

ANNUAL STATEMENT

OF THE

Group Health Plan, Inc.

TO THE

Insurance Department

OF THE

STATE OF

Minnesota

FOR THE YEAR ENDED
DECEMBER 31, 2010

HEALTH

2010

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Group Health Plan, Inc.

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	596,456	628,692
2. Net premium income (including \$ non-health premium income)	XXX	338,668,000	366,240,000
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of \$ medical expenses).....	XXX	442,928,000	434,296,000
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	43,425,000	40,601,000
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	825,021,000	841,137,000
Hospital and Medical:			
9. Hospital/medical benefits	179,000	564,981,000	575,998,000
10. Other professional services		82,783,000	72,433,000
11. Outside referrals		0	0
12. Emergency room and out-of-area		0	0
13. Prescription drugs		132,941,000	136,331,000
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments, and bonus amounts		0	0
16. Subtotal (Lines 9 to 15)	179,000	780,705,000	784,762,000
Less:			
17. Net reinsurance recoveries		0	0
18. Total hospital and medical (Lines 16 minus 17)	179,000	780,705,000	784,762,000
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$3,444,000 cost containment expenses		7,593,000	8,235,000
21. General administrative expenses		35,921,000	36,980,000
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).....	179,000	824,219,000	829,977,000
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	802,000	11,160,000
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		4,743,000	6,640,000
26. Net realized capital gains (losses) less capital gains tax of \$		2,992,000	1,103,000
27. Net investment gains (losses) (Lines 25 plus 26)	0	7,735,000	7,743,000
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
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	8,537,000	18,903,000
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	8,537,000	18,903,000
DETAILS OF WRITE-INS			
0601. Other Health Care Revenue	XXX	4,084,000	1,727,000
0602. Physician Affiliation Agreements	XXX	39,341,000	38,874,000
0603	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	43,425,000	40,601,000
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 thru 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 thru 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 thru 2903 plus 2998)(Line 29 above)	0	0	0

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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	338,669,000	3,274,000	0	4,343,000	0	68,492,000	262,559,000	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	0	0	0	0	0	0	0	0	0	0
3. Fee-for-service (net of \$ medical expenses)	442,928,000	442,928,000	0	0	0	0	0	0	0	0
4. Risk revenue	0	0	0	0	0	0	0	0	0	0
5. Aggregate write-ins for other health care related revenues	43,425,000	43,425,000	0	0	0	0	0	0	0	0
6. Aggregate write-ins for other non-health care related revenues	0	0	0	0	0	0	0	0	0	0
7. Total revenues (Lines 1 to 6)	825,021,000	499,627,000	0	4,343,000	0	68,492,000	262,559,000	0	0	0
8. Hospital/medical benefits	564,981,000	332,789,000	0	3,588,000	0	51,260,000	180,932,000	0	0	0
9. Other professional services	82,783,000	79,215,000	0	0	0	0	0	0	0	0
10. Outside referrals	0	0	0	0	0	0	0	0	0	0
11. Emergency room and out-of-area	0	0	0	0	0	0	0	0	0	0
12. Prescription drugs	182,941,000	63,326,000	0	0	0	11,495,000	58,120,000	0	0	0
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	0
14. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0	0	0	0	0	0	0
15. Subtotal (Lines 8 to 14)	780,705,000	475,330,000	0	3,588,000	0	62,755,000	239,052,000	0	0	0
16. Net reinsurance recoveries	0	0	0	0	0	0	0	0	0	0
17. Total medical and hospital (Lines 15 minus 16)	780,705,000	475,330,000	0	3,588,000	0	62,755,000	239,052,000	0	0	0
18. Non-health claims (net)	0	0	0	0	0	0	0	0	0	0
19. Claims adjustment expenses including \$ 3,444,000 cost containment expenses	7,593,000	2,774,000	0	112,000	0	898,000	3,809,000	0	0	0
20. General administrative expenses	35,921,000	12,122,000	0	553,000	0	4,434,000	18,812,000	0	0	0
21. Increase in reserves for accident and health contracts	0	0	0	0	0	0	0	0	0	0
22. Increase in reserves for life contracts	0	0	0	0	0	0	0	0	0	0
23. Total underwriting deductions (Lines 17 to 22)	824,219,000	490,226,000	0	4,233,000	0	69,087,000	261,673,000	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	802,000	(599,000)	0	110,000	0	405,000	886,000	0	0	0
DETAILS OF WRITE-INS										
0501. Physician Affiliation Agreement	39,341,000	39,341,000	0	0	0	0	0	0	0	0
0502. Other Health Care Revenue	4,084,000	4,084,000	0	0	0	0	0	0	0	0
0503.	0	0	0	0	0	0	0	0	0	0
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	43,425,000	43,425,000	0	0	0	0	0	0	0	0
0601.	0	0	0	0	0	0	0	0	0	0
0602.	0	0	0	0	0	0	0	0	0	0
0603.	0	0	0	0	0	0	0	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0	0	0	0	0
1301.	0	0	0	0	0	0	0	0	0	0
1302.	0	0	0	0	0	0	0	0	0	0
1303.	0	0	0	0	0	0	0	0	0	0
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0

