



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2009
OF THE CONDITION AND AFFAIRS OF THE

Arcadian Health Plan, Inc.

NAIC Group Code 3681 3681 NAIC Company Code 12151 Employer's ID Number 20-1001348
(Current) (Prior)

Organized under the Laws of Washington, State of Domicile or Port of Entry Washington

Country of Domicile United States of America

Licensed as business type: Other

Is HMO Federally Qualified? Yes [X] No []

Incorporated/Organized 04/06/2004 Commenced Business 07/21/2004

Statutory Home Office 500 12th Street, Ste 350, Oakland, CA 94607
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 500 12th Street, Ste 350
(Street and Number)
Oakland, CA 94607, 510-832-0311
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 500 12th Street, Ste 350, Oakland, CA 94607
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1330 N. Washington St., Suite 3500
(Street and Number)
Spokane, WA 92201, 510-832-0311
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.arcadianhealth.com

Statutory Statement Contact Stacy Elise Parsons, 510-817-1815
(Name) (Area Code) (Telephone Number)
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(E-mail Address) (FAX Number)

OFFICERS

CEO/President/Secretary Robert Lawrence Falhman CFO David Carl Buhler #
Treasurer Kenneth Benjamin Zimmerman

OTHER

DIRECTORS OR TRUSTEES

Robert Lawrence Falhman David Carl Buhler # Kenneth Benjamin Zimmerman
Chase Spencer Milbrandt Cheryl Yvonne Perkins

State of California SS:
County of Alameda

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.

Robert Lawrence Falhman
CEO/President/Secretary

Kenneth Benjamin Zimmerman
Treasurer

David Carl Buhler
CFO

Subscribed and sworn to before me this _____ day of _____

- 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.....

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARCADIAN HEALTH PLAN, INC.

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	37,145,956		37,145,956	47,074,237
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	9,308,795		9,308,795	6,286,753
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
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 (\$3,585,212), cash equivalents (\$0), and short-term investments (\$21,775,072)	25,360,284		25,360,284	3,069,787
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets	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)	71,815,035	0	71,815,035	56,430,777
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	446,780		446,780	589,355
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	5,984,748	4,820	5,979,928	9,592,342
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	1,193,451		1,193,451	603,189
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	945,313		945,313	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset	2,085,991	111,180	1,974,811	1,974,811
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 (\$)	337,508	337,508	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	3,908,834		3,908,834	3,736,494
22. Health care (\$4,326,775) and other amounts receivable	3,770,646	46,712	3,723,934	2,562,429
23. Aggregate write-ins for other than invested assets	484,807	484,807	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	90,973,113	985,027	89,988,086	75,489,397
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	90,973,113	985,027	89,988,086	75,489,397
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. Prepaid Expenses	430,374	430,374	0	0
2302. Non-Statutory Deposits	54,433	54,433	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)	484,807	484,807	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	25,626,355	4,761,840	30,388,195	31,240,424
2. Accrued medical incentive pool and bonus amounts	245,715		245,715	195,916
3. Unpaid claims adjustment expenses	1,117,070		1,117,070	1,148,398
4. Aggregate health policy reserves	0		0	255,559
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	8,651,676		8,651,676	5,797,520
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	1,222,130
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	130,626		130,626	0
13. Remittances 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	1,548,612		1,548,612	281,944
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	2,174,397		2,174,397	4,680,369
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	39,494,451	4,761,840	44,256,291	44,822,260
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	600,000	600,000
25. Preferred capital stock	XXX	XXX		
26. Gross paid in and contributed surplus	XXX	XXX	34,696,777	34,696,777
27. Surplus notes	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	10,435,018	(4,629,640)
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24 \$)	XXX	XXX		
30.2 shares preferred (value included in Line 25 \$)	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	45,731,795	30,667,137
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	89,988,086	75,489,397
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
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)	0	0	0	0
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 To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	253,252	227,278	303,299
2. Net premium income (including \$ non-health premium income).....	XXX	202,344,815	170,973,915	230,337,506
3. Change in unearned premium reserves and reserve for rate credits.....	XXX			
4. Fee-for-service (net of \$ medical expenses).....	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	202,344,815	170,973,915	230,337,506
Hospital and Medical:				
9. Hospital/medical benefits		94,753,031	82,936,565	109,654,900
10. Other professional services		15,653,586	13,314,765	19,234,596
11. Outside referrals	19,733,352	19,733,352	23,198,238	29,330,632
12. Emergency room and out-of-area	1,999,191	5,991,631	3,641,104	4,916,170
13. Prescription drugs		23,015,754	19,489,338	25,516,997
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		525,658	213,342	290,764
16. Subtotal (Lines 9 to 15)	21,732,543	159,673,012	142,793,352	188,944,059
Less:				
17. Net reinsurance recoveries		1,223,620	1,318,035	1,796,723
18. Total hospital and medical (Lines 16 minus 17)	21,732,543	158,449,392	141,475,317	187,147,336
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ cost containment expenses	0	5,838,254	3,713,532	7,674,579
21. General administrative expenses		25,411,559	24,405,514	33,053,771
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				0
23. Total underwriting deductions (Lines 18 through 22).....	21,732,543	189,699,205	169,594,363	227,875,686
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	12,645,610	1,379,552	2,461,820
25. Net investment income earned		1,883,669	2,026,964	2,640,650
26. Net realized capital gains (losses) less capital gains tax of \$		38,200	87,636	95,638
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,921,869	2,114,600	2,736,288
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	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	14,567,479	3,494,152	5,198,108
31. Federal and foreign income taxes incurred	XXX	4,157,614		1,222,130
32. Net income (loss) (Lines 30 minus 31)	XXX	10,409,865	3,494,152	3,975,978
DETAILS OF WRITE-INS				
0601.	XXX			
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	0	0	0
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0	0
1401. Vision				0
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	30,667,137	21,318,801	21,318,801
34. Net income or (loss) from Line 32.....	10,409,865	3,494,152	3,975,978
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....	2,993,456	348,423	1,961,492
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....		3,584,916	2,085,991
39. Change in nonadmitted assets.....	1,330,937	1,014,850	1,324,875
40. Change in unauthorized reinsurance.....	0	0	0
41. Change in treasury stock.....	0	0	0
42. Change in surplus notes.....	0	0	0
43. Cumulative effect of changes in accounting principles.....			
44. Capital Changes:			
44.1 Paid in.....	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....	0	0	0
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....			
47. Aggregate write-ins for gains or (losses) in surplus.....	330,400	0	0
48. Net change in capital & surplus (Lines 34 to 47).....	15,064,658	8,442,341	9,348,336
49. Capital and surplus end of reporting period (Line 33 plus 48)	45,731,795	29,761,142	30,667,137
DETAILS OF WRITE-INS			
4701. 2006 Audit Adjustments.....	330,400	0	0
4702. Adjustment for 2006 variance - P3, L31, C3 & P5, L48, C1.....			0
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	330,400	0	0

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARCADIAN HEALTH PLAN, INC.

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	205,836,794	215,467,501
2. Net investment income	2,166,062	2,607,026
3. Miscellaneous income	0	0
4. Total (Lines 1 to 3)	208,002,856	218,074,527
5. Benefit and loss related payments	159,842,084	180,469,667
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	31,878,270	41,529,947
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	5,379,744	0
10. Total (Lines 5 through 9)	197,100,098	221,999,614
11. Net cash from operations (Line 4 minus Line 10)	10,902,758	(3,925,087)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	24,386,364	22,342,191
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)	24,386,364	22,342,191
13. Cost of investments acquired (long-term only):		
13.1 Bonds	14,610,439	30,732,218
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)	14,610,439	30,732,218
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	9,775,925	(8,390,027)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	1,611,814	(2,512,067)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,611,814	(2,512,067)
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)	22,290,497	(14,827,181)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	3,069,787	17,896,968
19.2 End of period (Line 18 plus Line 19.1)	25,360,284	3,069,787

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

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STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARCADIAN HEALTH PLAN, INC.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	25,241	0	0	0	0	0	0	25,241	0	0
2. First Quarter	27,873							27,873		
3. Second Quarter	28,605							28,605		
4. Third Quarter	28,494							28,494		
5. Current Year	0									
6. Current Year Member Months	253,252							253,252		
Total Member Ambulatory Encounters for Period:										
7. Physician	269,532							269,532		
8. Non-Physician	225,611							225,611		
9. Total	495,143	0	0	0	0	0	0	495,143	0	0
10. Hospital Patient Days Incurred	36,340							36,340		
11. Number of Inpatient Admissions	3,498							3,498		
12. Health Premiums Written (a)	204,010,465							204,010,465		
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0							0		
15. Health Premiums Earned	204,010,465							204,010,465		
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services.....	159,251,823							159,251,823		
18. Amount Incurred for Provision of Health Care Services	159,673,012	0	0	0	0	0	0	159,673,012	0	0

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$204,010,465

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 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 Dec. 31 of Prior Year	4 On Claims Incurred During the 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					0	0
6. Title XVIII - Medicare	25,292,092	136,969,327	1,388,508	28,999,688	26,680,600	31,240,423
7. Title XIX - Medicaid					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	25,292,092	136,969,327	1,388,508	28,999,688	26,680,600	31,240,423
10. Healthcare receivables (a)	1,410,619	2,074,837			1,410,619	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	475,859		63,109	182,606	538,968	195,916
13. Totals	24,357,332	134,894,490	1,451,617	29,182,294	25,808,949	31,436,339

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

1. **Summary of Significant Accounting Policies**

A. Accounting Practices

The accompanying financial statements of the Company have been prepared in conformity with the Statutory Accounting Practices (“SAP”) set forth in the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual*, version effective March 2009.

The Washington Office of Insurance Commissioner (“WA OIC”) requires that insurance companies domiciled in Washington prepare their statutory basis financial statements in accordance with NAIC SAP to the extent that the practices and procedures contained in the manual do not conflict with any other provisions of Title 48 of the Revised Code of Washington. Title 48 of the Revised Code of Washington contains differences from NAIC SAP - specifically, Sections 48.13.010 to 48.13.360 which supersede the NAIC SAP rules pertaining to allowable investments.

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

The preparation of financial statements as prescribed by SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Investments

Investments are stated in accordance with methods and values adopted by the NAIC and, as such, bonds are generally stated at amortized cost. Premiums and discounts on fixed maturity investments are accreted to income using the modified scientific method over the anticipated life of the security. Short-term investments and U.S. Treasury Bills are carried at amortized cost, which approximates fair market value. Market values are determined using market prices published by the NAIC Securities Valuation Office (“SVO”), IDC or Bloomberg.

The Company carries the value of its subsidiary, Arkansas Community Care, Inc. (“ACC”) based on the equity method, and as such, records any changes in undistributed earnings or losses as unrealized gains or losses. Net investment income earned consists of interest less investments related expense. Interest is recognized on an accrual basis. Realized gains or losses on the sale of investments are determined on the specific identification method. Unrealized gains or losses are reflected directly in unassigned surplus and, accordingly, do not affect the statements of income.

Cash and Short-Term Investments

Cash includes balances held in banks as well as certificates of deposit with maturities of less than one year. Investments which have a maturity of one year or less, at the date of purchase, including money market mutual funds, are considered short-term and are carried at cost or amortized cost.

Other Accounting Policies

Unpaid claims adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not yet reported. Such estimates are based on assumptions, and while management believes the amount to be adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and adjustments are reflected in the period determined.

The costs to acquire new members are expensed as incurred.

2. **Accounting Changes and Corrections of Errors**

There have been no changes since the 2008 annual filing.

3. **Business Combinations and Goodwill**

Not Applicable

4. **Discontinued Operations**

Not Applicable

5. **Investments**

A, B & C. Arcadian Health Plan, Inc. ("AHP") had no mortgage loans, debt restructuring or reverse mortgages at September 30, 2009.

D. AHP currently has no other-than-temporarily impaired loan-backed securities. All lower rated mortgage securities have been tested and there is no case where the cash flows are less than the amortized cost. However, securities that meet these criteria would be handled as follows. Any loan-backed security rated NAIC6 would be considered impaired if the present value of discounted future cash flows were less than amortized cost. Bloomberg or Intex cash flows would be used and default rates and severities assumed as the actual values of the last six months. These assumptions are conservative due to the significant issues experienced with mortgage loans during this period.

E, F & G. AHP had no repurchase agreements, real estate investments or Low Income Housing Tax Credit investments at September 30, 2009.

6. **Joint Ventures, Partnerships and Limited Liability Companies**

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

7. **Investment Income**

For the 9 months ending September 30, 2009, reported net investment income was \$1,883,669, which includes a \$600,000 dividend payment from the Company's subsidiary. At September 30, 2009 AHP had investment income due and accrued of \$446,780, all of which has been admitted.

8. **Derivative Instruments**

Not Applicable

9. **Income Taxes**

A. The company has deferred tax assets that consist of the following:

	2008	2007
Total deferred tax asset	\$ 2,085,991	\$ 3,584,916
Non-admitted deferred tax asset	(111,180)	(1,790,821)
Admitted deferred tax asset	<u>1,974,811</u>	<u>1,794,095</u>
Change in non-admitted deferred tax asset	<u>\$ 1,679,641</u>	<u>\$ 2,369,881</u>

B. Not Applicable

C. The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets were as follows:

	2008	2007	Change
Depreciation and amortization	\$ 155,023	\$ 160,709	\$ (5,686)
Unpaid losses and LAE	459,958	885,072	(425,114)
Unearned premiums	-	2,948	(2,948)
Accruals and reserves	1,514,853	897,470	617,383
Net operating loss carry-forwards	-	1,654,826	(1,654,826)
Other	(43,843)	(16,109)	(27,734)
Total deferred tax assets	<u>2,085,991</u>	<u>3,584,916</u>	<u>(1,498,925)</u>
Non-admitted deferred tax assets	<u>(111,180)</u>	<u>(1,790,821)</u>	<u>1,679,641</u>
Net deferred tax assets	<u>\$ 1,974,811</u>	<u>\$ 1,794,095</u>	<u>\$ 180,716</u>

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

	<u>2008</u>	<u>Percent</u>	<u>2007</u>	<u>Percent</u>
Income before taxes	\$ 5,198,114	-	\$ 4,661,345	-
U.S. tax at statutory rate	1,767,359	34.00 %	1,584,857	34.00 %
Expenses deducted on books not deducted on the return	953,696	18.35 %	(1,009,071)	(21.65) %
Change in non-admitted deferred tax	(1,679,647)	(32.32) %	-	-
Deferred tax	180,717	3.48 %	(2,369,881)	(50.84) %
Current tax expense (benefit)	<u>\$ 1,222,130</u>	<u>23.51 %</u>	<u>\$ (1,794,095)</u>	<u>(38.49) %</u>

- E. At December 31, 2008, the Company did not have any operating loss carry-forwards.
- F. The Company's federal income tax return is consolidated with Arcadian Management Services, Inc. ("AMS"), Arkansas Community Care, Inc. ("ACC"), Arcadian Health Plan of Georgia, Inc. ("AHPGA"), Arcadian Health Plan of Louisiana, Inc. ("AHPLA") Arcadian Health Plan of North Carolina, Inc. ("AHPNC") and Arcadian Health Plan of New York, Inc. ("AHPNY"). The agreement established among the companies is to use a pure separate company approach with no current credit for any net operating losses or other items utilized in the consolidated tax return.

The Company remits current federal income taxes to its parent, AMS under a tax allocation agreement which became effective on January 1, 2009. This agreement permits the Company to remit taxes to its parent that would otherwise be payable to the federal government if done on a standalone basis. AMS files a consolidated federal income tax return for which subsidiary gains at AHP are sheltered by parent company losses.

10. **Information Concerning Parent, Subsidiaries and Affiliates**

- A. AHP is a subsidiary of AMS.
- B & C. Not Applicable
- D. At September 30, 2009, the Company had the following receivables and payables, net from its parent and affiliated companies:

	<u>Receivable</u>	<u>Payable</u>
AMS	\$ -	\$ 1,548,612
ACC	1,777,611	-
AHPGA	598,781	-
AHPLA	887,254	-
AHPNC	551,158	-
AHPNY	94,030	-
Total Receivable/Payable	<u>\$ 3,908,834</u>	<u>\$ 1,548,612</u>

The majority of the amounts owed to the Company are a combination of pharmacy costs and broker commissions paid from AHP's bank account on behalf of its affiliate and subsidiary companies. Additionally, AHP has management fees due to the parent company which include those of ACC, AHPGA, AHPLA and AHPNC. AHP also pays for the general and administrative ("G&A") expenses for these affiliated companies. G&A expenses are initially borne on AHP and subsequently allocated to its affiliates as discussed in Note F. The terms of all intercompany agreements require that these balances be settled monthly.

- E. In March 2005, the Company and its parent company, AMS, jointly formed ACC. The Company owns 60% of the outstanding equity in ACC while AMS owns the remaining 40%. As of September 30, 2009 the Company has invested \$7,380,000 in ACC and classifies this as a long-term investment on the Company's financial statements.

ACC began operations on January 1, 2006 and operates solely in the Medicare market place offering Medicare Advantage products in the states of Arkansas, Oklahoma and Texas.

Summarized statutory financial information for ACC as of June 30, 2009 is:

Total Assets	\$ 29,210,554
Total Net Admitted Assets	\$ 28,880,757
Total Liabilities	\$ 13,366,099
Total Capital and Surplus	\$ 15,514,658

The company did not recognize any impairments or write downs for its investment in ACC during the statement period.

- F. AMS supplies certain services to the Company. Those services include enrollment processing, claims processing, professional credentialing, information technology, treasury, financial and tax services. Total compensation under this contract is on a per member per month basis with additional flat rate fees. These fees totaled \$7,863,557 for the 9-month period ending September 30, 2009, of which \$903,048 remained unpaid at month-end and is included in the payable due to the parent company AMS mentioned in Note 10.D.

All of the departmental costs associated with finance/accounting, health/member/physician services, pharmacy management, corporate sales, regulatory compliance, and new market development are originally recorded on the books of AHP and then allocated to the Company's subsidiary and affiliates based on membership (enrollment). The costs being allocated include the salaries, bonuses, expenses, and benefits of all employees that are listed as AHP employees that perform job functions for AHP, ACC, AHPGA, AHPLA, AHPNC and AHPNY. Other costs that are allocated to the subsidiary and affiliate health plans include, but are not limited to: postage, utilities, general consulting and legal fees, temporary help and employee recruitment, office supplies and depreciation on office furniture/equipment, software licenses, and overhead costs associated with the overall design and production of health plan marketing materials.

The following table summarizes costs allocated from AHP to its subsidiary and affiliates as of September 30, 2009.

	<u>2009</u>
Arkansas Community Care, Inc.	\$ 2,620,480
Arcadian Health Plan of Georgia, Inc.	757,155
Arcadian Health Plan of Louisiana, Inc.	1,109,189
Arcadian Health Plan of North Carolina, Inc.	824,582
Arcadian Health Plan of New York, Inc.	44,087
Total costs allocated by AHP	<u>\$ 5,355,493</u>

- G. All outstanding shares of the company are owned by its parent company (AMS), a management services organization domiciled in Delaware.

