HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2009

OF THE CONDITION AND AFFAIRS OF THE

Tennessee Behavioral Health, Inc.

NAIC Group Code 0000 (Current Period) _____ (Prior Period) NAIC Company Code 95780 Employer's ID Number 62-1621636

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 [ ] Dental Service Corporation [ ]
Vision Service Corporation [ ] Other [ ] Health Maintenance Organization [ ]
Hospital, Medical & Dental Service or Indemnity [ ] Is HMO, Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 12/15/1995 Commenced Business 07/01/1996

Statutory Home Office 222 Second Ave. N. Suite 220 (Street and Number), Nashville, TN 37201 (City or Town, State and Zip Code)

Main Administrative Office 222 Second Ave. N. Suite 220 (Street and Number)
Nashville, TN 37201 (City or Town, State and Zip Code) 615-313-4463 (Area Code) (Telephone Number)

Mail Address 222 Second Ave. N. Suite 220 (Street and Number or P.O. Box), Nashville, TN 37201 (City or Town, State and Zip Code)

Primary Location of Books and Records 222 Second Ave. N. Suite 220 (Street and Number)
Nashville, TN 37201 (City or Town, State and Zip Code) 410-953-1643 (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Michael Fotinos (Name) 410-953-1643 (Area Code) (Telephone Number) (Extension)
MDFotinos@magellanhealth.com (E-mail Address) 410-953-5205 (FAX Number)

OFFICERS

Name	Title	Name	Title
Jonathan Rubin	Vice President & Treasurer	Andrew Mark Cummings	Secretary

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Jonathan Rubin, Ann McCabe

State of Connecticut
County of Hartford ss Avon

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.

Jonathan Rubin
Vice President & Treasurer

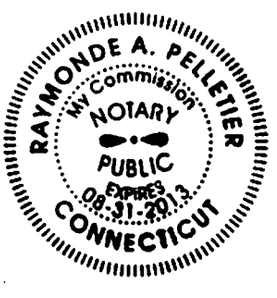
Andrew Mark Cummings
Secretary

ANITA GRENDERIAN
Notary Public, State of New York
No. 01IS6172656
Qualified in New York County
Commission Expires Aug. 13, 2011

Subscribed and sworn to before me this
19th day of February 2010

Raymonde A. Pelletier

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	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	2,401,238		2,401,238	2,400,230
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
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $ ..... encumbrances)			0	0
4.2 Properties held for the production of income (less $ ..... encumbrances)			0	0
4.3 Properties held for sale (less $ ..... encumbrances)			0	0
5. Cash ($ 15,508,850 , Schedule E, Part 1), cash equivalents ($ 0 , Schedule E, Part 2) and short-term investments ($ 0 , Schedule DA)	15,508,850		15,508,850	53,071,896
6. Contract loans, (including $ ..... premium notes)			0	0
7. Other invested assets (Schedule BA)	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	17,910,089	0	17,910,089	55,472,126
11. Title plants less $ ..... charged off (for Title Insurers only)			0	0
12. Investment income due and accrued	9,649		9,649	40,274
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	0		0	2,398,793
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premium)			0	0
13.3 Accrued retrospective premium			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	484,504		484,504	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets ($)			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	8,784	8,784	0	0
22. Health care ($) and other amounts receivable			0	0
23. Aggregate write-ins for other than invested assets	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	18,413,025	8,784	18,404,241	57,911,193
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	18,413,025	8,784	18,404,241	57,911,193
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above)	0	0	0	0
2301. Risk Share Receivable			0	0
2302.	0		0	0
2303.				
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)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $ ..... reinsurance ceded)	511,626		511,626	18,372,174
2. Accrued medical incentive pool and bonus amounts			0	0
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	428,220		428,220	0
9. General expenses due or accrued			0	126,550
10.1 Current federal and foreign income tax payable and interest thereon (including $ ..... on realized capital gains (losses))	0		0	8,586,321
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittance and items not allocated			0	0
14. Borrowed money (including $ ..... current) and interest thereon $ ..... (including $ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	392,713
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with ($ ..... authorized reinsurers and $ ..... unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including $ ..... current)	9,904,111	0	9,904,111	10,964,575
22 Total liabilities (Lines 1 to 21)	10,843,957	0	10,843,957	38,442,333
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	1,000	1,000
25 Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	12,682,036	12,682,036
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(5,122,752)	6,785,824
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24 $ .....)	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25 $ .....)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	7,560,284	19,468,860
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	18,404,241	57,911,193
DETAILS OF WRITE-INS				
2101. Premium Tax Payable	(206,939)		(206,939)	811,743
2102. Unclaimed Property	179,439		179,439	157,802
2103. Payable to State of Tennessee/Risk Share Payable	9,931,610		9,931,610	9,995,029
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	9,904,111	0	9,904,111	10,964,575
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	XXX	10,484	6,817,965
2.	Net premium income (including $ 0 non-health premium income)	XXX	(75,336)	198,517,795
3.	Change in unearned premium reserves and reserve for rate credits	XXX		0
4.	Fee-for-service (net of $ medical expenses)	XXX		0
5.	Risk revenue	XXX		0
6.	Aggregate write-ins for other health care related revenues	XXX	63,419	(1,875,860)
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	(11,917)	196,641,935
	Hospital and Medical:			
9.	Hospital/medical benefits		2,376,519	69,568,214
10.	Other professional services		(911,099)	81,254,376
11.	Outside referrals			0
12.	Emergency room and out-of-area			0
13.	Prescription drugs			0
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts			0
16.	Subtotal (Lines 9 to 15)	0	1,465,421	150,822,590
	Less:			
17.	Net reinsurance recoveries			0
18.	Total hospital and medical (Lines 16 minus 17)	0	1,465,421	150,822,590
19.	Non-health claims (net)			0
20.	Claims adjustment expenses, including $ 0 cost containment expenses		(753)	1,985,178
21.	General administrative expenses		(50,477)	20,325,574
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		0	0
23.	Total underwriting deductions (Lines 18 through 22)	0	1,414,190	173,133,342
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(1,426,107)	23,508,593
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		41,812	1,023,746
26.	Net realized capital gains (losses) less capital gains tax of $			0
27.	Net investment gains (losses) (Lines 25 plus 26)	0	41,812	1,023,746
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $)]			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	(1,384,295)	24,532,339
31.	Federal and foreign income taxes incurred	XXX	(484,503)	8,586,321
32.	Net income (loss) (Lines 30 minus 31)	XXX	(899,792)	15,946,018
	DETAILS OF WRITE-INS			
0601.	Risk Share	XXX	63,419	(1,875,860)
0602.		XXX		
0603.		XXX		
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	63,419	(1,875,860)
0701.		XXX		
0702.		XXX		
0703.		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
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.				
2902.				
2903.				
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 AND SURPLUS ACCOUNT:		
33.	Capital and surplus prior-reporting period	19,468,860	14,822,842
34.	Net income or (loss) from Line 32	(899,792)	15,946,018
35.	Change in valuation basis of aggregate policy and claim reserves		0
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		0
37.	Change in net unrealized foreign exchange capital gain or (loss)		0
38.	Change in net deferred income tax		0
39.	Change in nonadmitted assets	(8,784)	0
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
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)		0
	44.3 Transferred to surplus		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
46.	Dividends to stockholders	(11,000,000)	(11,300,000)
47.	Aggregate write-ins for gains or (losses) in surplus	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	(11,908,576)	4,646,018
49.	Capital and surplus end of reporting period (Line 33 plus 48)	7,560,284	19,468,860
	DETAILS OF WRITE-INS		
4701.			
4702.			
4703.			
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	2,751,677	199,036,903
2. Net investment income	74,309	1,024,771
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	2,825,986	200,061,673
5. Benefit and loss related payments	19,303,579	156,908,674
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,496,252	20,495,741
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) net of $ tax on capital gains (losses)	8,586,321	4,295,057
10. Total (Lines 5 through 9)	29,386,151	181,699,473
11. Net cash from operations (Line 4 minus Line 10)	(26,560,166)	18,362,201
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	2,400,000	0
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,400,000	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,402,879	0
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)	2,402,879	0
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)	(2,879)	0
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
16.5 Dividends to stockholders	11,000,000	11,300,000
16.6 Other cash provided (applied)	0	0
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(11,000,000)	(11,300,000)
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)	(37,563,045)	7,062,201
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	53,071,895	46,009,694
19.2 End of year (Line 18 plus Line 19.1)	15,508,849	53,071,895

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

20.0001. Conversion of debt to equity	0	0
20.0002. Assets acquired by assuming directly related liabilities	0	0
20.0003. Exchange of non-cash assets or liabilities	0	0

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	(75,336)	0	0	0	0	0	0	(75,336)	0	0
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of $ ..... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	63,419	0	0	0	0	0	0	63,419	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)	(11,917)	0	0	0	0	0	0	(11,917)	0	0
8. Hospital/medical/ benefits	2,376,519							2,376,519		XXX
9. Other professional services	(911,099)							(911,099)		XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription Drugs	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									XXX
15. Subtotal (Lines 8 to 14)	1,465,421	0	0	0	0	0	0	1,465,421	0	XXX
16. Net reinsurance recoveries	0									XXX
17. Total hospital and medical (Lines 15 minus 16)	1,465,421	0	0	0	0	0	0	1,465,421	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including $ ..... cost containment expenses	(753)							(753)		
20. General administrative expenses	(50,477)							(50,477)		
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	1,414,191	0	0	0	0	0	0	1,414,191	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(1,426,107)	0	0	0	0	0	0	(1,426,107)	0	0
DETAILS OF WRITE-INS										
0501. Risk share revenue	63,419							63,419		XXX
0502.										XXX
0503.										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)	63,419	0	0	0	0	0	0	63,419	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
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.										XXX
1302.										XXX
1303.										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

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
2. Medicare Supplement				0
3. Dental Only				0
4. Vision Only				0
5. Federal Employees Health Benefits Plan				0
6. Title XVIII - Medicare				0
7. Title XIX - Medicaid	(75,336)			(75,336)
8. Other health				0
9. Health subtotal (Lines 1 through 8)	(75,336)	0	0	(75,336)
10. Life				0
11. Property/casualty				0
12. Totals (Lines 9 to 11)	(75,336)	0	0	(75,336)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	19,325,969							19,325,969		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	19,325,969	0	0	0	0	0	0	19,325,969	0	0
2. Paid medical incentive pools and bonuses	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	511,626	0	0	0	0	0	0	511,626	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	511,626	0	0	0	0	0	0	511,626	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	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									
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	18,372,174	0	0	0	0	0	0	18,372,174	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	18,372,174	0	0	0	0	0	0	18,372,174	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	1,465,421	0	0	0	0	0	0	1,465,421	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	1,465,421	0	0	0	0	0	0	1,465,421	0	0
13. Incurred medical incentive pools and bonuses	0	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - Claims Liability End of Current Year

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan Premium	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct	0									
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	0	0	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1. Direct	511,626							511,626		
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	0									
2.4. Net	511,626	0	0	0	0	0	0	511,626	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	0									
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1. Direct	511,626	0	0	0	0	0	0	511,626	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	511,626	0	0	0	0	0	0	511,626	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan Premiums					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid	18,618,789	707,180	506,087	5,538	19,124,876	18,372,174
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	18,618,789	707,180	506,087	5,538	19,124,876	18,372,174
10. Healthcare receivables (a)					0	
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9 - 10 + 11 + 12)	18,618,789	707,180	506,087	5,538	19,124,876	18,372,174

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

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 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	358,824	359,513	359,500	359,488	359,488
2. 2005	161,940	179,187	179,277	178,892	178,910
3. 2006	XXX	141,255	154,739	155,143	155,175
4. 2007	XXX	XXX	140,878	158,402	158,667
5. 2008	XXX	XXX	XXX	137,087	155,391
6. 2009	XXX	XXX	XXX	XXX	707

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 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	152,397	152,213	152,206	152,192	152,192
2. 2005	183,599	179,432	179,401	179,015	179,296
3. 2006	XXX	157,133	155,369	155,143	155,175
4. 2007	XXX	XXX	161,989	158,625	158,668
5. 2008	XXX	XXX	XXX	154,809	155,510
6. 2009	XXX	XXX	XXX	XXX	713

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 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. 2005	219,413	178,910	1,926	1.1	180,836	82.4	386		181,222	82.6
2. 2006	194,478	155,175	1,945	1.3	157,120	80.8	0		157,120	80.8
3. 2007	196,804	158,667	1,968	1.2	160,635	81.6	1		160,636	81.6
4. 2008	198,518	155,391	1,985	1.3	157,376	79.3	119		157,495	79.3
5. 2009	(75)	707	(1)	(0.1)	706	(941.3)	6		712	(949.3)

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 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	358,824	359,513	359,500	359,488	359,488
2. 2005	161,940	179,187	179,277	178,892	178,910
3. 2006	XXX	141,255	154,739	155,143	155,175
4. 2007	XXX	XXX	140,878	158,402	158,667
5. 2008	XXX	XXX	XXX	137,087	155,391
6. 2009	XXX	XXX	XXX	XXX	707

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2005	2 2006	3 2007	4 2008	5 2009
1. Prior	152,397	152,213	152,206	152,192	152,192
2. 2005	183,599	179,432	179,401	179,015	179,296
3. 2006	XXX	157,133	155,369	155,143	155,175
4. 2007	XXX	XXX	161,989	158,625	158,668
5. 2008	XXX	XXX	XXX	154,809	155,510
6. 2009	XXX	XXX	XXX	XXX	713

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. 2005	219,413	178,910	1,926	1.1	180,836	82.4	386	0	181,222	82.6
2. 2006	194,478	155,175	1,945	1.3	157,120	80.8	0	0	157,120	80.8
3. 2007	196,804	158,667	1,968	1.2	160,635	81.6	1	0	160,636	81.6
4. 2008	198,518	155,391	1,985	1.3	157,376	79.3	119	0	157,495	79.3
5. 2009	(75)	707	(1)	(0.1)	706	(941.3)	6	0	712	(949.3)

UNDERWRITING AND INVESTMENT EXHIBIT

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

NONE

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ ..... for investment income)	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								
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								
10. Reserve for future contingent benefits	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								
14. Totals (Net) (Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
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.									
1102.									
1103.									
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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ ..... for occupancy of own building)			(96)		(96)
2. Salaries, wages and other benefits			(3,446)		(3,446)
3. Commissions (less $ ..... ceded plus					
$ ..... assumed			(10)		(10)
4. Legal fees and expenses			(40)		(40)
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services			46,895		46,895
7. Traveling expenses			(126)		(126)
8. Marketing and advertising			(83)		(83)
9. Postage, express and telephone			(154)		(154)
10. Printing and office supplies			(6,453)		(6,453)
11. Occupancy, depreciation and amortization			161		161
12. Equipment			(2)		(2)
13. Cost or depreciation of EDP equipment and software					0
14. Outsourced services including EDP, claims, and other services			3		3
15. Boards, bureaus and association fees			17,047		17,047
16. Insurance, except on real estate					0
17. Collection and bank service charges			5,751		5,751
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes			(2)		(2)
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			(238)		(238)
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes					0
23.5 Other (excluding federal income and real estate taxes)			(109,684)		(109,684)
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	0	(753)	0	0	(753)
26. Total expenses incurred (Lines 1 to 25)	0	(753)	(50,477)	0	(a) (51,230)
27. Less expenses unpaid December 31, current year					0
28. Add expenses unpaid December 31, prior year	0	0	126,550	0	126,550
29. Amounts receivable relating to uninsured plans, prior year	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	0	(753)	76,073	0	75,320
DETAIL OF WRITE-INS					
2501. Claims processing allocated from parent		(753)			(753)
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0	0
2599. Totals (Line 2501 through 2503 plus 2598)(Line 25 above)	0	(753)	0	0	(753)

(a) Includes management fees of $ ..... (6,780) to affiliates and $ ..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a) 60,000	25,438
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a) 0	
2.1	Preferred stocks (unaffiliated)	(b) 0	
2.11	Preferred stocks of affiliates	(b) 0	
2.2	Common stocks (unaffiliated)	0	
2.21	Common stocks of affiliates	0	
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e) 16,374	16,374
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	76,374	41,812
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		0
17.	Net investment income (Line 10 minus Line 16)		41,812
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
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)	0	0
1501.			
1502.			
1503.			
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 $ accrual of discount less $ 1,872 amortization of premium and less $ 2,394 paid for accrued interest on purchases.
(b) Includes $ accrual of discount less $ 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 $ paid for accrued interest on purchases.
(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.
(e) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.
(f) Includes $ accrual of discount less $ amortization of premium.
(g) Includes $ investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $ interest on surplus notes and $ interest on capital notes.
(i) Includes $ depreciation on real estate and $ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