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UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	1 Claims Paid During the Year		2 On Claims Incurred During the Year		3 On Claims Unpaid December 31 of Prior Year	4 Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Incurred During the Year	On Claims Incurred During the Year					
1. Comprehensive (hospital and medical)	1,108,000	7,540,000		1,259,000			1,108,000	982,000	
2. Medicare Supplement								0	
3. Dental Only	49,000	1,883,000		68,000			49,000	74,000	
4. Vision Only							0	0	
5. Federal Employees Health Benefits Plan	4,180,000	54,921,000		3,912,000			4,180,000	5,797,000	
6. Title XVIII - Medicare	9,382,000	196,231,000	310,000	13,720,000			9,692,000	14,755,000	
7. Title XIX - Medicaid							0	0	
8. Other health							0	0	
9. Health subtotal (Lines 1 to 8)	14,719,000	260,555,000	310,000	18,959,000			15,029,000	21,608,000	
10. Healthcare receivables (a)							0	0	
11. Other non-health							0	0	
12. Medical incentive pools and bonus amounts							0	0	
13. Totals (Lines 9 - 10 + 11 + 12)	14,719,000	260,555,000	310,000	18,959,000			15,029,000	21,608,000	

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

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FIVE-YEAR HISTORICAL DATA

	1 2010	2 2009	3 2008	4 2007	5 2006
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	552,217,000	492,845,000	424,410,000	476,286,000	480,880,000
2. Total liabilities (Page 3, Line 24)	466,674,000	413,401,000	348,623,000	415,042,000	420,639,000
3. Statutory surplus	14,930,688	14,254,829	9,329,940	9,012,983	10,030,275
4. Total capital and surplus (Page 3, Line 33)	85,543,000	79,444,000	75,787,000	61,244,000	60,241,000
Income Statement (Page 4)					
5. Total revenues (Line 8)	825,021,000	841,137,000	687,480,000	577,846,000	583,140,000
6. Total medical and hospital expenses (Line 18)	780,705,000	784,762,000	639,615,000	558,003,000	575,733,000
7. Claims adjustment expenses (Line 20)	7,593,000	8,235,000	6,191,000	4,998,000	7,394,000
8. Total administrative expenses (Line 21)	35,921,000	36,980,000	34,020,000	22,105,000	14,380,000
9. Net underwriting gain (loss) (Line 24)	802,000	11,160,000	7,654,000	(7,260,000)	(14,367,000)
10. Net investment gain (loss) (Line 27)	7,735,000	7,743,000	(536,000)	12,748,000	15,541,000
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	8,537,000	18,903,000	7,118,000	5,488,000	1,174,000
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	31,881,000	75,713,000	(2,851,000)	(2,916,000)	15,609,000
Risk-Based Capital Analysis					
14. Total adjusted capital	85,543,000	79,444,000	75,787,000	61,244,000	60,241,000
15. Authorized control level risk-based capital	14,930,688	14,254,829	9,329,940	9,012,983	10,030,275
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	49,857	52,721	22,573	25,236	27,259
17. Total members months (Column 6, Line 7)	596,456	628,692	275,694	309,579	340,690
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	230.5	214.3	303.9	411.6	363.7
20. Cost containment expenses	1.0	1.2	1.4	2.1	2.5
21. Other claims adjustment expenses	1.2	1.1	1.5	1.6	2.2
22. Total underwriting deductions (Line 23)	243.4	226.6	323.0	431.6	377.5
23. Total underwriting gain (loss) (Line 24)	0.2	3.0	3.6	(5.4)	(9.1)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	15,029,000	14,297,000	10,947,000	12,601,000	15,068,000
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	21,608,000	18,677,000	14,410,000	14,599,000	14,398,000
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 Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
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: