Office 1420 Centerpoint Blvd. Knoxville, TN 37932
 (Street and Number) (City, State and Zip Code)

Main Administrative Office 1420 Centerpoint Blvd.
 (Street and Number) Knoxville, TN 37932 865-670-7282
 (City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 740036 Louisville, KY 40201-7436
 (Street and Number or P.O. Box) (City, State and Zip Code)

Primary Location of Books and Records 1420 Centerpoint Blvd.
 (Street and Number) Knoxville, TN 37932 865-670-7282
 (City, State and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.humana.com

Statutory Statement Contact Justin Haydock 502-580-1870
 (Name) (Area Code) (Telephone Number) (Extension)
DOIINQUIRIES@humana.com 502-580-2099
 (E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Michael Benedict McCallister</u>	<u>President & CEO</u>	<u>Joan Olliges Lenahan</u>	<u>VP & Corporate Secretary</u>
<u>James Harry Bloem</u>	<u>Sr. VP, CFO & Treasurer</u>	<u>Frank Murray Amrine</u>	<u>Appointed Actuary</u>

OTHER OFFICERS

<u>George Andreas Andrews M.D.</u>	<u>VP - CMO/Tennessee</u>	<u>George Grant Bauernfeind</u>	<u>Vice President</u>
<u>John Gregory Catron</u>	<u>Vice President</u>	<u>Roy Goldman Ph.D</u>	<u>VP & Chief Actuary</u>
<u>Douglas Edward Haaland</u>	<u>Mkt. Pres. - Sr. Prod./Tennessee</u>	<u>Charles Frederic Lambert III</u>	<u>Vice President</u>
<u>Thomas Joseph Liston</u>	<u>Sr. Vice President - Sr. Prod.</u>	<u>Clarence Evans Looney</u>	<u>Market President - Tennessee</u>
<u>George Renaudin</u>	<u>VP & Div. Leader - Southern Div.</u>	<u>Larry Dale Savage</u>	<u>Regional CEO</u>
<u>William Joseph Tait</u>	<u>Vice President</u>	<u>Joseph Christopher Ventura</u>	<u>Assistant Secretary</u>
<u>Ralph Martin Wilson</u>	<u>Vice President</u>		

DIRECTORS OR TRUSTEES

<u>James Harry Bloem</u>	<u>Michael Benedict McCallister</u>	<u>James Elmer Murray</u>
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State of Kentucky
County of Jefferson

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

Michael Benedict McCallister Joan Olliges Lenahan James Harry Bloem
 President & CEO VP & Corporate Secretary Sr. VP, CFO & Treasurer

Subscribed and sworn to before me this 23rd day of February, 2011
Myra Carpenter Notary Public

a. Is this an original filing? Yes [X] No []
b. If no:
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	1,242,113	0	1,242,113	19,780,103
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less \$ 0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less \$ 0 encumbrances)	0	0	0	0
5. Cash (\$ 30,749, Schedule E-Part 1), cash equivalents (\$ 4,999,927, Schedule E-Part 2) and short-term investments (\$ 107,207, Schedule DA)	5,137,883	0	5,137,883	4,882,827
6. Contract loans (including \$ 0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	6,379,996	0	6,379,996	24,662,930
13. Title plants less \$ 0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	6,492	0	6,492	254,489
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	2,033	2,033	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	26,887	0	26,887	49,340
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets (\$ 0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	78,855	78,855	0	0
24. Health care (\$ 0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	6,494,263	80,888	6,413,375	24,966,759
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	6,494,263	80,888	6,413,375	24,966,759
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501.	0	0	0	0
2502.	0	0	0	0
2503.	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	0	0	0	0
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	0	0	0	0
4. Aggregate health policy reserves	0	0	0	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserves	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	0	0	0	0
9. General expenses due or accrued	86,188	0	86,188	919
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 87,005 on realized capital gains (losses))	164,986	0	164,986	0
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	0	0	0	0
13. Remittances and items not allocated	0	0	0	0
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	0	0	0	0
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)	0	0	0	0
20. Reinsurance in unauthorized companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	0	0	0	0
23. Aggregate write-ins for other liabilities (including \$ 0 current)	559,263	0	559,263	7,643
24. Total liabilities (Lines 1 to 23)	810,437	0	810,437	8,562
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	1,000	1,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	61,379,848	61,379,848
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(55,777,910)	(36,422,651)
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0)	XXX	XXX	0	0
32.2 0 shares preferred (value included in Line 27 \$ 0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	5,602,938	24,958,197
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	6,413,375	24,966,759
DETAILS OF WRITE-INS				
2301. Miscellaneous Payable	559,263	0	559,263	0
2302. Unclaimed Property	0	0	0	7,643
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	559,263	0	559,263	7,643
2501.	XXX	XXX	0	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	0	0
2. Net premium income (including \$ 0 non-health premium income)	XXX	0	0
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of \$ 0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	0	0
Hospital and Medical:			
9. Hospital/medical benefits	0	(72,089)	(8,921,977)
10. Other professional services	0	0	0
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	0	0
13. Prescription drugs	0	0	0
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0
16. Subtotal (Lines 9 to 15)	0	(72,089)	(8,921,977)
Less:			
17. Net reinsurance recoveries	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	0	(72,089)	(8,921,977)
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$ 0 cost containment expenses	0	0	0
21. General administrative expenses	0	94,974	0
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	22,885	(8,921,977)
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(22,885)	8,921,977
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	274,269	1,008,226
26. Net realized capital gains (losses) less capital gains tax of \$ 87,005	0	161,581	480,564
27. Net investment gains (losses) (Lines 25 plus 26)	0	435,850	1,488,790
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	412,965	10,410,767
31. Federal and foreign income taxes incurred	XXX	58,015	(209,425)
32. Net income (loss) (Lines 30 minus 31)	XXX	354,950	10,620,192
DETAILS OF WRITE-INS			
0601.	XXX	0	0
0602.	XXX	0	0
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.	0	0	0
1402.	0	0	0
1403.	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.	0	0	0
2902.	0	0	0
2903.	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	24,958,197	44,681,797
34. Net income or (loss) from Line 32	354,950	10,620,192
35. Change in valuation basis of aggregate policy and claim reserves .....	.0	.0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 0 .....	.0	.0
37. Change in net unrealized foreign exchange capital gain or (loss) .....	.0	.0
38. Change in net deferred income tax	(94,621)	(3,649,788)
39. Change in nonadmitted assets	384,412	3,305,996
40. Change in unauthorized reinsurance .....	.0	.0
41. Change in treasury stock .....	.0	.0
42. Change in surplus notes .....	.0	.0
43. Cumulative effect of changes in accounting principles .....	.0	.0
44. Capital Changes:		
44.1 Paid in .....	.0	.0
44.2 Transferred from surplus (Stock Dividend) .....	.0	.0
44.3 Transferred to surplus .....	.0	.0
45. Surplus adjustments:		
45.1 Paid in .....	.0	.0
45.2 Transferred to capital (Stock Dividend) .....	.0	.0
45.3 Transferred from capital .....	.0	.0
46. Dividends to stockholders	(20,000,000)	(30,000,000)
47. Aggregate write-ins for gains or (losses) in surplus .....	.0	.0
48. Net change in capital & surplus (Lines 34 to 47)	(19,355,259)	(19,723,600)
49. Capital and surplus end of reporting year (Line 33 plus 48)	5,602,938	24,958,197
DETAILS OF WRITE-INS		
4701. ....	.0	.0
4702. ....	.0	.0
4703. ....	.0	.0
4798. Summary of remaining write-ins for Line 47 from overflow page .....	.0	.0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	0	0
2. Net investment income	558,839	1,268,147
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	558,839	1,268,147
5. Benefit and loss related payments	(72,089)	(8,921,977)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	11,426	(229,026)
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 87,005 tax on capital gains (losses)	(19,966)	49,340
10. Total (Lines 5 through 9)	(80,629)	(9,101,663)
11. Net cash from operations (Line 4 minus Line 10)	639,468	10,369,810
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	19,375,621	36,413,459
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(11)	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	19,375,610	36,413,459
13. Cost of investments acquired (long-term only):		
13.1 Bonds	625,606	22,944,112
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	625,606	22,944,112
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	18,750,004	13,469,347
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	20,000,000	30,000,000
16.6 Other cash provided (applied)	865,584	(11,634,096)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(19,134,416)	(41,634,096)
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)	255,056	(17,794,939)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	4,882,827	22,677,766
19.2 End of year (Line 18 plus Line 19.1)	5,137,883	4,882,827

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	0	0	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$ 0 medical expenses)	0	0	0	0	0	0	0	0	0	XXX
4. Risk revenue	0	0	0	0	0	0	0	0	0	XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	0	0	0	0	0	0	0	0	0	0
8. Hospital/medical benefits	(72,089)	0	0	0	0	0	0	(72,089)	0	XXX
9. Other professional services	0	0	0	0	0	0	0	0	0	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	XXX
12. Prescription drugs	0	0	0	0	0	0	0	0	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0	0	0	0	0	0	XXX
15. Subtotal (Lines 8 to 14)	(72,089)	0	0	0	0	0	0	(72,089)	0	XXX
16. Net reinsurance recoveries	0	0	0	0	0	0	0	0	0	XXX
17. Total hospital and medical (Lines 15 minus 16)	(72,089)	0	0	0	0	0	0	(72,089)	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 0 cost containment expenses	0	0	0	0	0	0	0	0	0	0
20. General administrative expenses	94,974	0	0	0	0	0	0	94,974	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	22,885	0	0	0	0	0	0	22,885	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(22,885)	0	0	0	0	0	0	(22,885)	0	0
DETAILS OF WRITE-INS										
0501.	0	0	0	0	0	0	0	0	0	XXX
0502.	0	0	0	0	0	0	0	0	0	XXX
0503.	0	0	0	0	0	0	0	0	0	XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.	0	0	0	0	0	0	0	0	0	XXX
1302.	0	0	0	0	0	0	0	0	0	XXX
1303.	0	0	0	0	0	0	0	0	0	XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

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

NONE

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	(72,089)	0	0	0	0	0	0	(72,089)	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4 Net	(72,089)	0	0	0	0	0	0	(72,089)	0	0
2. Paid medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	0	0	0	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0	0	0	0	0	0	0	0	0	0
6. Net healthcare receivables (a)	0	0	0	0	0	0	0	0	0	0
7. Amounts recoverable from reinsurers December 31, current year	0	0	0	0	0	0	0	0	0	0
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	0	0	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	0	0	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0	0	0	0	0	0	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0	0	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	(72,089)	0	0	0	0	0	0	(72,089)	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	(72,089)	0	0	0	0	0	0	(72,089)	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	0	0	0	0	0	0	0	0	0	0
1.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
1.4. Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	0	0	0	0	0	0	0	0	0	0
2.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
2.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
2.4. Net	0	0	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0	0	0	0	0	0	0	0	0	0
3.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	0	0	0	0	0	0	0	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4. Net	0	0	0	0	0	0	0	0	0	0

NONE

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	0	0	0	0	0	0
2. Medicare Supplement	0	0	0	0	0	0
3. Dental Only	0	0	0	0	0	0
4. Vision Only	0	0	0	0	0	0
5. Federal Employees Health Benefits Plan	0	0	0	0	0	0
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	(72,089)	0	0	0	(72,089)	0
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	(72,089)	0	0	0	(72,089)	0
10. Healthcare receivables (a)	0	0	0	0	0	0
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	0	0	0	0	0	0
13. Totals (Lines 9-10+11+12)	(72,089)	0	0	0	(72,089)	0

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

Pt 2C - Sn A - Paid Claims - Comp

NONE

Pt 2C - Sn A - Paid Claims - MS

NONE

Pt 2C - Sn A - Paid Claims - DO

NONE

Pt 2C - Sn A - Paid Claims - VO

NONE

Pt 2C - Sn A - Paid Claims - FE

NONE

Pt 2C - Sn A - Paid Claims - XV

NONE

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	288,742	288,742	64,117	0	0
2. 2006	0	0	0	0	0
3. 2007	XXX	0	0	0	0
4. 2008	XXX	XXX	0	0	0
5. 2009	XXX	XXX	XXX	0	0
6. 2010	XXX	XXX	XXX	XXX	0

Section B – Incurred Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	0	0	0	0	0
2. 2006	0	0	0	0	0
3. 2007	XXX	0	0	0	0
4. 2008	XXX	XXX	0	0	0
5. 2009	XXX	XXX	XXX	0	0
6. 2010	XXX	XXX	XXX	XXX	0

NONE

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Title XIX Medicaid

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2007	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2008	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2009	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2010	0	0	0	0.0	0	0.0	0	0	0	0.0

NONE

Pt 2C - Sn B - Incurred Claims - Comp

NONE

Pt 2C - Sn B - Incurred Claims - MS

NONE

Pt 2C - Sn B - Incurred Claims - DO

NONE

Pt 2C - Sn B - Incurred Claims - VO

NONE

Pt 2C - Sn B - Incurred Claims - FE

NONE

Pt 2C - Sn B - Incurred Claims - XV

NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
 (000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	288,742	288,742	64,117	0	0
2. 2006	0	0	0	0	0
3. 2007	XXX	0	0	0	0
4. 2008	XXX	XXX	0	0	0
5. 2009	XXX	XXX	XXX	0	0
6. 2010	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	0	0	0	0	0
2. 2006	0	0	0	0	0
3. 2007	XXX	0	0	0	0
4. 2008	XXX	XXX	0	0	0
5. 2009	XXX	XXX	XXX	0	0
6. 2010	XXX	XXX	XXX	XXX	0

NONE

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2007	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2008	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2009	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2010	0	0	0	0.0	0	0.0	0	0	0	0.0

NONE

Part 2C - Sn C - Claims Expense Ratio Co

NONE

Part 2C - Sn C - Claims Expense Ratio MS

NONE

Part 2C - Sn C - Claims Expense Ratio DO

NONE

Part 2C - Sn C - Claims Expense Ratio VO

NONE

Part 2C - Sn C - Claims Expense Ratio FE

NONE

Part 2C - Sn C - Claims Expense Ratio XV

NONE

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

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

NONE

(a) Includes \$ 0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ 0 for occupancy of own building)	0	0	475	69	544
2. Salaries, wages and other benefits	0	0	0	840	840
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)	0	0	0	0	0
4. Legal fees and expenses	0	0	0	0	0
5. Certifications and accreditation fees	0	0	0	2	2
6. Auditing, actuarial and other consulting services	0	0	0	0	0
7. Traveling expenses	0	0	0	10	10
8. Marketing and advertising	0	0	0	0	0
9. Postage, express and telephone	0	0	0	95	95
10. Printing and office supplies	0	0	0	38	38
11. Occupancy, depreciation and amortization	0	0	0	170	170
12. Equipment	0	0	0	0	0
13. Cost or depreciation of EDP equipment and software	0	0	0	54	54
14. Outsourced services including EDP, claims, and other services	0	0	0	295	295
15. Boards, bureaus and association fees	0	0	0	0	0
16. Insurance, except on real estate	0	0	0	0	0
17. Collection and bank service charges	0	0	0	0	0
18. Group service and administration fees	0	0	0	0	0
19. Reimbursements by uninsured plans	0	0	0	0	0
20. Reimbursements from fiscal intermediaries	0	0	0	0	0
21. Real estate expenses	0	0	0	0	0
22. Real estate taxes	0	0	0	0	0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	86,309	0	86,309
23.2 State premium taxes	0	0	0	0	0
23.3 Regulatory authority licenses and fees	0	0	8,169	0	8,169
23.4 Payroll taxes	0	0	0	0	0
23.5 Other (excluding federal income and real estate taxes)	0	0	21	0	21
24. Investment expenses not included elsewhere	0	0	0	0	0
25. Aggregate write-ins for expenses	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25)	0	0	94,974	1,573	96,547
27. Less expenses unpaid December 31, current year	0	0	86,188	0	86,188
28. Add expenses unpaid December 31, prior year	0	0	919	0	919
29. Amounts receivable relating to uninsured plans, prior year	0	0	312	0	312
30. Amounts receivable relating to uninsured plans, current year	0	0	2,033	0	2,033
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	0	11,426	1,573	12,999
DETAILS OF WRITE-INS					
2501. Miscellaneous Admin Expense	0	0	0	0	0
2502.	0	0	0	0	0
2503.	0	0	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	0	0	0	0	0

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Eamed During Year
1. U.S. Government bonds	(a) 132,517	90,526
1.1 Bonds exempt from U.S. tax	(a) 355,037	156,982
1.2 Other bonds (unaffiliated)	(a) 31,651	23,698
1.3 Bonds of affiliates	(a) 0	0
2.1 Preferred stocks (unaffiliated)	(b) 0	0
2.11 Preferred stocks of affiliates	(b) 0	0
2.2 Common stocks (unaffiliated)	(b) 0	0
2.21 Common stocks of affiliates	(b) 0	0
3. Mortgage loans	(c) 0	0
4. Real estate	(d) 0	0
5. Contract loans	(d) 0	0
6. Cash, cash equivalents and short-term investments	(e) 4,682	4,682
7. Derivative instruments	(f) 0	0
8. Other invested assets	(f) 0	0
9. Aggregate write-ins for investment income	(46)	(46)
10. Total gross investment income	523,841	275,842
11. Investment expenses		(g) 1,573
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 0
14. Depreciation on real estate and other invested assets		(i) 0
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		1,573
17. Net investment income (Line 10 minus Line 16)		274,269
DETAILS OF WRITE-INS		
0901. Miscellaneous Investment Expense	(46)	(46)
0902.	0	0
0903.	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	(46)	(46)
1501.		0
1502.		0
1503.		0
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

(a) Includes \$ 7,256 accrual of discount less \$ 43,827 amortization of premium and less \$ 4,771 paid for accrued interest on purchases.
 (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
 (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
 (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
 (e) Includes \$ 3,380 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
 (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
 (g) Includes \$ 1,573 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
 (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	60,291	0	60,291	0	0
1.1 Bonds exempt from U.S. tax	142,615	0	142,615	0	0
1.2 Other bonds (unaffiliated)	45,690	0	45,690	0	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	(10)	0	(10)	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	248,586	0	248,586	0	0
DETAILS OF WRITE-INS					
0901.	0	0	0	0	0
0902.	0	0	0	0	0
0903.	0	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Derivatives	0	0	0
8. Other invested assets (Schedule BA)	0	0	0
9. Receivables for securities	0	0	0
10. Securities lending reinvested collateral assets	0	0	0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)	0	0	0
14. Investment income due and accrued	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.	0	0	0
15.3 Accrued retrospective premiums	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0
17. Amounts receivable relating to uninsured plans	2,033	312	(1,721)
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
18.2 Net deferred tax asset	0	72,168	72,168
19. Guaranty funds receivable or on deposit	0	0	0
20. Electronic data processing equipment and software	0	0	0
21. Furniture and equipment, including health care delivery assets	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivables from parent, subsidiaries and affiliates	78,855	392,149	313,294
24. Health care and other amounts receivable	0	196	196
25. Aggregate write-ins for other than invested assets	0	475	475
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	80,888	465,300	384,412
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	80,888	465,300	384,412
DETAILS OF WRITE-INS			
1101.	0	0	0
1102.	0	0	0
1103.	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Prepaid Expenses	0	475	475
2502.	0	0	0
2503.	0	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	475	475

Exhibit 1 - Enrollment by Product Type

NONE

Exhibit 2 - A&H Premiums Due and Unpaid

NONE

Exhibit 3 - Health Care Receivables

NONE

Exhibit 4 - Claims Unpaid

NONE

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
<p>NONE</p>				
0199999 Individually listed payables		0	0	0
0299999 Payables not individually listed		0	0	0
0399999 Total gross payables		0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

EXHIBIT 7 - PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0	0	0.0	0	0
2. Intermediaries	0	0.0	0	0.0	0	0
3. All other providers	0	0.0	0	0.0	0	0
4. Total capitation payments	0	0.0	0	0.0	0	0
Other Payments:						
5. Fee-for-service	0	0.0	XXX	XXX	0	0
6. Contractual fee payments	(72,089)	100.0	XXX	XXX	0	(72,089)
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX	0	0
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX	0	0
9. Non-contingent salaries	0	0.0	XXX	XXX	0	0
10. Aggregate cost arrangements	0	0.0	XXX	XXX	0	0
11. All other payments	0	0.0	XXX	XXX	0	0
12. Total other payments	(72,089)	100.0	XXX	XXX	0	(72,089)
13. Total (Line 4 plus Line 12)	(72,089)	100 %	XXX	XXX	0	(72,089)

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
NONE					
9999999 Totals			XXX	XXX	XXX

EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

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

NONE

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Insurance.

The Tennessee Insurance Department 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' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations currently exist.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Tennessee is shown below:

	State of Domicile		2010		2009
Net Income					
1. Preferred Health Partnership of Tennessee, Inc. Tennessee basis	TN	\$	354,950	\$	10,620,192
2. State Prescribed Practices that increase/(decrease) NAIC SAP	TN		-		-
3. State Permitted Practices that increase/(decrease) NAIC SAP	TN		-		-
4. NAIC SAP	TN	\$	354,950	\$	10,620,192
Surplus					
5. Preferred Health Partnership of Tennessee, Inc. Tennessee basis	TN	\$	5,602,938	\$	24,958,197
6. State Prescribed Practices that increase/(decrease) NAIC SAP	TN		-		-
7. State Permitted Practices that increase/(decrease) NAIC SAP:	TN				
a. Nonadmitted Intercompany Receivable	TN		78,855		392,149
8. NAIC SAP	TN	\$	5,681,793	\$	25,350,346

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

C. Accounting Policy

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.
- (2)-(4) Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value; redeemable preferred stocks are carried at amortized cost; and non-redeemable preferred stocks are carried at fair value.

The Company regularly evaluates investment securities for impairment. The Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company's intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

Amortization of bond premium or discount is computed using the scientific interest method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

- (5) The Company estimates the fair value of its investments in mortgage loans on real estate using a discounted cash flow method based on rating, maturity and future income when compared to the expected yield for mortgages having similar characteristics. The rating for mortgages in good standing is based on property type, location, market conditions, occupancy, debt service

NOTES TO FINANCIAL STATEMENTS

coverage, loan to value, caliber of tenancy, borrower and payment record. Problem mortgages are priced to reflect their monetary value to the Company, considering such things as the degree of default, whether or not the payments are still being made, interest rate, maturity and operating performance of the underlying collateral.

- (6) For loan backed and structured securities where the securities fair value is less than the amortized cost, the Company considers several factors to determine if the security's impairment is other-than-temporary. If the Company has the intent to sell the security or if the Company does not have the intent and ability to retain the security until recovery of its fair value, the related investment is written down to its estimated fair value through earnings. If, however, the Company has the intent and ability to retain the security until recovery of its fair value, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value and the near term prospects for recovery to carrying value. If the determination is made, based on these factors, that the Company does expect to recover the entire amortized cost of the security, then an other-than-temporary impairment has not occurred. If, however, the determination is made that the Company does not expect to recover the entire amortized cost of the security based on the factors noted above, the Company recognizes a realized loss in earnings for the non-interest related decline. No loss is recognized for the interest impairment.
- (7) The Company accounts for its investments in subsidiaries using the audited statutory equity method of accounting.
- (8) The Company accounts for its investments in joint ventures, partnerships and LLC's using the audited statutory equity method of accounting.
- (9) The Company participates in a securities leading program to maximize investment income. The Company loans certain investment securities for short periods of time in exchange for collateral initially equal to at least 102 percent of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment securities fluctuates. The collateral, which may be in the form of cash or U.S. Government securities, is deposited by the borrower with an independent lending agent.
- (10)-(11) The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company's benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events and, therefore, the actual liability could differ from the amounts provided.

- (12) Real estate held for production of income is carried at depreciated cost.

Equipment is stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives generally ranging from three to five years. Improvements to leased facilities are depreciated over the shorter of the remaining lease term or the anticipated life of the improvement.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

- (13) The Company estimates anticipated Pharmacy Rebate Receivables using the analysis of historical recovery patterns.

2. Accounting Changes and Corrections of Errors

Not Applicable.

3. Business Combinations and Goodwill

A. Statutory Purchase Method

Not Applicable.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

NOTES TO FINANCIAL STATEMENTS

Not Applicable.

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

The Company does not have any loan-backed securities in an unrealized loss position at year-end.

E. Repurchase Agreements and/or Securities Lending Transactions

The Company has no repurchase agreements or securities lending transactions.

F. Real Estate

Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

9. Income Taxes

A. The components of the net admitted deferred tax asset in the Company's statements of Assets, Liabilities, and Surplus by tax character are as follows:

	2010			2009		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	27,599	-	27,599	137,499	-	137,499
Statutory valuation allowance adjustment	-	-	-	-	-	-
Adjusted gross deferred tax assets	27,599	-	27,599	137,499	-	137,499
Gross deferred tax liabilities	(712)	-	(712)	(15,991)	-	(15,991)
Net deferred tax asset/(liability) before admissibility test	26,887	-	26,887	121,508	-	121,508
Deferred tax assets nonadmitted	-	-	-	(72,168)	-	(72,168)
Net admitted deferred tax asset/(liability)	26,887	-	26,887	49,340	-	49,340

The Company has not elected to admit deferred tax assets pursuant to SSAP 10(R). The current period election does not differ from the prior reporting period.

The impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs was as follows:

	2010			2009		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted gross DTAs - Amount	-	-	-	-	-	-
Adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net admitted DTAs - Amount	-	-	-	-	-	-
Net admitted DTAs - Percentage	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTES TO FINANCIAL STATEMENTS

There are no temporary differences for which a DTL has not been established.

B. There are no temporary differences for which a DTL has not been established.

C. Current tax and change in deferred tax

(1) Current income taxes incurred consist of the following major components:

	2010	2009
Current federal income tax expense	62,569	(209,425)
Foreign taxes	-	-
Subtotal	62,569	(209,425)
Tax on capital gains/(losses)	87,005	258,765
Utilization of capital loss carryforwards	-	-
Other, including prior year under accrual (over accrual)	(4,554)	-
Federal and foreign income taxes incurred	145,020	49,340

(2)-(3) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2010	December 31, 2009	Change
DTAs resulting from Book/Tax Differences in:			
(a) Ordinary			
Discounting of unpaid losses and LAE	-	-	-
Unearned premiums	-	-	-
Policyholder reserves	-	-	-
Investments	-	-	-
Deferred acquisition costs	-	-	-
Policyholder dividends accrual	-	-	-
Fixed assets	-	-	-
Compensation and benefit accruals	-	-	-
Pension accruals	-	-	-
Nonadmitted assets	-	-	-
Net operating loss carryforwards	-	-	-
Tax credit carryforward	-	-	-
Other	27,599	137,499	(109,900)
Gross ordinary DTAs	27,599	137,499	(109,900)
(b) Statutory valuation adjustment	-	-	-
(c) Nonadmitted ordinary DTAs	-	(72,168)	72,168
(d) Admitted ordinary DTAs	225,599	65,331	(37,732)
(e) Capital			
Investments	-	-	-
Net capital loss carryforwards	-	-	-
Real estate	-	-	-
Other	-	-	-
Unrealized capital losses	-	-	-
Gross capital DTAs	-	-	-
(f) Statutory valuation adjustment	-	-	-
(g) Nonadmitted capital DTAs	-	-	-
(h) Admitted capital DTAs	-	-	-
(i) Admitted DTAs	27,599	65,331	(37,732)

	December 31, 2010	December 31, 2009	Change
DTLs resulting from Book/Tax Differences in:			
(a) Ordinary			
Investments	-	-	-
Fixed assets	-	-	-
Deferred and uncollected premiums	-	-	-
Policyholder reserves/salvage and subrogation	-	(11,274)	11,274
Other	(712)	(4,717)	4,005
Ordinary DTLs	(712)	(15,991)	15,279
(b) Capital			
Investments	-	-	-
Real estate	-	-	-
Other	-	-	-
Unrealized capital gains	-	-	-
Capital DTLs	-	-	-
(c) DTLs	(712)	(15,991)	15,279
Net deferred tax assets/liabilities	26,887	49,340	(22,453)

(2) The change in net deferred income taxes is comprised of the following the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the annual statement):

	December 31, 2010	December 31, 2009	Change
Total deferred tax assets	27,599	137,499	(109,900)
Total deferred tax liabilities	(712)	(15,991)	15,279
Net deferred tax assets/liabilities	26,887	121,508	(94,621)
Statutory valuation allowance adjustment	-	-	-

NOTES TO FINANCIAL STATEMENTS

Net deferred tax assets/liabilities after SVA	26,887	121,508	(94,621)
Tax effect of unrealized gains/(losses)	-	-	-
Statutory valuation allowance adjustment allocated to unrealized	-	-	-
Change in net deferred income tax [(charge)/benefit]	<u>26,887</u>	<u>121,508</u>	<u>(94,921)</u>

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

	Amount	Tax Effect	Effective Tax Rate
Income before Taxes	499,970	174,990	35.00%
Tax-exempt Interest	(155,046)	(54,266)	(10.85)%
Dividends Received Deduction	-	-	0.00%
Proration	23,257	8,140	1.63%
Meals & Entertainment	-	-	0.00%
Statutory Valuation Allowance Adjustment	-	-	0.00%
Other, Including Prior Year True-Up	316,508	110,777	22.15%
Total	<u>684,689</u>	<u>239,641</u>	<u>47.93%</u>
Federal income taxes incurred [expense/(benefit)]		58,015	11.60%
Tax on capital gains/(losses)		87,005	17.40%
Change in net deferred income tax [charge/(benefit)]		<u>94,621</u>	<u>18.93%</u>
Total statutory income taxes		<u>237,641</u>	<u>47.93%</u>

E. At December 31, 2010, the Company had net operating loss carryforwards expiring through the year 2030 of \$0.

At December 31, 2010, the Company had capital loss carryforwards expiring through the year 2015 of \$0.

At December 31, 2010, the Company had an AMT credit carryforward, which does not expire, in the amount of \$0.

