

Changes per state request.



QUARTERLY STATEMENT

AS OF MARCH 31, 2005
OF THE CONDITION AND AFFAIRS OF THE

OmniCare Health Plan, Inc.

NAIC Group Code	<u>1137</u> <small>(Current Period)</small>	<u>1137</u> <small>(Prior Period)</small>	NAIC Company Code	<u>12193</u>	Employer's ID Number	<u>20-1052897</u>
Organized under the Laws of	<u>Michigan</u>		State of Domicile or Port of Entry	<u>Michigan</u>		
Country of Domicile	<u>United States of America</u>					
Licensed as business type:	Life, Accident & Health []	Property/Casualty []	Dental Service Corporation []			
	Vision Service Corporation []	Other []	Health Maintenance Organization [X]			
	Hospital, Medical & Dental Service or Indemnity []	Is HMO, Federally Qualified? Yes [X] No []				
Incorporated/Organized	<u>04/22/2004</u>	Commenced Business	<u>10/01/2004</u>			
Statutory Home Office	<u>1333 Gratiot, Brewery Park One, Ste 400</u> <small>(Street and Number)</small>		<u>Detroit, MI 48207</u> <small>(City or Town, State and Zip Code)</small>			
Main Administrative Office	<u>1333 Gratiot, Brewery Park One, Ste 400</u> <small>(Street and Number)</small>	<u>Detroit, MI 48207</u> <small>(City or Town, State and Zip Code)</small>	<u>313-465-1519</u> <small>(Area Code) (Telephone Number)</small>			
Mail Address	<u>1333 Gratiot, Brewery Park One, Ste 400</u> <small>(Street and Number or P.O. Box)</small>		<u>Detroit, MI 48207</u> <small>(City or Town, State and Zip Code)</small>			
Primary Location of Books and Records	<u>1333 Gratiot, Brewery Park One, Ste 400</u> <small>(Street and Number)</small>	<u>Detroit, MI 48207</u> <small>(City or Town, State and Zip Code)</small>	<u>313-465-1519</u> <small>(Area Code) (Telephone Number)</small>			
Internet Website Address	<u>www.omnicarehealthplan.com</u>					
Statutory Statement Contact	<u>Kenyata J. Rogers</u> <small>(Name)</small>		<u>313-465-1519</u> <small>(Area Code) (Telephone Number) (Extension)</small>			
	<u>KJRogers@cvty.com</u> <small>(E-mail Address)</small>		<u>313-465-1604</u> <small>(FAX Number)</small>			
Policyowner Relations Contact	<u>1333 Gratiot, Brwery Park One, Ste 400</u> <small>(Street and Number)</small>	<u>Detroit, MI 48207</u> <small>(City or Town, State and Zip Code)</small>	<u>313-465-1519</u> <small>(Area Code) (Telephone Number) (Extension)</small>			

OFFICERS

Name	Title	Name	Title
<u>Bobby Lee Jones</u>	<u>President & Chief Executive Officer</u>	<u>Francis Samuel Soistman, Jr #</u>	<u>Executive Vice President</u>
<u>Beverly Ann Allen</u>	<u>Chief Financial Officer & Operating Officer</u>	<u>John Joseph Ruhlmann</u>	<u>Corporate Controller</u>

OTHER OFFICERS

<u>Claudia Bjerre #</u>	<u>Treasurer</u>	<u>Shirley Ann Roquemore Smith</u>	<u>Secretary</u>
<u>John Joseph Stelben</u>	<u>Assistant Treasurer and Assistant Secretary</u>	<u>Jonathan David Weinberg</u>	<u>Assistant Secretary</u>

DIRECTORS OR TRUSTEES

<u>Harvey Charles DeMovick, Jr.</u>	<u>Bobby Lee Jones</u>	<u>Francis Samuel Soistman, Jr. #</u>	<u>Claudia Bjerre #</u>
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State of
County of SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Bobby Lee Jones
Chief Executive Officer

Beverly Ann Allen
Chief Financial Officer & Operating Officer

John Joseph Ruhlmann
Corporate Controller

Subscribed and sworn to before me this
_____ day of _____,

a. Is this an original filing? Yes [] No [X]

b. If no,
1. State the amendment number 1
2. Date filed 06/13/2005

3. Number of pages attached 8

STATEMENT AS OF MARCH 31, 2005 OF THE OmniCare Health Plan, Inc.