NONE

		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			0		
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)			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
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments			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)	0	0	0	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
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 Current Year Total Nonadmitted Assets	2 Prior Year Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks	0	0	0
2.2 Common stocks	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens	0	0	0
3.2 Other than first liens	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company	0	0	0
4.2 Properties held for the production of income	0	0	0
4.3 Properties held for sale	0	0	0
5. Cash (Schedule-E Part 1), cash equivalents (Schedule-E Part 2) and short-term investments (Schedule DA)	0	0	0
6. Contract loans	0	0	0
7. Other invested assets (Schedule BA)	0	0	0
8. Receivables for securities	0	0	0
9. Aggregate write-ins for invested assets	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	0	0	0
11. Title plants (for Title insurers only)	0	0	0
12. Investment income due and accrued	0	0	0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
13.3 Accrued retrospective premiums	0	0	0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers	0	0	0
14.2 Funds held by or deposited with reinsured companies	0	0	0
14.3 Other amounts receivable under reinsurance contracts	0	0	0
15. Amounts receivable relating to uninsured plans	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0
16.2 Net deferred tax asset	0	0	0
17. Guaranty funds receivable or on deposit	0	0	0
18. Electronic data processing equipment and software	0	0	0
19. Furniture and equipment, including health care delivery assets	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
21. Receivables from parent, subsidiaries and affiliates	8,784	0	(8,784)
22. Health care and other amounts receivable	0	0	0
23. Aggregate write-ins for other than invested assets	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	8,784	0	(8,784)
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
26. Total (Lines 24 and 25)	8,784	0	(8,784)
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	0	0	0
2301. Risk Share Receivable	0	0	0
2302. ASO Receivables	0	0	0
2303. Charter Receivable	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1. Health Maintenance Organizations	0					
2. Provider Service Organizations	0					
3. Preferred Provider Organizations	0					
4. Point of Service	0					
5. Indemnity Only	0					
6. Aggregate write-ins for other lines of business	416,038	0	0	0	0	10,484
7. Total	416,038	0	0	0	0	10,484
DETAILS OF WRITE-INS						
0601. Behavioral Health Organization	416,038	0	0	0	0	10,484
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	416,038	0	0	0	0	10,484

Exhibit 2 - A&H Premiums Due and Unpaid

NONE

Exhibit 3 - Health Care Receivables

NONE

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0199999 Individually listed claims unpaid	0	0	0	0	0	0
0299999 Aggregate accounts not individually listed-uncovered						0
0399999 Aggregate accounts not individually listed-covered						0
0499999 Subtotals	0	0	0	0	0	0
0599999 Unreported claims and other claim reserves						511,626
0699999 Total amounts withheld						
0799999 Total claims unpaid						511,626
0899999 Accrued medical incentive pool and bonus amounts						0

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admitted	
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Individually Listed Receivables:							
Magellan Health Services				4,283	4,283		
Advocare of Tennessee				4,501	4,501		
0199999 Individually listed receivables	0	0	0	8,784	8,784	0	0
0299999 Receivables not individually listed							
0399999 Total gross amounts receivable	0	0	0	8,784	8,784	0	0

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

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

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	3,201,692	16.6	10,484	0.0		3,201,692
2. Intermediaries	0	0.0		0.0		
3. All other providers	13,298	0.1		0.0		13,298
4. Total capitation payments	3,214,990	16.6	10,484	0.0	0	3,214,990
Other Payments:						
5. Fee-for-service	16,038,446	83.0	XXX	XXX		16,038,446
6. Contractual fee payments	0	0.0	XXX	XXX		
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX		
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	72,534	0.4	XXX	XXX		72,534
12. Total other payments	16,110,980	83.4	XXX	XXX	0	16,110,980
13. Total (Line 4 plus Line 12)	19,325,970	100 %	XXX	XXX	0	19,325,970

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

NONE

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						
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. ACCOUNTING PRACTICES

The accompanying financial statements of Tennessee Behavioral Health, Inc. ("TBH" or the "Company") have been prepared in conformity with the National Association of Insurance Commissioners (NAIC) Annual Statement Instructions, the NAIC Accounting Practices and Procedures Manual and the accounting practices prescribed or permitted by the State of Tennessee Department of Commerce and Insurance, which represents a comprehensive basis of accounting other than generally accepted accounting principles (GAAP).

The Company prepares its statutory financial statements in conformity with accounting practices prescribed or permitted by the State. Effective January 1, 2001, the State required that insurance companies domiciled in the State of Tennessee prepare their statutory basis financial statements in accordance with the NAIC *Accounting Practices and Procedures* manual – Version effective January 1, 2001 subject to any deviations prescribed or permitted by the State of Tennessee insurance commissioner.

B. USE OF ESTIMATES IN 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 expense during the period. Actual results could differ from those estimates.

C. ACCOUNTING POLICY

1. CASH AND SHORT TERM INVESTMENTS: Cash and short-term investments consist of cash on hand and in banks, along with commercial paper whose maturities at time of acquisition were one year or less and whose carrying value approximate their fair market value.

2. INVESTMENTS: Investment securities at December 31, 2009, consists of one U.S. Treasury Notes whose maturities at time of acquisition was more than one year and whose carrying value approximates the fair market value.

3. COMMON STOCK: Not applicable.

4. PREFERRED STOCK: Not applicable.

5. MORTGAGE LOANS: Not applicable.

6. LOAN BACKED SECURITIES: Not applicable

7. INVESTMENTS IN SUBSIDARIES: Not applicable

8. INVESTMENTS IN JOINT VENTURE: Not applicable

9. ACCOUNTING POLICY FOR DERIVATIVES: Not applicable

10. INVESTMENT INCOME IN PREMIUM DEFICIENCY RESERVE CALCULATION: Not applicable

11. MEDICAL CLAIMS PAYABLE: The liability for medical claims payable includes estimated medical costs as of December 31, 2009 and expenses necessary to cover the ultimate net costs of investigating and settling all claims. The estimated medical claims payable includes the accumulation of estimates for claims reported prior to year-end and estimates of claims incurred but not reported.

    Medical claims payable is computed in accordance with generally accepted actuarial practices and is based upon authorized healthcare services and past claims payment experience, together with historical utilization experience and management judgment. Estimates are monitored and reviewed and, as settlements are made or estimates are adjusted, differences are reflected by the Company in current operations.

12. PHARMACEUTICAL REBATE RECEIVABLES: Not applicable

13. REVENUE AND PREMIUMS RECEIVABLE: Capitation payments are recognized as revenue in the month due to the Company. The State of Tennessee TennCare mental health services program ("TennCare") retains a one month withhold – currently at 2.5% - on premiums paid to TBH pursuant to Section 4.7.2 of the Provider Risk Contract (the "Contract"). The purpose of this withhold is to assure the Contractor's compliance with all terms and conditions of the Contract. Additionally, retroactive membership adjustments for both the East and Middle/West region contracts are paid over a twelve month period. As these retroactive membership adjustments are material to the Company's results, the Company records an estimated receivable, based on historical payment patterns. This receivable is included as a component of Uncollected Premiums in the accompanying financial statements.

    Per Section 4.7.1.2 of the Contract, the Company elected to participate in a profit/loss risk banding arrangement with the State of Tennessee (the "State"). Effective January 2002, the company elected to use profit/loss risk banding option 2, under which losses up to ten percent are shared equally by the Company and the State and gains up to ten percent are shared seventy percent State and thirty percent Company. Effective January 2006, the profit/loss risk banding terms between the Company and the State were amended. Under the terms of the amendment, the Company and the State share gains below a medical loss ratio of 85% and losses above a medical loss ratio of 91%, equally. The profit/loss risk banding terms do not apply to the East region contract which started in July 2004. Risk share revenue is recognized on a monthly basis consistent with the applicable terms. The receivable related to the profit/loss

NOTES TO FINANCIAL STATEMENTS

risk banding is evaluated monthly, based on current estimates of medical costs. Based on this review, any required adjustment for prior period risk share revenue is recognized

Note 2 - Accounting Changes and Corrections of Errors

A. During 2009, there were no material changes in accounting principle and/or correction of errors.

Note 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.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

A. Mortgage Loan, including Mezzanine Real Estate Loans – Not applicable.
B. Debt Restructuring – Not applicable.
C. Reverse Mortgages – Not applicable.
D. Loan Backed Securities – Not applicable.
E. Repurchase Agreements – Not applicable.
F. Real Estate – Not applicable.
G. Investments in low-income tax credits – Not applicable.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

The Company does not have any Investments in Joint Ventures, Partnerships, or Limited Liability Companies.

Note 7 - Investment Income

A. No investment income was non admitted
B. No investment income was excluded from Surplus.

Note 8 - Derivative Instruments

A. Market risk, credit risk and cash requirements of the derivative – Not applicable.
B. Objectives for using derivatives – Not applicable.
C. Accounting policies for recognizing and measuring derivatives used – Not applicable.
D. Net gain or loss recognized in unrealized gains and losses during the reporting period representing the component of the derivative instruments gain of loss – Not applicable.
E. Net gain or loss recognized in unrealized gains and losses during the reporting period resulting from derivatives that no longer qualify for hedge accounting – Not applicable.
F. Derivatives accounted for as cash flow hedges of a forecasted transaction – Not applicable.

Note 9 - Income Taxes

A. Components of the net deferred tax asset or deferred tax liability – Not applicable.
B. Deferred tax liabilities that are not recognized – Not applicable.
C. Components of income taxes incurred – Current tax expense makes up the income tax expense reported on the accompanying financial statements.
D. Significant book to tax adjustments – Not applicable.
E.
    1. Amounts, origination dates and expiration dates of operating loss and tax credit carry forward amounts available for tax purposes – Not applicable.
    2. Amount of federal income taxes incurred in current year that are available for recoupment in the even of future net loss – Not applicable.

F. Consolidated federal income tax
    1. For federal income tax reporting purposes, the Company's operations are included in Magellan Health Services, Inc.'s (Magellan's) consolidated federal tax returns. The Company files a separate state income tax return.

NOTES TO FINANCIAL STATEMENTS

2. The Company maintains federal tax sharing arrangements with Magellan. Through these arrangements, Magellan has allocated $484,503 of benefit for income tax for the year ended December 31, 2009. The current arrangement calls for an allocation based on Magellan's effective tax rate before reflecting the allocation and after effecting for permanent differences. This amount is included in the accompanying statement of revenue and expenses. Income taxes receivable and payable are included in due to affiliates in the accompanying statement of liabilities, capital and surplus.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

A. Nature of relationship -

The Company is a wholly owned subsidiary of Magellan Behavioral Health, Inc., which is directly owned by Magellan. The company holds no investments in any affiliated companies and makes no guarantees nor does it partake in any undertaking for the benefit of any affiliate.

The Company was incorporated and organized in 1995 as a behavioral health organization to apply for participation in the TennCare program. The Company entered into a contract with the State of Tennessee effective July 1, 1996 and now operates under two separate contractual arrangements with the State. The contract to provide services to TennCare recipients in the Middle and West regions of the state, as amended, ended on June 30, 2009. In addition, effective July 1, 2004, the Company entered into a separate contractual arrangement to provide services to recipients in the East region of the State. The East region contract also ended on June 30, 2009. Therefore, the Company has no on-going business as of December 31, 2009.

The State generally regulates the Company as a Health Maintenance Organization and the Company was licensed during October 2002 as a prepaid limited health service organization. The Company's contract with the State represented its only customer.

Magellan was required to implement the provisions of fresh-start reporting, as prescribed by the American Institute of Certified Public Accountants' Statement of Position 90-7, *Financial Reporting by Entities in Reorganization under the Bankruptcy Code.* The effects of Magellan's adoption of fresh-start reporting did not impact the Company's financial statements.

B. Description of transactions – The Company generally has the following transactions with affiliated entities:
   a. Accounts payable/receivable paid/received by the parent (Magellan Health Service) - $40,297
   b. Management fees paid to Magellan and AdvoCare of Tennessee ("AdvoCare") – see F. below description and amounts.

C. Dollar amount of transactions – see B

D. Amounts due to/from relates parties – Balances as of December 31, 2009
   a. Due from Magellan – $4,283
   b. Due from Advocare – $4,501

E. Guarantees or undertakings for benefit of affiliate – Not applicable.

F. Material management or service contracts and cost sharing arrangements with related parties –

The Company contracts with AdvoCare of Tennessee, Inc. ("AdvoCare"), a related party, to manage the operations, administrative services and clinical services related to the provision of all mental health benefits, to provide case management services and to arrange primary care and outpatient services. For the year ended December 31, 2009, the Company retuned $6,027 in management fee previously paid related to these services.

The Company contracts with Magellan Behavioral Health Systems, LLC. to process and pay medical claims. For the year ended December 31, 2009 the Company retuned $753 in management fee previously paid related to these services.

G. Common ownership or control – Not applicable.

H. No significant change

I. Investment in SCA that exceeds 10% - Not applicable.

J. Investments in impaired SCA entities – Not applicable.

K. Investment in a foreign insurance subsidiary – Not applicable.

L. Investment in downstream noninsurance company – Not applicable.

Note 11 - Debt

The Company had entered into a Surplus Note agreement with Merit Behavioral Care of Tennessee ("MBCT"), an affiliated company, dated December 31, 1998 (as amended) in the total amount of $11,168,341 whereas the lender desired the obligor to meet contractual reserve requirements of the State of Tennessee. The note was repaid on April 13, 2006. The transaction was approved by the Tennessee Department of Commerce and Insurance.

Note 12 - Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan – Not applicable.

B. Defined Contribution Plans – Not applicable.

C. Multiemployer Plan – Not applicable.

D. Consolidated/Holding Company plans – Not applicable.

NOTES TO FINANCIAL STATEMENTS

E. Post-employment Benefits and Compensated Absences – Not applicable.
F. Impact of Medicare Modernization Act on postretirement benefit – Not applicable.

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

The Company must establish and maintain a net worth and working capital which is the greater of either the amount as required by applicable statute; or four percent (4%) of the first one hundred fifty million dollars ($150,000,000) of annual projected premium revenue plus one and one half percent (1.5%) of annual projected premium revenue over one hundred fifty million dollars ($150,000,000) where net worth is calculated as net admitted assets in excess of liability as reported in accordance with statutory accounting principles. The Contractor shall establish and maintain the net worth and working capital balances required by applicable statute throughout the term of the contract. As of December 31, 2009, the Company is subject to the minimum statutory requirement of $1,500,000. The Company is in compliance with this requirement.

In October 2008, the Company paid an $11,300,000 dividend to its parent. The transaction was approved by the TDCI.

In July 2009, the Company paid a dividend of $11,000,000 to its parent Company. The transaction was approved by the TDCI.

Note 14 - Contingencies

The Company is party to various other legal proceedings incidental to its business. In the opinion of management, any ultimate liability with respect to these actions will not materially affect the financial position or results of the Company.

The Company is covered under Magellan's professional liability insurance. Coverage is limited to the period in which a claim is asserted, rather than when the incident giving rise to such claim occurred. Management has the intent to renew the insurance coverage, and historically has been able to renew such coverage. In the event Magellan was unable to obtain professional liability insurance at the expiration of the current policy period, it is possible that the Company would be uninsured for claims asserted after the expiration of the current policy period. The claims-made policy has been renewed through June 17, 2010.

Note 15 - Leases

A. Lessee Operating Lease – Not applicable.
B. Lessor Leases and Leveraged Leases – Not applicable.

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

The Company does not have any financial instruments with off-balance sheet risk. Certain financial instruments potentially subject the Company to concentrations of credit risk. These financial instruments consist primarily of cash and cash equivalents, investments and uncollected premiums. The Company maintains its cash and cash equivalents with what it believes to be high quality financial instruments. The fair value of the Company's investments is substantially equivalent to their carrying value and, although there is some credit risk associated with these investments, the Company believes the risk to be minimal. The Company's uncollected premiums as of year-end are current.

Note 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 – The Company has not engaged in any Wash Sales during the current calendar quarter or year.

Note 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 of Similarly Structured Cost Based Reimbursement contract – Not applicable.

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

Not applicable

Note 20 - Other Items

A. Extraordinary items – Not applicable.
B. Troubled Debt Restructuring: Debtor – Not applicable
C. Other Disclosures –

NOTES TO FINANCIAL STATEMENTS

a. On July 26, 2006, TennCare announced the managed care organizations which were awarded the contracts to provide integrated behavioral and physical health services in the Middle Region of the State. Since the Company was not a party to either of the contract awards, effective April 1, 2007, the Company ceased providing services to TennCare members in the Middle region.

b. In January 2008 TennCare issued an RFP for the management by managed care organizations of the integrated delivery of behavioral and physical health to TennCare enrollees in the East and West Grand Regions. The RFP set forth intended start dates of November 1, 2008 for the West Grand Region and January 1, 2009 for the East Grand Region. On April 22, 2008, the State announced the winning bidders to the RFP process. The Company was not a winning bidder. Accordingly, the Company ceased providing services in the East Grand and West Grand regions after the implementation dates for the new contracts. The Company managed TennCare Select Children in the East, Middle, and West Grand regions through January 31, 2009, at which time all such members were transitioned to Premier.

D. Uncollectible balance for assets covered under SSAP No. 6, SSAP No. 47, and SSAP No. 66 – Not applicable.
E. Business Interruption Insurance Recoveries – Not applicable.
F. State Transferable Tax Credits – Not applicable.
G. Hybrid Securities – Not applicable.

Note 21 - Events Subsequent

In January 2010, the Company completed an interim settlement with TennCare. As part of the settlement, the Company remitted $9.8 million in risk sharing and $.4 million in retroactive capitation payment adjustments.

Note 22 - Reinsurance

A. Ceded Reinsurance Report – Not applicable.
B. Uncollectible Reinsurance – Not applicable.
C. Commutation of Ceded Reinsurance – Not applicable.

Note 23 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

Note 24 - Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2008 were $18,372,174. As of December 31, 2009, $18,618,789 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $506,087 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been $752,702 in unfavorable prior year development. The increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes know regarding individual claims.

Note 25 - Intercompany Pooling Arrangements

Not applicable.

Note 26 - Structured Settlements

Not applicable.

Note 27 - Health Care Receivables

The Company has certain health care receivables generated in the normal course of doing business. As of December 31, 2009, the Company has no such receivables. Any such receivables are accounted for consistently with the appropriate NAIC regulations.

Note 28 - Participating Policies

Not applicable.

Note 29 - Premium Deficiency Reserves

Not applicable.

Note 30 - Anticipated Salvage and Subrogation

Not applicable.