The following table demonstrates the income tax expense for 2008, 2009, and 2010 that is available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2008	-	-	-
2009	-	44,786	44,786
2010	62,569	87,005	149,574
Total	<u>62,569</u>	<u>131,791</u>	<u>194,360</u>

There are no deposits admitted under IRC § 6603.

F. The Company is included in a consolidated federal income tax return with its parent Company, Humana Inc. The Company has a written agreement, approved by the Company's Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to be paid for any future net losses it may incur. The Company has no contingent income tax liabilities. The Company has not adjusted gross deferred tax assets due to changes in judgment about the realizability of the related deferred tax asset. The Company has no deposits under Section 6603 of the Internal Revenue Code.

AFFILIATIONS SCHEDULE

CORPORATE NAME AND EMPLOYER IDENTIFICATION NUMBER
 THE ADDRESS OF EACH COMPANY IS: P. O. BOX 740026, LOUISVILLE, KY 40201

CORP. NO.	CORPORATION NAME	EMPLOYER IDENTIFICATION NUMBER
1	HUMANA INC. 516-526 WEST MAIN STREET CONDOMINIUM COUNCIL OF CO-OWNERS,	61-0647538
2	INC.	20-5309363
3	AMERICAN DENTAL PLAN OF NORTH CAROLINA, INC.	56-1796975
4	AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.	58-2302163
5	CAC-FLORIDA MEDICAL CENTERS, LLC	26-0010657
6	CARENETWORK, INC.	39-1514846
7	CAREPLUS HEALTH PLANS, INC.	59-2598550
8	CARITEN HEALTH PLAN, INC.	62-1579044
9	CARITEN INSURANCE COMPANY	62-0729865
10	CHA HMO, INC.	61-1279717
11	CHA SERVICE COMPANY, INC.	61-1279716
12	COMPBENEFITS COMPANY	59-2531815
13	COMPBENEFITS CORPORATION	04-3185995
14	COMPBENEFITS DENTAL, INC.	36-3686002
15	COMPBENEFITS DIRECT, INC.	58-2228851
16	COMPBENEFITS INSURANCE COMPANY	74-2552026
17	COMPBENEFITS OF ALABAMA, INC.	63-1063101

NOTES TO FINANCIAL STATEMENTS

18	COMPBENEFITS OF GEORGIA, INC.	58-2198538	
19	COMPETITIVE HEALTH ANALYTICS, INC (fka INFOCUS TECHNOLOGY,INC)	42-1575099	
20	CORPHEALTH PROVIDER LINK, INC.	20-8236655	
21	CORPHEALTH, INC.	75-2043865	
22	CPHP HOLDINGS, INC.	30-0117876	
23	DEFENSEWEB TECHNOLOGIES, INC.	33-0916248	
24	DENTAL CARE PLUS MANAGEMENT, CORP.	36-3512545	
25	DENTICARE, INC.	76-0039628	
26	EMPHEYSYS INSURANCE COMPANY	31-0935772	
27	EMPHEYSYS, INC.	61-1237697	
28	HEALTH VALUE MANAGEMENT, INC.	61-1223418	
29	HUMANA ACTIVE OUTLOOK, INC.	20-4835394	
30	HUMANA ADVANTAGECARE PLAN, INC.	65-1137990	
31	HUMANA BENEFIT PLAN OF ILLINOIS, INC.	37-1326199	
32	HUMANA DENTAL COMPANY (fka HUMANA/COMPBENEFITS, INC)	59-1843760	
33	HUMANA EMPLOYERS HEALTH PLAN OF GEORGIA, CIN.	58-2209549	
34	HUMANA GOVERNMENT NETWORK SERVICES, INC.	20-1717441	
35	HUMANA HEALTH BENEFIT PLAN OF LOUISIANA, INC.	72-1279235	
36	HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.	61-1041514	
37	HUMANA HEALTH PLAN INTERESTS, INC.	71-0732385	
38	HUMANA HEALTH PLAN OF CALIFORNIA, INC.	26-3473328	
39	HUMANA HEALTH PLAN OF OHIO, INC.	31-1154200	
40	HUMANA HEALTH PLAN OF TEXAS, INC.	61-0994632	
41	HUMANA HEALTH PLAN, INC.	61-1013183	
42	HUMANA INNOVATION ENTERPRISES, INC.	61-1343791	
43	HUMANA INSURANCE COMPANY	39-1263473	
44	HUMANA INSURANCE COMPANY OF KENTUCKY	61-1311685	
45	HUMANA INSURANCE COMPANY OF NEW YORK	20-2888723	
46	HUMANA MARKETPOINT, INC.	61-1343508	
47	HUMANA MEDICAL PLAN OF MICHIGAN, INC.	27-3991410	
48	HUMANA MEDICAL PLAN OF PENNSYLVANIA, INC.	27-4460531	
49	HUMANA MEDICAL PLAN OF UTAH, INC.	20-8411422	
50	HUMANA MEDICAL PLAN, INC.	61-1103898	
51	HUMANA MILITARY DENTAL SERVICES, INC.	27-1323221	
52	HUMANA MILITARY HEALTHCARE SERVICES, INC.	61-1241225	
53	HUMANA PHARMACY, INC.	61-1316926	
54	HUMANA VETERANS HEALTHCARE SERVICES, INC.	20-8418853	
55	HUMANA WISCONSIN HEALTH ORGANIZATION INSURANCE CO.	39-1525003	
56	HUMANACARES, INC.	65-0274594	
57	HUMANADENTAL INSURANCE COMPANY	39-0714280	
58	HUMANADENTAL, INC.	61-1364005	
59	HUMCO, INC.	61-1239538	
60	HUM-e-FL, INC.	61-1383567	
61	HUM-HOLDINGS INTERNATIONAL, INC.	26-3583438	
62	HUMMS, INC.	27-3908194	2
63	KMG AMERICA CORPORATION	20-1377270	
64	MANAGED CARE INDEMNITY, INC.	61-1232669	
65	PHP COMPANIES, INC.	62-1552091	
66	PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.	62-1546662	
67	PREFERRED HEALTH PARTNERSHIP, INC.	62-1250945	
68	PRESERVATION ON MAIN, INC.	20-1724127	
69	SENSEI, INC.	20-3355580	1
70	TEXAS DENTAL PLANS, INC.	74-2352809	
71	THE DENTAL CONCERN, INC.	52-1157181	
72	THE DENTAL CONCERN, LTD	36-3654697	

FOOTNOTE:

BLANK = TAX PERIOD 1/1/10 THROUGH 12/31/10 OR DATE OF INCORPORATION THROUGH 12/31/10

1 = TAX PERIOD 1/1/10 TO 5/31/10

2= TAX PERIOD 11/9/10 to 12/21/10-DATE OF MERGER

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

A.-F. Dividends of \$20.0 million were paid to Humana Inc. on April 23, 2010. The Department of Insurance was notified prior to the payment of this dividend.

G. Not Applicable.

H. Not Applicable.

I. Not Applicable.

NOTES TO FINANCIAL STATEMENTS

- J. Not Applicable.
- K. Not Applicable.
- L. Not Applicable.

11. Debt

A. Debt, including Capital Notes

The Company has no debentures outstanding.

The Company has no capital notes outstanding.

The Company does not have any reverse repurchase agreements.

B. Federal Home Loan Bank (FHLB) Agreements

The Company does not have any FHLB agreements.

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

A. Defined Benefit Plan

Not Applicable.

B. Defined Contribution Plan

Not Applicable.

C. Multiemployer Plans

Not Applicable.

D. Consolidated/Holding Company Plans

The Company employees are eligible to participate in the Humana Retirement and Savings Plan ("the Plan"), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.

Humana Inc.'s total contributions paid to the Savings and Retirement accounts of the Humana Retirement and Savings Plan were \$109.0 million and \$109.3 million for the years ended December 31, 2010 and 2009, respectively. As of December 31, 2010 and 2009 the fair market value of the Humana Retirement and Savings Plan's assets was \$1.6 billion and \$1.3 billion, respectively.

F. Post Employment Benefits and Compensated Absences

Not Applicable.

G. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)

Not Applicable.

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

1) The Company has \$10 par value common stock with 1,000 shares authorized and 100 shares issued and outstanding.

2) The Company has no preferred stock outstanding.

3-5) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution which, together with other dividends or distributions made within the preceding twelve months, exceeds the lesser of (a) 10 percent of the company's policyholder surplus as of December 31 of the prior year, or (b) the net income, for the twelve month period ending December 31 of the prior year.

Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

Dividends of \$20.0 million were paid to Humana Inc. on April 23, 2010. The Department of Insurance was notified prior to the payment of this dividend.

6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.

7) Not Applicable.

8) Not Applicable.

9) Not Applicable.

10) Not Applicable.

11) Not Applicable.

12) Not Applicable.

13) Not Applicable.

14. Contingencies

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

C. Gain Contingencies

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

E. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Plan does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations and cash flows.

The Company is aware of no material contingent liabilities as of December 31, 2010.

15. Leases

Not Applicable.

B. Other Leases

Not Applicable.

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

The Company has no investment in Financial Instruments with Off Balance Sheet Risk or with Concentrations of Credit Risk.

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

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

Not Applicable.

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

A. ASO Plans

Not Applicable.

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

Not Applicable.

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

Not Applicable.

20. Fair Value Measurements

A. (1) The fair value of financial assets at December 31, 2010 were as follows:

	2010			
	Fair Value	Quoted Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets				
US treasury and agency obligations	1,330,761	-	1,330,761	-
Total invested assets	<u>\$ 1,330,761</u>	<u>\$ -</u>	<u>\$ 1,330,761</u>	<u>\$ -</u>

(2) There were no fair value measurements using significant unobservable inputs. The Company reports transfers between fair value hierarchy levels at the end of the reporting period. There were no transfers between the fair value hierarchy levels between December 31, 2009 and 2010.

(3) Fair value of actively traded debt securities are based on quoted market prices. Fair value of other debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates generally using a market valuation approach, or, less frequently, an income valuation approach and are generally classified as Level 2. The Company generally obtains one

NOTES TO FINANCIAL STATEMENTS

quoted price for each security from a third party pricing service. These prices are generally derived from recently reported trades for identical or similar securities, including adjustments through the reporting date based upon observable market information. When quoted prices are not available, the third party pricing service may use quoted market prices of comparable securities or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include benchmark yields, reported trades, credit spreads, broker quotes, default rates and prepayment speeds. The Company is responsible for the determination of fair value and as such, the Company performs analysis on the prices received from the third party pricing service to determine whether the prices are reasonable estimates of fair value. The Company's analysis includes a review of monthly price fluctuations as well as a quarterly comparison of the prices received from the pricing service to prices reported by the Company's third party investment advisor. Based on the Company's internal price verification procedures and review of fair value methodology documentation provided by the third party pricing service, there were no material adjustments to the prices obtained from the third party pricing service during the year ended December 31, 2010.

B. No assets or liabilities were measured at fair value on a non-recurring basis.

C. Not Applicable.

D. Not Applicable.

21. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring: Debtors

Not Applicable.

C. Other Disclosures

Not Applicable.

D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium Balances, Bill Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

Not Applicable.

E. Business Interruption Insurance Recoveries

Not Applicable.

F. State Transferable Tax Credits

Not Applicable.

G. Subprime Mortgage Related Risk Exposure

The Company consults with its external investment managers to assess its subprime mortgage related risk exposure. Certain characteristics are utilized to determine if a mortgage-backed security has subprime exposure. The main characteristics reviewed when determining this are the collateral and structure of the security, the loan purpose, loan documentation, occupancy, geographical location, loan size and type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans. Management's practices include reviewing quantitative and qualitative credit models that analyze loan-level collateral composition, historical underwriter performance trends, the impact of macroeconomic factors, and issuer risks; as well as reviewing the estimation of security cash flows and monthly model calibrations.

(1) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

(2) Indirect exposure to sub-prime mortgage risk through investments in the following securities:

- a. Residential mortgage backed securities – No substantial exposure noted.
- b. Collateralized debt obligations – No substantial exposure noted.
- c. Structured Securities (including principal protected notes) – No substantial exposure noted.
- d. Debt Securities of companies with significant sub-prime exposure – No substantial exposure noted.
- e. Equity securities of companies with significant sub-prime exposure – No substantial exposure noted.
- f. Other Assets – No substantial exposure noted.

(3) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

Not Applicable.

(4) Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

22. Events Subsequent

The Company is not aware of any events or transactions occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition. Subsequent events have been considered through February 23, 2011 for the statutory statement issued on February 23, 2011.

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10.0 percent or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)

Have any policies issued by the Company been reinsured with a Company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes () No (X)

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

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

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

Yes () No (X)

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Not Applicable.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

Not Applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2009 were \$0. As of December 31, 2010, \$0 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years.

There are no reserves remaining for prior years as a result of reestimation of unpaid claims and claim adjustment expenses on any book of business. "There has been neither favorable nor an unfavorable prior-year development since December 31, 2009. The Company has no retrospectively rated policies.

26. InterCompany Pooling Arrangements

A.-F. Not Applicable.

27. Structured Settlements

The Company has no structured settlements.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Not Applicable.

B. Risk Sharing Receivables

Risk Sharing receivables include estimated recoveries on plan to plan and state to plan adjustments attributable to benefits paid for Medicare beneficiaries. These estimated recoveries from other Medicare carriers and state Medicaid plans are recorded based upon

NOTES TO FINANCIAL STATEMENTS

reported overpayments, adjusted for historical recovery patterns.

29. Participating Policies

The Company has no participating policies.

30. Premium Deficiency Reserves

- | | |
|---|-------------------|
| 1. Liability carried for premium deficiency reserves | \$ - |
| 2. Date of the most recent evaluation of this liability | December 31, 2010 |
| 3. Was anticipated investment income utilized in the calculation? | Yes () No (X) |

31. Anticipated Salvage and Subrogation

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State Regulating? Tennessee.....
- 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
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2005
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2005
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/28/2006
- 3.4 By what department or departments? TN Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 - 4.11 sales of new business? Yes No
 - 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
 - 4.21 sales of new business? Yes No
 - 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
 - 7.21 State the percentage of foreign control 0.0
 - 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?.....
PricewaterhouseCoopers LLC, 500 West Main, Suite 1800, Louisville, Kentucky 40202-4287.....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:.....
N/A.....
- 10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:.....
N/A.....
- 10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.6 If the response to 10.5 is yes, provide information related to this exemption:.....
N/A.....
- 10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.8 If the response to 10.7 is no or n/a, please explain.
N/A.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?.....
Frank Murray Amrine, Actuarial Director and Appointed Actuary, 500 West Main Street, Louisville, KY 40202.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... Yes [] No [X]
- 12.11 Name of real estate holding company.....

12.12 Number of parcels involved..... 0

12.13 Total book/adjusted carrying value..... \$ 0
- 12.2 If yes, provide explanation.....
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?.....
N/A.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 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.
- 14.11 If the response to 14.1 is no, please explain:.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).....

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

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

FINANCIAL

18. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes No
- 19.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | | | |
|--|---|----------|---|--|
| | 19.11 To directors or other officers | \$ | 0 | |
| | 19.12 To stockholders not officers | \$ | 0 | |
| | 19.13 Trustees, supreme or grand (Fraternal only) | \$ | 0 | |
- 19.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | | | |
|--|---|----------|---|--|
| | 19.21 To directors or other officers | \$ | 0 | |
| | 19.22 To stockholders not officers | \$ | 0 | |
| | 19.23 Trustees, supreme or grand (Fraternal only) | \$ | 0 | |
- 20.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes No
- 20.2 If yes, state the amount thereof at December 31 of the current year:
- | | | | | |
|--|----------------------------------|----------|---|--|
| | 20.21 Rented from others | \$ | 0 | |
| | 20.22 Borrowed from others | \$ | 0 | |
| | 20.23 Leased from others | \$ | 0 | |
| | 20.24 Other | \$ | 0 | |
- 21.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes No
- 21.2 If answer is yes:
- | | | | | |
|--|--|----------|---|--|
| | 21.21 Amount paid as losses or risk adjustment | \$ | 0 | |
| | 21.22 Amount paid as expenses | \$ | 0 | |
| | 21.23 Other amounts paid | \$ | 0 | |
- 22.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes No
- 22.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 78,855

INVESTMENT

- 23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 23.3) Yes No
- 23.2 If no, give full and complete information, relating thereto
N/A
- 23.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
Humana voluntarily participates in a securities lending program. It is a low risk, low maintenance source of additional income and increases our surplus. It is recognized and allowed by the NAIC in SSAP 91 and the NAIC Investments of Insurers Model Act 280.
- 23.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes No NA
- 23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs \$ 0
- 23.6 If answer to 23.4 is no, report amount of collateral for other programs \$ 0
- 23.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes No NA
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes No NA
- 23.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes No NA

GENERAL INTERROGATORIES

24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3). Yes [] No [X]

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

24.21 Subject to repurchase agreements	\$	0
24.22 Subject to reverse repurchase agreements	\$	0
24.23 Subject to dollar repurchase agreements	\$	0
24.24 Subject to reverse dollar repurchase agreements	\$	0
24.25 Pledged as collateral	\$	0
24.26 Placed under option agreements	\$	0
24.27 Letter stock or securities restricted as to sale	\$	0
24.28 On deposit with state or other regulatory body	\$	0
24.29 Other	\$	0

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

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

26.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]

26.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

27. 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 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
JP Morgan Chase	4 New York Plaza, 15th Floor, New York NY 1004-2413 Attn: Charles Tuzzolino

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

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

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? Yes [] No [X]

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

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

27.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
107105	BlackRock, Inc	40 East 52nd Street, New York, NY 10022

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

GENERAL INTERROGATORIES

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

28.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
28.2999 TOTAL		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1 Bonds	6,349,248	6,330,690	(18,558)
29.2 Preferred Stocks	0	0	0
29.3 Totals	6,349,248	6,330,690	(18,558)

29.4 Describe the sources or methods utilized in determining the fair values:
 Fair value of actively traded debt and equity securities are based on quoted market prices. Fair Value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation.

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

30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
 Fair value of actively traded debt and equity securities are based on quoted market prices. Fair Value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation.

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

31.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

32.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$ 0

32.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

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

33.1 Amount of payments for legal expenses, if any? \$ 0

33.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

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

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

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

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

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

				Yes [] No [X]
1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?	\$	0		
1.2 If yes, indicate premium earned on U. S. business only	\$	0		
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?				
1.31 Reason for excluding	\$	0		
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0		
1.5 Indicate total incurred claims on all Medicare Supplement Insurance.	\$	0		
1.6 Individual policies:				
			Most current three years:	
	\$	0	1.61 Total premium earned	
	\$	0	1.62 Total incurred claims	
		0	1.63 Number of covered lives	
			All years prior to most current three years:	
	\$	0	1.64 Total premium earned	
	\$	0	1.65 Total incurred claims	
		0	1.66 Number of covered lives	
1.7 Group policies:				
			Most current three years:	
	\$	0	1.71 Total premium earned	
	\$	0	1.72 Total incurred claims	
		0	1.73 Number of covered lives	
			All years prior to most current three years:	
	\$	0	1.74 Total premium earned	
	\$	0	1.75 Total incurred claims	
		0	1.76 Number of covered lives	
2. Health Test:				
			1	2
			Current Year	Prior Year
2.1 Premium Numerator	\$	0	\$	0
2.2 Premium Denominator	\$	0	\$	0
2.3 Premium Ratio (2.1/2.2)		0.000		0.000
2.4 Reserve Numerator	\$	0	\$	0
2.5 Reserve Denominator	\$	0	\$	0
2.6 Reserve Ratio (2.4/2.5)		0.000		0.000
3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?				Yes [] No [X]
3.2 If yes, give particulars:				
4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?				Yes [X] No []
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?				Yes [] No []
5.1 Does the reporting entity have stop-loss reinsurance?				Yes [] No [X]
5.2 If no, explain:				
HMO stop-loss is not required for Prepaid Dental Plan				
5.3 Maximum retained risk (see instructions)				
			5.31 Comprehensive Medical	\$ 0
			5.32 Medical Only	\$ 0
			5.33 Medicare Supplement	\$ 0
			5.34 Dental and Vision	\$ 0
			5.35 Other Limited Benefit Plan	\$ 0
			5.36 Other	\$ 0
6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:				
Provider contracts include hold harmless and continuation of benefits provisions.				
7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?				Yes [X] No []
7.2 If no, give details:				
8. Provide the following information regarding participating providers:				
			8.1 Number of providers at start of reporting year	0
			8.2 Number of providers at end of reporting year	0
9.1 Does the reporting entity have business subject to premium rate guarantees?				Yes [] No [X]
9.2 If yes, direct premium earned:				
			9.21 Business with rate guarantees between 15-36 months	0
			9.22 Business with rate guarantees over 36 months	0

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses \$ 0
 10.22 Amount actually paid for year bonuses \$ 0
 10.23 Maximum amount payable withholds \$ 0
 10.24 Amount actually paid for year withholds \$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [] No [X]
 11.13 An Individual Practice Association (IPA), or, Yes [] No [X]
 11.14 A Mixed Model (combination of above) ? Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

11.3 If yes, show the name of the state requiring such net worth.

Tennessee
 \$ 1,500,000

11.4 If yes, show the amount required.

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [X] No []

11.6. If the amount is calculated, show the calculation.

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

1 Name of Service Area

13.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

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

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

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

\$ 0

FIVE - YEAR HISTORICAL DATA

	1 2010	2 2009	3 2008	4 2007	5 2006
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	6,413,375	24,966,759	57,183,591	57,311,890	55,712,857
2. Total liabilities (Page 3, Line 24)	810,437	8,562	12,501,794	18,162,657	22,160,311
3. Statutory surplus	1,500,000	867,210	6,715,961	6,837,598	6,583,291
4. Total capital and surplus (Page 3, Line 33)	5,602,938	24,958,197	44,681,797	39,149,233	33,552,546
Income Statement (Page 4)					
5. Total revenues (Line 8)	0	0	0	3,653,634	29
6. Total medical and hospital expenses (Line 18)	(72,089)	(8,921,977)	(224,625)	(151,997)	(636,635)
7. Claims adjustment expenses (Line 20)	0	0	(6,110)	1,159,954	591,262
8. Total administrative expenses (Line 21)	94,974	0	(3,141,243)	2,239,962	980,865
9. Net underwriting gain (loss) (Line 24)	(22,885)	8,921,977	3,371,978	405,715	(935,463)
10. Net investment gain (loss) (Line 27)	435,850	1,488,790	261,478	2,242,198	2,341,783
11. Total other income (Lines 28 plus 29)	0	0	25,000	0	0
12. Net income or (loss) (Line 32)	354,950	10,620,192	5,184,194	2,755,259	1,125,698
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	639,468	10,369,810	2,367,324	1,961,891	(2,500,850)
Risk-Based Capital Analysis					
14. Total adjusted capital	5,602,938	24,958,197	44,681,797	39,149,233	33,552,547
15. Authorized control level risk-based capital	7,546	79,158	112,325	99,977	66,454
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	0	0	0	0	0
17. Total members months (Column 6, Line 7)	0	0	0	0	0
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	0.0	0.0	0.0	0.0	0.0
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23)	0.0	0.0	0.0	0.0	0.0
23. Total underwriting gain (loss) (Line 24)	0.0	0.0	0.0	0.0	0.0
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	(72,089)	(8,921,977)	(224,625)	(151,998)	(636,635)
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	0	0	0	0	0
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

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

If no, please explain:



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Preferred Health Partnership of Tennessee, Inc.

2.

NAIC Group Code	0119 BUSINESS IN THE STATE OF Tennessee		DURING THE YEAR 2010							(LOCATION)		NAIC Company Code	95749
	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other			
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	0	0	0	0	0	0	0	0	0	0	0	0	
2. First Quarter	0	0	0	0	0	0	0	0	0	0	0	0	
3. Second Quarter	0	0	0	0	0	0	0	0	0	0	0	0	
4. Third Quarter	0	0	0	0	0	0	0	0	0	0	0	0	
5. Current Year	0	0	0	0	0	0	0	0	0	0	0	0	
6. Current Year Member Months	0	0	0	0	0	0	0	0	0	0	0	0	
Total Member Ambulatory Encounters for Year:													
7. Physician	0	0	0	0	0	0	0	0	0	0	0	0	
8. Non-Physician	0	0	0	0	0	0	0	0	0	0	0	0	
9. Total	0	0	0	0	0	0	0	0	0	0	0	0	
10. Hospital Patient Days Incurred	0	0	0	0	0	0	0	0	0	0	0	0	
11. Number of Inpatient Admissions	0	0	0	0	0	0	0	0	0	0	0	0	
12. Health Premiums Written (b)	0	0	0	0	0	0	0	0	0	0	0	0	
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	0	0	
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	0	0	
15. Health Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	
17. Amount Paid for Provision of Health Care Services	(72,089)	0	0	0	0	0	0	0	0	0	(72,089)	0	
18. Amount Incurred for Provision of Health Care Services	(72,089)	0	0	0	0	0	0	0	0	0	(72,089)	0	

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

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

29.TN



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Preferred Health Partnership of Tennessee, Inc.

2.

(LOCATION)

NAIC Group Code 0119

BUSINESS IN THE STATE OF Consolidated

DURING THE YEAR 2010

NAIC Company Code

95749

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	0	0	0	0	0	0	0	0	0	0
2. First Quarter	0	0	0	0	0	0	0	0	0	0
3. Second Quarter	0	0	0	0	0	0	0	0	0	0
4. Third Quarter	0	0	0	0	0	0	0	0	0	0
5. Current Year	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months	0	0	0	0	0	0	0	0	0	0
Total Member Ambulatory Encounters for Year:										
7. Physician	0	0	0	0	0	0	0	0	0	0
8. Non-Physician	0	0	0	0	0	0	0	0	0	0
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0	0	0	0	0	0	0	0	0	0
11. Number of Inpatient Admissions	0	0	0	0	0	0	0	0	0	0
12. Health Premiums Written (b)	0	0	0	0	0	0	0	0	0	0
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned	0	0	0	0	0	0	0	0	0	0
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services	(72,089)	0	0	0	0	0	0	0	(72,089)	0
18. Amount Incurred for Provision of Health Care Services	(72,089)	0	0	0	0	0	0	0	(72,089)	0

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

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

29.GT

Schedule S - Part 1 - Section 2

NONE

Schedule S - Part 2

NONE

Schedule S - Part 3 - Section 2

NONE

Schedule S - Part 4

NONE

Schedule S - Part 5

NONE

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	6,379,996	0	6,379,996
2. Accident and health premiums due and unpaid (Line 15)	0	0	0
3. Amounts recoverable from reinsurers (Line 16.1)	0	0	0
4. Net credit for ceded reinsurance	XXX	0	0
5. All other admitted assets (Balance)	33,379	0	33,379
6. Total assets (Line 28)	6,413,375	0	6,413,375
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	0	0	0
8. Accrued medical incentive pool and bonus payments (Line 2)	0	0	0
9. Premiums received in advance (Line 8)	0	0	0
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19)	0	0	0
11. Reinsurance in unauthorized companies (Line 20)	0	0	0
12. All other liabilities (Balance)	810,437	0	810,437
13. Total liabilities (Line 24)	810,437	0	810,437
14. Total capital and surplus (Line 33)	5,602,938	XXX	5,602,938
15. Total liabilities, capital and surplus (Line 34)	6,413,375	0	6,413,375
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid	0		
17. Accrued medical incentive pool	0		
18. Premiums received in advance	0		
19. Reinsurance recoverable on paid losses	0		
20. Other ceded reinsurance recoverables	0		
21. Total ceded reinsurance recoverables	0		
22. Premiums receivable	0		
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
24. Unauthorized reinsurance	0		
25. Other ceded reinsurance payables/offsets	0		
26. Total ceded reinsurance payables/offsets	0		
27. Total net credit for ceded reinsurance	0		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts	
1. Alabama	AL	N	0	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0	0
17. Kansas	KS	N	0	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0	0
43. Tennessee	TN	L	0	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	0	0	0	0	0	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0	0
61. Total (Direct Business)	(a) 1	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS										
5801.	XXX	0	0	0	0	0	0	0	0	0
5802.	XXX	0	0	0	0	0	0	0	0	0
5803.	XXX	0	0	0	0	0	0	0	0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.: The Company allocates group premiums to the situs of the contract and individuals by state of residence.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

