

ANNUAL STATEMENT
OF THE
SANFORD HEALTH PLAN OF MINNESOTA

2010

of
Sioux Falls
in the state of
Minnesota
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 SANFORD HEALTH PLAN OF MINNESOTA

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	10,583	11,476
2. Net premium income (including \$ 0 non-health premium income).....	XXX	2,718,504	3,034,576
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	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	2,718,504	3,034,576
Hospital and Medical:			
9. Hospital/medical benefits		1,853,620	2,139,264
10. Other professional services		73,268	66,284
11. Outside referrals		90,904	201,456
12. Emergency room and out-of-area		9,028	5,717
13. Prescription drugs		279,769	355,835
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	2,306,589	2,768,556
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	0	2,306,589	2,768,556
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ 43,158 cost containment expenses.....		89,489	98,057
21. General administrative expenses.....		494,265	492,807
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only).....		227,000	0
23. Total underwriting deductions (Lines 18 through 22)	0	3,117,343	3,359,420
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(398,839)	(324,844)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		4,026	11,622
26. Net realized capital gains (losses) less capital gains tax of \$			0
27. Net investment gains (losses) (Lines 25 plus 26)	0	4,026	11,622
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	(394,813)	(313,222)
31. Federal and foreign income taxes incurred	XXX	(29,078)	0
32. Net income (loss) (Lines 30 minus 31)	XXX	(365,735)	(313,222)
DETAILS OF WRITE-INS			
0601.	XXX		0
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401.			0
1402.			0
1403.			0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	0	0
2901.			0
2902.			0
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2010 OF THE SANFORD HEALTH PLAN OF MINNESOTA
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	2,718,504	2,231,071	487,432							
2. Change in unearned premium reserves and reserve for rate credit medical expenses	0									
3. Fee-for-service (net of \$	0									
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0									XXX
6. Aggregate write-ins for other non-health care related revenues	0									XXX
7. Total revenues (Lines 1 to 6)	2,718,504	2,231,071	487,432	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8. Hospital/medical benefits	1,853,620	1,440,619	413,001							
9. Other professional services	73,268	44,611	28,657							
10. Outside referrals	90,904	71,609	19,295							
11. Emergency room and out-of-area	9,028	7,271	1,757							
12. Prescription drugs	279,769	279,766	2							
13. Aggregate write-ins for other hospital and medical	0	0	0							
14. Incentive pool, withhold adjustments and bonus amounts	0									
15. Subtotal (Lines 8 to 14)	2,306,589	1,843,877	462,712							
16. Net reinsurance recoveries	0									
17. Total hospital and medical (Lines 15 minus 16)	2,306,589	1,843,877	462,712							
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
19. Claims adjustment expenses including \$	89,489	89,489	0							
20. General administrative expenses	494,265	404,864	89,401							
21. Increase in reserves for accident and health contracts	227,000	0	227,000							
22. Increase in reserves for life contracts	0									
23. Total underwriting deductions (Lines 17 to 22)	3,117,343	2,338,230	779,113	XXX	XXX	XXX	XXX	XXX	XXX	XXX
24. Net underwriting gain or (loss) (Line 7 minus Line 23) DETAILS OF WRITE-INS	(398,839)	(107,158)	(291,681)							
0501.	0									
0502.	0									
0503.	0									
0598. Summary of remaining write-ins for Line 5 from overflow page	0									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	0
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
0698. Summary of remaining write-ins for Line 6 from overflow page	0									
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
1301.	0									
1302.	0									
1303.	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 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE SANFORD HEALTH PLAN OF MINNESOTA

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 December 31 of Prior Year	Claim Reserve and Claim Liability Dec. 31 of Current Year		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)	203,136	1,767,199	0	151,526	203,136	277,983	
2. Medicare Supplement	56,526	406,804	238	59,317	56,764	60,173	
3. Dental Only							
4. Vision Only							
5. Federal Employees Health Benefits Plan							
6. Title XVIII - Medicare							
7. Title XIX - Medicaid							
8. Other health							
9. Health subtotal (Lines 1 to 8)	259,662	2,174,003	238	210,843	259,900	338,156	
10. Healthcare receivables (a)							
11. Other non-health							
12. Medical incentive pools and bonus amounts							
13. Totals (Lines 9-10+11+12)	259,662	2,174,003	238	210,843	259,900	338,156	

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

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)	1,963,527	2,268,604	2,525,282	2,888,823	2,428,169
2. Total liabilities (Page 3, Line 24)	622,297	562,290	505,639	497,455	277,516
3. Statutory surplus	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
4. Total capital and surplus (Page 3, Line 33)	1,341,230	1,706,313	2,019,643	2,391,367	2,150,653
Income Statement (Page 4)					
5. Total revenues (Line 8)	2,718,504	3,034,576	2,462,239	1,563,292	1,601,019
6. Total medical and hospital expenses (Line 18)	2,306,589	2,768,556	2,487,373	1,023,713	1,181,651
7. Claims adjustment expenses (Line 20)	89,489	98,057	69,314	44,928	26,588
8. Total administrative expenses (Line 21)	494,265	492,807	420,460	275,585	276,837
9. Net underwriting gain (loss) (Line 24)	(398,839)	(324,844)	(514,909)	219,066	115,943
10. Net investment gain (loss) (Line 27)	4,026	11,622	45,399	110,157	99,710
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	(365,735)	(313,222)	(371,387)	223,925	211,278
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(316,745)	(151,013)	(492,999)	470,214	203,967
Risk-Based Capital Analysis					
14. Total adjusted capital	1,341,230	1,706,313	2,019,643	2,391,367	2,150,653
15. Authorized control level risk-based capital	337,198	254,584	211,990	211,080	211,011
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	879	1,029	578	468	510
17. Total members months (Column 6, Line 7)	10,583	11,476	8,432	5,733	5,983
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)	84.8	91.2	101.0	65.5	73.8
20. Cost containment expenses	1.6	0.8	0.8	1.0	0.7
21. Other claims adjustment expenses	1.7	2.4	2.0	1.9	1.0
22. Total underwriting deductions (Line 23)	114.7	110.7	120.9	86.0	92.8
23. Total underwriting gain (loss) (Line 24)	(14.7)	(10.7)	(20.9)	14.0	7.2
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	259,900	271,468	201,598	106,989	135,931
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	338,156	301,779	141,427	162,271	175,771
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0

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

If no, please explain: