

**ANNUAL STATEMENT**

**OF THE**

**Medica Health Plans**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**

**HEALTH**

**2010**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Medica Health Plans

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	2,379,472	2,091,689
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	1,706,184,411	1,367,530,236
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	.0	.0
4. Fee-for-service (net of \$ ..... medical expenses).....	XXX	.0	.0
5. Risk revenue .....	XXX	.0	.0
6. Aggregate write-ins for other health care related revenues .....	XXX	.0	.0
7. Aggregate write-ins for other non-health revenues .....	XXX	.0	.0
8. Total revenues (Lines 2 to 7) .....	XXX	1,706,184,411	1,367,530,236
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....	29,695,186	989,839,532	858,669,437
10. Other professional services .....		24,885,509	31,322,576
11. Outside referrals .....		.0	.0
12. Emergency room and out-of-area .....	2,435,697	81,189,892	72,744,266
13. Prescription drugs .....		139,083,878	119,504,267
14. Aggregate write-ins for other hospital and medical .....	.0	.0	.0
15. Incentive pool, withhold adjustments, and bonus amounts .....		4,871,065	4,627,032
16. Subtotal (Lines 9 to 15) .....	32,130,883	1,239,869,876	1,086,867,578
<b>Less:</b>			
17. Net reinsurance recoveries .....		(313,068,089)	(150,539,089)
18. Total hospital and medical (Lines 16 minus 17) .....	32,130,883	1,552,937,965	1,237,406,667
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....1,804,345 cost containment expenses .....		22,107,035	13,738,026
21. General administrative expenses .....		108,398,201	87,585,392
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		12,900,000	.0
23. Total underwriting deductions (Lines 18 through 22).....	32,130,883	1,696,343,201	1,338,730,085
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	9,841,210	28,800,151
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		14,905,338	19,605,242
26. Net realized capital gains (losses) less capital gains tax of \$ .....		4,519,152	1,192,027
27. Net investment gains (losses) (Lines 25 plus 26) .....	.0	19,424,490	20,797,269
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	29,265,700	49,597,420
31. Federal and foreign income taxes incurred .....	XXX	143,583	(59,167)
32. Net income (loss) (Lines 30 minus 31) .....	XXX	29,122,117	49,656,587
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
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	0	0
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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Medica Health Plans  
**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	1,706,184,411		1,482,975	3,031,117		8,075,714	448,149,140	776,187,999		
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									
4. Risk revenue	0									
5. Aggregate write-ins for other health care related revenues	0	0	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)	1,706,184,411	469,257,466	1,482,975	3,031,117	XXX	8,075,714	448,149,140	776,187,999	XXX	0
8. Hospital/medical benefits	989,839,532	89,308,587	1,024,631			7,613,234	344,089,073	547,804,007		0
9. Other professional services	24,885,509	81,881	1,827	(462,368)			2,133,250	23,131,119		0
10. Outside referrals	0	0	0	0	0	0	0	0	0	0
11. Emergency room and out-of-area	81,189,892	5,243,488	89,362	0	0	649,775	37,197,510	38,009,757	0	0
12. Prescription drugs	139,083,878	14,324,406	152,472	0	0	1,452,397	37,743,295	84,811,308	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	4,871,065	109,559,162	1,268,292	(462,368)	0	9,715,406	4,871,065	683,756,191	0	0
15. Subtotal (Lines 8 to 14)	1,239,869,876	(310,434,877)	1,268,292	(2,633,412)	0	9,715,406	426,034,193	683,756,191	0	0
16. Net reinsurance recoveries	(313,086,089)	419,992,839	1,268,292	2,171,044	0	9,715,406	426,034,193	683,756,191	0	0
17. Total medical and hospital (Lines 15 minus 16)	1,552,937,965	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
18. Non-health claims (net)	0	0	0	0	0	0	0	0	0	0
19. Claims adjustment expenses including \$ 1,804,345 cost containing expenses	22,107,035	1,783,887	38,782	0	0	0	6,330,688	13,953,668	0	0
20. General administrative expenses	108,389,201	49,422,532	240,969	(4,412)	0	92,699	19,707,454	38,938,959	0	0
21. Increase in reserves for accident and health contracts	12,900,000	0	0	0	0	0	0	12,900,000	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)	1,696,343,201	471,199,258	1,548,043	2,166,632	0	9,808,105	452,072,345	759,548,818	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	9,841,210	(1,941,792)	(65,068)	864,485	0	(1,732,391)	(3,923,205)	16,639,181	0	0
DETAILS OF WRITE-INS										
0501.										
0502.										
0503.										
0598.										
0599.										
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0698.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										
1302.										
1303.										
1398.										
1399.										