NOTES TO FINANCIAL STATEMENTS

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 [X]

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 [ ] NA [X]

1.3 State Regulating? .....

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

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 06/30/2006

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. 06/30/2006

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). 04/20/2007

3.4 By what department or departments? Tennessee Department of Commerce and 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 [ ] NA [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [X] No [ ] NA [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? ..... Yes [ ] No [X]

4.12 renewals? ..... Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? ..... Yes [ ] No [X]

4.22 renewals? ..... Yes [ ] No [X]

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

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

1 Name of Entity	2 NAIC 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 [X]

6.2 If yes, give full information .....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [X]

7.2 If yes,

7.21 State the percentage of foreign control .....

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?
Ernst & Young, LLP, 621 Pratt Street, Baltimore MD 21212

10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification? .....
Michael J. Cellini, Senior Manager and Consulting Actuary, Ernst & Young LLP

11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [X]

11.11 Name of real estate holding company .....

11.12 Number of parcels involved .....

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

11.2 If yes, provide explanation

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]

12.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]

12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] NA [ ]

13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [X] No [ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.

13.11 If the response to 13.1 is No, please explain:

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

13.21 If the response to 13.2 is Yes, provide information related to amendment(s).

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

13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? ..... Yes [X] No [ ]

15. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? ..... Yes [X] No [ ]

16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? ..... Yes [X] No [ ]

GENERAL INTERROGATORIES

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [X]

18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers .. $ 0
- 18.12 To stockholders not officers ... $ 0
- 18.13 Trustees, supreme or grand (Fraternal only) ..... $

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

19.1 Were any assets reported in the statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [X]

19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others ..... $
- 19.22 Borrowed from others ..... $
- 19.23 Leased from others ..... $
- 19.24 Other ..... $

20.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [X]

20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment ..... $
- 20.22 Amount paid as expenses ..... $
- 20.23 Other amounts paid ..... $

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

21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: ..... $ 8,784

INVESTMENT

22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) ..... Yes [X] No [ ]

22.2 If no, give full and complete information relating thereto:

22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 16 where this information is also provide)

22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? ..... Yes [ ] No [ ] NA [X]

22.5 If answer to 22.4 is YES, report amount of collateral ..... $

22.6 If answer to 22.4 is NO, report amount of collateral ..... $

23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3) ..... Yes [ ] No [X]

23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements ..... $
- 23.22 Subject to reverse repurchase agreements ..... $
- 23.23 Subject to dollar repurchase agreements ..... $
- 23.24 Subject to reverse dollar repurchase agreements ..... $
- 23.25 Pledged as collateral ..... $
- 23.26 Placed under option agreements ..... $
- 23.27 Letter stock or securities restricted as to sale ..... $
- 23.28 On deposit with state or other regulatory body ..... $
- 23.29 Other ..... $

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

25.2 If yes, state the amount thereof at December 31 of the current year. ..... $

GENERAL INTERROGATORIES

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? ..... Yes [ ] No [X]

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

1 Name of Custodian(s)	2 Custodian's Address

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

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

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? ..... Yes [ ] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

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

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 TOTAL		0

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

1 Name of Mutual Fund (from 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

GENERAL INTERROGATORIES

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) or Fair Value over Statement (+)
28.1 Bonds	2,401,238	2,405,256	4,018
28.2 Preferred stocks	0		0
28.3 Totals	2,401,238	2,405,256	4,018

28.4 Describe the sources or methods utilized in determining the fair values:

Fair values provided by US Bank

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

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

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

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

30.2 If no, list exceptions:

OTHER

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

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [X]

1.2 If yes, indicate premium earned on U. S. business only ..... $ 0

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

1.31 Reason for excluding .....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. ..... $

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned ..... $ 0

1.62 Total incurred claims ..... $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned ..... $ 0

1.65 Total incurred claims ..... $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned ..... $ 0

1.72 Total incurred claims ..... $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned ..... $ 0

1.75 Total incurred claims ..... $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	$ (75,336)	$ 198,517,795
2.2	Premium Denominator	$ (75,336)	$ 198,517,795
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	$ 511,626	$ 18,372,174
2.5	Reserve Denominator	$ 511,626	$ 18,372,174
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

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 [X]

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

5.2 If no, explain:

The Company is a behavioral health organization not a health maintenance organization (HMO). There is no market for reinsurance.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... $

5.32 Medical Only ..... $

5.33 Medicare Supplement ..... $

5.34 Dental and vision ..... $

5.35 Other Limited Benefit Plan ..... $

5.36 Other ..... $

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:

The majority of our members are covered under Medicaid. Providers agree to accept our payment in full and not balance bill members.

7.1 Does the reporting entity set up its claim liability for provider services on a service date base? ..... Yes [X] No [ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 4,437

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 .....

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

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

10.2 If yes:

10.21 Maximum amount payable bonuses ..... $.....

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

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

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

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ... Yes [ ] No [X]

11.13 An Individual Practice Association (IPA), or, ... Yes [ ] No [X]

11.14 A Mixed Model (combination of above) ? ..... Yes [ ] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? ..... Yes [X] No [ ]

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

Tennessee

11.4 If yes, show the amount required. ..... $.....1,500,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation.

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

1 Name of Service Area
Tennessee

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. ..... $.....

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. ..... $.....

FIVE-YEAR HISTORICAL DATA

	1 2009	2 2008	3 2007	4 2006	5 2005
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26)	18,404,241	57,911,193	51,369,124	47,806,617	49,823,891
2. Total liabilities (Page 3, Line 22)	10,843,957	38,442,333	36,546,282	28,516,032	31,306,403
3. Statutory surplus	(5,122,752)	6,785,824	2,139,806	6,607,549	(5,333,889)
4. Total capital and surplus (Page 3, Line 31)	7,560,284	19,468,860	14,822,842	19,290,585	18,517,488
Income Statement (Page 4)					
5. Total revenues (Line 8)	(11,917)	196,641,935	192,587,836	190,439,444	217,008,529
6. Total medical and hospital expenses (Line 18)	1,465,421	150,822,590	160,182,846	152,508,124	175,623,591
7. Claims adjustment expenses (Line 20)	(753)	1,985,178	1,968,039	1,944,781	2,194,125
8. Total administrative expenses (Line 21)	(50,477)	20,325,574	20,641,748	19,860,200	22,769,126
9. Net underwriting gain (loss) (Line 24)	(1,426,107)	23,508,593	9,795,203	16,126,339	16,421,687
10. Net investment gain (loss) (Line 27)	41,812	1,023,746	2,476,387	2,330,831	1,091,199
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income (loss) (Line 32)	(899,792)	15,946,018	7,976,534	11,997,161	11,383,376
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(26,560,166)	18,362,201	16,807,220	7,956,970	0
Risk - Based Capital Analysis					
14. Total adjusted capital	7,560,284	19,468,860	14,822,842	19,290,585	18,517,488
15. Authorized control level risk-based capital	750,361	6,027,769	6,469,723	5,965,701	5,872,461
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	0	416,038	595,655	595,458	609,835
17. Total member months (Column 6, Line 7)	10,484	6,817,965	7,150,707	7,244,417	8,094,934
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 19)	(1,945.2)	76.0	81.4	78.4	80.0
20. Cost containment expenses	0.0	0.0	0.0	0.0	XXX
21. Other claims adjustment expenses	1.0	1.0	1.0	1.0	1.0
22. Total underwriting deductions (Line 23)	(1,877.2)	87.2	92.9	89.6	91.4
23. Total underwriting gain (loss) (Line 24)	1,893.0	11.8	5.0	8.3	7.5
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	19,124,876	18,182,019	14,619,403	18,483,464	10,874,749
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	18,372,174	22,168,649	16,424,922	23,107,471	18,850,097
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, Part 2, Col. 5, Line 7)	0	0	0	0	0
30. Affiliated mortgage loans on real estate		0	0	0	0
31. All other affiliated		0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

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

If no, please explain:

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Tennessee Behavioral Health, Inc. 2. _____ (LOCATION)

NAIC Group Code 0000 BUSINESS IN THE STATE OF Tennessee DURING THE YEAR 2009 NAIC Company Code 95780

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	416,068								416,068	
2 First Quarter	0								0	
3 Second Quarter	0								0	
4. Third Quarter	0								0	
5. Current Year	0								0	
6 Current Year Member Months	10,484								10,484	
Total Member Ambulatory Encounters for Year:										
7. Physician	10,859								10,859	
8. Non-Physician	31,898								31,898	
9. Total	42,757	0	0	0	0	0	0	0	42,757	0
10. Hospital Patient Days Incurred	4,904								4,904	
11. Number of Inpatient Admissions	20								20	
12. Health Premiums Written (b)	(75,336)								(75,336)	
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	(75,336)								(75,336)	
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	19,325,969								19,325,969	
18. Amount Incurred for Provision of Health Care Services	1,465,421								1,465,421	

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

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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Tennessee Behavioral Health, Inc. 2. _____ (LOCATION)

NAIC Group Code 0000 BUSINESS IN THE STATE OF Consolidated DURING THE YEAR 2009 NAIC Company Code 95780

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	416,068	0	0	0	0	0	0	0	416,068	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	10,484	0	0	0	0	0	0	0	10,484	0
Total Member Ambulatory Encounters for Year:										
7. Physician	10,859	0	0	0	0	0	0	0	10,859	0
8. Non-Physician	31,898	0	0	0	0	0	0	0	31,898	0
9. Total	42,757	0	0	0	0	0	0	0	42,757	0
10. Hospital Patient Days Incurred	4,904	0	0	0	0	0	0	0	4,904	0
11. Number of Inpatient Admissions	20	0	0	0	0	0	0	0	20	0
12. Health Premiums Written (b)	(75,336)	0	0	0	0	0	0	0	(75,336)	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	(75,336)	0	0	0	0	0	0	0	(75,336)	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	19,325,969	0	0	0	0	0	0	0	19,325,969	0
18. Amount Incurred for Provision of Health Care Services	1,465,421	0	0	0	0	0	0	0	1,465,421	0

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

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

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 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 10)	17,910,089		17,910,089
2. Accident and health premiums due and unpaid (Line 13)	0		0
3. Amounts recoverable from reinsurers (Line 14.1)	0		0
4. Net credit for ceded reinsurance	XXX	0	0
5. All other admitted assets (Balance)	494,152		494,152
6. Total assets (Line 26)	18,404,241	0	18,404,241
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	511,626	0	511,626
8. Accrued medical incentive pool and bonus payments (Line 2)	0		0
9. Premiums received in advance (Line 8)	428,220		428,220
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17)	0		0
11. Reinsurance in unauthorized companies (Line 18)	0		0
12. All other liabilities (Balance)	9,904,111		9,904,111
13. Total liabilities (Line 22)	10,843,957	0	10,843,957
14. Total capital and surplus (Line 31)	7,560,284	XXX	7,560,284
15. Total liabilities, capital and surplus (Line 32)	18,404,241	0	18,404,241
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

States, Etc.	1 Active Status	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefit Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL								0	0
2. Alaska AK								0	0
3. Arizona AZ								0	0
4. Arkansas AR								0	0
5. California CA								0	0
6. Colorado CO								0	0
7. Connecticut CT								0	0
8. Delaware DE								0	0
9. District of Columbia DC								0	0
10. Florida FL								0	0
11. Georgia GA								0	0
12. Hawaii HI								0	0
13. Idaho ID								0	0
14. Illinois IL								0	0
15. Indiana IN								0	0
16. Iowa IA								0	0
17. Kansas KS								0	0
18. Kentucky KY								0	0
19. Louisiana LA								0	0
20. Maine ME								0	0
21. Maryland MD								0	0
22. Massachusetts MA								0	0
23. Michigan MI								0	0
24. Minnesota MN								0	0
25. Mississippi MS								0	0
26. Missouri MO								0	0
27. Montana MT								0	0
28. Nebraska NE								0	0
29. Nevada NV								0	0
30. New Hampshire NH								0	0
31. New Jersey NJ								0	0
32. New Mexico NM								0	0
33. New York NY								0	0
34. North Carolina NC								0	0
35. North Dakota ND								0	0
36. Ohio OH								0	0
37. Oklahoma OK								0	0
38. Oregon OR								0	0
39. Pennsylvania PA								0	0
40. Rhode Island RI								0	0
41. South Carolina SC								0	0
42. South Dakota SD								0	0
43. Tennessee TN	L			(75,336)				(75,336)	0
44. Texas TX								0	0
45. Utah UT								0	0
46. Vermont VT								0	0
47. Virginia VA								0	0
48. Washington WA								0	0
49. West Virginia WV								0	0
50. Wisconsin WI								0	0
51. Wyoming WY								0	0
52. American Samoa AS								0	0
53. Guam GU								0	0
54. Puerto Rico PR								0	0
55. U.S. Virgin Islands VI								0	0
56. Northern Mariana Islands MP								0	0
57. Canada CN								0	0
58. Aggregate Other Alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	(75,336)	0	0	0	(75,336)	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 1	0	0	(75,336)	0	0	0	(75,336)	0
DETAILS OF WRITE-INS									
5801.	XXX								
5802.	XXX								
5803.	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	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	

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

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

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

Allocated by States and Territories

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

NONE

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

PART 1 - ORGANIZATIONAL CHART

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

1 NAIC Company Code	2 Federal ID Number	3 Names of Insurers and Parent, Subsidiaries or Affiliates	4 Shareholder Dividends	5 Capital Contributions	6 Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	7 Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	8 Management Agreements and Service Contracts	9 Income/ (Disbursements) Incurred Under Reinsurance Agreements	10 *	11 Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	12 Totals	13 Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	52-1922729	Advocare of Tennessee, Inc.					(6,780)				(6,780)	
	62-1621636	Tennessee Behavioral Health, Inc.									0	
	58-1076937	Magellan Health Services	11,000,000								11,000,000	
	62-1621636	Tennessee Behavioral Health	0								0	
9999999 Control Totals			11,000,000	0	0	0	(6,780)	0	XXX	0	10,993,220	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	MARCH FILING	Responses
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?	SEE EXPLANATION
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?	SEE EXPLANATION
	JUNE FILING	
8.	Will an audited financial report be filed by June 1?	YES
9.	Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES

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

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

EXPLANATION:

3. Company is not required to file.

7. Company is not required to file.

10.

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BAR CODE:

10.

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12.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

13.

14.

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19.

OVERFLOW PAGE FOR WRITE-INS

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		0.000		0.000
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies	2,401,238	13.407	2,401,238	13.407
1.22 Issued by U.S. government sponsored agencies		0.000		0.000
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities)		0.000		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		0.000		0.000
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations		0.000		0.000
1.43 Revenue and assessment obligations		0.000		0.000
1.44 Industrial development and similar obligations		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA		0.000		0.000
1.512 Issued or guaranteed by FNMA and FHLMC		0.000		0.000
1.513 All other		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA		0.000		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		0.000		0.000
1.523 All other		0.000		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)		0.000		0.000
2.2 Unaffiliated non-U.S. securities (including Canada)		0.000		0.000
2.3 Affiliated securities		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated		0.000		0.000
3.22 Unaffiliated		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated		0.000		0.000
3.32 Unaffiliated		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated		0.000		0.000
3.42 Unaffiliated		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated		0.000		0.000
3.52 Unaffiliated		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development		0.000		0.000
4.2 Agricultural		0.000		0.000
4.3 Single family residential properties		0.000		0.000
4.4 Multifamily residential properties		0.000		0.000
4.5 Commercial loans		0.000		0.000
4.6 Mezzanine real estate loans		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by the company		0.000	0	0.000
5.2 Property held for the production of income (including $ of property acquired in satisfaction of debt)		0.000	0	0.000
5.3 Property held for sale (including $ property acquired in satisfaction of debt)		0.000	0	0.000
6. Contract loans		0.000	0	0.000
7. Receivables for securities		0.000	0	0.000
8. Cash, cash equivalents and short-term investments	15,508,850	86.593	15,508,850	86.593
9. Other invested assets		0.000		0.000
10. Total invested assets	17,910,089	100.000	17,910,089	100.000

SCHEDULE A - VERIFICATION BETWEEN YEARS

Real Estate

NONE

1.	Book/adjusted carrying value, December 31 of prior year		0
2.	Cost of acquired:		
	2.1 Actual cost at time of acquisition (Part 2, Column 6)	0	
	2.2 Additional investment made after acquisition (Part 2, Column 7)	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		
11.	Statement value at end of current period (Line 9 minus Line 10)		0

SCHEDULE B - VERIFICATION BETWEEN YEARS

Mortgage Loans

NONE

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		
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		
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		
13.	Subtotal (Line 11 plus Line 12)		0
14.	Deduct total nonadmitted amounts		
15.	Statement value of mortgages owned at end of current period (Line 13 minus Line 14)		0

SCHEDULE BA - VERIFICATION BETWEEN YEARS

Other Long-Term Invested Assets

NONE

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

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1.	Book /adjusted carrying value, December 31 of prior year		2,400,230
2.	Cost of bonds and stocks acquired, Part 3, Column 7		2,402,880
3.	Accrual of discount		0
4.	Unrealized valuation increase (decrease):		
	4.1 Part 1, Column 12	0	
	4.2 Part 2, Section 1, Column 15	0	
	4.3 Part 2, Section 2, Column 13	0	
	4.4 Part 4, Column 11	0	0
5.	Total gain (loss) on disposals, Part 4, Column 19		0
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7		2,400,000
7.	Deduct amortization of premium		1,872
8.	Total foreign exchange change in book/adjusted carrying value:		
	8.1 Part 1, Column 15	0	
	8.2 Part 2, Section 1, Column 19	0	
	8.3 Part 2, Section 2, Column 16	0	
	8.4 Part 4, Column 15	0	0
9.	Deduct current year's other than temporary impairment recognized:		
	9.1 Part 1, Column 14	0	
	9.2 Part 2, Section 1, Column 17	0	
	9.3 Part 2, Section 2, Column 14	0	
	9.4 Part 4, Column 13	0	0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)		2,401,238
11.	Deduct total nonadmitted amounts		
12.	Statement value at end of current period (Line 10 minus Line 11)		2,401,238