H. Not Applicable

- I, J & K. AHP does not have an investment in a Subsidiary, Controlled, or Affiliated Entity that exceeds 10% of the company's admitted assets. The Company likewise has no investments in foreign insurance subsidiaries.

11. **Debt**

The Company has no outstanding debt at September 30, 2009.

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

- A. The Company participates in a qualified, 401(k) plan sponsored by its parent company, AMS. Non-highly compensated employees that earned less than \$105,000 in the previous calendar year are eligible for a Company match of up to 5% of their annual income that they contribute to the

plan. Employer match contributions are made on a yearly basis and are accrued monthly. The Company's employer match liability for the 9-months ended September 30, 2009 is \$84,762.

The 401(k) plan is administered by Fidelity Investments and therefore the Company assumes none of the liabilities associated with its administration.

- B, C & D. The Company does not participate in any defined contribution plans, multiemployer plans, or consolidated/holding company plans.
- E. The Company accrues a liability for paid time off for its employees on a monthly basis. The liability for compensated absences can be reasonably estimated and is reflected as part of the general expenses due and accrued on page 3 of this quarterly filing.
- F. The Medicare Modernization Act on Postretirement Benefits had no material financial impact on the Company.

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

- 1. AHP has 60,000 shares authorized of \$10 par value common stock, of which all are issued and outstanding as of September 30, 2009. The Company's Articles of Incorporation were amended on July 21, 2006 to reflect an increase in stock authorized from 10,000 shares to 60,000 shares.
- 2. The Company has no preferred stock authorized.
- 3 & 4. The Company has not paid out any dividends to stockholders as of September 30, 2009 and is not expected to issue dividends based on 2008 financial results.
- 5. Not Applicable.
- 6. Not Applicable.
- 7. Not Applicable.
- 8. The Company owns three shares (60%) of stock in its subsidiary ACC for investment purposes. The Company does not have any stock held for special purposes such as conversion of preferred stock, employee stock options, or stock purchase warrants.
- 9. The total capital and surplus balance for 2008 was \$34,696,777. As of September 30, 2009, the parent company has not made any additional capital contributions.
- 10. The Company's unassigned funds were increased by an unrealized gain on its investment in ACC in the amount of \$1,928,795 which is the difference between its investment cost basis of \$7,380,000 and 60% of ACC's total statutory capital and surplus. Unassigned surplus also includes a reduction of \$985,027 for non-admitted assets, the majority of which is prepaid commissions and accounts receivable over 90-days. The remainder of the reduction is primarily office furniture and equipment, the non-admitted portion of the Deferred Tax Asset, and non-statutory deposits.
- 11, 12 & 13. The Company does not have any surplus notes and has not entered into any quasi-reorganizations.

14. **Contingencies**

- A. Not Applicable
- B, C, D & E. AHP has not had any assessments, gain contingencies, contractual or bad faith losses related to lawsuits or any other contingencies.

15. **Leases**

- A. The Company leases office equipment under various non-cancelable operating agreements that expire on, or before, October 31, 2013. In addition, the Company has entered into multiple leases for office space that expire in 2014. Total lease payments for the 9-months ending September 30, 2009 were \$327,342.

As of September 30, 2009 the Company has the following aggregate and remaining rental commitments:

Year	<u>Amount</u>
2009	\$ 94,184
2010	399,125
2011	246,692
2012	67,220
2013	41,381
2014	<u>32,277</u>
Total	<u>\$ 880,879</u>

B. Leasing is not a significant part of the Company’s business activities in terms of revenue, net income or assets.

16. **Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

Not Applicable

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

Not Applicable

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

A. ASO Plans - Not applicable

B. ASC Plans – Not applicable

C. Medicare Plans – Low Income Cost Sharing (“LICS”) reconciliation payable.

The Company receives LICS advance payments from the Center of Medicare and Medicaid Services (“CMS”) on a monthly basis. These payments represent the difference that CMS pays on behalf of low income beneficiaries for their prescriptions versus non-low income beneficiaries. It is paid to AHP on a prospective basis. Plans are paid dollar for dollar for the low income subsidy cost sharing, and since plans are paid prospectively, an annual reconciliation will be performed. The difference between the actual LICS pharmacy costs incurred for the 2009 service year and the advance payments received will be recognized as a payable (if advance payments are higher than costs) or a receivable (if advance payments are less than costs), and settled with CMS approximately six months after year end.

As of September 30, 2009, the Company’s receivable related to LICS was \$945,313.

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

Not Applicable

20. **Other Items**

The following changes were made to conform with the WA OIC’s audit recommendations:

AHP did not report any "Amounts withheld or retained for the account of others" liability amount prior to September 30, 2009. Prior to September 30, 2009, accrued taxes, 401K, and flexible spending account liabilities were recorded under “General expenses due or accrued.” The above mentioned liabilities have been removed from page 3, line 9 and are now being recorded under "Amounts withheld or retained for the account of others."

The Company's inclusion of Medicare Part D Reinsurance as actuarial liabilities in “Aggregate health policy reserves” is inconsistent with the WA OIC interpretation SSAP INT 05-05. Beginning

September 30, 2009 any liabilities related to Part D Reinsurance will be recorded under "Liability for amounts held under uninsured plans."

Lastly the Company has moved its pharmacy administration fees out of medical expenses and classified them as claims adjustment expenses.

21. **Events Subsequent**

There were no known type I or type II subsequent events for AHP that occurred after September 30, 2009.

22. **Reinsurance**

A. **Section 1 – General Interrogatories**

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% of controlled, either directly or indirectly, by the Company or by any representative, officer, trustee or director of the company?

Yes () No (X)

(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

A. **Section 2 – Ceded Reinsurance Report – Part A**

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

Yes () No (X)

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

Yes () No (X)

A. **Section 3 – Ceded Reinsurance Report – Part B**

(1) What is the estimated amount of aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected on Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of business reinsured in making this estimate. \$1,193,451.

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

Yes () No (X)

B. **Uncollectible Reinsurance** – Not Applicable (None)

C. **Commutation of Ceded Reinsurance** – Not Applicable (None)

23. **Retrospectively Rated Contracts & Contracts Subject to Redetermination**

A. The Company estimates accrued retrospective premium adjustments through a mathematical approach using an algorithm provided by CMS in the CMS Prescription Drug Event Data Training Participant Guide.

B. The Company records accrued retrospective premium as an adjustment of earned premium.

- C. The amount of net premiums written by the Company at September 30, 2009 that are subject to retrospective rating features was \$1,502,593, that represented 0.7% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

24. **Change in Incurred Claims and Claim Adjustment Expenses**

Reserves for incurred losses and loss adjustment expenses attributable to insured events has decreased by \$833,758 from \$32,584,738 at December 31, 2008 to \$31,750,980 for the 9-months ended June 30, 2009. This increase is a result of changes in estimates of unpaid losses and loss adjustment expenses and is driven primarily by the result of ongoing analysis of recent loss development trends and favorable health experience trends combined with increased membership. Original estimates are increased or decreased as additional information becomes known regarding individual claims.

25. **Intercompany Pooling Arrangements**

Not Applicable

26. **Structured Settlements**

Not Applicable

27. **Health Care Receivables**

- A. Pharmaceutical Rebate Receivables – The Company booked pharmacy rebates for 2008 and 2009 expenses that it expects to receive from its pharmaceutical vendor. Total pharmaceutical rebate receivables for the 9-months ended September 30, 2009 were \$2,475,490.
- B. Risk Sharing Receivables – Risk sharing can fluctuate between a liability (reported on page 3, line 4 of the financials) or an asset (reported on page 2, line 22 of the financials). The Center for Medicare and Medicaid Services (“CMS”) advances funds to the Company for pharmacy expenses based on bids submitted by the Company in the previous year. A portion of the difference between actual pharmacy expenses paid and the amounts received from CMS is listed as either a payable or receivable and is settled up with CMS the following year. The total risk sharing receivables for the 9-months ended September 30, 2009 were \$203,539.
- C. Other – (Claims Receivable Due from Providers, A/R –P2P and Agent Balances)

The Company paid medical and hospital claims on members that were subsequently terminated retroactively by CMS. As most of the claims paid were with contracted providers, the Company is able to seek reimbursement from the providers for these non-eligible members’ claims per provisions of the contracts. The receivable is recorded when billed and an allowance for doubtful accounts is provided based on historical collection rates and other factors. At September 30, 2009 the Company admitted a net receivable from providers of \$1,009,966.

In addition, the Company had incurred pharmacy claims on members that were subsequently transferred to other health plans, by CMS. Pursuant to Medicare Part D reimbursement regulations, the Company is able to bill the other plans for these claims (A/R – P2P) and report any non-payment to CMS after 30-days. Accordingly, the Company recorded A/R for P2P of \$22,691 as of September 30, 2009.

As of September 30, 2009, the Company had a receivable, net of allowances for doubtful accounts and over 90-day non-admitted, due from its agents of \$12,247. This receivable is driven primarily by commissions paid on retroactively terminated members. The Company expects that it will be able to fully recover these agent balances as it will be able to offset them against its ongoing payment of retention and renewal commissions.

28. **Participating Policies**

Not Applicable

29. **Premium Deficiency Reserves**

Not Applicable

30. **Anticipated Salvage and Subrogation**

Not Applicable

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 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. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 6.2 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
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 12/06/2007
- 6.4 By what department or departments?
Washington Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 7.1 Has this 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]
- 7.2 If yes, give full information:
- 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 below the names and location (city and state of the main office) of any affiliates regulated by a federal 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

GENERAL INTERROGATORIES

- 9.1 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 [] 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.
 9.11 If the response to 9.1 is No, please explain:

 9.2 Has the code of ethics for senior managers been amended? Yes [] No []
 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No []
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No []
 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No []
 11.2 If yes, give full and complete information relating thereto:

 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$0
 13. Amount of real estate and mortgages held in short-term investments: \$0
 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No []
 14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$0	\$0
14.22 Preferred Stock	\$0	\$0
14.23 Common Stock	\$6,286,753	\$9,308,795
14.24 Short-Term Investments	\$0	\$0
14.25 Mortgage Loans on Real Estate	\$0	\$0
14.26 All Other	\$0	\$0
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$6,286,753	\$9,308,795
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$0	\$0

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No []
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
 If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. 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, E - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
US Bank	Jacksonville, FL
US Bank	Saint Paul, MN
US Bank	Seattle, WA
US Bank	Winston-Salem, NC
Wells Fargo	Houston, TX
Wells Fargo	Portland, OR
Morgan Keegan	Memphis, TN
Bank of America	Austin, TX
Key Banc	Cleveland, OH
Bank of the West	WalnutCreek, CA
Suntrust	Oakland, CA
Citizens Bank	Manchester, NH
.....
.....

- 16.2 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)
.....
.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]
- 16.4 If yes, give full information relating thereto:

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

- 16.5 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	2 Name(s)	3 Address
112629	Parkway Advisors, LLP	6550 Directors Parkway Abilene, TX 79606

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 17.2 If no, list exceptions:

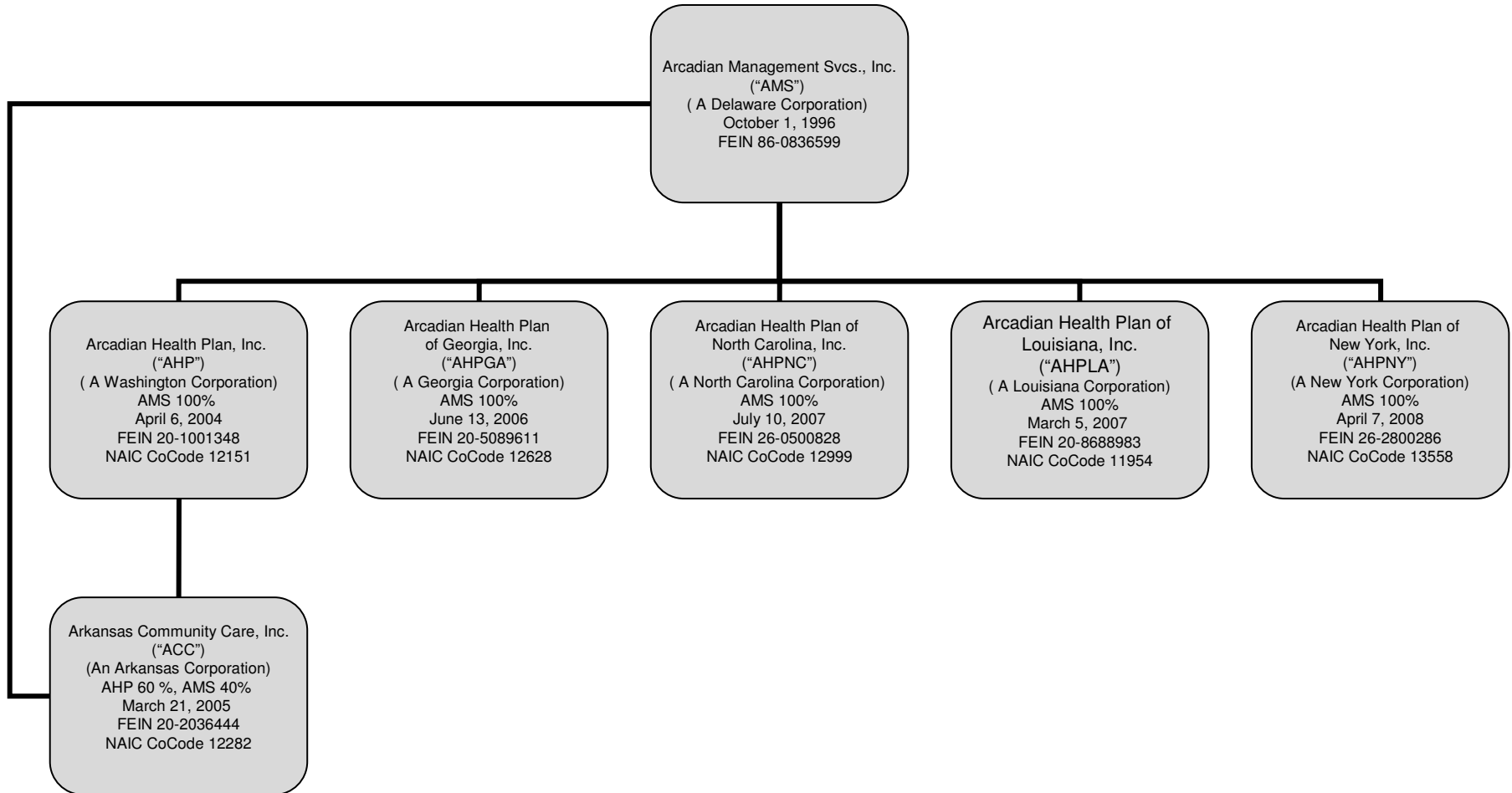
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	N							0	
2. Alaska	AK	N							0	
3. Arizona	AZ	L		22,430,142					22,430,142	
4. Arkansas	AR	N							0	
5. California	CA	L		0					0	
6. Colorado	CO	N							0	
7. Connecticut	CT	N							0	
8. Delaware	DE	N							0	
9. District of Columbia	DC	N							0	
10. Florida	FL	N							0	
11. Georgia	GA	N							0	
12. Hawaii	HI	N							0	
13. Idaho	ID	N							0	
14. Illinois	IL	N							0	
15. Indiana	IN	N							0	
16. Iowa	IA	N							0	
17. Kansas	KS	N							0	
18. Kentucky	KY	N							0	
19. Louisiana	LA	N							0	
20. Maine	ME	L		30,188,773					30,188,773	
21. Maryland	MD	N							0	
22. Massachusetts	MA	N							0	
23. Michigan	MI	N							0	
24. Minnesota	MN	N							0	
25. Mississippi	MS	N							0	
26. Missouri	MO	L	0	0	0	0	0	0	0	0
27. Montana	MT	N							0	
28. Nebraska	NE	N							0	
29. Nevada	NV	N							0	
30. New Hampshire	NH	L	0	0	0	0	0	0	0	0
31. New Jersey	NJ	N							0	
32. New Mexico	NM	N							0	
33. New York	NY	N							0	
34. North Carolina	NC	N							0	
35. North Dakota	ND	N							0	
36. Ohio	OH	N							0	
37. Oklahoma	OK	N							0	
38. Oregon	OR	N							0	
39. Pennsylvania	PA	N							0	
40. Rhode Island	RI	N							0	
41. South Carolina	SC	L	0	41,962,824	0	0	0	0	41,962,824	0
42. South Dakota	SD	N							0	
43. Tennessee	TN	N							0	
44. Texas	TX	L	0	84,290,120	0	0	0	0	84,290,120	0
45. Utah	UT	N							0	
46. Vermont	VT	N							0	
47. Virginia	VA	L							0	
48. Washington	WA	L	0	25,138,604	0	0	0	0	25,138,604	0
49. West Virginia	WV	N							0	
50. Wisconsin	WI	N							0	
51. Wyoming	WY	N							0	
52. American Samoa	AS	N							0	
53. Guam	GU	N							0	
54. Puerto Rico	PR	N							0	
55. U.S. Virgin Islands	VI	N							0	
56. Northern Mariana Islands	MP	N							0	
57. Canada	CN	N							0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	204,010,463	0	0	0	0	0	204,010,463	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX								0	
61. Totals (Direct Business)	(a) 9	0	204,010,463	0	0	0	0	0	204,010,463	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	0	0
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 ORGANIZATIONAL CHART



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

Explanation:

1. Part D coverage is provided through a Medicare Advantage Plan.

Bar Code:



Medicare Part D Coverage Supplement [Document Identifier 365]

OVERFLOW PAGE FOR WRITE-INS

NONE

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARCADIAN HEALTH PLAN, INC.

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
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		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	53,360,997	42,949,193
2. Cost of bonds and stocks acquired	14,610,439	30,732,218
3. Accrual of discount	35,049	72,356
4. Unrealized valuation increase (decrease)	2,993,449	1,961,492
5. Total gain (loss) on disposals	16,048	86,699
6. Deduct consideration for bonds and stocks disposed of	24,386,364	22,342,191
7. Deduct amortization of premium	174,867	98,770
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	46,454,751	53,360,997
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	46,454,751	53,360,997

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARCADIAN HEALTH PLAN, INC.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	44,000,954	43,811,028	30,295,350	(148,047)	45,329,652	44,000,954	57,368,585	54,641,114
2. Class 2 (a)	1,177,155	0	0	(3,010)	781,433	1,177,155	1,174,145	501,629
3. Class 3 (a)	260,373	0	10,666	(97,968)	0	260,373	151,739	99,505
4. Class 4 (a)	1	0	0	71,000	172,640	1	71,001	74,076
5. Class 5 (a)	99,559	0	0	(99,559)	0	99,559	0	
6. Class 6 (a)	63,378	0	105,512	197,694	0	63,378	155,560	
7. Total Bonds	45,601,420	43,811,028	30,411,528	(79,890)	46,283,725	45,601,420	58,921,030	55,316,324
PREFERRED STOCK								
8. Class 1	0				0	0	0	0
9. Class 2	0				0	0	0	0
10. Class 3	0				0	0	0	0
11. Class 4	0				0	0	0	0
12. Class 5	0				0	0	0	0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	45,601,420	43,811,028	30,411,528	(79,890)	46,283,725	45,601,420	58,921,030	55,316,324

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ 201,364 ; NAIC 2 \$ 0 ; NAIC 3 \$ 0 ; NAIC 4 \$ 0 ; NAIC 5 \$ 0 ; NAIC 6 \$ 0

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SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	21,775,072	XXX	21,786,237	8,989	8,384

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	8,242,087	18,915,128
2. Cost of short-term investments acquired	119,634,347	112,989,178
3. Accrual of discount		7,249
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	22,152	8,921
6. Deduct consideration received on disposals	106,111,881	123,636,153
7. Deduct amortization of premium	11,633	42,236
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	21,775,072	8,242,087
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	21,775,072	8,242,087

Schedule DB - Part F - Section 1 - Replicated (Synthetic) Assets Open

N O N E

Schedule DB - Part F - Section 2 - Reconciliation of Replicated (Synthetic) Assets Open

N O N E

SCHEDULE E - VERIFICATION

Cash Equivalents

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	1,995,436
2. Cost of cash equivalents acquired	5,999,807	25,359,815
3. Accrual of discount	25	78
4. Unrealized valuation increase (decrease)		(78)
5. Total gain (loss) on disposals		97
6. Deduct consideration received on disposals	5,999,832	27,355,348
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	0	0
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	0	0

Schedule A - Part 2 - Real Estate Acquired and Additions Made

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARCADIAN HEALTH PLAN, INC.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

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	10 NAIC Desig- nation or Market Indicator (a)
3133XT-XH-4	FHLB 1.625% 7/27/11		.08/05/2009	Morgan Keegan		100,667	100,000	.41	1FE
3133XT-S4-9	FHLB 1.875% 6/20/12		.08/05/2009	Morgan Keegan		99,924	100,000	.240	1FE
3133XC-SY-0	FHLB 4.875% 8/16/10		.08/06/2009	Raymond James		313,221	300,000	6,947	1FE
31359M-PF-4	FNMA 4.375% 9/15/12		.08/05/2009	Morgan Keegan		107,280	100,000	1,714	1FE
3128X4-BE-0	Freddie Mac		.08/21/2009	Morgan Keegan		509,860	500,000	7,508	1FE
3128X6-6L-5	Freddie Mac 3.125% 9/10/10		.08/06/2009	Raymond James		205,468	200,000	2,552	1FE
3134A4-QD-9	Freddie Mac 5.125% 7/15/12		.08/05/2009	Morgan Keegan		109,336	100,000	299	1FE
912828-KY-5	US Treasury Note		.07/29/2009	Morgan Keegan		501,484	500,000	1,070	1
912828-LM-0	US Treasury Note		.09/25/2009	Morgan Keegan		498,867	500,000	247	1FE
0399999. Bonds - U.S. Governments						2,446,107	2,400,000	20,618	XXX
8399997. Total - Bonds - Part 3						2,446,107	2,400,000	20,618	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						2,446,107	2,400,000	20,618	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						0	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	XXX
9999999 - Totals						2,446,107	XXX	20,618	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF SEPTEMBER 30, 2009 OF THE ARCADIAN HEALTH PLAN, INC.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22			
										11	12	13	14	15										
CUSIP Identification	Description	For-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's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	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	NAIC Designation or Market Indicator (a)			
3133XG-EQ-3	FHLB 5.25% 08/05/09		08/05/2009	MATURITY		400,000	400,000	413,720	406,345	0	(6,345)	0	(6,345)	0	400,000	0	0	0	21,000	08/05/2009	1FE			
3133XR-SH-1	FHLB 5.65% 7/23/2018		07/23/2009	CALLED @ 100.0000000		200,000	200,000	200,000	200,000	0	0	0	0	0	200,000	0	0	0	11,300	07/23/2018	1FE			
3133M9-FC-1	FHLB 6.50% 8/14/2009		08/14/2009	MATURITY		500,000	500,000	520,050	511,044	0	(11,044)	0	(11,044)	0	500,000	0	0	0	32,410	08/14/2009	1FE			
31398A-FA-5	FNMA 5.125% 7/13/09		07/13/2009	MATURITY	Coastal Securities Inc.	500,000	500,000	511,825	506,066	0	(6,066)	0	(6,066)	0	500,000	0	0	0	25,625	07/13/2009	1FE			
3136F7-3E-5	FNMA 5.70% 10/5/2021		07/17/2009			201,480	200,000	196,000	196,277	0	109	0	109	0	196,386	0	5,094	5,094	9,025	10/05/2021	1FE			
31359M-EY-5	FNMA 6.625% 9/15/2009		07/17/2009	UBS Financial Services		504,880	500,000	521,685	512,649	0	(9,726)	0	(9,726)	0	502,922	0	1,958	1,958	28,064	09/15/2009	1FE			
36291N-DJ-2	GNMA #632915		09/15/2009	PRINCIPAL RECEIPT		14,147	14,147	14,222	14,218	0	(75)	0	(75)	0	14,147	0	0	0	518	01/15/2021	1FE			
36202E-LJ-6	GNMA II Pool #3929		09/20/2009	PRINCIPAL RECEIPT		28,176	28,176	27,899	27,807	0	369	0	369	0	28,176	0	0	0	894	12/20/2036	1FE			
36241K-KV-9	GNMA Pool # 782108		09/15/2009	PRINCIPAL RECEIPT		8,768	8,768	8,661	8,671	0	97	0	97	0	8,768	0	0	0	323	08/15/2021	1FE			
36290R-OT-3	GNMA Pool #615266		09/15/2009	PRINCIPAL RECEIPT		12,988	12,988	12,761	12,774	0	215	0	215	0	12,988	0	0	0	439	06/15/2033	1FE			
36291U-AS-4	GNMA Pool #638217		09/15/2009	PRINCIPAL RECEIPT		3,356	3,356	3,266	3,277	0	79	0	79	0	3,356	0	0	0	113	12/15/2019	1FE			
36225B-SH-6	GNMA Pool #781752		09/15/2009	PRINCIPAL RECEIPT		5,683	5,683	5,720	5,712	0	(29)	0	(29)	0	5,683	0	0	0	185	06/15/2019	1FE			
36297A-KC-6	GNMA POOL#705991		09/15/2009	PRINCIPAL RECEIPT		13,995	13,995	14,485	0	0	(490)	0	(490)	0	13,995	0	0	0	313	01/15/2024	1FE			
312827-SN-8	US Treasury Bond		08/15/2009	MATURITY		500,000	500,000	517,109	504,545	0	(4,545)	0	(4,545)	0	500,000	0	0	0	30,000	08/15/2009	1			
0399999. Bonds - U.S. Governments						2,893,473	2,887,113	2,967,289	2,909,389	0	(37,451)	0	(37,451)	0	2,886,421	0	7,052	7,052	160,209	XXX	XXX			
3128MB-DN-4	FG Pool # G12609		09/15/2009	PRINCIPAL RECEIPT		36,391	36,391	37,005	36,974	0	(583)	0	(583)	0	36,391	0	0	0	1,314	04/01/2022	1FE			
3133XD-DP-3	FHLB 00-0582 H		09/25/2009	PRINCIPAL RECEIPT		6,499	6,499	6,479	6,492	0	7	0	7	0	6,499	0	0	0	201	10/25/2010	1FE			
3133XA-KZ-9	FHLB 4S-2012 1		09/25/2009	PRINCIPAL RECEIPT		8,010	8,010	7,975	7,995	0	15	0	15	0	8,010	0	0	0	250	01/12/2012	1FE			
3133XC-2X-0	FHLB 7H-2012 A		09/15/2009	PRINCIPAL RECEIPT		5,952	5,952	5,961	5,956	0	(4)	0	(4)	0	5,952	0	0	0	194	06/15/2012	1FE			
31393G-BB-5	FHR 2538 PE		09/15/2009	PRINCIPAL RECEIPT		49,286	49,286	50,026	49,900	0	(614)	0	(614)	0	49,286	0	0	0	1,752	09/15/2031	1FE			
31394G-TL-7	FHR 2657 QA		09/15/2009	PRINCIPAL RECEIPT		27,166	27,166	25,948	26,321	0	845	0	845	0	27,166	0	0	0	864	08/15/2023	1FE			
31396N-2C-9	FHR 3137 PJ		09/15/2009	PRINCIPAL RECEIPT		28,998	28,998	28,663	28,662	0	136	0	136	0	28,998	0	0	0	969	12/15/2013	1FE			
31394B-G3-2	FNR 2004-101 PM		08/25/2009	PRINCIPAL RECEIPT		22,916	22,916	22,612	22,609	0	107	0	107	0	22,916	0	0	0	650	02/25/2024	1FE			
38375J-CN-3	GNR 2007-2 AB		09/20/2009	PRINCIPAL RECEIPT		8,310	8,310	8,268	8,275	0	34	0	34	0	8,310	0	0	0	307	01/20/2035	1FE			
38375Q-WC-9	GNR 2008-50 QA		09/16/2009	PRINCIPAL RECEIPT		27,792	27,792	27,966	27,941	0	(149)	0	(149)	0	27,792	0	0	0	1,027	06/16/2038	1FE			
38375P-LQ-2	GNR 2008-9 DE		09/20/2009	PRINCIPAL RECEIPT		27,809	27,809	27,878	27,823	0	(14)	0	(14)	0	27,809	0	0	0	926	02/20/2038	1FE			
3199999. Bonds - U.S. Special Revenues						249,129	249,128	248,781	249,348	0	(220)	0	(220)	0	249,129	0	0	0	8,454	XXX	XXX			
628855-AL-2	Bank of America Corp		09/15/2009	MATURITY		100,000	100,000	110,740	102,766	0	(2,766)	0	(2,766)	0	100,000	0	0	0	9,375	09/15/2009	1FE			
125581-AK-4	CIT Group Inc.		09/11/2009	UBS Financial Services		58,250	100,000	97,285	97,819	0	229	0	229	0	98,048	0	(39,798)	(39,798)	4,926	09/30/2014	3FE			
17311A-AD-7	CMSI 2006-7 2A1		09/25/2009	PRINCIPAL RECEIPT		10,666	10,666	10,639	10,639	0	27	0	27	0	10,666	0	0	0	420	12/25/2021	3FE			
94985C-AB-1	WFMS 2006-17 A2		09/25/2009	PRINCIPAL RECEIPT		8,474	8,474	8,451	8,450	0	24	0	24	0	8,474	0	0	0	308	11/25/2021	1FE			
93935P-AQ-2	HMALT 2007-1 2A2		09/25/2009	PRINCIPAL RECEIPT		7,464	7,464	7,483	7,481	0	(16)	0	(16)	0	7,464	0	0	0	284	01/25/2022	6FE			
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)						184,854	226,605	234,598	227,155	0	(2,502)	0	(2,502)	0	224,652	0	(39,798)	(39,798)	15,313	XXX	XXX			
8399997. Total - Bonds - Part 4						3,327,456	3,362,846	3,450,668	3,385,892	0	(40,173)	0	(40,173)	0	3,360,202	0	(32,746)	(32,746)	183,976	XXX	XXX			
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX			
8399999. Total - Bonds						3,327,456	3,362,846	3,450,668	3,385,892	0	(40,173)	0	(40,173)	0	3,360,202	0	(32,746)	(32,746)	183,976	XXX	XXX			
8999997. Total - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX		
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
8999999. Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9799997. Total - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
9799999. Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9899999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999. Totals						3,327,456	XXX	3,450,668	3,385,892	0	(40,173)	0	(40,173)	0	3,360,202	0	(32,746)	(32,746)	183,976	XXX	XXX			

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....

E05

Schedule DB - Part A - Section 1 - Options, Caps, Floors and Insurance Futures Options Owned

N O N E

Schedule DB - Part B - Section 1 - Options, Caps, Floors and Insurance Futures Options Written and
In Force

N O N E

Schedule DB - Part C - Section 1 - Collar, Swap and Forwards Open

N O N E

Schedule DB - Part D - Section 1 - Futures Contracts and Insurance Futures Contracts Open

N O N E

Schedule E - Part 2 - Cash Equivalents - Investments Owned End of Current Quarter

N O N E