



# HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2007  
OF THE CONDITION AND AFFAIRS OF THE

## Aetna Health Inc. (a Maine corporation)

NAIC Group Code ..... **0001**      **0001**      NAIC Company Code ..... **95517**      Employer's ID Number ..... **01-0504252**  
(Current Period) (Prior Period)

Organized under the Laws of **Maine**

State of Domicile or Port of Entry ..... **Maine**

Country of Domicile ..... **United States**

Licensed as business type: Life, Accident & Health []      Property/Casualty []      Hospital, Medical & Dental Service or Indemnity []  
Dental Service Corporation []      Vision Service Corporation []      Health Maintenance Organization []  
Other []      Is HMO Federally Qualified? Yes []      No []

Incorporated/Organized ..... **October 3, 1995**      Commenced Business ..... **April 10, 1996**

Statutory Home Office ..... **175 Running Hill Road, Suite 301** ..... **South Portland** ..... **ME** ..... **04106-3220**  
(Street and Number) (City, State and Zip Code)

Main Administrative Office ..... **980 Jolly Road**  
(Street and Number)

..... **Blue Bell** ..... **PA** ..... **19422-1904** ..... **800-872-3862**  
(City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address ..... **980 Jolly Road, U11S** ..... **Blue Bell** ..... **PA** ..... **19422-1904**  
(Street and Number or P. O. Box) (City, State and Zip Code)

Primary Location of Books and Records ..... **980 Jolly Road**  
(Street and Number)

..... **Blue Bell** ..... **PA** ..... **19422-1904** ..... **800-872-3862**  
(City, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address ..... **www.aetna.com**

Statutory Statement Contact ..... **James David Weiss** ..... **215-775-6508**  
(Name) (Area Code) (Telephone Number) (Extension)

..... **Aetna.HMOReporting@aetna.com** ..... **215-775-6790**  
(E-mail Address) (Fax Number)

Policyowner Relations Contact ..... **Plan Sponsor Services, 151 Farmington Avenue, Hartford, CT 06156** ..... **800-247-5472**  
(Street and Number) (City, State and Zip Code) (Area Code) (Telephone Number)

### OFFICERS

**Michael Edward Morris, President**  
**Edward Chung-I Lee, Vice President and Secretary #**  
**James David Weiss, Controller**

**OTHER** **Deborah Merritt Wightman, Principal Financial Officer**  
**Mary Therese McCluskey, M.D., Senior Medical Director**  
**Elaine Rose Cofrancesco, Treasurer**  
**Gregory Stephen Martino, Vice President**  
**Kevin James Casey, Senior Investment Officer**  
**Alicia Helene Bolton, Assistant Controller**

### DIRECTORS OR TRUSTEES

**Michael Edward Morris**

**Margaret Ann Spann**

**David Andrew Swords**

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 manuals 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.

(Signature)

**Michael Edward Morris**  
**President**

(Signature)

**Edward Chung-I Lee**  
**Vice President and Secretary@**

(Signature)

**James David Weiss**  
**Controller@@**

State of..... Connecticut  
County of.....

Subscribed and sworn to before me this  
day of \_\_\_\_\_ 2007

NOTARY PUBLIC (Seal)

State of..... Connecticut  
County of..... Hartford

@Subscribed and sworn to before me this  
day of \_\_\_\_\_ 2007

NOTARY PUBLIC (Seal)

State of..... Pennsylvania  
County of..... Montgomery

@@Subscribed and sworn to before me this  
day of \_\_\_\_\_ May \_\_\_\_\_ 2007

NOTARY PUBLIC (Seal)

- a. Is this an original filing? Yes [] No []
- b. If no: 1. State the amendment number...  
2. Date filed .....  
3. Number of pages attached .....

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds.....	32,594,947	0	32,594,947	32,824,853
2. Stocks:				
2.1 Preferred stocks.....	0	0	0	0
2.2 Common stocks.....	0	0	0	0
3. Mortgage loans on real estate:				
3.1 First liens.....	0	0	0	0
3.2 Other than first liens.....	0	0	0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$.....0 encumbrances).....	0	0	0	0
4.3 Properties held for sale (less \$.....0 encumbrances).....	0	0	0	0
5. Cash (\$.....0), cash equivalents (\$.....11,087,363) and short-term investments (\$.....1,525).....	11,088,888	0	11,088,888	9,853,004
6. Contract loans (including \$.....0 premium notes).....	0	0	0	0
7. Other invested assets.....	0	0	0	0
8. Receivables for securities.....	0	0	0	0
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	43,683,835	0	43,683,835	42,677,857
11. Title Plants less \$.....0 charged off (for Title insurers only).....	0	0	0	0
12. Investment income due and accrued.....	345,374	0	345,374	404,603
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection.....	2,444,495	707,457	1,737,038	1,112,954
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....	0	0	0	0
13.3 Accrued retrospective premiums.....	0	0	0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....	1,617	0	1,617	264,185
14.2 Funds held by or deposited with reinsured companies.....	0	0	0	0
14.3 Other amounts receivable under reinsurance contracts.....	0	0	0	0
15. Amounts receivable relating to uninsured plans.....	0	0	0	0
16.1 Current federal and foreign income tax recoverable and interest thereon.....	0	0	0	0
16.2 Net deferred tax asset.....	4,268,111	3,208,628	1,059,483	1,132,748
17. Guaranty funds receivable or on deposit.....	0	0	0	0
18. Electronic data processing equipment and software.....	0	0	0	0
19. Furniture and equipment, including health care delivery assets (\$.....0).....	0	0	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates.....	0	0	0	0
21. Receivables from parent, subsidiaries and affiliates.....	0	0	0	0
22. Health care (\$....190,151) and other amounts receivable.....	190,151	0	190,151	226,065
23. Aggregate write-ins for other than invested assets.....	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	50,933,583	3,916,085	47,017,498	45,818,412
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
26. TOTALS (Lines 24 and 25).....	50,933,583	3,916,085	47,017,498	45,818,412

**DETAILS OF WRITE-INS**

0901.....	0	0	0	0
0902.....	0	0	0	0
0903.....	0	0	0	0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Current state income tax receivable.....	0	0	0	0
2302.....	0	0	0	0
2303.....	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0	0	0

Statement as of March 31, 2007 of the **Aetna Health Inc. (a Maine corporation)**  
**LIABILITIES, CAPITAL AND SURPLUS**

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	15,887,860	440,422	16,328,282	15,378,714
2. Accrued medical incentive pool and bonus amounts.....	0	0	0	0
3. Unpaid claims adjustment expenses.....	329,637	0	329,637	319,821
4. Aggregate health policy reserves.....	251,305	0	251,305	267,057
5. Aggregate life policy reserves.....	0	0	0	0
6. Property/casualty unearned premium reserve.....	0	0	0	0
7. Aggregate health claim reserves.....	563,638	0	563,638	520,347
8. Premiums received in advance.....	0	0	0	0
9. General expenses due or accrued.....	132,277	0	132,277	125
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)).....	406,385	0	406,385	1,610,770
10.2 Net deferred tax liability.....	0	0	0	0
11. Ceded reinsurance premiums payable.....	83,261	0	83,261	30,190
12. Amounts withheld or retained for the account of others.....	0	0	0	0
13. Remittances and items not allocated.....	0	0	0	0
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates.....	1,278,495	0	1,278,495	472,943
16. Payable for securities.....	0	0	0	0
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....	0	0	0	0
18. Reinsurance in unauthorized companies.....	0	0	0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates.....	0	0	0	0
20. Liability for amounts held under uninsured plans.....	0	0	0	0
21. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
22. Total liabilities (Lines 1 to 21).....	18,932,858	440,422	19,373,280	18,599,967
23. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
24. Common capital stock.....	XXX	XXX	1,000,000	1,000,000
25. Preferred capital stock.....	XXX	XXX	0	0
26. Gross paid in and contributed surplus.....	XXX	XXX	9,700,000	9,700,000
27. Surplus notes.....	XXX	XXX	0	0
28. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
29. Unassigned funds (surplus).....	XXX	XXX	16,944,218	16,518,445
30. Less treasury stock, at cost:				
30.1 .....0.000 shares common (value included in Line 24 \$.....0).....	XXX	XXX	0	0
30.2 .....0.000 shares preferred (value included in Line 25 \$.....0).....	XXX	XXX	0	0
31. Total capital and surplus (Lines 23 to 29 minus Line 30).....	XXX	XXX	27,644,218	27,218,445
32. Total liabilities, capital and surplus (Lines 22 and 31).....	XXX	XXX	47,017,498	45,818,412

**DETAILS OF WRITE-INS**

2101. ....	0	0	0	0
2102. ....	0	0	0	0
2103. ....	0	0	0	0
2198. Summary of remaining write-ins for Line 21 from overflow page.....	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above).....	0	0	0	0
2301. ....			0	0
2302. ....			0	0
2303. ....			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX	XXX	0	0
2801. ....			0	0
2802. ....			0	0
2803. ....			0	0
2898. Summary of remaining write-ins for Line 28 from overflow page.....	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above).....	XXX	XXX	0	0

## STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	118,944	136,230
2. Net premium income (including \$.....0 non-health premium income).....	XXX	41,357,957	44,348,886
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	15,752	(19,325)
4. Fee-for-service (net of \$.....0 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	41,373,709	44,329,561
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....	517,976	31,271,609	30,838,717
10. Other professional services.....	0	0	0
11. Outside referrals.....	426,964	426,964	529,291
12. Emergency room and out-of-area.....	57,919	1,930,649	1,880,423
13. Prescription drugs.....	0	4,288,872	4,389,977
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....	0	0	0
16. Subtotal (Lines 9 to 15).....	1,002,859	37,918,094	37,638,408
<b>Less:</b>			
17. Net reinsurance recoveries.....	0	1,617	56,921
18. Total hospital and medical (Lines 16 minus 17).....	1,002,859	37,916,477	37,581,487
19. Non-health claims (net).....	0	0	0
20. Claims adjustment expenses, including \$.....278,103 cost containment expenses.....	0	834,198	865,683
21. General administrative expenses.....	0	2,887,111	6,890,784
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only).....	0	0	0
23. Total underwriting deductions (Lines 18 through 22).....	1,002,859	41,637,786	45,337,954
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	(264,077)	(1,008,393)
25. Net investment income earned.....	0	558,503	420,345
26. Net realized capital gains (losses) less capital gains tax of \$.....0.....	0	0	(6,926)
27. Net investment gains or (losses) (Lines 25 plus 26).....	0	558,503	413,419
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	0	0	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	294,426	(594,974)
31. Federal and foreign income taxes incurred.....	XXX	18,970	(323,623)
32. Net income (loss) (Lines 30 minus 31).....	XXX	275,456	(271,351)

### DETAILS OF WRITE-INS

0601. ....	XXX	0	0
0602. ....	XXX	0	0
0603. ....	XXX	0	0
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	0	0
0702. ....	XXX	0	0
0703. ....	XXX	0	0
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. ....	0	0	0
1402. ....	0	0	0
1403. ....	0	0	0
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. ....	0	0	0
2902. ....	0	0	0
2903. ....	0	0	0
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

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

<b>CAPITAL AND SURPLUS ACCOUNT</b>	1 Current Year to Date	2 Prior Year To Date	3 Prior Year
33. Capital and surplus prior reporting year.....	27,218,445	21,075,193	21,075,193
34. Net income or (loss) from Line 32.....	275,456	(271,351)	6,282,501
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0.....	0	0	0
37. Change in net unrealized foreign exchange capital gain or (loss).....	0	0	0
38. Change in net deferred income tax.....	(162,333)	(177,332)	(747,692)
39. Change in nonadmitted assets.....	312,650	299,152	608,443
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.....	0	0	0
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.....	0	0	0
45. Surplus adjustments:			
45.1 Paid in.....	0	0	0
45.2 Transferred to capital (Stock Dividend).....	0	0	0
45.3 Transferred from capital.....	0	0	0
46. Dividends to stockholders.....	0	0	0
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	425,773	(149,531)	6,143,252
49. Capital and surplus end of reporting period (Line 33 plus 48).....	27,644,218	20,925,662	27,218,445

**DETAILS OF WRITE-INS**

4701. ....	0	0	0
4702. ....	0	0	0
4703. ....	0	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	0	0	0

**CASH FLOW**

	1 Current Year to Date	2 Prior Year Ended December 31
<b>CASH FROM OPERATIONS</b>		
1. Premiums collected net of reinsurance.....	41,010,526	175,507,256
2. Net investment income.....	616,214	1,599,659
3. Miscellaneous income.....	0	0
4. Total (Lines 1 through 3).....	41,626,740	177,106,915
5. Benefit and loss related payments.....	36,625,136	141,499,188
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	3,579,341	26,943,879
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	1,223,355	638,681
10. Total (Lines 5 through 9).....	41,427,832	169,081,748
11. Net cash from operations (Line 4 minus Line 10).....	198,908	8,025,167
<b>CASH FROM INVESTMENTS</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	231,424	5,282,487
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	(15)
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	231,424	5,282,472
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	0	15,191,778
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).....	0	15,191,778
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14).....	231,424	(9,909,306)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
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).....	805,552	(430,289)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	805,552	(430,289)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	1,235,884	(2,314,428)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	9,853,004	12,167,432
19.2 End of period (Line 18 plus Line 19.1).....	11,088,888	9,853,004
<b>Note: Supplemental disclosures of cash flow information for non-cash transactions:</b>		
20.0001 .....	0	0

**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							
<b>Total Members at End of:</b>										
1. Prior Year.....	43,128	12	43,116	0	0	0	0	0	0	0
2. First Quarter.....	38,919	8	38,911	0	0	0	0	0	0	0
3. Second Quarter.....	0	0	0	0	0	0	0	0	0	0
4. Third Quarter.....	0	0	0	0	0	0	0	0	0	0
5. Current Year.....	0	0	0	0	0	0	0	0	0	0
6. Current Year Member Months.....	118,944	24	118,920	0	0	0	0	0	0	0
<b>Total Member Ambulatory Encounters for Period:</b>										
7. Physician.....	83,892	17	83,875	0	0	0	0	0	0	0
8. Non-Physician.....	31,666	6	31,660	0	0	0	0	0	0	0
9. Total.....	115,558	23	115,535	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred.....	2,153	1	2,152	0	0	0	0	0	0	0
11. Number of Inpatient Admissions.....	606	1	605	0	0	0	0	0	0	0
12. Health Premiums Written (a).....	41,441,218	15,476	41,425,742	0	0	0	0	0	0	0
13. Life Premiums Direct.....	0	0	0	0	0	0	0	0	0	0
14. Property/Casualty Premiums Written.....	0	0	0	0	0	0	0	0	0	0
15. Health Premiums Earned.....	41,456,970	15,476	41,441,494	0	0	0	0	0	0	0
16. Property/Casualty Premiums Earned.....	0	0	0	0	0	0	0	0	0	0
17. Amount Paid for Provision of Health Care Services.....	36,889,321	46,831	36,842,490	0	0	0	0	0	0	0
18. Amount Incurred for Provision of Health Care Services.....	37,918,094	48,137	37,869,957	0	0	0	0	0	0	0

(a) For health premiums written: Amount of Medicare Title XVIII exempt from state taxes or fees \$.0

**CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
<b>Claims Unpaid (Reported)</b>						
Aging estimated based on claims in process of adjudication as of 3/31/07.....	0	0	0	0	0	0
0199999. Individually Listed Claims Unpaid.....	0	0	0	0	0	0
0299999. Aggregate Accounts Not Individually Listed-Uncovered.....	21,324	0	0	0	3,714	25,038
0399999. Aggregate Accounts Not Individually Listed-Covered.....	1,994,607	72,504	25,081	10,981	3,196	2,106,369
0499999. Subtotals.....	2,015,931	72,504	25,081	10,981	6,910	2,131,407
0599999. Unreported Claims and Other Claim Reserves.....						14,196,875
0799999. Total Claims Unpaid.....						16,328,282

## 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 December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	14,663,615	22,224,089	3,036,310	13,855,610	17,699,925	15,899,061
2. Medicare Supplement.....	.0	.0	.0	.0	.0	.0
3. Dental only.....	.0	.0	.0	.0	.0	.0
4. Vision only.....	.0	.0	.0	.0	.0	.0
5. Federal Employees Health Benefits Plan Premiums.....	.0	.0	.0	.0	.0	.0
6. Title XVIII - Medicare.....	.0	.0	.0	.0	.0	.0
7. Title XIX - Medicaid.....	.0	.0	.0	.0	.0	.0
8. Other health.....	.0	.0	.0	.0	.0	.0
9. Health subtotal (Lines 1 to 8).....	14,663,615	22,224,089	3,036,310	13,855,610	17,699,925	15,899,061
10. Healthcare receivables (a).....	.0	190,151	.0	.0	.0	226,065
11. Other non-health.....	.0	.0	.0	.0	.0	.0
12. Medical incentive pools and bonus amounts.....	.0	.0	.0	.0	.0	.0
13. Totals.....	14,663,615	22,033,938	3,036,310	13,855,610	17,699,925	15,672,996

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

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## NOTES TO FINANCIAL STATEMENTS

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**Note 1 - Summary of Significant Accounting Policies**

No significant change.

**Note 2 - Accounting Changes and Corrections of Errors**

No significant change.

**Note 3 - Business Combinations and Goodwill**

No significant change.

**Note 4 - Discontinued Operations**

No significant change.

**Note 5 - Investments**

No significant change.

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

No significant change.

**Note 7 - Investment Income**

No significant change.

**Note 8 - Derivative Instruments**

No significant change.

**Note 9 - Income Taxes**

- A. The components of the net deferred tax assets recognized in the Company's Statements of Assets, Liabilities, Capital and Surplus are as follows:

	March 31, 2007	December 31, 2006
Total of gross deferred tax assets	\$4,543,566	\$4,781,526
Total of deferred tax liabilities	(275,455)	(351,082)
Net deferred tax asset	4,268,111	4,430,444
Deferred tax asset nonadmitted	(3,208,628)	(3,297,696)
Net admitted deferred tax asset	\$1,059,483	\$1,132,748
(Increase) decrease in nonadmitted asset	\$89,068	-

- B. There are no deferred tax liabilities that are not recognized.

- C.1 The provision (benefit) for incurred taxes on earnings for the periods ended March 31, 2007 and December 31, 2006 are:

	March 31, 2007	December 31, 2006
Federal - current year	\$18,970	\$2,128,452
Federal income tax on net capital gains	-	(3,733)
Federal - prior year	-	1,750
Federal income taxes incurred	\$18,970	\$2,126,469

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## NOTES TO FINANCIAL STATEMENTS

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C.2 The tax effects of temporary differences that give rise to deferred tax assets and liabilities are as follows:

	March 31, 2007	December 31, 2006
Deferred tax assets:		
Goodwill	\$4,133,731	\$4,299,080
Discounted unpaid losses	116,482	109,700
Premiums received in advance	10,591	11,694
Uncollected premiums – nonadmitted	247,610	325,863
Premium deficiency reserve	35,000	35,000
Other	152	189
Total deferred tax assets	4,543,566	4,781,526
Nonadmitted deferred tax assets	(3,208,628)	(3,297,696)
Admitted deferred tax assets	1,334,938	1,483,830
Deferred tax liabilities:		
Allowance for billing adjustment	247,610	325,863
Investments	27,845	25,219
Total deferred tax liabilities	275,455	351,082
Net admitted deferred tax assets	\$1,059,483	\$1,132,748

During the year ended December 31, 2001, the Company was allocated tax goodwill in the amount of \$26,614,432 that was created upon the acquisition of the NYLCare health business in 1998. The unamortized balance of this tax goodwill was \$11,810,660 and \$12,283,086 at March 31, 2007 and December 31, 2006, respectively. For tax purposes this goodwill will be amortized in future periods.

The change in net deferred income taxes is comprised of the following:

	March 31, 2007	December 31, 2006	Change
Total deferred tax assets	\$4,543,566	\$4,781,526	\$(237,960)
Total deferred tax liabilities	(275,455)	(351,082)	75,627
Net deferred tax asset (liability)	\$4,268,111	\$4,430,444	(162,333)
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			\$(162,333)

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 income taxes. The items causing this difference are as follows:

	March 31, 2007	Effective Tax Rate	December 31, 2006	Effective Tax Rate
Provision computed as statutory rate	\$103,049	35.0%	\$2,943,139	35.0%
Change in nonadmitted assets and other	78,254	26.6%	(70,729)	(0.8)%
Prior year true-up	-	-	1,751	0.0%
Total	\$181,303	61.6%	\$2,874,161	34.2%
Federal and foreign income taxes incurred	\$18,970	6.5%	\$2,126,469	25.3%
Change in net deferred income taxes	162,333	55.1%	747,692	8.9%
Total statutory income taxes	\$181,303	61.6%	\$2,874,161	34.2%

E.1 As of March 31, 2007, the Company has no net capital loss or net operating loss carryforwards for tax purposes.

E.2 The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses are:

Year	Amount
2007	\$18,970
2006	\$2,124,719

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## NOTES TO FINANCIAL STATEMENTS

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F.1 As of March 31, 2007, the Company's Federal Income Tax Return is consolidated with the following entities:

Parent Company - Aetna Inc.	Aetna Health Insurance Company of New York
@Credentials Inc.	Aetna Health of California Inc.
Active Health Management, Inc.	Aetna Health of Illinois Inc.
AE Fourteen, Inc.	Aetna Health of the Carolinas Inc.
Aelan Inc.	Aetna Insurance Company of Connecticut
AET Health Care Plan of California, Inc.	Aetna Integrated Informatics, Inc.
AET Health Care Plan, Inc. (TX)	Aetna IntelliHealth, Inc.
Aetna Affordable Housing, Inc.	Aetna Life & Casualty (Bermuda) Limited
Aetna Criterion Communications, Inc.	Aetna Life Assignment Company
Aetna Dental Inc. (New Jersey)	Aetna Life Insurance Company
Aetna Dental Inc. (Texas)	Aetna Risk Indemnity Co. Limited
Aetna Dental of California Inc.	Aetna/Area Corporation
Aetna Family Plans of Georgia Inc.	AHP Holdings, Inc.
Aetna Family Plans of Pennsylvania Inc.	AUSHC Holdings, Inc. (Connecticut)
Aetna Health and Life Insurance Company	BPC Equity Inc.
Aetna Health Inc. (Arizona)	Broadspire National Services, Inc.
Aetna Health Inc. (Colorado)	Chickering Benefit Planning Insurance Agency
Aetna Health Inc. (Connecticut)	Chickering Claims Administrators, Inc.
Aetna Health Inc. (Delaware)	CMBS Holdings Inc. II
Aetna Health Inc. (Florida)	Corporate Health Insurance Company
Aetna Health Inc. (Georgia)	Health Cost Consultants, Inc.
Aetna Health Inc. (Maine)	Health Data & Management Solutions, Inc.
Aetna Health Inc. (Maryland)	HMS Healthcare, Inc.
Aetna Health Inc. (Massachusetts)	Integrated Pharmacy Solutions
Aetna Health Inc. (Michigan)	Luettgens Limited
Aetna Health Inc. (Missouri)	Managed Care Coordinators, Inc.
Aetna Health Inc. (New Hampshire)	Mountain Medical Affiliates, Inc. (through 1/1/07)
Aetna Health Inc. (New Jersey)	NYLCare Health Plans, Inc.
Aetna Health Inc. (New York)	SANUS of New York and New Jersey, Inc.
Aetna Health Inc. (Ohio)	Sloans Lake Managed Care, Inc.
Aetna Health Inc. (Oklahoma)	Sloan's Lake Management Corp. (through 1/1/07)
Aetna Health Inc. (Pennsylvania)	Strategic Resource Company
Aetna Health Inc. (Tennessee)	Trumbull One Inc.
Aetna Health Inc. (Texas)	Trumbull Four Inc.
Aetna Health Inc. (Washington)	U.S. Healthcare Properties, Inc.
Aetna Health Information Solutions, Inc.	

F.2 In accordance with the written tax sharing agreement, the Company's current federal income tax provisions are generally computed as if the Company were filing a separate federal income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes.

### **Note 10 - Information Concerning Parent, Subsidiaries and Affiliates**

The Company had the following significant transactions with affiliates:

The Company and Aetna Health Management, LLC (AHM), indirectly a wholly-owned subsidiary of Aetna, are parties to an agreement under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true-up mechanism as defined in the agreement. The annual true-up is calculated in the year following each calendar year, and is due to the Company by April 15 of the following year. For the Company, the true-ups for the years ended 2006 and 2005 were \$1,894,855 and \$(1,475,728) and these amounts were recorded by the Company in the first quarter of 2007 and 2006, respectively. This annual true-up amount is recorded as revenue (expense) by the Company in the year in which the true-up is calculated, consistent with the legal obligations of AHM to the Company and pursuant to the administrative services agreement approved by the Company's regulators.

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## **NOTES TO FINANCIAL STATEMENTS**

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### **Note 11 - Debt**

No significant change.

### **Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

No significant change.

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

No significant change.

### **Note 14 - Contingencies**

No significant change.

### **Note 15 - Leases**

No significant change.

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

No significant change.

### **Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

#### A. Transfers of Receivables Reported as Sales

No significant change.

#### B. Transfer and Servicing of Financial Assets

No significant change.

#### C. Wash Sales

The Company has no wash sales.

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

No significant change.

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

No significant change.

### **Note 20 - September 11 Events**

No significant change.

### **Note 21 - Other Items**

No significant change.

### **Note 22 - Events Subsequent**

No significant change.

### **Note 23 - Reinsurance**

No significant change.

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## **NOTES TO FINANCIAL STATEMENTS**

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**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

No significant change.

**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

No significant change.

**Note 26 - Intercompany Pooling Arrangements**

No significant change.

**Note 27 - Structured Settlements**

No significant change.

**Note 28 - Health Care Receivables**

No significant change.

**Note 29 - Participating Policies**

No significant change.

**Note 30 - Premium Deficiency Reserves**

No significant change.

**Note 31 - Anticipated Salvage and Subrogation**

No significant change.

**GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since 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 [X] No [ ]  
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 name of 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
	00000	

- 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. 12/31/2004.....
- 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. 12/31/2004.....
- 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). 08/24/2005.....

- 6.4 By what department or departments?  
Maine Bureau of Insurance

- 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 the 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**

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

**PART 1 - COMMON 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).  
Effective 12/1/06, Aetna Inc. (Aetna) amended its Code of Conduct (the Code). The Code is Aetna's code of ethics that applies to Aetna's Board of Directors and all of its employees, including its senior managers. Aetna reviews the Code periodically and amends the Code as appropriate. Prior thereto the Code was last amended in January of 2003. The 12/1/06 amendments to the Code include: (a) simplification of the Code's language to enhance clarity and readability; (b) incorporation of Aetna's current policies and procedures; and (c) the addition of certain provisions to reflect legislative and regulatory changes.

- 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).  
N/A

**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 Has there been any change in the reporting entity's own preferred or common stock? Yes  No

11.2 If yes, explain:  
 \_\_\_\_\_  
 \_\_\_\_\_

- 12.1 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

12.2 If yes, give full and complete information relating thereto:  
 \_\_\_\_\_  
 \_\_\_\_\_

13. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$.....0

14. Amount of real estate and mortgages held in short-term investments: \$.....0

- 15.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes  No

15.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
15.21 Bonds.....	\$.....0	\$.....0
15.22 Preferred Stock.....	\$.....0	\$.....0
15.23 Common Stock.....	\$.....0	\$.....0
15.24 Short-Term Investments.....	\$.....0	\$.....0
15.25 Mortgages, Loans or Real Estate.....	\$.....0	\$.....0
15.26 All Other.....	\$.....0	\$.....0
15.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 15.21 to 15.26).....	\$.....0	\$.....0
15.28 Total Investment in Parent included in Lines 15.21 to 15.26 above .....	\$.....0	\$.....0

- 16.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes  No

- 16.2 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**

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

**PART 1 - COMMON INTERROGATORIES**

17. Excluding items in Schedule E, 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 Part 1-General, Section IV. H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [ X ]      No [ ]

- 17.1 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
State Street Bank and Trust Company	225 Franklin St., Boston, MA 02110

- 17.2 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)
All agreements comply.		

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [ ]      No [ X ]

- 17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
N/A			

- 17.5 Identify all investment advisors, broker/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
N/A		

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [ X ]      No [ ]

- 18.2 If no, list exceptions:

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Statement as of March 31, 2007 of the **Aetna Health Inc. (a Maine corporation)**  
**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.....	0	0
2. Increase (decrease) by adjustment.....	0	0
3. Cost of acquired.....	0	0
4. Cost of additions to and permanent improvements.....	0	0
5. Total profit (loss) on sales.....	0	0
6. Increase (decrease) by foreign exchange adjustment.....	0	0
7. Amount received on sales.....	0	0
8. Book/adjusted carrying value at end of current period.....	0	0
9. Total valuation allowance.....	0	0
10. Subtotal (Lines 8 plus 9).....	0	0
11. Total nonadmitted amounts.....	0	0
12. Statement value, current period (Page 2, real estate lines, net admitted assets column).....	0	0

**SCHEDULE B - VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	0	0
2. Amount loaned during period:		
2.1 Actual cost at time of acquisitions.....	0	0
2.2 Additional investment made after acquisitions.....	0	0
3. Accrual of discount and mortgage interest points and commitment fees.....	0	0
4. Increase (decrease) by adjustment.....	0	0
5. Total profit (loss) on sale.....	0	0
6. Amounts paid on account or in full during the period.....	0	0
7. Amortization of premium.....	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period.....	0	0
10. Total valuation allowance.....	0	0
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....	0	0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, net admitted assets column).....	0	0

**SCHEDULE BA - VERIFICATION**

Other Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	0	0
2. Cost of acquisitions during period:		
2.1 Actual cost at time of acquisitions.....	0	0
2.2 Additional investment made after acquisitions.....	0	0
3. Accrual of discount.....	0	0
4. Increase (decrease) by adjustment.....	0	0
5. Total profit (loss) on sale.....	0	0
6. Amounts paid on account or in full during the period.....	0	0
7. Amortization of premium.....	0	0
8. Increase (decrease) by foreign exchange adjustment.....	0	0
9. Book adjusted/carrying value of long-term invested assets at end of current period.....	0	0
10. Total valuation allowance.....	0	0
11. Subtotal (Lines 9 plus 10).....	0	0
12. Total nonadmitted amounts.....	0	0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3).....	0	0

**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.....	32,824,853	22,913,697
2. Cost of bonds and stocks acquired.....	0	15,191,778
3. Accrual of discount.....	7,728	42,505
4. Increase (decrease) by adjustment.....	0	0
5. Increase (decrease) by foreign exchange adjustment.....	0	0
6. Total profit (loss) on disposal.....	0	(10,650)
7. Consideration for bonds and stocks disposed of.....	231,424	5,282,487
8. Amortization of premium.....	6,210	29,990
9. Book/adjusted carrying value, current period.....	32,594,947	32,824,853
10. Total valuation allowance.....	0	0
11. Subtotal (Lines 9 plus 10).....	32,594,947	32,824,853
12. Total nonadmitted amounts.....	0	0
13. Statement value.....	32,594,947	32,824,853

### 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	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1.....	41,679,614	49,966,641	49,099,772	139,031	42,685,514	0	0	41,679,614
2. Class 2.....	998,243	0	0	78	998,321	0	0	998,243
3. Class 3.....	0	0	0	0	0	0	0	0
4. Class 4.....	0	0	0	0	0	0	0	0
5. Class 5.....	0	0	0	0	0	0	0	0
6. Class 6.....	0	0	0	0	0	0	0	0
7. Total Bonds.....	42,677,857	49,966,641	49,099,772	139,109	43,683,835	0	0	42,677,857
<b>PREFERRED STOCK</b>								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock.....	42,677,857	49,966,641	49,099,772	139,109	43,683,835	0	0	42,677,857

**SCHEDULE DA - PART 1**

Short-Term Investments Owned End of Current Quarter

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
8299999. Totals.....	.....1,525	.....XXX.....	.....1,525	.....443	.....0

**SCHEDULE DA - PART 2 - Verification**

Short-Term Investments Owned

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	.....31,723	.....6,026
2. Cost of short-term investments acquired.....	.....336,150	.....907,286
3. Increase (decrease) by adjustment.....	.....0	.....0
4. Increase (decrease) by foreign exchange adjustment.....	.....0	.....0
5. Total profit (loss) on disposal of short-term investments.....	.....0	.....0
6. Consideration received on disposal of short-term investments.....	.....366,348	.....881,589
7. Book/adjusted carrying value, current period.....	.....1,525	.....31,723
8. Total valuation allowance.....	.....0	.....0
9. Subtotal (Lines 7 plus 8).....	.....1,525	.....31,723
10. Total nonadmitted amounts.....	.....0	.....0
11. Statement value (Lines 9 minus 10).....	.....1,525	.....31,723
12. Income collected during period.....	.....443	.....1,131
13. Income earned during period.....	.....415	.....1,208

**Sch. DB-Part F-Section 1  
NONE**

**Sch. DB-Part F-Section 2  
NONE**

**Sch. S  
NONE**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Current Year to Date - Allocated by States and Territories

State, Etc.	1 Is Insurer Licensed? (Yes or No)	Direct Business Only							
		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 and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 through 7	9 Deposit-Type Contracts
1. Alabama.....AL	NO	0	0	0	0	0	0	0	0
2. Alaska.....AK	NO	0	0	0	0	0	0	0	0
3. Arizona.....AZ	NO	0	0	0	0	0	0	0	0
4. Arkansas.....AR	NO	0	0	0	0	0	0	0	0
5. California.....CA	NO	0	0	0	0	0	0	0	0
6. Colorado.....CO	NO	0	0	0	0	0	0	0	0
7. Connecticut.....CT	NO	0	0	0	0	0	0	0	0
8. Delaware.....DE	NO	0	0	0	0	0	0	0	0
9. District of Columbia.....DC	NO	0	0	0	0	0	0	0	0
10. Florida.....FL	NO	0	0	0	0	0	0	0	0
11. Georgia.....GA	NO	0	0	0	0	0	0	0	0
12. Hawaii.....HI	NO	0	0	0	0	0	0	0	0
13. Idaho.....ID	NO	0	0	0	0	0	0	0	0
14. Illinois.....IL	NO	0	0	0	0	0	0	0	0
15. Indiana.....IN	NO	0	0	0	0	0	0	0	0
16. Iowa.....IA	NO	0	0	0	0	0	0	0	0
17. Kansas.....KS	NO	0	0	0	0	0	0	0	0
18. Kentucky.....KY	NO	0	0	0	0	0	0	0	0
19. Louisiana.....LA	NO	0	0	0	0	0	0	0	0
20. Maine.....ME	YES	41,441,218	0	0	0	0	41,441,218	0	0
21. Maryland.....MD	NO	0	0	0	0	0	0	0	0
22. Massachusetts.....MA	NO	0	0	0	0	0	0	0	0
23. Michigan.....MI	NO	0	0	0	0	0	0	0	0
24. Minnesota.....MN	NO	0	0	0	0	0	0	0	0
25. Mississippi.....MS	NO	0	0	0	0	0	0	0	0
26. Missouri.....MO	NO	0	0	0	0	0	0	0	0
27. Montana.....MT	NO	0	0	0	0	0	0	0	0
28. Nebraska.....NE	NO	0	0	0	0	0	0	0	0
29. Nevada.....NV	NO	0	0	0	0	0	0	0	0
30. New Hampshire.....NH	NO	0	0	0	0	0	0	0	0
31. New Jersey.....NJ	NO	0	0	0	0	0	0	0	0
32. New Mexico.....NM	NO	0	0	0	0	0	0	0	0
33. New York.....NY	NO	0	0	0	0	0	0	0	0
34. North Carolina.....NC	NO	0	0	0	0	0	0	0	0
35. North Dakota.....ND	NO	0	0	0	0	0	0	0	0
36. Ohio.....OH	NO	0	0	0	0	0	0	0	0
37. Oklahoma.....OK	NO	0	0	0	0	0	0	0	0
38. Oregon.....OR	NO	0	0	0	0	0	0	0	0
39. Pennsylvania.....PA	NO	0	0	0	0	0	0	0	0
40. Rhode Island.....RI	NO	0	0	0	0	0	0	0	0
41. South Carolina.....SC	NO	0	0	0	0	0	0	0	0
42. South Dakota.....SD	NO	0	0	0	0	0	0	0	0
43. Tennessee.....TN	NO	0	0	0	0	0	0	0	0
44. Texas.....TX	NO	0	0	0	0	0	0	0	0
45. Utah.....UT	NO	0	0	0	0	0	0	0	0
46. Vermont.....VT	NO	0	0	0	0	0	0	0	0
47. Virginia.....VA	NO	0	0	0	0	0	0	0	0
48. Washington.....WA	NO	0	0	0	0	0	0	0	0
49. West Virginia.....WV	NO	0	0	0	0	0	0	0	0
50. Wisconsin.....WI	NO	0	0	0	0	0	0	0	0
51. Wyoming.....WY	NO	0	0	0	0	0	0	0	0
52. American Samoa.....AS	NO	0	0	0	0	0	0	0	0
53. Guam.....GU	NO	0	0	0	0	0	0	0	0
54. Puerto Rico.....PR	NO	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands.....VI	NO	0	0	0	0	0	0	0	0
56. Northern Mariana Islands.....MP	NO	0	0	0	0	0	0	0	0
57. Canada.....CN	NO	0	0	0	0	0	0	0	0
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		41,441,218	0	0	0	0	41,441,218	0	0
60. Reporting entity contributions for Employee Benefit Plans.....XXX		0	0	0	0	0	0	0	0
61. Total (Direct Business).....(a)	1	41,441,218	0	0	0	0	41,441,218	0	0

**DETAILS OF WRITE-INS**

5801.....	0	0	0	0	0	0	0	0
5802.....	0	0	0	0	0	0	0	0
5803.....	0	0	0	0	0	0	0	0
5898. nary of remaining write-ins for line 58 from overflow	0	0	0	0	0	0	0	0
5899. tal (Lines 5801 thru 5803 plus 5898) (Line 58 above)	0	0	0	0	0	0	0	0

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

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

PART 1 – ORGANIZATIONAL CHART

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**NO CHANGES**

## 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:**

**Bar Code:**



**Overflow Page  
NONE**

**Sch. A-Part 2  
NONE**

**Sch. A-Part 3  
NONE**

**Sch. B-Part 1  
NONE**

**Sch. B-Part 2  
NONE**

**Sch. BA-Part 1  
NONE**

**Sch. BA-Part 2  
NONE**

**Sch. D-Part 3  
NONE**

## SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value At Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - Special Revenue and Special Assessment</b>																					
31371K TC 5	FED NATL MTGE ASSN POOL 6.000% 09		.03/01/2007	Paydown.....		.....62,720	.....62,720	.....63,269	.....63,246	.....0	.....(526)	.....0	.....(526)	.....0	.....62,720	.....0	.....0	.....0	.....614	09/01/2032	1.....
31386T CG 8	FED NATL MTGE ASSN POOL 6.000% 04		.03/01/2007	Paydown.....		.....7,732	.....7,732	.....7,442	.....7,451	.....0	.....281	.....0	.....281	.....0	.....7,732	.....0	.....0	.....0	.....52	04/01/2031	1.....
31388Y FM 9	FED NATL MTGE ASSN POOL 7.000% 09		.03/01/2007	Paydown.....		.....6,872	.....6,872	.....7,222	.....7,207	.....0	.....(335)	.....0	.....(335)	.....0	.....6,872	.....0	.....0	.....0	.....98	09/01/2031	1.....
31401J NN 4	FED NATL MTGE ASSN POOL 5.500% 06		.03/01/2007	Paydown.....		.....53,086	.....53,086	.....54,247	.....54,197	.....0	.....(1,110)	.....0	.....(1,110)	.....0	.....53,086	.....0	.....0	.....0	.....483	06/01/2033	1.....
31404F WY 5	FED NATL MTGE ASSN POOL 5.500% 01		.03/01/2007	Paydown.....		.....101,014	.....101,014	.....103,350	.....103,277	.....0	.....(2,262)	.....0	.....(2,262)	.....0	.....101,014	.....0	.....0	.....0	.....1,224	01/01/2034	1.....
3199999.	Total - Bonds - Special Revenue & Assessment.....					.....231,424	.....231,424	.....235,530	.....235,378	.....0	.....(3,952)	.....0	.....(3,952)	.....0	.....231,424	.....0	.....0	.....0	.....2,471	.....XXX.....	.....XXX.....
6099997.	Total - Bonds - Part 4.....					.....231,424	.....231,424	.....235,530	.....235,378	.....0	.....(3,952)	.....0	.....(3,952)	.....0	.....231,424	.....0	.....0	.....0	.....2,471	.....XXX.....	.....XXX.....
6099999.	Total - Bonds.....					.....231,424	.....231,424	.....235,530	.....235,378	.....0	.....(3,952)	.....0	.....(3,952)	.....0	.....231,424	.....0	.....0	.....0	.....2,471	.....XXX.....	.....XXX.....
7499999.	Total - Bonds, Preferred and Common Stocks.....					.....231,424	.....XXX.....	.....235,530	.....235,378	.....0	.....(3,952)	.....0	.....(3,952)	.....0	.....231,424	.....0	.....0	.....0	.....2,471	.....XXX.....	.....XXX.....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues:.....0.

**Sch. DB-Part A-Section 1  
NONE**

**Sch. DB-Part B-Section 1  
NONE**

**Sch. DB-Part C-Section 1  
NONE**

**Sch. DB-Part D-Section 1  
NONE**

**Sch. E-Part 1-Cash  
NONE**

**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Gross Investment Income
APACHE CORP CP 4-2.....		03/29/2007	5.400	04/05/2007	3,831,698	0	1,724
DETROIT EDISON CP 3(A)3.....		03/28/2007	5.360	04/03/2007	197,941	0	118
KINDER MORGAN ENERGY ENERGY LP CP 4 (2).....		03/30/2007	5.400	04/09/2007	3,540,745	0	1,062
VIRGINIA ELEC & PR CO CP 3(A) 3.....		03/26/2007	5.350	04/02/2007	157,977	0	141
WESTERN UNION CO CP 4(2).....		03/23/2007	5.340	04/03/2007	3,359,002	0	4,484
0199999. Total Cash Equivalents.....					11,087,363	0	7,529