SCHEDULE D - SUMMARY BY COUNTRY

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

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS	1. United States	2,401,238	2,405,256	2,402,880	2,400,000
Governments	2. Canada				
(Including all obligations guaranteed	3. Other Countries				
by governments)	4. Totals	2,401,238	2,405,256	2,402,880	2,400,000
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 and Credit Tenant	8. United States				
Loans and Hybird Securities (unaffiliated)	9. Canada				
	10. Other Countries				
	11. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. **Total Bonds**	2,401,238	2,405,256	2,402,880	2,400,000
PREFERRED STOCKS	14. United States				
Industrial and Miscellaneous (unaffiliated)	15. Canada				
	16. Other Countries				
	17. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	18. Totals	0	0	0	
	19. **Total Preferred Stocks**	0	0	0	
COMMON STOCKS	20. United States				
Industrial and Miscellaneous (unaffiliated)	21. Canada				
	22. Other Countries				
	23. Totals	0	0	0	
Parent, Subsidiaries and Affiliates	24. Totals	0	0	0	
	25. **Total Common Stocks**	0	0	0	
	26. **Total Stocks**	0	0	0	
	27. **Total Bonds and Stocks**	2,401,238	2,405,256	2,402,880	

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	2,401,238					2,401,238	100.0	2,400,230	100.0	2,401,238	
1.2 Class 2						0	0.0				
1.3 Class 3						0	0.0				
1.4 Class 4						0	0.0				
1.5 Class 5						0	0.0				
1.6 Class 6						0	0.0				
1.7 Totals	2,401,238	0	0	0	0	2,401,238	100.0	2,400,230		2,401,238	0
2. All Other Governments											
2.1 Class 1						0	0.0				
2.2 Class 2						0	0.0				
2.3 Class 3						0	0.0				
2.4 Class 4						0	0.0				
2.5 Class 5						0	0.0				
2.6 Class 6						0	0.0				
2.7 Totals	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				
3.2 Class 2						0	0.0				
3.3 Class 3						0	0.0				
3.4 Class 4						0	0.0				
3.5 Class 5						0	0.0				
3.6 Class 6						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0			0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1						0	0.0				
4.2 Class 2						0	0.0				
4.3 Class 3						0	0.0				
4.4 Class 4						0	0.0				
4.5 Class 5						0	0.0				
4.6 Class 6						0	0.0				
4.7 Totals	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				
5.2 Class 2						0	0.0				
5.3 Class 3						0	0.0				
5.4 Class 4						0	0.0				
5.5 Class 5						0	0.0				
5.6 Class 6						0	0.0				
5.7 Totals	0	0	0	0	0	0	0.0			0	0

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 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				
6.2 Class 2						0	0.0				
6.3 Class 3						0	0.0				
6.4 Class 4						0	0.0				
6.5 Class 5						0	0.0				
6.6 Class 6						0	0.0				
6.7 Totals	0	0	0	0	0	0	0.0			0	0
7. Credit Tenant Loans											
7.1 Class 1						0	0.0				
7.2 Class 2						0	0.0				
7.3 Class 3						0	0.0				
7.4 Class 4						0	0.0				
7.5 Class 5						0	0.0				
7.6 Class 6						0	0.0				
7.7 Totals	0	0	0	0	0	0	0.0			0	0
8. Hybird Securities											
8.1 Class 1						0	0.0				
8.2 Class 2						0	0.0				
8.3 Class 3						0	0.0				
8.4 Class 4						0	0.0				
8.5 Class 5						0	0.0				
8.6 Class 6						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0			0	0
9. Parent, Subsidiaries and Affiliates											
9.1 Class 1						0	0.0				
9.2 Class 2						0	0.0				
9.3 Class 3						0	0.0				
9.4 Class 4						0	0.0				
9.5 Class 5						0	0.0				
9.6 Class 6						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0			0	0

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

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

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 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) 2,401,238	0	0	0	0	2,401,238	100.0	XXX	XXX	2,401,238	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	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	2,401,238	0	0	0	0	(b) 2,401,238	100.0	XXX	XXX	2,401,238	0
10.8 Line 10.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Class 1						XXX	XXX	2,400,230		2,401,238	
11.2 Class 2						XXX	XXX				
11.3 Class 3						XXX	XXX				
11.4 Class 4						XXX	XXX				
11.5 Class 5						XXX	XXX	(c)			
11.6 Class 6						XXX	XXX	(c)			
11.7 Totals						XXX	XXX	(b) 2,400,230		2,401,238	0
11.8 Line 11.7 as a % of Col. 8						XXX	XXX		XXX		
12. Total Publicly Traded Bonds											
12.1 Class 1						0	0.0	2,400,230		2,401,238	XXX
12.2 Class 2						0	0.0			0	XXX
12.3 Class 3						0	0.0			0	XXX
12.4 Class 4						0	0.0			0	XXX
12.5 Class 5						0	0.0			0	XXX
12.6 Class 6						0	0.0			0	XXX
12.7 Totals	0	0	0	0	0	0	0.0	2,400,230		2,401,238	XXX
12.8 Line 12.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	0.0	XXX
12.9 Line 12.7 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	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Class 1						0	0.0			XXX	0
13.2 Class 2						0	0.0			XXX	0
13.3 Class 3						0	0.0			XXX	0
13.4 Class 4						0	0.0			XXX	0
13.5 Class 5						0	0.0			XXX	0
13.6 Class 6						0	0.0			XXX	0
13.7 Totals	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 $ ..... freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes $ ..... current year, $ ..... prior year of bonds with Z designations and $ ..... , current year, $ ..... 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 $ ..... current year, $ ..... prior year of bonds with 5* designations and $ ..... , current year, $ ..... 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 $..... ; NAIC 2 $..... ; NAIC 3 $..... ; NAIC 4 $..... ; NAIC 5 $..... ; NAIC 6 $..... .

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	2,401,238					2,401,238	100.0	2,400,230	100.0	2,401,238	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
1.7 Totals	2,401,238	0	0	0	0	2,401,238	100.0	2,400,230		2,401,238	0
2. All Other Governments											
2.1 Issuer Obligations						0	0.0				
2.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
2.3 Defined						0	0.0				
2.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
2.5 Defined						0	0.0				
2.6 Other						0	0.0				
2.7 Totals	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				
3.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
3.3 Defined						0	0.0				
3.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
3.5 Defined						0	0.0				
3.6 Other						0	0.0				
3.7 Totals	0	0	0	0	0	0	0.0			0	0
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Issuer Obligations						0	0.0				
4.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
4.3 Defined						0	0.0				
4.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
4.5 Defined						0	0.0				
4.6 Other						0	0.0				
4.7 Totals	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				
5.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
5.3 Defined						0	0.0				
5.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
5.5 Defined						0	0.0				
5.6 Other						0	0.0				
5.7 Totals	0	0	0	0	0	0	0.0			0	0

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 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				
6.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
6.3 Defined						0	0.0				
6.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
6.5 Defined						0	0.0				
6.6 Other						0	0.0				
6.7 Totals	0	0	0	0	0	0	0.0			0	0
7. Credit Tenant Loans											
7.1 Issuer Obligations						0	0.0				
7.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0				
7.7 Totals	0	0	0	0	0	0	0.0			0	0
8. Hybird Securities											
8.1 Issuer Obligations						0	0.0				
8.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
8.3 Defined						0	0.0				
8.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
8.5 Defined						0	0.0				
8.6 Other						0	0.0				
8.7 Totals	0	0	0	0	0	0	0.0			0	0
9. Parents, Subsidiaries and Affiliates											
9.1 Issuer Obligations						0	0.0				
9.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
9.3 Defined						0	0.0				
9.4 Other						0	0.0				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
9.5 Defined						0	0.0				
9.6 Other						0	0.0				
9.7 Totals	0	0	0	0	0	0	0.0			0	0

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

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

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 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	2,401,238	0	0	0	0	2,401,238	100.0	XXX	XXX	2,401,238	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	2,401,238	0	0	0	0	2,401,238	100.0	XXX	XXX	2,401,238	0
10.8 Line 10.7 as a % of Col. 6	100.0	0.0	0.0	0.0	0.0	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year											
11.1 Issuer Obligations						XXX	XXX	2,400,230			
11.2 Single Class Mortgage-Backed/Asset-Backed Securities						XXX	XXX				
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
11.3 Defined						XXX	XXX				
11.4 Other						XXX	XXX				
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
11.5 Defined						XXX	XXX				
11.6 Other						XXX	XXX				
11.7 Totals	0	0	0	0	0	XXX	XXX			0	0
11.8 Line 11.7 as a % of Col. 8						XXX	XXX		XXX		
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations						0	0.0			0	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0			0	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
12.3 Defined						0	0.0			0	XXX
12.4 Other						0	0.0			0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
12.5 Defined						0	0.0			0	XXX
12.6 Other						0	0.0			0	XXX
12.7 Totals	0	0	0	0	0	0	0.0			0	XXX
12.8 Line 12.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	0.0	XXX
12.9 Line 12.7 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	0.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations						0	0.0			XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities						0	0.0			XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined						0	0.0			XXX	0
13.4 Other						0	0.0			XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined						0	0.0			XXX	0
13.6 Other						0	0.0			XXX	0
13.7 Totals	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