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

**SCHEDULE T – PART 2
INTERSTATE COMPACT – EXHIBIT OF PREMIUMS WRITTEN**

Allocated By States and Territories

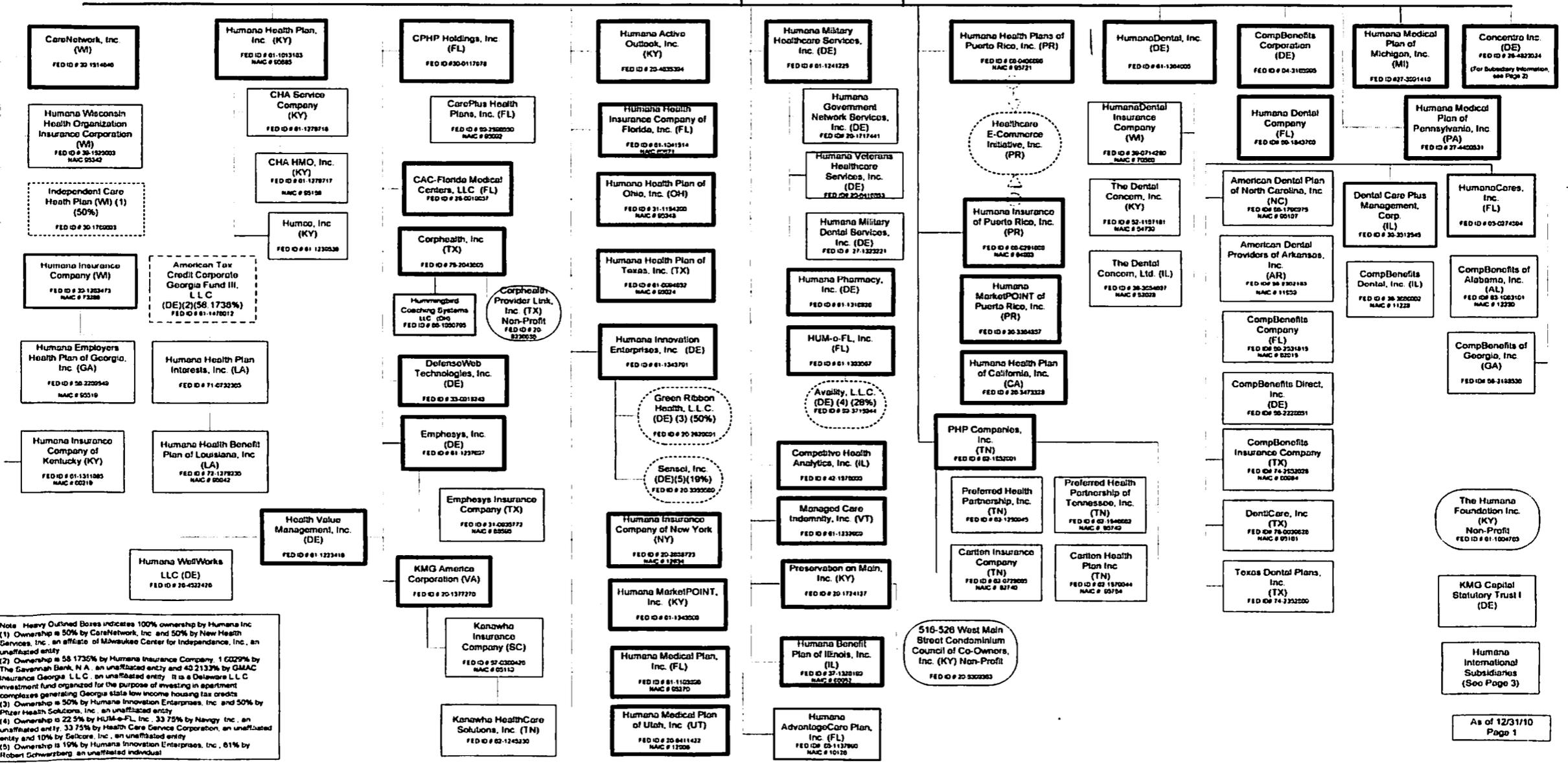
		Direct Business Only					
States, Etc.		1	2	3	4	5	6
		Life (Group and individual)	Annuities (Group and individual)	Disability Income (Group and individual)	Long-Term Care (Group and individual)	Deposit-Type Contracts	Totals
1. Alabama	AL	0	0	0	0	0	0
2. Alaska	AK	0	0	0	0	0	0
3. Arizona	AZ	0	0	0	0	0	0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

NONE

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

PART 1 - ORGANIZATIONAL CHART

Humana Inc. (DE)
FED ID # 01-0647538



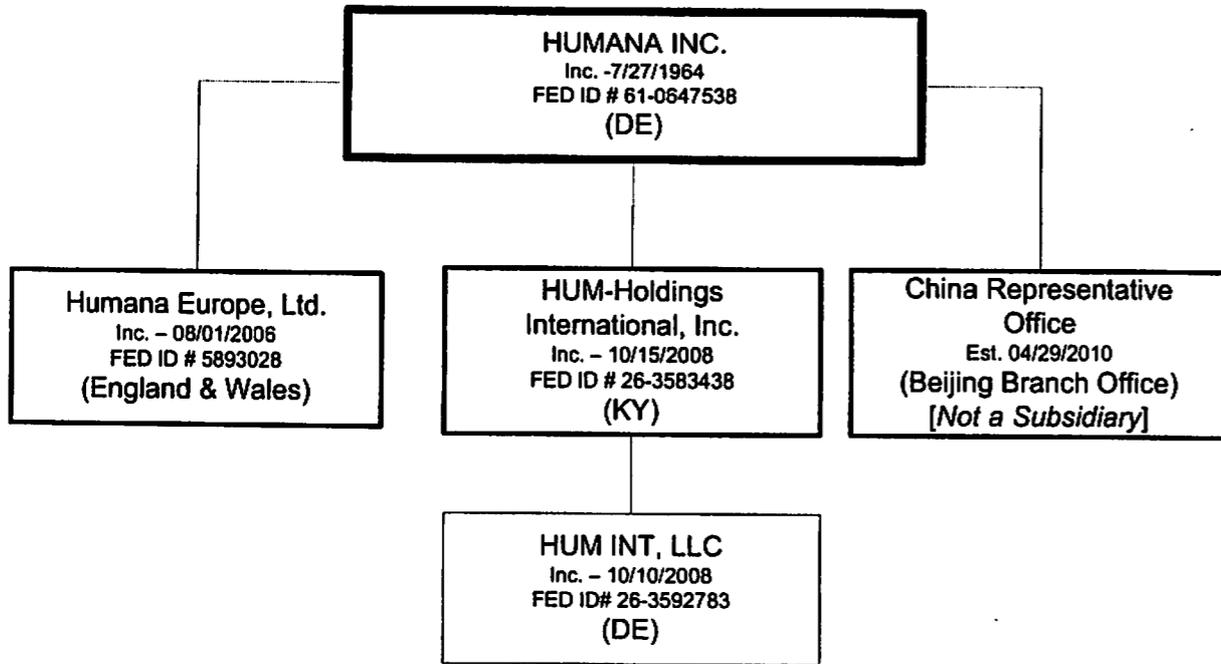
Note: Heavy Outlined Boxes indicates 100% ownership by Humana Inc.
 (1) Ownership is 50% by CareNetwork, Inc. and 50% by New Health Services, Inc. an affiliate of Milwaukee Center for Independence, Inc. an unaffiliated entity.
 (2) Ownership is 58.1735% by Humana Insurance Company, 1.0029% by The Savannah Bank, N.A. an unaffiliated entity and 40.2133% by GMAC Insurance Georgia, L.L.C. an unaffiliated entity. It is a Delaware L.L.C. investment fund organized for the purpose of investing in apartment complexes generating Georgia state low income housing tax credits.
 (3) Ownership is 50% by Humana Innovation Enterprises, Inc. and 50% by Pfizer Health Solutions, Inc. an unaffiliated entity.
 (4) Ownership is 22.5% by HUM-o-FL, Inc., 33.75% by Navigy Inc., an unaffiliated entity, 33.75% by Health Care Service Corporation, an unaffiliated entity and 10% by Salcare, Inc. an unaffiliated entity.
 (5) Ownership is 19% by Humana Innovation Enterprises, Inc., 61% by Robert Schwarzborg an unaffiliated individual.

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

PART 1 - ORGANIZATIONAL CHART

HUMANA INTERNATIONAL SUBSIDIARIES



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements		Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
88595	31-0935772	Emphesys Insurance Company	0	0	0	0	(228,051)	0		0	(228,051)	0
00000	61-0647538	Humana Inc.	(746,600,000)	230,000,000	0	0	1,080,754,571	0		0	564,154,571	0
73288	39-1263473	Humana Insurance Company	201,000,000	0	0	0	(437,833,210)	690,627,172		0	453,793,962	0
	26-3473328	Humana Health Plan of California	0	0	0	0	(585,808)	0		0	(585,808)	0
65110	57-0380426	Kanawha Insurance Co.	0	0	0	0	(6,832,910)	0		0	(6,832,910)	0
60052	37-1326199	Humana Benefit Plan of Illinois	0	0	0	0	(11,887,588)	0		0	(11,887,588)	0
10126	65-1137990	Humana AdvantageCare Plan	0	15,000,000	0	0	(6,143,228)	0		0	8,856,772	0
54739	52-1157181	The Dental Concern, Inc.	2,000,000	0	0	0	(2,305,031)	0		0	(306,031)	0
70580	39-0714280	HumanaDental Insurance Company	15,000,000	0	0	0	(12,716,308)	0		0	2,283,692	0
52028	39-3654697	The Dental Concern, Ltd.	0	0	0	0	(157,197)	0		0	(157,197)	0
95348	31-1154200	Humana Health Plan of Ohio, Inc.	0	(35,000,000)	0	0	(26,298,112)	(130,108,688)		0	(191,406,800)	0
95342	39-1525003	Humana WI Health Org. Insurance Corp.	0	0	0	0	(12,119,503)	(53,458,326)		0	(65,577,829)	0
95519	58-2209549	Humana Employers Health Plan of GA, Inc.	0	0	0	0	(24,913,043)	(118,295,154)		0	(143,208,197)	0
95270	61-1103898	Humana Medical Plan, Inc.	290,000,000	(15,000,000)	0	0	(309,494,496)	(170,237,768)		0	(204,732,264)	0
69671	61-1041514	Humana Health Insurance Co FL, Inc.	12,000,000	0	0	0	74,803,116	170,237,768		0	257,040,884	0
95754	62-1579044	Cariten Health Plan	22,000,000	0	0	0	(36,571,598)	0		0	(14,571,598)	0
95885	61-1013183	Humana Health Plan, Inc.	0	0	0	0	(303,672,529)	(110,426,988)		0	(414,099,517)	0
60219	61-1311605	Humana Insurance Company of Kentucky	0	0	0	0	(2,620,404)	0		0	(2,620,404)	0
95024	61-0994632	Humana Health Plan of Texas, Inc.	0	(35,000,000)	0	0	(70,942,233)	(278,338,016)		0	(384,280,249)	0
00000	66-0406896	Humana Health Plans of Puerto Rico, Inc.	0	0	0	0	509,260	0		0	509,260	0
00000	66-0291866	Humana Insurance of Puerto Rico, Inc.	0	0	0	0	(1,009,594)	0		0	(1,009,594)	0
00000	61-1232669	Managed Care Indemnity, Inc.	50,000,000	0	0	0	31,025,943	0		0	81,025,943	0
95642	72-1279235	Humana Health Benefit Plan of LA, Inc.	49,000,000	0	0	0	(132,445,216)	0		0	(83,445,216)	0
95092	59-2598550	CarePlus Health Plans, Inc.	67,000,000	0	0	0	(164,906,032)	0		0	(97,906,032)	0
00000	26-0010657	CAC-Florida Medical Centers, LLC	0	0	0	0	125,310,480	0		0	125,310,480	0
12634	20-2888723	Humana Insurance Company of New York	7,500,000	0	0	0	(17,704,038)	0		0	(10,204,038)	0
82740	62-0729865	Cariten Insurance Company	2,000,000	0	0	0	(1,560,943)	0		0	439,057	0
00000	61-1343508	Humana Marketpoint, Inc.	0	0	0	0	338,913,603	0		0	338,913,603	0
00000	61-1316926	Humana Pharmacy, Inc.	0	0	0	0	(3,562,646)	0		0	(3,562,646)	0
00000	61-1383567	HUM-e-FL, Inc.	0	0	0	0	0	0		0	0	0
00000	75-2043865	Corphealth, Inc.	0	0	0	0	(2,539,725)	0		0	(2,539,725)	0
95158	61-1279717	CHA HMO	0	0	0	0	(375,635)	0		0	(375,635)	0
00000	33-0916248	DefenseWeb Technologies, Inc.	0	0	0	0	0	0		0	0	0
00000	58-93028	Humana Europe, Ltd.	0	0	0	0	0	0		0	0	0
12908	20-8411422	Humana Medical Plan of Utah	0	0	0	0	(1,381,948)	0		0	(1,381,948)	0
00000	59-1843760	Humana/CompBenefits, Inc.	0	0	0	0	37,043,034	0		0	37,043,034	0
95107	56-1796975	American Dental Plan of NC	0	0	0	0	(172,966)	0		0	(172,966)	0
11559	58-2302163	American Dental Providers of AR	0	0	0	0	(40,288)	0		0	(40,288)	0
52015	59-2531815	CompBenefits Company	2,900,000	0	0	0	(22,323,764)	0		0	(19,423,764)	0
00000	61-1241225	Humana Military Healthcare Services, Inc	0	0	0	0	(28,720,444)	0		0	(28,720,444)	0
00000	20-8418853	Humana Veterans Healthcare Services	0	0	0	0	(12,128)	0		0	(12,128)	0
60984	74-2552026	CompBenefits Insurance Company	3,200,000	0	0	0	(21,764,660)	0		0	(18,564,660)	0

SCHEDULE Y

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements		Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
95161	76-0039628	DentiCare, Inc.	2,000,000	0	0	0	(5,650,361)	0		0	(3,650,361)	0
00000	36-3512545	Dental Care Plus Mangement, Corp.	0	0	0	0	0	0		0	0	0
11228	36-3686002	CompBenefits Dental, Inc.	1,000,000	0	0	0	(4,155,914)	0		0	(3,155,914)	0
12250	63-1063101	CompBenefits of Alabama	0	0	0	0	(182,756)	0		0	(182,756)	0
00000	58-2198538	CompBenefits of Georgia, Inc.	0	0	0	0	(720,311)	0		0	(720,311)	0
95749	62-1546662	Preferred Health Partnership of TN, Inc.	20,000,000	0	0	0	(232,902)	0		0	19,767,098	0
00000	26-3583438	Humana Holdings International	0	0	0	0	(6,282)	0		0	(6,282)	0
00000	20-1377270	KWG America Corporation	0	(160,000,000)	0	0	0	0		0	(160,000,000)	0
00000	62-1245230	Kanawha Healthcare Solutions	0	0	0	0	(430,920)	0		0	(430,920)	0
00000	62-1552091	PHP Companies Incorporated	0	0	0	0	294	0		0	294	0
00000	61-1223418	Health Value Management, Inc.	0	0	0	0	(16,557,469)	0		0	(16,557,469)	0
00000	61-1343791	Humana Innovation Enterprises, Inc.	0	0	0	0	(1,468)	0		0	(1,468)	0
00000	20-1724127	Preservation on Main Inc	0	0	0	0	3,379,510	0		0	3,379,510	0
00000	04-3185995	CompBenefits Corporation	0	0	0	0	0	0		0	0	0
00000	58-2228851	Compbenefits Direct	0	0	0	0	78,542	0		0	78,542	0
00000	74-2352809	Texas Dental Plans, Inc.	0	0	0	0	(31,830)	0		0	(31,830)	0
00000	20-2620891	Green Ribbon Health, LLC	0	0	0	0	0	0		0	0	0
00000	62-1250945	Preferred Health Partnership, Inc.	0	0	0	0	(5,864)	0		0	(5,864)	0
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

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SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

MARCH FILING

- | | <u>Responses</u> |
|---|------------------|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? |YES..... |
| 2. Will an actuarial opinion be filed by March 1? |YES..... |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? |YES..... |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? |YES..... |

APRIL FILING

- | | |
|--|---------------|
| 5. Will Management's Discussion and Analysis be filed by April 1? |YES..... |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? |YES..... |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? |YES..... |

JUNE FILING

- | | |
|--|---------------|
| 8. Will an audited financial report be filed by June 1? |YES..... |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? |YES..... |

AUGUST FILING

- | | |
|--|---------------|
| 10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1? |YES..... |
|--|---------------|

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

MARCH FILING

- | | |
|--|--------------|
| 11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? |NO..... |
| 12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? |NO..... |
| 13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? |NO..... |
| 14. Will the Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? |NO..... |
| 15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? |NO..... |
| 16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? |NO..... |
| 17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? |NO..... |

APRIL FILING

- | | |
|---|--------------|
| 18. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? |NO..... |
| 19. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? |NO..... |
| 20. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? |NO..... |
| 21. Will the Supplemental Health Care Exhibit be filed the state of domicile and the NAIC by April 1? |NO..... |
| 22. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the sate of domicile and the NAIC by April 1? |NO..... |

AUGUST FILING

- | | |
|--|---------------|
| 23. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? |YES..... |
|--|---------------|

Explanation:

11. This type of business is not written.
12. This type of business is not written.
13. This type of business is not written.
14. This type of business is not written.
15. This type of business is not written.
16. This type of business is not written.
17. This type of business is not written.
18. This type of business is not written.
19. This type of business is not written.
20. This type of business is not written.
21. This type of business is not written.
22. This type of business is not written.

Bar code:



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

- 11. 9 5 7 4 9 2 0 1 0 3 6 0 5 9 0 0 0
- 12. 9 5 7 4 9 2 0 1 0 2 0 5 0 0 0 0 0
- 13. 9 5 7 4 9 2 0 1 0 2 0 7 0 0 0 0 0
- 14. 9 5 7 4 9 2 0 1 0 4 2 0 0 0 0 0 0
- 15. 9 5 7 4 9 2 0 1 0 3 7 1 0 0 0 0 0
- 16. 9 5 7 4 9 2 0 1 0 3 7 0 0 0 0 0 0
- 17. 9 5 7 4 9 2 0 1 0 3 6 5 0 0 0 0 0
- 18. 9 5 7 4 9 2 0 1 0 3 0 6 0 0 0 0 0
- 19. 9 5 7 4 9 2 0 1 0 2 1 1 5 9 0 0 0
- 20. 9 5 7 4 9 2 0 1 0 2 1 3 0 0 0 0 0
- 21. 9 5 7 4 9 2 0 1 0 2 1 6 5 9 0 0 0
- 22. 9 5 7 4 9 2 0 1 0 2 1 7 0 0 0 0 0



SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities	1,242,113	19.469	1,242,113	19.469
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	0	0.000	0	0.000
1.22 Issued by U.S. government sponsored agencies	0	0.000	0	0.000
1.3 Non-U.S. government (including Canada, excluding mortgage-backed securities)	0	0.000	0	0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations	0	0.000	0	0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations	0	0.000	0	0.000
1.43 Revenue and assessment obligations	0	0.000	0	0.000
1.44 Industrial development and similar obligations	0	0.000	0	0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA	0	0.000	0	0.000
1.512 Issued or guaranteed by FNMA and FHLMC	0	0.000	0	0.000
1.513 All other	0	0.000	0	0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA	0	0.000	0	0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521	0	0.000	0	0.000
1.523 All other	0	0.000	0	0.000
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities)	0	0.000	0	0.000
2.2 Unaffiliated non-U.S. securities (including Canada)	0	0.000	0	0.000
2.3 Affiliated securities	0	0.000	0	0.000
3. Equity interests:				
3.1 Investments in mutual funds	0	0.000	0	0.000
3.2 Preferred stocks:				
3.21 Affiliated	0	0.000	0	0.000
3.22 Unaffiliated	0	0.000	0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated	0	0.000	0	0.000
3.32 Unaffiliated	0	0.000	0	0.000
3.4 Other equity securities:				
3.41 Affiliated	0	0.000	0	0.000
3.42 Unaffiliated	0	0.000	0	0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated	0	0.000	0	0.000
3.52 Unaffiliated	0	0.000	0	0.000
4. Mortgage loans:				
4.1 Construction and land development	0	0.000	0	0.000
4.2 Agricultural	0	0.000	0	0.000
4.3 Single family residential properties	0	0.000	0	0.000
4.4 Multifamily residential properties	0	0.000	0	0.000
4.5 Commercial loans	0	0.000	0	0.000
4.6 Mezzanine real estate loans	0	0.000	0	0.000
5. Real estate investments:				
5.1 Property occupied by company	0	0.000	0	0.000
5.2 Property held for production of income (including \$ 0 of property acquired in satisfaction of debt)	0	0.000	0	0.000
5.3 Property held for sale (including \$ 0 property acquired in satisfaction of debt)	0	0.000	0	0.000
6. Contract loans	0	0.000	0	0.000
7. Receivables for securities	0	0.000	0	0.000
8. Cash, cash equivalents and short-term investments	5,137,883	80.531	5,137,883	80.531
9. Other invested assets	0	0.000	0	0.000
10. Total invested assets	6,379,996	100.000	6,379,996	100.000

SCHEDULE A – VERIFICATION BETWEEN YEARS

Real Estate

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

NONE

SCHEDULE B – VERIFICATION BETWEEN YEARS

Mortgage Loans

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

NONE

SCHEDULE BA – VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

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

NONE

SCHEDULE D – VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year.....	19,780,102
2. Cost of bonds and stocks acquired, Part 3, Column 7.....	625,606
3. Accrual of discount.....	7,253
4. Unrealized valuation increase (decrease):	
4.1 Part 1, Column 12.....	0
4.2 Part 2, Section 1, Column 15.....	0
4.3 Part 2, Section 2, Column 13.....	0
4.4 Part 4, Column 11.....	0
5. Total gain (loss) on disposals, Part 4, Column 19.....	248,597
6. Deduction consideration for bonds and stocks disposed of, Part 4, Column 7.....	19,375,621
7. Deduct amortization of premium.....	43,825
8. Total foreign exchange change in book/adjusted carrying value:	
8.1 Part 1, Column 15.....	0
8.2 Part 2, Section 1, Column 19.....	0
8.3 Part 2, Section 2, Column 16.....	0
8.4 Part 4, Column 15.....	0
9. Deduct current year's other than temporary impairment recognized:	
9.1 Part 1, Column 14.....	0
9.2 Part 2, Section 1, Column 17.....	0
9.3 Part 2, Section 2, Column 14.....	0
9.4 Part 4, Column 13.....	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	1,242,113
11. Deduct total nonadmitted amounts.....	0
12. Statement value at end of current period (Line 10 minus Line 11).....	1,242,113



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS					
Governments (Including all obligations guaranteed by governments)	1. United States	1,242,113	1,330,763	1,233,807	1,250,000
	2. Canada	0	0	0	0
	3. Other Countries	0	0	0	0
	4. Totals	1,242,113	1,330,763	1,233,807	1,250,000
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	0	0	0	0
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	0	0	0	0
Industrial and Miscellaneous, Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States	0	0	0	0
	9. Canada	0	0	0	0
	10. Other Countries	0	0	0	0
	11. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	1,242,113	1,330,763	1,233,807	1,250,000
PREFERRED STOCKS					
Industrial and Miscellaneous (unaffiliated)	14. United States	0	0	0	0
	15. Canada	0	0	0	0
	16. Other Countries	0	0	0	0
	17. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	0
	19. Total Preferred Stocks	0	0	0	0
COMMON STOCKS					
Industrial and Miscellaneous (unaffiliated)	20. United States	0	0	0	0
	21. Canada	0	0	0	0
	22. Other Countries	0	0	0	0
	23. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	0
	25. Total Common Stocks	0	0	0	0
	26. Total Stocks	0	0	0	0
	27. Total Bonds and Stocks	1,242,113	1,330,763	1,233,807	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - PART 1A - SECTION 1

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1	5,107,135	1,242,113	0	0	0	6,349,248	100.0	7,921,836	32.6	6,349,248	0
1.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
1.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
1.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
1.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
1.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	5,107,135	1,242,113	0	0	0	6,349,248	100.0	7,921,836	32.6	6,349,248	0
2. All Other Governments											
2.1 Class 1	0	0	0	0	0	0	0.0	0	0	0	0
2.2 Class 2	0	0	0	0	0	0	0.0	0	0	0	0
2.3 Class 3	0	0	0	0	0	0	0.0	0	0	0	0
2.4 Class 4	0	0	0	0	0	0	0.0	0	0	0	0
2.5 Class 5	0	0	0	0	0	0	0.0	0	0	0	0
2.6 Class 6	0	0	0	0	0	0	0.0	0	0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0	0	0
3. U.S. States, Territories and Possessions, etc., Guaranteed											
3.1 Class 1	0	0	0	0	0	0	0.0	1,713,689	7	0	0
3.2 Class 2	0	0	0	0	0	0	0.0	0	0	0	0
3.3 Class 3	0	0	0	0	0	0	0.0	0	0	0	0
3.4 Class 4	0	0	0	0	0	0	0.0	0	0	0	0
3.5 Class 5	0	0	0	0	0	0	0.0	0	0	0	0
3.6 Class 6	0	0	0	0	0	0	0.0	0	0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	1,713,689	7	0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1	0	0	0	0	0	0	0.0	0	0	0	0
4.2 Class 2	0	0	0	0	0	0	0.0	0	0	0	0
4.3 Class 3	0	0	0	0	0	0	0.0	0	0	0	0
4.4 Class 4	0	0	0	0	0	0	0.0	0	0	0	0
4.5 Class 5	0	0	0	0	0	0	0.0	0	0	0	0
4.6 Class 6	0	0	0	0	0	0	0.0	0	0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0	0	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Class 1	0	0	0	0	0	0	0.0	8,757,209	36.1	0	0
5.2 Class 2	0	0	0	0	0	0	0.0	2,094,781	8.6	0	0
5.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
5.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	0	0	0	0	0	0	0.0	10,851,990	44.7	0	0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Industrial and Miscellaneous (unaffiliated)											
6.1 Class 1	0	0	0	0	0	0	0.0	3,784,816	16	0	0
6.2 Class 2	0	0	0	0	0	0	0.0	0	0	0	0
6.3 Class 3	0	0	0	0	0	0	0.0	0	0	0	0
6.4 Class 4	0	0	0	0	0	0	0.0	0	0	0	0
6.5 Class 5	0	0	0	0	0	0	0.0	0	0	0	0
6.6 Class 6	0	0	0	0	0	0	0.0	0	0	0	0
6.7 Totals	0	0	0	0	0	0	0.0	3,784,816	16	0	0
7. Credit Tenant Loans											
7.1 Class 1	0	0	0	0	0	0	0.0	0	0	0	0
7.2 Class 2	0	0	0	0	0	0	0.0	0	0	0	0
7.3 Class 3	0	0	0	0	0	0	0.0	0	0	0	0
7.4 Class 4	0	0	0	0	0	0	0.0	0	0	0	0
7.5 Class 5	0	0	0	0	0	0	0.0	0	0	0	0
7.6 Class 6	0	0	0	0	0	0	0.0	0	0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0	0	0
8. Hybrid Securities											
8.1 Class 1	0	0	0	0	0	0	0.0	0	0	0	0
8.2 Class 2	0	0	0	0	0	0	0.0	0	0	0	0
8.3 Class 3	0	0	0	0	0	0	0.0	0	0	0	0
8.4 Class 4	0	0	0	0	0	0	0.0	0	0	0	0
8.5 Class 5	0	0	0	0	0	0	0.0	0	0	0	0
8.6 Class 6	0	0	0	0	0	0	0.0	0	0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0	0	0
9. Parent, Subsidiaries and Affiliates											
9.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	0	0
9.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	0
9.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
10. Total Bonds Current Year											
10.1 Class 1	(d) 5,107,135	1,242,113	0	0	0	6,349,248	100.0	XXX	XXX	6,349,248	0
10.2 Class 2	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.3 Class 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Class 6	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	5,107,135	1,242,113	0	0	0	6,349,248	100.0	XXX	XXX	6,349,248	0
10.8 Line 10.7 as a % of Col. 6	80.4	19.6	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1	5,888,237	13,355,056	1,932,370	1,001,887	0	XXX	XXX	22,177,550	91.4	22,177,550	0
11.2 Class 2	0	2,094,781	0	0	0	XXX	XXX	2,094,781	8.6	2,094,781	0
11.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
11.7 Totals	5,888,237	15,449,837	1,932,370	1,001,887	0	XXX	XXX	(b) 24,272,331	100.0	24,272,331	0
11.8 Line 11.7 as a % of Col. 8	24.3	63.7	8.0	4.1	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Class 1	5,107,135	1,242,113	0	0	0	6,349,248	100.0	22,177,550	91.4	6,349,248	XXX
12.2 Class 2	0	0	0	0	0	0	0.0	2,094,781	8.6	0	XXX
12.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	5,107,135	1,242,113	0	0	0	6,349,248	100.0	24,272,331	100.0	6,349,248	XXX
12.8 Line 12.7 as a % of Col. 6	80.4	19.6	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	80.4	19.6	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.2 Class 2	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(a) Includes \$ 0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

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

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

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 5,107,135 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - PART 1A - SECTION 2

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
1. U.S. Governments											
1.1 Issuer Obligations	5,107,135	1,242,113	0	0	0	6,349,248	100.0	7,921,836	32.6	6,349,248	0
1.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
1.7 Totals	5,107,135	1,242,113	0	0	0	6,349,248	100.0	7,921,836	32.6	6,349,248	0
2. All Other Governments											
2.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
2.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
2.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
2.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. U.S. States, Territories and Possessions, Guaranteed											
3.1 Issuer Obligations	0	0	0	0	0	0	0.0	1,713,689	7.1	0	0
3.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
3.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
3.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
3.7 Totals	0	0	0	0	0	0	0.0	1,713,689	7.1	0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
4.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
4.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
4.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Issuer Obligations	0	0	0	0	0	0	0.0	10,851,990	44.7	0	0
5.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
5.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
5.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
5.7 Totals	0	0	0	0	0	0	0.0	10,851,990	44.7	0	0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Industrial and Miscellaneous											
6.1 Issuer Obligations	0	0	0	0	0	0	0.0	3,784,816	15.6	0	0
6.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
6.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
6.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
6.7 Totals	0	0	0	0	0	0	0.0	3,784,816	15.6	0	0
7. Credit Tenant Loans											
7.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0	0	0
7.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
8. Hybrid Securities											
8.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
8.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
8.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
8.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
8.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
8.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
9. Parent, Subsidiaries and Affiliates											
9.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	0	0
9.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
9.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	0
9.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total From Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	5,107,135	1,242,113	0	0	0	6,349,248	100.0	XXX	XXX	6,349,248	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals	5,107,135	1,242,113	0	0	0	6,349,248	100.0	XXX	XXX	6,349,248	0
10.8 Lines 10.7 as a % of Col. 6	80.4	19.6	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations	5,888,237	15,449,837	1,932,370	1,001,887	0	XXX	XXX	24,272,331	100.0	24,272,331	0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Other	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals	5,888,237	15,449,837	1,932,370	1,001,887	0	XXX	XXX	24,272,331	100.0	24,272,331	0
11.8 Line 11.7 as a % of Col. 8	24.3	63.7	8.0	4.1	0.0	XXX	XXX	100.0	XXX	100.0	0.0
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	5,107,135	1,242,113	0	0	0	6,349,248	100.0	24,272,331	100.0	6,349,248	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	0	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Other	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	5,107,135	1,242,113	0	0	0	6,349,248	100.0	24,272,331	100.0	6,349,248	XXX
12.8 Line 12.7 as a % of Col. 6	80.4	19.6	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	80.4	19.6	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

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SCHEDULE DA - VERIFICATION BETWEEN YEARS

Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year	3,792,230	3,792,230	0	0	0
2. Cost of short-term investments acquired	40,190,827	40,190,827	0	0	0
3. Accrual of discount	0	0	0	0	0
4. Unrealized valuation increase (decrease)	0	0	0	0	0
5. Total gain (loss) on disposals	0	0	0	0	0
6. Deduct consideration received on disposals	43,875,849	43,875,849	0	0	0
7. Deduct amortization of premium	0	0	0	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0	0	0	0
9. Deduct current year's other than temporary impairment recognized	0	0	0	0	0
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	107,207	107,207	0	0	0
11. Deduct total nonadmitted amounts	0	0	0	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	107,207	107,207	0	0	0

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

Schedule DB - Part A - Verification

NONE

Schedule DB - Part B - Verification

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Verification

NONE

SCHEDULE E - VERIFICATION BETWEEN YEARS

(Cash Equivalents)

	1	2	3
	Total	Bonds	Other (a)
1. Book/adjusted carrying value, December 31 of prior year.....	699,998	699,998	.0
2. Cost of cash equivalents acquired	45,696,487	45,696,487	.0
3. Accrual of discount	3,380	3,380	.0
4. Unrealized valuation increase (decrease).....	0	0	.0
5. Total gain (loss) on disposals	(11)	(11)	.0
6. Deduct consideration received on disposals	41,399,927	41,399,927	.0
7. Deduct amortization of premium	0	0	.0
8. Total foreign exchange change in book/adjusted carrying value.....	0	0	.0
9. Deduct current year's other than temporary impairment recognized.....	0	0	.0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	4,999,927	4,999,927	.0
11. Deduct total nonadmitted amounts	0	0	.0
12. Statement value at end of current period (Line 10 minus Line 11)	4,999,927	4,999,927	0

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

Schedule A - Part 1

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - PART 1

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

1	2	Codes			6	7	Fair Value		10	11	Change in Book Adjusted Carrying Value				Interest			Dates			
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	Code	For e i g n	Bond CHAR	NAIC Designation	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A./C.V.	Rate of	Effective Rate of	When Paid	Admitted Amount Due & Accrued	Amount Rec. During Year	Acquired	Maturity
Bonds U.S. Governments - Issuer Obligations																					
912826-AP-5	UNITED STATES TREASURY GOVERNMENT	SD			1	1,233,807	106.4610	1,330,763	1,250,000	1,242,113	0	3,938	0	0	4.000	4.350	BN	6,492	50,000	10/31/2008	11/15/2012
0199999 - Bonds U.S. Governments - Issuer Obligations																					
						1,233,807	XXX	1,330,763	1,250,000	1,242,113	0	3,938	0	0	XXX	XXX	XXX	6,492	50,000	XXX	XXX
Bonds U.S. Government - Single Class Mortgage-Backed/Asset-Backed Securities																					
0399999 - Bonds: Subtotals - U.S. Governments																					
						1,233,807	XXX	1,330,763	1,250,000	1,242,113	0	3,938	0	0	XXX	XXX	XXX	6,492	50,000	XXX	XXX
Bonds All Other Governments - Issuer Obligations																					
Bonds All Other Governments - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds All Other Governments - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds All Other Governments - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds All Other Governments - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds All Other Governments - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds U.S. States, Territories, Possessions (Direct and Guaranteed) - Issuer Obligations																					
Bonds U.S. States, Territories and Possessions (Direct and Guaranteed) - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds U.S. States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds U.S. States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Commercial Mortgage-Backed Securities																					
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
Bonds U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Issuer Obligations																					
Bonds U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																					
Bonds Industrial and Miscellaneous (Unaffiliated) - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds Credit Tenant Loans - Issuer Obligations																					
Bonds Credit Tenant Loans - Single Class Mortgage-Backed Securities																					
Bonds Hybrid Securities - Issuer Obligations																					
Bonds Hybrid Securities - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds Hybrid Securities - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds Hybrid Securities - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds Hybrid Securities - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds Hybrid Securities - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds Parent, Subsidiaries and Affiliates - Issuer Obligations																					
Bonds Parent, Subsidiaries and Affiliates - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds Parent, Subsidiaries and Affiliates - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds Parent, Subsidiaries and Affiliates - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds Parent, Subsidiaries and Affiliates - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
7799999 - Total Bonds: Subtotals - Issuer Obligations																					
						1,233,807	XXX	1,330,763	1,250,000	1,242,113	0	3,938	0	0	XXX	XXX	XXX	6,492	50,000	XXX	XXX
8399999 Total Bonds																					
						1,233,807	XXX	1,330,763	1,250,000	1,242,113	0	3,938	0	0	XXX	XXX	XXX	6,492	50,000	XXX	XXX

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - PART 4

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

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21
										11	12	13	14	15						
CUSIP Identification	Description	For or in	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 (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B/A C.V. (11+12-13)	Total Foreign Exchange Change in B/A C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date
Bonds - U.S. Governments																				
912828-H0-6	UNITED STATES TREASURY GOVERNMENT		04/20/2010	BANK OF AMERICA		207,617	200,000.00	203,485	202,563	0	(243)	0	(243)	0	202,320	0	5,297	5,297	4,130	01/31/2013
912828-HT-0	UNITED STATES TREASURY GOVERNMENT		04/20/2010	BANK OF AMERICA		3,103,242	3,000,000.00	3,057,544	3,042,542	0	(3,894)	0	(3,894)	0	3,038,649	0	64,594	64,594	52,683	02/28/2013
912828-HV-5	UNITED STATES TREASURY GOVERNMENT		04/20/2010	BANK OF AMERICA		205,430	200,000.00	196,627	196,727	0	291	0	291	0	197,016	0	8,412	8,412	2,773	03/31/2013
912828-KJ-8	UNITED STATES TREASURY GOVERNMENT		04/20/2010	BANK OF AMERICA		2,218,447	2,250,000.00	2,233,220	2,235,459	0	1,000	0	1,000	0	2,236,458	0	(18,011)	(18,011)	21,839	03/31/2014
0399999	Bonds - U.S. Governments					5,734,736	5,650,000.00	5,689,876	5,677,291	0	(2,846)	0	(2,846)	0	5,674,445	0	60,291	60,291	81,426	XXX
Bonds - All Other Governments																				
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																				
373384-PJ-9	GEORGIA ST	MUNI	05/12/2010	UBS SECURITIES		86,753	75,000.00	88,620	88,584	0	(545)	0	(545)	0	88,039	0	(1,286)	(1,286)	1,510	07/01/2018
658256-AB-5	NORTH CAROLINA ST	MUNI	05/12/2010	BRANCH BANK & TRUST		228,602	200,000.00	235,378	235,105	0	(2,482)	0	(2,482)	0	232,623	0	(4,021)	(4,021)	5,750	03/01/2015
837556-3B-1	SOUTH DAKOTA HSG DEV AUTH	MUNI	05/14/2010	SEATTLE NORTHWEST SEC		1,427,669	1,390,000.00	1,390,000	1,390,000	0	0	0	0	0	1,390,000	0	37,669	37,669	30,580	05/01/2012
1799999	Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)					1,743,024	1,665,000.00	1,713,998	1,713,689	0	(3,027)	0	(3,027)	0	1,710,662	0	32,362	32,362	37,840	XXX
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																				
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																				
116083-EP-7	BROWNSBURG IND SCH BLDG	MUNI	05/12/2010	UBS SECURITIES		1,548,821	1,415,000.00	1,526,092	1,508,812	0	(5,800)	0	(5,800)	0	1,503,013	0	43,609	43,609	56,207	08/01/2016
454623-W4-8	INDIANA BD BX	MUNI	05/12/2010	CRENS & ASSOCIATES		1,252,512	1,200,000.00	1,288,260	1,267,854	0	(6,812)	0	(6,812)	0	1,261,042	0	(8,530)	(8,530)	47,667	08/01/2015
478271-DS-5	JOHNSON CITY TN HEALTH & EDU	MUNI	05/12/2010	EMMET & CO		825,464	775,000.00	849,749	826,928	0	(7,620)	0	(7,620)	0	819,308	0	6,176	6,176	40,817	07/01/2012
546071-AA-9	LOUISIA VA INDL DEV AUTH	MUNI	04/01/2010	CALLED SECURITY at 100.000		1,000,000	1,000,000.00	1,002,050	1,001,887	0	(1,887)	0	(1,887)	0	1,000,000	0	0	0	21,250	04/01/2022
546596-FW-4	LOUISVILLE AND JEFFERSON CITY	MUNI	05/14/2010	WEDBUSH SECURITIES		1,373,450	1,300,000.00	1,403,623	1,372,086	0	(10,718)	0	(10,718)	0	1,361,369	0	12,081	12,081	66,029	07/01/2012
88045R-DY-4	TENNESSEE HSG DEV AGY	MUNI	05/14/2010	UBS SECURITIES		1,134,662	1,120,000.00	1,120,000	1,120,000	0	0	0	0	0	1,120,000	0	14,862	14,862	39,573	01/01/2011
88045R-DZ-2	TENNESSEE HSG DEV AGY	MUNI	05/14/2010	SEATTLE NORTHWEST SEC		1,241,183	1,215,000.00	1,215,000	1,215,000	0	0	0	0	0	1,215,000	0	26,183	26,183	42,930	07/01/2011
880557-G9-8	TEHN STATE SCHOOL BD AUTH	MUNI	05/13/2010	MORGAN KEEGAN		1,005,488	975,000.00	975,000	975,000	0	0	0	0	0	975,000	0	30,488	30,488	22,355	05/01/2011
927781-SZ-8	VIRGINIA COLLEGE BLDG AUTH	MUNI	05/12/2010	BRANCH BANK & TRUST		164,552	150,000.00	168,644	168,414	0	(2,228)	0	(2,228)	0	166,186	0	(1,634)	(1,634)	3,125	02/01/2013
92812U-W4-7	VIRGINIA ST HSG DEV AUTH COMB	MUNI	05/14/2010	MORGAN KEEGAN		1,416,044	1,400,000.00	1,390,200	1,396,009	0	1,937	0	1,937	0	1,397,946	0	18,098	18,098	35,467	10/01/2010
3199999	Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					10,960,396	10,550,000.00	10,938,617	10,851,990	0	(33,126)	0	(33,126)	0	10,818,864	0	141,533	141,533	375,420	XXX
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
282640-R6-3	EXPORT FINANCE CORPORATE	F	05/12/2010	RBS GREENWICH CAPITAL MARKETS INC		203,028	200,000.00	199,072	199,089	0	70	0	70	0	199,159	0	3,869	3,869	3,000	11/17/2014
74727P-AJ-0	STATE OF QATAR CORPORATE	F	03/11/2010	GOLDMAN SACHS		101,750	100,000.00	99,870	99,669	0	0	0	0	0	99,669	0	1,881	1,881	1,244	01/20/2015
3899999	Bonds - Industrial and Miscellaneous (Unaffiliated)					304,778	300,000.00	298,942	298,958	0	69	0	69	0	299,027	0	5,751	5,751	4,244	XXX
Bonds - Credit Tenant Loans																				
Bonds - Hybrid Securities																				
Bonds - Parent, Subsidiaries, and Affiliates																				
8399997	Subtotals - Bonds - Part 4					18,742,935	18,165,000.00	18,641,433	18,541,928	0	(38,930)	0	(38,930)	0	18,502,998	0	239,936	239,936	498,930	XXX
8399998	Summary item from Part 5 for Bonds					632,686	600,000.00	625,606	0	0	(1,580)	0	(1,580)	0	624,026	0	8,660	8,660	11,617	XXX
8399999	Subtotals - Bonds					19,375,621	18,765,000.00	19,267,038	18,541,928	0	(40,510)	0	(40,510)	0	19,127,024	0	248,597	248,597	510,547	XXX
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																				
Preferred Stocks - Parent, Subsidiaries, and Affiliates																				
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																				
Common Stocks - Parent, Subsidiaries, and Affiliates																				
Common Stock - Mutual Funds																				
Common Stocks - Money Market Mutual Funds																				
9999999	Totals					19,375,621	XXX	19,267,038	18,541,928	0	(40,510)	0	(40,510)	0	19,127,024	0	248,597	248,597	510,547	XXX

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE D - PART 5

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stocks)	9 Actual Cost	10 Consideration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B/A. C.V. (12 + 13 - 14)	16 Total Foreign Exchange Change in B/A. C.V.					
Bonds - U.S. Governments																				
Bonds - All Other Governments																				
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																				
341535-W2-4	FLORIDA ST BOARD EDUC		01/25/2010	WELLS FARGO	05/12/2010	UBS SECURITIES	50,000	57,012	55,748	56,539	0	(472)	0	(472)	0	0	(791)	(791)	1,153	396
1799999 - Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed)																				
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)																				
Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions																				
Bonds - Industrial and Miscellaneous (Unaffiliated)																				
00724F-AA-9	ADOBE SYSTEMS INCORPORATED CORPORATE		01/25/2010	JP MORGAN CHASE BANK	05/12/2010	RBC CAPITAL MARKETS	175,000	174,696	177,826	174,706	0	11	0	11	0	0	3,120	3,120	1,675	0
15169Y-AB-2	CENTERPOINT ENERGY INC CORPORATE		03/03/2010	MORGAN STANLEY	05/12/2010	WALL STREET ACCESS	125,000	144,198	143,891	143,085	0	(1,113)	0	(1,113)	0	0	806	806	6,180	4,375
53217Y-AB-5	LIFE TECHNOLOGIES CORP CORPORATE		02/11/2010	JP MORGAN CHASE BANK	05/12/2010	UBS SECURITIES	75,000	74,751	77,008	74,757	0	6	0	6	0	0	2,251	2,251	807	0
585055-AS-5	MEDTRONIC INC CORPORATE		03/11/2010	JP MORGAN CHASE BANK	05/12/2010	HSBC SECURITIES INC	75,000	74,880	76,221	74,878	0	(3)	0	(3)	0	0	1,344	1,344	566	0
91913Y-AD-3	VALERO ENERGY CORP CORPORATE		02/03/2010	VARIOUS	05/12/2010	RBS GREENWICH CAPITAL MARKETS INC	100,000	100,070	101,992	100,061	0	(10)	0	(10)	0	0	1,931	1,931	1,238	0
3899999 - Bonds - Industrial and Miscellaneous (Unaffiliated)																				
Bonds - Credit Tenant Loans																				
Bonds - Hybrid Securities																				
Bonds - Parent, Subsidiaries, and Affiliates																				
8399998	Subtotals - Bonds						600,000	625,606	632,686	624,026	0	(1,580)	0	(1,580)	0	0	8,660	8,660	11,617	4,771
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated)																				
Preferred Stocks - Parent, Subsidiaries, and Affiliates (Unaffiliated)																				
Common Stocks - Industrial and Miscellaneous (Unaffiliated)																				
Common Stocks - Parent, Subsidiaries, and Affiliates																				
Common Stocks - Mutual Funds																				
Common Stocks - Money Market Mutual Funds																				
9999999 Totals																				
								625,606	632,686	624,026	0	(1,580)	0	(1,580)	0	0	8,660	8,660	11,617	4,771

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SCHEDULE D - PART 6 - SECTION 1

Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures Manual)	6 Do Insurer's Assets Include Intangible Assets Connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book / Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date		
								9 Number of Shares	10 % of Outstanding	
NONE										
1999999 Totals							0	0	XXX	XXX

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

SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-Tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-Tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-Tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
NONE					
0399999 Total				XXX	XXX

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE DA - PART 1

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

1	2	3		5	6	7	8	Change in Book/Adjusted Carrying Value				13	14	Interest					21		
		Code	Foreign					9	10	11	12			15	16	17	18	19		20	
CUSIP Identification	Description	Code	Foreign	Date Acquired	Name of Vendor	Maturity Date	Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization) / Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in B./A.C.V.	Par Value	Actual Cost	Amount Due And Accrued Dec. 31 of Current Year On Bond Not In Default	Non-Admitted Due and Accrued	Rate of	Effective Rate of	When Paid	Amount Received During Year	Paid for Accrued Interest	
Bonds - U.S. Governments - Issuer Obligations																					
Bonds - U.S. Governments - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - All Other Governments - Issuer Obligations																					
Bonds - All Other Governments - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - All Other Governments - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds - All Other Governments - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds - All Other Governments - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds - All Other Governments - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds - U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Residential Mortgage-Backed/Asset-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds - U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Issuer Obligations																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds - U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds - Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds - Credit Tenant Loans - Issuer Obligations																					
Bonds - Credit Tenant Loans - Single Class Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Issuer Obligations																					
Bonds - Hybrid Securities - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - Hybrid Securities - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds - Hybrid Securities - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Single Class Mortgage-Backed/Asset-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Defined Multi-Class Residential Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Other Multi-Class Residential Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Defined Multi-Class Commercial Mortgage-Backed Securities																					
Bonds - Parent, Subsidiaries and Affiliates Bonds - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities																					
Parent, Subsidiaries and Affiliates - Mortgage Loans																					
Parent, Subsidiaries and Affiliates - Other Short-Term Invested Assets																					
Mortgage Loans																					
Exempt Money Market Mutual Funds																					
092481-70-0	BLACKROCK LIQUIDITY FDS -FED FUNDS-IN			12/29/2010	VARIOUS		107,207	0	0	0	0	0	107,207	0	0	0.000	0.000	MON	2	0	
6899999	Exempt Money Market Mutual Funds						107,207	0	0	0	0	xxx	107,207	0	0	xxx	xxx	xxx	2	0	
Class One Money Market Mutual Funds																					
Other Short-Term Invested Assets																					
9199999	TOTALS						107,207	0	0	0	0	xxx	107,207	0	0	xxx	xxx	xxx	2	0	

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Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part D

NONE

Schedule DL - Part 1

NONE

Schedule DL - Part 2

NONE

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
U.S. Governments Issuer Obligations							
TREASURY BILL		11/12/2010	0.105	01/06/2011	4,999,927	0	726
0199999 - U.S. Governments - Issuer Obligations					4,999,927	0	726
U.S. Governments Single Class Mortgage-Backed/Asset-Backed Securities							
0399999 - Subtotals - U.S. Government Bonds					4,999,927	0	726
All Other Governments - Issuer Obligations							
All Other Governments - Single Class Mortgage-Backed/Asset-Backed Securities							
All Other Governments - Defined Multi-Class Residential Mortgage-Backed Securities							
All Other Governments - Other Multi-Class Residential Mortgage-Backed Securities							
All Other Governments - Defined Multi-Class Commercial Mortgage-Backed Securities							
All Other Governments - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Single Class Mortgage-Backed/Asset-Backed Securities							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Residential Mortgage-Backed Securities							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Residential Mortgage-Backed Securities							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Commercial Mortgage-Backed Securities							
U.S. States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Issuer Obligations							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Single Class Mortgage-Backed/Asset-Backed Securities							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Residential Mortgage-Backed/Asset-Backed Securities							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Residential Mortgage-Backed Securities							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Defined Multi-Class Commercial Mortgage-Backed Securities							
U.S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Issuer Obligations							
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Single Class Mortgage-Backed/Asset-Backed Securities							
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Defined Multi-Class Residential Mortgage-Backed Securities							
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Other Multi-Class Residential Mortgage-Backed Securities							
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Defined Multi-Class Commercial Mortgage-Backed Securities							
U.S. Special Revenue and Special Assessment Obligations and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
Industrial and Miscellaneous (Unaffiliated) - Single Class Mortgage-Backed/Asset-Backed Securities							
Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Residential Mortgage-Backed Securities							
Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Residential Mortgage-Backed Securities							
Industrial and Miscellaneous (Unaffiliated) - Defined Multi-Class Commercial Mortgage-Backed Securities							
Industrial and Miscellaneous (Unaffiliated) - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							
Credit Tenant Loans - Issuer Obligations							
Credit Tenant Loans Single Class Mortgage-Backed Securities							
Hybrid Securities - Issuer Obligations							
Hybrid Securities - Single Class Mortgage-Backed/Asset-Backed Securities							
Hybrid Securities - Defined Multi-Class Residential Mortgage-Backed Securities							
Hybrid Securities - Other Multi-Class Residential Mortgage-Backed Securities							
Hybrid Securities - Defined Multi-Class Commercial Mortgage-Backed Securities							
Hybrid Securities - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							
Parent, Subsidiaries and Affiliates Bonds - Issuer Obligations							
Parent, Subsidiaries and Affiliates Bonds - Single Class Mortgage-Backed/Asset-Backed Securities							
Parent, Subsidiaries and Affiliates Bonds - Defined Multi-Class Residential Mortgage-Backed Securities							
Parent, Subsidiaries and Affiliates Bonds - Other Multi-Class Residential Mortgage-Backed Securities							
Parent, Subsidiaries and Affiliates Bonds - Defined Multi-Class Commercial Mortgage-Backed Securities							
Parent, Subsidiaries and Affiliates Bonds - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities							
7799999 - Subtotals - Issuer Obligations					4,999,927	0	726
8399999 - Subtotals - Bonds					4,999,927	0	726
Sweep Accounts							
Other Cash Equivalents							
8699999 Total Cash Equivalents					4,999,927	0	726

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SCHEDULE E PART 3 - SPECIAL DEPOSITS

States, etc	1 Type of Deposits	2 Purpose of Deposits	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL		0	0	0	0
2. Alaska	AK		0	0	0	0
3. Arizona	AZ		0	0	0	0
4. Arkansas	AR		0	0	0	0
5. California	CA		0	0	0	0
6. Colorado	CO		0	0	0	0
7. Connecticut	CT		0	0	0	0
8. Delaware	DE		0	0	0	0
9. District of Columbia	DC		0	0	0	0
10. Florida	FL		0	0	0	0
11. Georgia	GA		0	0	0	0
12. Hawaii	HI		0	0	0	0
13. Idaho	ID		0	0	0	0
14. Illinois	IL		0	0	0	0
15. Indiana	IN		0	0	0	0
16. Iowa	IA		0	0	0	0
17. Kansas	KS		0	0	0	0
18. Kentucky	KY		0	0	0	0
19. Louisiana	LA		0	0	0	0
20. Maine	ME		0	0	0	0
21. Maryland	MD		0	0	0	0
22. Massachusetts	MA		0	0	0	0
23. Michigan	MI		0	0	0	0
24. Minnesota	MN		0	0	0	0
25. Mississippi	MS		0	0	0	0
26. Missouri	MO		0	0	0	0
27. Montana	MT		0	0	0	0
28. Nebraska	NE		0	0	0	0
29. Nevada	NV		0	0	0	0
30. New Hampshire	NH		0	0	0	0
31. New Jersey	NJ		0	0	0	0
32. New Mexico	NM		0	0	0	0
33. New York	NY		0	0	0	0
34. North Carolina	NC		0	0	0	0
35. North Dakota	ND		0	0	0	0
36. Ohio	OH		0	0	0	0
37. Oklahoma	OK		0	0	0	0
38. Oregon	OR		0	0	0	0
39. Pennsylvania	PA		0	0	0	0
40. Rhode Island	RI		0	0	0	0
41. South Carolina	SC		0	0	0	0
42. South Dakota	SD		0	0	0	0
43. Tennessee	B	DOI	1,242,113	1,330,763	0	0
44. Texas	TX		0	0	0	0
45. Utah	UT		0	0	0	0
46. Vermont	VT		0	0	0	0
47. Virginia	VA		0	0	0	0
48. Washington	WA		0	0	0	0
49. West Virginia	WV		0	0	0	0
50. Wisconsin	WI		0	0	0	0
51. Wyoming	WY		0	0	0	0
52. American Samoa	AS		0	0	0	0
53. Guam	GU		0	0	0	0
54. Puerto Rico	PR		0	0	0	0
55. US Virgin Islands	VI		0	0	0	0
56. Northern Mariana Islands	MP		0	0	0	0
57. Canada	CN		0	0	0	0
58. Aggregate Other Alien	XXX	XXX	0	0	0	0
59. Total	XXX	XXX	1,242,113	1,330,763	0	0
DETAILS OF WRITE-INS						
5801.			0	0	0	0
5802.			0	0	0	0
5803.			0	0	0	0
5898. Sum of remaining write-ins for Line 58 from overflow page	XXX	XXX	0	0	0	0
5899. Totals (Lines 5801 - 5803 + 5898) (Line 58 above)	XXX	XXX	0	0	0	0

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PREFERRED HEALTH PARTNE



ACTUARIAL OPINION December 31, 2010

TABLE of KEY INDICATORS

This Opinion is: Unqualified Qualified Adverse Inconclusive

IDENTIFICATION SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording
 Revised Wording

SCOPE SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording
 Revised Wording

RELIANCE SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording
 Revised Wording

OPINION SECTION

Prescribed Wording Only Prescribed Wording with Additional Wording
 Revised Wording

RELEVANT COMMENTS

Revised Wording

The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice

PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.

ACTUARIAL OPINION

December 31, 2010

IDENTIFICATION SECTION

I, Frank M. Amrine, Actuarial Director and Appointed Actuary, am an employee of Preferred Health Partnership of Tennessee, Inc. and a member of the American Academy of Actuaries. I was appointed on October 31, 2008 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

SCOPE SECTION

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials, as of December 31, 2010.

A. Claims unpaid (Page 3, Line 1);	\$	0
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2);	\$	0
C. Unpaid claims adjustment expenses (Page 3, Line 3);	\$	0
D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves, premium deficiency reserves and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D;	\$	0
E. Aggregate life policy reserves (Page 3, Line 5);	\$	0
F. Property/casualty unearned premium reserves (Page 3, Line 6);	\$	0
G. Aggregate health claim reserves (Page 3, Line 7);	\$	0
H. Any other loss reserves, actuarial liabilities, or related items presented as liabilities in the annual statement; Not Applicable and		
I. Specified actuarial items presented as assets in the annual statement. Not Applicable		

RELIANCE SECTION

The company has no asset or liability records or data that were relied upon in determining reserve liabilities. There are no entries, other than \$0, in the Underwriting and Investment Exhibit Part - 2B of the company's current annual statement.

PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.

ACTUARIAL OPINION

December 31, 2010

OPINION SECTION

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

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- C. Meet the requirements of the Insurance Laws and regulations of the State of Tennessee,
- D. Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,
- E. Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,
- F. Include appropriate provision for all actuarial items that ought to be established.

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

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

This opinion was prepared for, and is to be relied upon only by Preferred Health Partnership of Tennessee, Inc., Humana Inc., and the Insurance Division of the Tennessee Department of Commerce and Insurance.



Frank M. Amrine, FSA, MAAA
Preferred Health Partnership of Tennessee, Inc.
500 W. Main Street, 8th Floor
Louisville, KY 40202
(502) 580-2270

Date: February 18, 2011

PHPT TN
1 of 2

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C&I TENNESSEE

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

HUMANA.
Guidance when you need it most

CERTIFICATE OF COMPLIANCE COVERING ADVERTISEMENT
OF ACCIDENT AND HEALTH POLICIES

This is to certify that to the best of my knowledge, information and belief, the advertisements which were disseminated by Preferred Health Partnership of TN, Inc., during the preceding statement year, complied with or were made to comply in all respects with the provisions of the Insurance Laws and Rules of Tennessee as prescribed in Tenn. Comp. R & Regs., Department of Commerce Insurance, ch. 0780-1-8.17 and the ruling issued thereunder by the State Commissioner of Commerce and Insurance of the State of Tennessee.

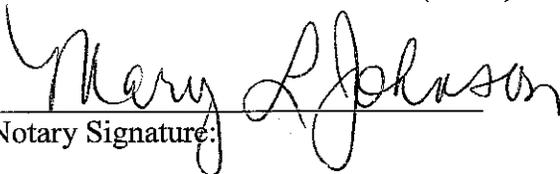


Authorized Officer Date

Vice President -- Marketing
Officers Title

Subscribed and sworn to before me this 1st day of February of 2010.

My commission Expires: 12-27-2014
(Date)



Notary Signature:

PHPT TN
2012

HUMANA.
Guidance when you need it most

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE

CERTIFICATE OF COMPLIANCE COVERING ADVERTISEMENT
OF ACCIDENT AND HEALTH POLICIES

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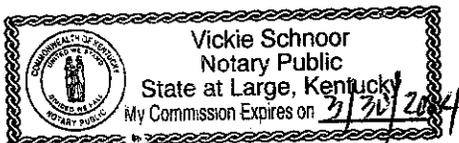
[Signature] 1/6/11
Authorized Officer Date

Vice President – Marketing
Officers Title

Subscribed and sworn to before me this 6th day of January of 2011.

My commission Expires: 3/30/2014
(Date)

[Signature]
Notary Signature:





SUPPLEMENT FOR THE YEAR 2010 OF THE Preferred Health Partnership of Tennessee, Inc.

SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2010

(To Be Filed by March 1)

PART 1 - INTERROGATORIES

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

PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

Table with 6 columns: 1. Name and Principal Position, 2. Year, 3. Salary, 4. Bonus, 5. All Other Compensation, 6. Totals. Rows include Michael B. McCallister, Thomas J. Liston, James E. Murray, James H. Bloem, William J. Tait, George Renaudin, George G. Bauernfeind, Charles F. Lambert III, Larry D. Savage, and Joan O. Lenahan.

PART 3 - DIRECTOR COMPENSATION

Table with 4 columns: 1. Name and Principal Position or Occupation, 2. Compensation Paid or Deferred for Services as Director, 3. All Other Compensation Paid or Deferred, 4. Totals. All rows show zero values.

