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HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2010

OF THE CONDITION AND AFFAIRS OF THE

Aetna Health Inc. (a Michigan corporation)

NAIC Group Code ..... 0001 (Current Period) 0001 (Prior Period) NAIC Company Code ..... 95756 Employer's ID Number 23-2861565

Organized under the Laws of Michigan State of Domicile or Port of Entry …….. Michigan

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

Incorporated/Organized ..... September 10, 1996 Commenced Business ..... April 1, 1998

Statutory Home Office ..... 28588 Northwestern Highway ..... Southfield ..... MI..... 48034
(Street and Number) (City, State and Zip Code)

Main Administrative Office …….. 28588 Northwestern Highway
(Street and Number)
…….. Southfield .. MI .. 48034…….. 248-357-7766
(City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address ..... 28588 Northwestern Highway ..... Southfield ..... MI..... 48034
(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 ..... Jennifer Anne Palma 215-775-6508
(Name) (Area Code) (Telephone Number) (Extension)
..... Aetna.HMOReporting@aetna.com 860-262-7767
(E-mail Address) (Fax Number)

OFFICERS

Allan Ira Greenberg, President
Edward Chung-I Lee, Vice President and Secretary
Jennifer Anne Palma, Principal Financial Officer and Controller #

OTHER

Burton Fred Vanderlaan, M.D., Senior Medical Director
Elaine Rose Cofrancesco, Treasurer
Gregory Stephen Martino, Vice President
Kevin James Casey, Senior Investment Officer
David William Braun, Assistant Controller

DIRECTORS OR TRUSTEES

Allan Ira Greenberg
Gregory Stephen Martino
Burton Fred Vanderlaan, M.D.

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)	(Signature)	(Signature)
Allan Ira Greenberg	Edward Chung-I Lee	Jennifer Anne Palma
President	Vice President and Secretary@	Principal Financial Officer and Controller@@
State of..... Illinois	State of..... Connecticut	State of..... Pennsylvania
County of..... Cook	County of..... Hartford	County of..... Montgomery
Subscribed and sworn to before me this	@Subscribed and sworn to before me this	@@Subscribed and sworn to before me this
____ day of _____ 2010	____ day of _____ 2010	____ day of August 2010
NOTARY PUBLIC (Seal)	NOTARY PUBLIC (Seal)	NOTARY PUBLIC (Seal)

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 ……

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	1,097,507	0	1,097,507	1,097,147
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 $.....0 encumbrances)	0	0	0	0
5. Cash ($.....25,014), cash equivalents ($.....2,585,821) and short-term investments ($.....1,802)	2,612,637	0	2,612,637	2,540,307
6. Contract loans (including $.....0 premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets	0	0	0	0
9. Receivables for securities	0	0	0	0
10 Aggregate write-ins for invested assets	0	0	0	0
11. Subtotals, cash and invested assets (Lines 1 to 10)	3,710,144	0	3,710,144	3,637,454
12. Title plants less $.....0 charged off (for Title insurers only)	0	0	0	0
13. Investment income due and accrued	17,564	0	17,564	17,658
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.....0 earned but unbilled premiums)	0	0	0	0
14.3 Accrued retrospective premiums	0	0	0	0
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers	0	0	0	0
15.2 Funds held by or deposited with reinsured companies	0	0	0	0
15.3 Other amounts receivable under reinsurance contracts	0	0	0	0
16. Amounts receivable relating to uninsured plans	0	0	0	0
17.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
17.2 Net deferred tax asset	0	0	0	1,138
18. Guaranty funds receivable or on deposit	0	0	0	0
19. Electronic data processing equipment and software	0	0	0	0
20. Furniture and equipment, including health care delivery assets ($.....0)	0	0	0	0
21. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Receivables from parent, subsidiaries and affiliates	0	0	0	57,290
23. Health care ($.....0) and other amounts receivable	0	0	0	0
24. Aggregate write-ins for other than invested assets	0	0	0	0
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 through 24)	3,727,708	0	3,727,708	3,713,540
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
27. Total (Lines 25 and 26)	3,727,708	0	3,727,708	3,713,540