Schedule DA - Verification

NONE

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY

NONE

Schedule DB - Part C - VBY

NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY

NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule E - Verification

NONE

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

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	
CUSIP Identification	Description	3 Code	4 Foreign	5 Bond CHAR	NAIC Designation	Actual Cost	8 Rate Used To Obtain Fair Value	9 Fair Value	Par Value	Book / Adjusted Carrying Value	12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of	18 When Paid	19 Admitted Amount Due & Accrued	20 Amount Rec. During Year	21 Acquired	22 Maturity
3133XT-NU-6	Federal Home Loan Bank Bond				1	2,402,880		2,405,256	2,400,000	2,401,238		(1,642)			0.630	0.486	MAT	2,401,238	0	07/09/2009	05/12/2010
0199999 - Total Bonds - U.S. Government - Issuer Obligations						2,402,880	XXX	2,405,256	2,400,000	2,401,238		(1,642)			XXX	XXX	XXX	2,401,238	0	XXX	XXX
0399999 - Total - U.S. Government Bonds						2,402,880	XXX	2,405,256	2,400,000	2,401,238		(1,642)			XXX	XXX	XXX	2,401,238	0	XXX	XXX
7799999 - Total - Issuer Obligations						2,402,880	XXX	2,405,256	2,400,000	2,401,238	0	(1,642)	0	0	XXX	XXX	XXX	2,401,238	0	XXX	XXX
8399999 Totals						2,402,880	XXX	2,405,256	2,400,000	2,401,238	0	(1,642)	0	0	XXX	XXX	XXX	2,401,238	0	XXX	XXX

Schedule D - Part 2 - Section 1

NONE

Schedule D - Part 2 - Section 2

NONE

SCHEDULE D - PART 3

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

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
3133XT-NU-6	Federal Home Loan Bank Bond		07/09/2009	US Bank		2,402,880	2,400,000	2,394
0399999 - Total - Bonds - U.S. Government						2,402,880	2,400,000	2,394
8399997 - Total - Bonds - Part 3						2,402,880	2,400,000	2,394
8399998 - Total - Bonds - Part 5						0	0	0
8399999 - Total - Bonds						2,402,880	2,400,000	2,394
8999998 - Total - Preferred Stocks - Part 5						0	XXX	0
8999999 - Total - Preferred Stocks						0	XXX	0
9799998 - Total - Common Stocks - Part 5						0	XXX	0
9799999 - Total - Common Stocks						0	XXX	0
9899999 - Total - Preferred and Common Stocks						0	XXX	0
9999999 Totals						2,402,880	XXX	2,394

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 Identi-fication	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year (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
31331X-RJ-3	Federal Farm Credit Bank Bond		03/02/2009	Matured		2,400,000	2,400,000	2,402,711	2,400,230	0	(230)		(230)		2,400,000		0	0	60,000	03/02/2009
0399999 - Bonds - U.S. Governments						2,400,000	2,400,000	2,402,711	2,400,230	0	(230)		(230)		2,400,000				60,000	XXX
8399997 - Bonds - Part 4						2,400,000	2,400,000	2,402,711	2,400,230	0	(230)		(230)		2,400,000				60,000	XXX
8399998 - Bonds - Part 5						0	0	0		0	0	0	0	0	0	0	0	0	0	XXX
8399999 - Total - Bonds						2,400,000	2,400,000	2,402,711	2,400,230	0	(230)	0	(230)	0	2,400,000	0	0	0	60,000	XXX
8999998 - Preferred Stocks - Part 5						0	XXX	0		0	0	0	0	0	0	0	0	0	0	XXX
8999999 - Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799998 - Common Stocks - Part 5						0	XXX	0		0	0	0	0	0	0	0	0	0	0	XXX
9799999 - Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9899999 - Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999 Totals						2,400,000	XXX	2,402,711	2,400,230	0	(230)	0	(230)	0	2,400,000	0	0	0	60,000	XXX

Schedule D - Part 5

NONE

Schedule D - Part 6 - Section 1

NONE

Schedule D - Part 6 - Section 2

NONE

Schedule DA - Part 1

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part A - Section 2

NONE

Schedule DB - Part A - Section 3

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part B - Section 2

NONE

Schedule DB - Part B - Section 3

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part C - Section 2

NONE

Schedule DB - Part C - Section 3

NONE

Schedule DB - Part D - Section 1

NONE

Schedule DB - Part D - Section 2

NONE

Schedule DB - Part D - Section 3

NONE

Schedule DB - Part E - Section 1

NONE

SCHEDULE E - PART 1 - CASH

1 Depository		2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
US Bank	Nashville TN			16,374	0	15,508,850	XXX
0199998 Deposits in ..... depositories which do not exceed the allowable limit in any one depository (See Instructions) - open depositories		XXX	XXX				XXX
0199999 Totals - Open Depositories		XXX	XXX	16,374		15,508,850	XXX
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0399999 Total Cash on Deposit		XXX	XXX	16,374		15,508,850	XXX
0499999 Cash in Company's Office		XXX	XXX	XXX	XXX		XXX
0599999 Total Cash		XXX	XXX	16,374		15,508,850	XXX

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

1. January	44,339,850	4. April	34,026,168	7. July	22,118,476	10. October	13,045,654
2. February	38,189,439	5. May	32,127,933	8. August	22,039,508	11. November	13,140,741
3. March	35,785,724	6. June	38,149,178	9. September	15,562,588	12. December	15,508,850

Schedule E - Part 2 - Cash Equivalents

NONE

Schedule E - Part 3

NONE

Tennessee Behavioral Health, Inc. - Middle/West Regions
BHO TennCare Operations Statement of Revenue and Expenses
For the Year Ending December 31, 2009
Report 2A

	Qtr 4 Total	Year to Date Total
Member Months	0	96
Revenues		
TennCare Capitation	(2,886)	91,334
Risk Share	36,811	63,419
Investment (Interest)	1,318	8,113
Other Revenues	0	0
Total Revenues	35,242	162,866
Expenses		
Mental Health & Substance Services		
Inpatient Psychiatric Facility services	0	9
Inpatient Substance Abuse Treatment and Detox	0	29
Outpatient Mental Health Services	(16,983)	120,208
Outpatient Substance Abuse Treatment and Detox	(1,375)	9,732
Housing/Residential Treatment	0	6,732
Specialized Crisis Services	0	107
Psychiatric Rehab and Support Services	0	36
Case Management	0	(64,011)
Forensics		
Other Judicial		
Pharmacy		
Lab Services	(370)	3,929
Transportation	722	3,281
Medical Incentive Pool and Withhold Adjustments		
Occupancy, Depreciation and Amortization		
Other Mental Health and Substance Abuse Services		
PCP and Specialists Services		
Subtotal	(18,005)	80,053
Reinsurance Expense Net of Recoveries		
Less:		
Copayments		
Subrogation		
Coordination of Benefits		
Subtotal		
Total Medical and Substance Abuse	(18,005)	80,053
Claim Adjustment Expense	(29)	913
Administration [1]		
Rent	(4)	116
Salaries and Wages	(132)	4,178
Commissions	-	0
Contributions for benefit plans for employees		
Payments to employees under non-funded benefit plans		
Other employee welfare		
Legal fees and expenses	(0)	13
Medical examination fees		
Utilization management		
Certifications and accreditation	(2)	48
Auditing, actuarial and other consulting services	(0)	0
Traveling expenses	3,354	12,706
Marketing and advertising	(727)	152
Postage, express, telegraph and telephone	(3)	100
Printing and stationary	(6)	186
Occupancy, depreciation and amortization	(1,728)	(2,239)
Rental of equipment	(60)	2,398
Outsourced services includes EDP, claims, and other services	(0)	3
Books and periodicals	0	(3)
Boards, bureaus and association fees	(1)	25
Insurance, except on real estate		
Collection and bank service charges	1,385	5,790
Group service and administration fees		
Reimbursements from fiscal intermediaries		
Real estate expenses		
Real estate taxes	(0)	2
Bad Debt Expense	-	0
Taxes, licenses and fees:		
State and local insurance taxes		
State premium taxes	679	3,095
Insurance department licenses and fees		
Payroll taxes		
Other (excluding federal income and real estate taxes)	(24,852)	(24,837)
Investment expenses not included elsewhere		
Write-Ins		
Total Administrative Expenses	(22,098)	1,734
Total Expenses	(40,132)	82,701
Income/(loss) before allocated income taxes	75,375	80,165
Benefit (provision) for income taxes	(26,381)	(28,058)
Net Income (Loss)	48,994	52,108