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Medica Health Plans  
**UNDERWRITING AND INVESTMENT EXHIBIT**  
 PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		On Claims Incurred During the Year	Claim Reserve and Claim Liability		Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year		3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	38,076,649	377,891,637	4,830,735	42,246,082	42,907,384	42,469,194	
2. Medicare Supplement	276,197	1,040,446	46,065	1,659,961	322,262	1,741,819	
3. Dental Only		2,633,412					
4. Vision Only							
5. Federal Employees Health Benefits Plan	408,479	8,810,929	134	999,087	408,613	503,224	
6. Title XVIII - Medicare	29,340,587	379,057,095	1,064,429	32,099,626	30,405,016	20,921,448	
7. Title XIX - Medicaid	58,385,934	636,173,372	2,923,374	91,763,744	61,309,308	97,803,007	
8. Other health							
9. Health subtotal (Lines 1 to 8)	126,487,846	1,405,606,891	8,864,737	168,768,500	135,352,583	163,438,692	
10. Healthcare receivables (a)	3,385,770	(806,291)			3,385,770	4,357,098	
11. Other non-health							
12. Medical incentive pools and bonus amounts	4,296,071		797,984	2,105,875	5,094,005	2,328,816	
13. Totals (Lines 9 - 10 + 11 + 12)	127,398,147	1,406,413,182	9,662,671	170,874,375	137,060,818	161,410,410	

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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Medica Health Plans

**FIVE-YEAR HISTORICAL DATA**

	1 2010	2 2009	3 2008	4 2007	5 2006
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28) .....	675,307,053	586,325,665	506,233,445	578,584,206	520,512,178
2. Total liabilities (Page 3, Line 24) .....	275,977,681	225,052,658	188,529,936	259,084,421	238,757,931
3. Statutory surplus .....	109,027,214	109,027,214	72,122,970	77,164,120	79,852,544
4. Total capital and surplus (Page 3, Line 33) .....	399,329,372	361,273,007	317,703,509	319,499,785	281,754,247
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8) .....	1,706,184,411	1,367,530,236	1,053,127,029	1,042,213,196	1,026,507,296
6. Total medical and hospital expenses (Line 18) .....	1,552,937,965	1,237,406,667	951,540,444	959,755,663	996,120,704
7. Claims adjustment expenses (Line 20) .....	22,107,035	13,738,026	14,433,209	14,201,930	16,160,631
8. Total administrative expenses (Line 21) .....	108,398,201	87,585,392	65,717,350	67,472,583	65,764,364
9. Net underwriting gain (loss) (Line 24) .....	9,841,210	28,800,151	21,436,026	783,020	(51,538,403)
10. Net investment gain (loss) (Line 27) .....	19,424,490	20,797,269	(10,016,370)	27,948,190	26,368,965
11. Total other income (Lines 28 plus 29) .....	0	0	0	0	0
12. Net income or (loss) (Line 32) .....	29,122,117	49,656,587	11,527,689	29,966,142	(27,023,930)
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	63,884,382	26,651,072	(22,161,626)	41,501,861	(25,653,237)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	399,329,372	361,273,007	317,703,509	319,499,785	281,754,247
15. Authorized control level risk-based capital .....	59,739,975	46,273,817	36,061,485	38,582,060	39,926,272
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7) .....	197,710	179,625	165,551	183,622	186,821
17. Total members months (Column 6, Line 7) .....	2,379,472	2,091,689	1,983,628	2,262,480	2,485,420
<b>Operating Percentage (Page 4)</b> (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) .....	91.0	90.5	90.4	92.1	97.0
20. Cost containment expenses .....	0.1	0.1	0.2	0.2	0.0
21. Other claims adjustment expenses .....	1.2	0.9	1.2	1.2	1.4
22. Total underwriting deductions (Line 23) .....	99.4	97.9	98.0	99.9	105.0
23. Total underwriting gain (loss) (Line 24) .....	0.6	2.1	2.0	0.1	(5.0)
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	137,060,818	106,713,269	99,688,395	94,195,055	120,696,891
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	161,410,410	122,853,935	121,801,577	117,360,461	122,994,464
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
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: .....