DETAILS OF WRITE-INS

1001	0	0	0	0
1002	0	0	0	0
1003.	0	0	0	0
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098) (Line 10 above)	0	0	0	0
2401.	0	0	0	0
2402.	0	0	0	0
2403.	0	0	0	0
2498. Summary of remaining write-ins for Line 24 from overflow page	0	0	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less $.....0 reinsurance ceded)	1,549	117	1,666	2,572
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	34	0	34	67
4. Aggregate health policy reserves	0	0	0	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	23	0	23	35
8. Premiums received in advance	0	0	0	0
9. General expenses due or accrued	1,801	0	1,801	1,801
10.1 Current federal and foreign income tax payable and interest thereon (including $.....0 on realized gains (losses))	4,977	0	4,977	1,488
10.2 Net deferred tax liability	1,386	0	1,386	0
11. Ceded reinsurance premiums payable	0	0	0	0
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 $.....0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	188	0	188	0
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Funds held under reinsurance treaties with ($.....0 authorized reinsurers and $.....0 unauthorized reinsurers)	0	0	0	0
19. Reinsurance in unauthorized companies	0	0	0	0
20. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
21. Liability for amounts held under uninsured plans	0	0	0	0
22. Aggregate write-ins for other liabilities (including $.....0 current)	0	0	0	0
23. Total liabilities (Lines 1 to 22)	9,958	117	10,075	5,963
24. Aggregate write-ins for special surplus funds	XXX	XXX	2	2
25. Common capital stock	XXX	XXX	10	10
26. Preferred capital stock	XXX	XXX	0	0
27. Gross paid in and contributed surplus	XXX	XXX	8,599,990	8,599,990
28. Surplus notes	XXX	XXX	0	0
29. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
30. Unassigned funds (surplus)	XXX	XXX	(4,882,369)	(4,892,425)
31. Less treasury stock, at cost:				
31.1 .....0.000 shares common (value included in Line 25 $.....0)	XXX	XXX	0	0
31.2 .....0.000 shares preferred (value included in Line 26 $.....0)	XXX	XXX	0	0
32. Total capital and surplus (Lines 24 to 30 minus Line 31)	XXX	XXX	3,717,633	3,707,577
33. Total liabilities, capital and surplus (Lines 23 and 32)	XXX	XXX	3,727,708	3,713,540

DETAILS OF WRITE-INS

2201.	0	0	0	0
2202.	0	0	0	0
2203.	0	0	0	0
2298. Summary of remaining write-ins for Line 22 from overflow page	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above)	0	0	0	0
2401. Additional Deferred Tax Asset Admitted Amount	XXX	XXX	2	2
2402.			0	0
2403.			0	0
2498. Summary of remaining write-ins for Line 24 from overflow page	XXX	XXX	0	0
2499. Totals (Lines 2401 thru 2403 plus 2498) (Line 24 above)	XXX	XXX	2	2
2901.			0	0
2902.			0	0
2903.			0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	XXX	XXX	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 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	0	0	0
2. Net premium income (including $.....0 non-health premium income)	XXX	0	(5,881)	(5,881)
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0	0
4. Fee-for-service (net of $.....0 medical expenses)	XXX	0	0	0
5. Risk revenue	XXX	0	0	0
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	0	(5,881)	(5,881)
Hospital and Medical:				
9. Hospital/medical benefits	0	(5,024)	(32,354)	(27,328)
10. Other professional services	0	0	0	0
11. Outside referrals	0	0	0	0
12. Emergency room and out-of-area	0	(84)	(629)	(642)
13. Prescription drugs	0	632	24	(103)
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0	0
16. Subtotal (Lines 9 to 15)	0	(4,476)	(32,959)	(28,073)
Less:				
17. Net reinsurance recoveries	0	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	0	(4,476)	(32,959)	(28,073)
19. Non-health claims (net)	0	0	0	0
20. Claims adjustment expenses, including $.....0 cost containment expenses	0	0	0	0
21. General administrative expenses	0	11,228	12,857	11,777
22. Increase in reserves for life and accident and health contracts (including $.....0 increase in reserves for life only)	0	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	6,752	(20,102)	(16,296)
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(6,752)	14,221	10,415
25. Net investment income earned	0	25,900	31,783	56,352
26. Net realized capital gains (losses) less capital gains tax of $.....(3)	0	1	(13)	(13)
27. Net investment gains or (losses) (Lines 25 plus 26)	0	25,901	31,770	56,339
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $.....0) (amount charged off $.....0)]	0	0	0	0
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	19,149	45,991	66,754
31. Federal and foreign income taxes incurred	XXX	6,569	18,044	27,698
32. Net income (loss) (Lines 30 minus 31)	XXX	12,580	27,947	39,056

DETAILS OF WRITE-INS

0601.	XXX	0	0	0
0602.	XXX	0	0	0
0603.	XXX	0	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0	0
0701.	XXX	0	0	0
0702.	XXX	0	0	0
0703.	XXX	0	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0	0
1401.	0	0	0	0
1402.	0	0	0	0
1403.	0	0	0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	0	0	0
2901.	0	0	0	0
2902.	0	0	0	0
2903.	0	0	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
33. Capital and surplus prior reporting year	3,707,577	3,661,800	3,661,800
34. Net income or (loss) from Line 32	12,580	27,947	39,056
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	(2,524)	1,947	6,721
39. Change in nonadmitted assets	0	0	(2)
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	2
48. Net change in capital and surplus (Lines 34 to 47)	10,056	29,894	45,777
49. Capital and surplus end of reporting period (Line 33 plus 48)	3,717,633	3,691,694	3,707,577

DETAILS OF WRITE-INS

4701. Change in Additional Deferred Tax Asset Admitted Amount	0	0	2
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	2

CASH FLOW

	1 Current Year to Date	2 Prior Year To Date	3 Prior Year Ended December 31
CASH FROM OPERATIONS			
1. Premiums collected net of reinsurance	0	(5,881)	(5,881)
2. Net investment income	25,634	31,534	55,659
3. Miscellaneous income	0	0	0
4. Total (Lines 1 through 3)	25,634	25,653	49,778
5. Benefit and loss related payments	(3,558)	(28,073)	(22,117)
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	11,261	27,675	26,052
8. Dividends paid to policyholders	0	0	0
9. Federal and foreign income taxes paid (recovered) net of $.....0 tax on capital gains (losses)	3,077	59,840	12,334
10. Total (Lines 5 through 9)	10,780	59,442	16,269
11. Net cash from operations (Line 4 minus Line 10)	14,854	(33,789)	33,509
CASH FROM INVESTMENTS			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	0
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(2)	(16)	(16)
12.7 Miscellaneous proceeds	0	349,962	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	(2)	349,946	(16)
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	0
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	0
14. Net increase (decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(2)	349,946	(16)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	57,478	63,323	(216,049)
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	57,478	63,323	(216,049)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	72,330	379,480	(182,556)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	2,540,307	2,722,863	2,722,863
19.2 End of period (Line 18 plus Line 19.1)	2,612,637	3,102,343	2,540,307

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

20.0001 Payable for securities	0	349,962	0

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at End of:										
1. Prior Year	0	0	0	0	0	0	0	0	0	0
2. First Quarter	0	0	0	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	0	0	0	0	0	0	0	0	0	0
Total Member Ambulatory Encounters for Period:										
7. Physician	0	0	0	0	0	0	0	0	0	0
8. Non-Physician	0	0	0	0	0	0	0	0	0	0
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0	0	0	0	0	0	0	0	0	0
11. Number of Inpatient Admissions	0	0	0	0	0	0	0	0	0	0
12. Health Premiums Written (a)	0	0	0	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	0	0	0	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	(3,558)	0	(3,558)	0	0	0	0	0	0	0
18. Amount Incurred for Provision of Health Care Services	(4,476)	0	(4,476)	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
Claims Unpaid (Reported)						
Aging estimated based on claims in process of adjudication as of 06/30/10	0	0	0	0	0	0
0199999. Individually Listed Claims Unpaid	0	0	0	0	0	0
0299999. Aggregate Accounts Not Individually Listed-Uncovered	0	0	0	0	412	412
0399999. Aggregate Accounts Not Individually Listed-Covered	0	0	0	0	279	279
0499999. Subtotals	0	0	0	0	691	691
0599999. Unreported Claims and Other Claim Reserves						975
0799999. Total Claims Unpaid						1,666

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	6
	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	(3,558)	0	1,689	0	(1,869)	2,607
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	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)	(3,558)	0	1,689	0	(1,869)	2,607
10. Healthcare receivables (a)	0	0	0	0	0	0
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	(3,558)	0	1,689	0	(1,869)	2,607

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Accounting practices

The accompanying statutory financial statements of Aetna Health Inc. (a Michigan corporation) (the "Company"), indirectly a wholly-owned subsidiary of Aetna Inc. ("Aetna"), have been prepared in conformity with accounting practices prescribed or permitted by the Michigan Office of Financial and Insurance Services ("Michigan Department") ("Michigan Accounting Practices"). The Michigan Department recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of an insurance company, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures Manual* ("NAIC SAP"). The Company's net income and capital and surplus as stated on a NAIC SAP basis and on the basis of practices prescribed or permitted by the State of Michigan were the same as of and for the period ending June 30, 2010.

The Michigan Accounting Practices vary from U.S. generally accepted accounting principles ("GAAP"). The primary differences include:

- Certain assets, designated as nonadmitted assets (in part, uncollected premiums which are nonadmitted in accordance with Statements of Statutory Accounting Principles ("SSAP") No. 6, *Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers)* are not recorded as assets, but are charged to surplus. Thus, nonadmitting uncollected premiums eliminates the need for a separate allowance for doubtful accounts which is utilized under GAAP;
- Bonds are recorded at amortized cost except for those with an NAIC designation of 3 through 6, which are reported at the lower of amortized cost or fair value. Therefore, changes in unrealized gains and losses for those securities held at amortized cost are not reflected in the financial statements. Under GAAP, bonds classified as available for sale are recorded at fair value, and related changes in unrealized gains and losses are recorded as a component of equity, net of deferred Federal income taxes;
- Deferred tax assets and liabilities are determined and admitted in accordance with SSAP No. 10R, *Income Taxes – Revised, A Temporary Replacement of SSAP 10* (“SSAP 10R”). Changes in net deferred tax assets and liabilities are reflected as changes in surplus. Under GAAP, changes in such assets and liabilities are reflected in net income; and
- Yield-related other-than-temporary impairment ("OTTI") (those losses driven by credit-spread widening or interest rate changes and not declines in the credit worthiness of the issuer or the quality of the security) losses on bonds (other then loan-backed or structured securities) and redeemable preferred stocks are recorded when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment in accordance with Interpretation of the Emerging Accounting Issues Working Group INT 06-07: *Definition of Phrase "Other Than Temporary"*. Under GAAP, prior to the adoption of new accounting guidance effective April 1, 2009, yield-related OTTI losses were recognized when the Company could not assert its intent and ability to hold such securities until market recovery. Effective April 1, 2009, the Company's statutory yield-related OTTI recorded in the Statutory Statements of Revenues and Expenses is consistent with GAAP.

Use of estimates in the preparation of the financial statements

The preparation of these financial statements in conformity with Michigan Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses. Actual results could differ from those estimates.

2. Accounting changes and corrections of errors

No significant change.

3. Business combinations and goodwill

No significant change.

4. Discontinued operations

The Company has withdrawn from the market effective December 31, 2007. The Company provided such information to the Michigan Office of Financial and Insurance Services on November 7, 2006 pursuant to M.C.L.A. Section 500.3712.

5. Investments

A. – C. No significant change.

D. Loan–Backed Securities

1. - 3. No significant change.

4. The Company had no OTTI losses during the second quarter of 2010 on loan-backed and structured securities in which the Company had the intent to sell or did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis in accordance with SSAP No. 43R, *Loan-Backed and Structured Securities*.

5. The Company had no OTTI on loan-backed and structured securities held by the Company at June 30, 2010.

E. – G. No significant change.

6. Joint ventures, partnerships, and limited liability companies

No significant change.

7. Investment income

No significant change.

8. Derivative instruments

No significant change.

9. Income taxes

No significant change.

10. Information concerning parent, subsidiaries, affiliates, and related parties

No significant change.

11. Debt

No significant change.

12. Retirement plans, deferred compensation postemployment benefits and compensated absences and other postretirement benefit plans

No significant change.

13. Capital and surplus, shareholders' dividend restrictions and quasi-reorganizations

No significant change.

14. Contingencies

No significant change.

15. Leases

No significant change.

16. Information about financial instruments with off-balance sheet risk and financial instruments with concentrations of credit risk

No significant change.

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 did not have any wash sales for the period ending June 30, 2010.

18. Gain or loss to the HMO from uninsured A&H plans and the uninsured portion of partially insured plans

No significant change.

19. Direct premium written/produced by managing general agents/third party administrators

No significant change.

20. Other items

C. Other disclosures

On March 23, 2010, the Patient Protection and Affordable Care Act was enacted. In addition, the Health Care and Education Reconciliation Act was approved by Congress in March 2010. Together, these bills will expand the availability of health care coverage to millions of Americans. While some of the measures will be implemented this year, many do not take effect until 2014 and some extend out to 2020. The Company is currently evaluating the provisions of these bills and is unable to determine what effect they will have on its business or results of operations.

21. Events subsequent

Subsequent events have been considered through August 11, 2010 for the statutory statement issued on August 15, 2010. The Company had no known reportable subsequent events.

22. Reinsurance

No significant change.

23. Retrospectively rated contracts and contracts subject to redetermination

No significant change.

24. Change in claims unpaid, unpaid claims adjustment expense, and aggregate health claim reserves

The Company had no significant development of prior period health care cost estimates in 2009. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

25. Intercompany pooling arrangements

No significant change.

26. Structured settlements

No significant change.

27. Health care receivables

No significant change.

28. Participating policies

No significant change.

29. Premium deficiency reserves

No significant change.

30. Anticipated salvage and subrogation

No significant change.

GENERAL INTERROGATORIES

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

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. 12/31/2007.....

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. 12/31/2007.....

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). 01/6/2009.....

6.4 By what department or departments?
Michigan Office of Financial & Insurance Regulation

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 [ ] No [ ] N/A [X]

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 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

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 [X] 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 [X]

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 [X]

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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 [X]

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 [X]

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 [X]

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	$ 0	$ 0
14.22 Preferred Stock	$ 0	$ 0
14.23 Common Stock	$ 0	$ 0
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)	$ 0	$ 0
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 [X]

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.

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

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)
All agreements comply.		

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 and complete information relating thereto:

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

16.5 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		

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:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent		0.0 %
1.2 A&H cost containment percent		0.0 %
1.3 A&H expense percent excluding cost containment expenses		0.0 %
2.1 Do you act as a custodian for health savings accounts?	Yes [ ]	No [X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.		0
2.3 Do you act as an administrator for heatlh savings accounts?	Yes [ ]	No [X]
2.4 If yes, please provide the amount of funds administered as of the reporting date.		0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (YES or NO)

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

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

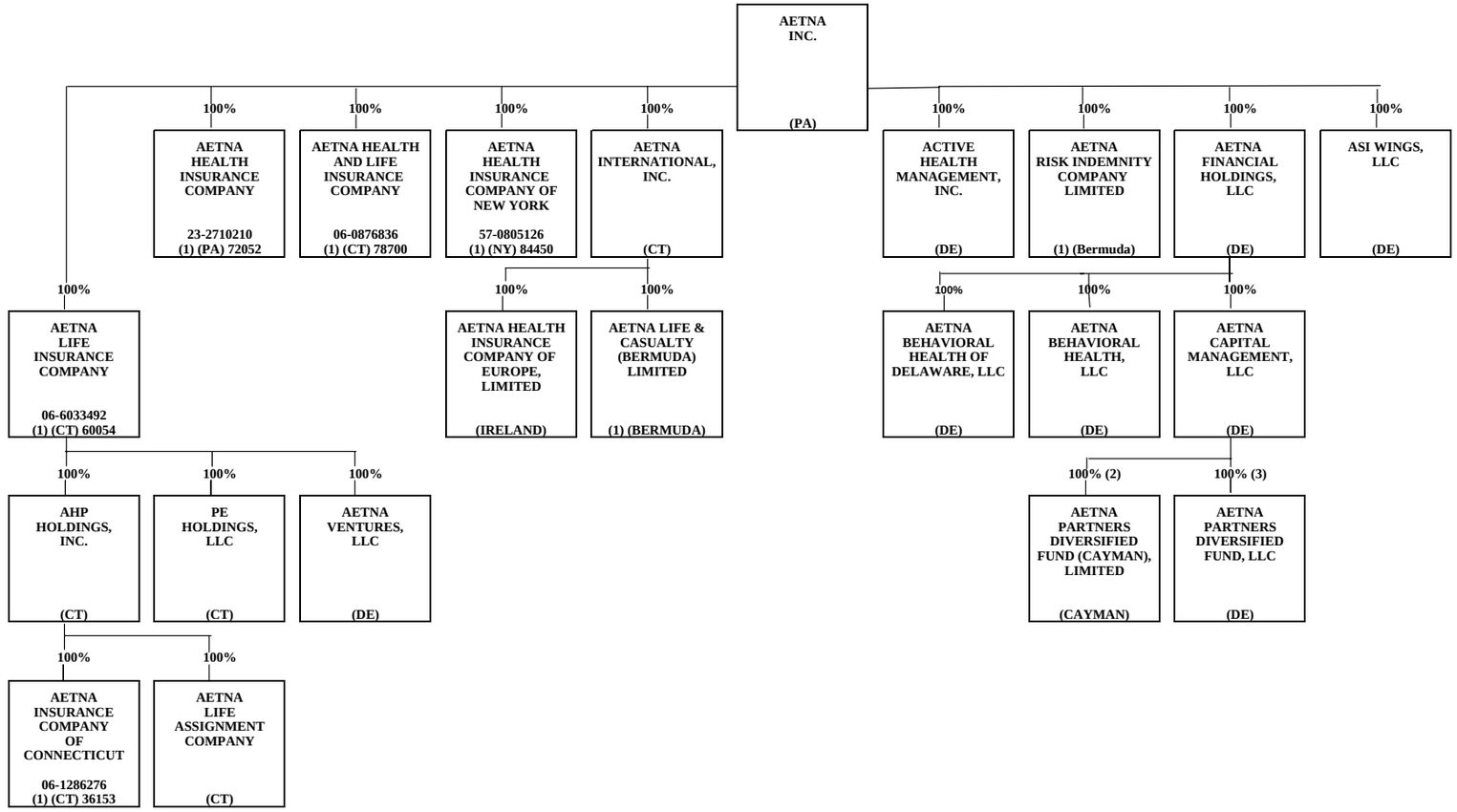
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer;

(E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



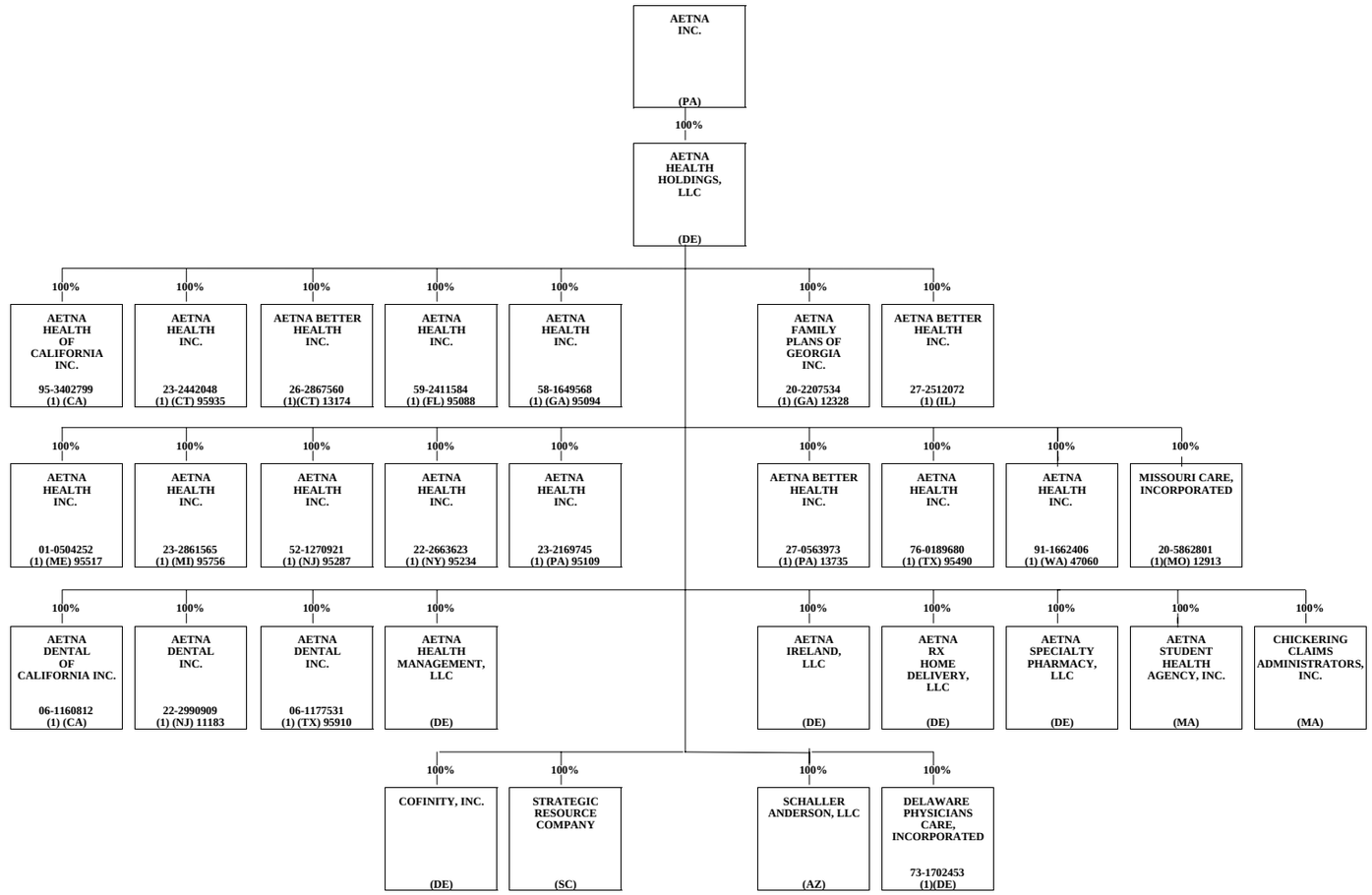
(1) Insurers/HMO's
(2) Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.
(3) Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.

Q15.1

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



Reconciliation from 3/31/10 to 6/30/10:

(a) Remove - Aetna Health Inc. (CO)
(b) Remove - Aetna Health Inc. (DE)
(c) Add - Aetna Better Health Inc. (IL)

(1) Insurers/HMO's

Percentages are rounded to the nearest whole percent and are based on ownership of voting rights.

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.

Bar Code:

* 9 5 7 5 6 2 0 1 0 3 6 5 0 0 0 0 2 *

Overflow Page for Write-Ins

NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	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	1,097,147	1,096,446
2. Cost of bonds and stocks acquired	0	0
3. Accrual of discount	360	701
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration for bonds and stocks disposed of	0	0
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,097,507	1,097,147
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,097,507	1,097,147

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)	3,694,128	14,758,642	14,769,138	1,498	3,694,128	3,685,130	0	3,612,440
2. Class 2 (a)	0	0	0	0	0	0	0	0
3. Class 3 (a)	0	0	0	0	0	0	0	0
4. Class 4 (a)	0	0	0	0	0	0	0	0
5. Class 5 (a)	0	0	0	0	0	0	0	0
6. Class 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	3,694,128	14,758,642	14,769,138	1,498	3,694,128	3,685,130	0	3,612,440
PREFERRED STOCK								
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	3,694,128	14,758,642	14,769,138	1,498	3,694,128	3,685,130	0	3,612,440

(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 $.....2,587,623; NAIC 2 $.....0; NAIC 3 $.....0; NAIC 4 $.....0; NAIC 5 $.....0; NAIC 6 $.....0.

SCHEDULE DA - PART 1

Short-Term Investments

	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
9199999. Totals	1,802	XXX	1,802	1	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,057,417	55,751
2. Cost of short-term investments acquired	128,324	3,121,066
3. Accrual of discount	140	257
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	0
6. Deduct consideration received on disposals	1,184,079	2,119,657
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,802	1,057,417
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,802	1,057,417

Sch. DB-Pt A-Verification
NONE

Sch. DB-Pt B-Verification
NONE

Sch. DB-Pt C-Sn 1
NONE

Sch. DB-Pt C-Sn 2
NONE

Sch. DB-Verification
NONE

SCHEDULE E- VERIFICATION

Cash Equivalents

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,457,876	2,594,158
2. Cost of cash equivalents acquired	24,689,912	64,403,266
3. Accrual of discount	2,021	11,405
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	(2)	(16)
6. Deduct consideration received on disposals	23,563,986	65,550,937
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/ adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	2,585,821	1,457,876
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	2,585,821	1,457,876

Sch. A-Pt 2
NONE

Sch. A-Pt 3
NONE

Sch. B-Pt 2
NONE

Sch. B-Pt 3
NONE

Sch. BA-Pt 2
NONE

Sch. BA-Pt 3
NONE

Sch. D-Pt 3
NONE

Sch. D-Pt 4
NONE

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt A-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1
NONE

Sch. DB-Pt B-Sn 1B
NONE

Sch. DB-Pt D
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Open Depositories								
Bank One Baton Rouge, LA		0.000	0	0	25,014	25,014	25,014	XXX
0199999. Total Open Depositories	XXX	XXX	0	0	25,014	25,014	25,014	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	25,014	25,014	25,014	XXX
0599999. Total Cash	XXX	XXX	0	0	25,014	25,014	25,014	XXX

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 Amount Received During Year
U.S. Government Issuer Obligations							
US TREASURY BILL		06/24/2010	0.065	07/22/2010	1,294,951	0	16
0199999. U.S. Government Issuer Obligations					1,294,951	0	16
0399999. Total - U.S. Government Bonds					1,294,951	0	16
Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations							
ATLANTIC CITY ELECTRIC CP 3(A) 3		06/23/2010	0.400	07/06/2010	179,990	0	16
BMW US CAPITAL LLC CP 4(2) 144A		06/30/2010	0.330	07/12/2010	185,981	0	2
FLORIDA PR & LT CP 3(A) 3		06/22/2010	0.350	07/21/2010	185,964	0	16
PUB SERV ELEC & GAS CO CP 3(A) 3		06/22/2010	0.320	07/08/2010	185,988	0	15
RYDER SYSTEMS CP		06/29/2010	0.390	07/14/2010	185,974	0	4
SAFEWAY INC CP 3 (A) 3		06/23/2010	0.350	07/16/2010	180,974	0	14
WISCONSIN ENERGY CORP 3(A)3		06/29/2010	0.200	07/02/2010	185,999	0	2
3299999. Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations					1,290,870	0	69
3899999. Total - Industrial and Miscellaneous (Unaffiliated)					1,290,870	0	69
Total							
7799999. Subtotals - Issuer Obligations					2,585,821	0	85
8399999. Subtotals - Bonds					2,585,821	0	85
8699999. Total - Cash Equivalents					2,585,821	0	85