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	4,968,532		4,968,532	2,293,626
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (2,374,930)), cash equivalents (\$ 0) and short-term investments (\$ 28,223,551)	25,848,621		25,848,621	22,532,632
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets	0	0	0	0
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9)	30,817,153	0	30,817,153	24,826,258
11. Title plants less \$ charged off (for Title insurers only)			0	
12. Investment income due and accrued	179,914	0	179,914	80,874
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers	67,845	0	67,845	33,790
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon	36,448		36,448	265,852
16.2 Net deferred tax asset	258,389	15,550	242,839	180,659
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software			0	0
19. Furniture and equipment, including health care delivery assets (\$)	147,935	147,935	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	701,510		701,510	0
22. Health care (\$ 7,178,720) and other amounts receivable	7,178,719	6,032,799	1,145,920	7,921,276
23. Aggregate write-ins for other than invested assets	122,761	122,761	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	39,510,674	6,319,045	33,191,629	33,308,709
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	39,510,674	6,319,045	33,191,629	33,308,709
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0
2301. Prepaid Other Expenses	24,496	24,496	0	0
2302. Prepaid Postage	24,262	24,262	0	0
2303. Leashold Improvements (Net)	74,003	74,003	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)	122,761	122,761	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	18,014,682		18,014,682	17,560,375
2. Accrued medical incentive pool and bonus amounts	686,631		686,631	344,543
3. Unpaid claims adjustment expenses	470,894		470,894	467,810
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued	3,163,605		3,163,605	552,116
10.1 Current federal and foreign income tax payable and interest thereon (including \$(99) on realized gains (losses))	(99)		(99)	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	(274)		(274)	(274)
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	0		0	141,891
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured accident and health plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
22. Total liabilities (Lines 1 to 21)	22,335,439	0	22,335,439	19,066,461
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	10	10
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	16,600,990	16,000,990
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	(5,744,810)	(1,758,752)
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24) \$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25) \$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	10,856,190	14,242,248
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	33,191,629	33,308,709
DETAILS OF WRITE-INS				
2101.				
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	0	0	0	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	14,242,248	0	0
GAINS AND LOSSES TO CAPITAL & SURPLUS:			
34. Net income or (loss) from Line 32	1,923,233	0	(1,607,387)
35. Change in valuation basis of aggregate policy and claim reserves		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$		0	0
37. Change in net unrealized foreign exchange capital gain or (loss)		0	0
38. Change in net deferred income tax	31,850	0	226,539
39. Change in nonadmitted assets	(5,941,141)	0	(377,904)
40. Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock		0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles		0	0
44. Capital Changes:			
44.1 Paid in		0	10
44.2 Transferred from surplus (Stock Dividend)		0	0
44.3 Transferred to surplus		0	0
45. Surplus adjustments:			
45.1 Paid in	600,000	0	16,000,990
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital		0	0
46. Dividends to stockholders		0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital & surplus (Lines 34 to 47)	(3,386,058)	0	14,242,248
49. Capital and surplus end of reporting period (Line 33 plus 48)	10,856,190	0	14,242,248
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
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
Cash from Operations		
1. Premiums collected net of reinsurance.....	39,657,038	39,429,647
2. Net investment income	93,864	27,586
3. Miscellaneous income	(2,326,886)	(3,389,105)
4. Total (Lines 1 to 3)	37,424,016	36,068,128
5. Benefits and loss related payments	29,407,123	24,279,995
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	1,279,376	3,201,914
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	565,940	(429,204)
10. Total (Lines 5 through 9)	31,252,439	27,052,705
11. Net cash from operations (Line 4 minus Line 10)	6,171,577	9,015,423
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
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	2,664	7,537
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	2,664	7,537
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,673,232	2,293,384
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	2,947	7,537
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,676,179	2,300,921
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(2,673,515)	(2,293,384)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	600,000	16,001,000
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).....	(782,073)	(190,407)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(182,073)	15,810,593
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Lines 15 and 17)	3,315,989	22,532,632
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	22,532,632	0
19.2 End of period (Line 18 plus Line 19.1)	25,848,621	22,532,632

STATEMENT AS OF MARCH 31, 2005 OF THE OmniCare Health Plan, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Stop Loss	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
Total Members at end of:													
1. Prior Year	62,455	0	0	0	0	0	0	0	62,455	0	0	0	0
2 First Quarter	63,180								63,180				
3 Second Quarter	0												
4. Third Quarter	0												
5. Current Year	0												
6 Current Year Member Months	188,973								188,973				
Total Member Ambulatory Encounters for Period:													
7. Physician	85,139								85,139				
8. Non-Physician	20,450								20,450				
9. Total	105,589	0	0	0	0	0	0	0	105,589	0	0	0	0
10. Hospital Patient Days Incurred	10,160								10,160				
11. Number of Inpatient Admissions	2,292								2,292				
12. Health Premiums Written	39,707,867								39,707,867				
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	39,657,038								39,657,038				
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	30,101,384								30,101,384				
18. Amount Incurred for Provision of Health Care Services	30,897,779								30,897,779				

7

STATEMENT AS OF MARCH 31, 2005 OF THE OmniCare Health Plan, Inc.

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 Dec. 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec. 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)0	.0
2. Medicare Supplement0	.0
3. Dental Only0	.0
4. Vision Only0	.0
5. Federal Employees Health Benefits Plan0	.0
6. Title XVIII - Medicare0	.0
7. Title XIX - Medicaid	9,787,108	20,446,086	2,959,712	15,054,970	12,746,820	17,560,375
8. Other Health0	.0
9. Health Subtotal (Lines 1 to 8).....	9,787,108	20,446,086	2,959,712	15,054,970	12,746,820	17,560,375
10. Healthcare receivables (a)		(165,866)			.0	.0
11. Other non-health0	.0
12. Medical incentive pools and bonus amounts			344,543	342,088	344,543	344,543
13. Totals	9,787,108	20,280,220	3,304,255	15,397,058	13,091,363	17,904,918

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

The Program's formula is not calculating properly.

6

NOTES TO FINANCIAL STATEMENTS

Footnotes

1. Summary of Significant Accounting Policies

A. Basis of Presentation

As of March 31, 2005, healthcare receivables totaled \$7.2 million and consisted of provider advances and capitation premium, maternity case rates, and reimbursement of certain drug costs due from MDCH. Of this total, \$6.0 million of provider advances have been non-admitted in accordance with the accounting practices prescribed by OFIS. In May 2005, the Plan's parent company Coventry Health Care, Inc., contributed capital of \$600,000 to the Plan. The Plan requested and received a permitted practice from OFIS to recognize the amount due from parent and the additional capital at March 31, 2005 to partially offset the reduction to surplus caused by non-admitting the advance payments to providers.

The accounting treatment of provider advances referenced above is in accordance with accounting practices and procedures prescribed by OFIS. Such provider advances would have been admitted pursuant to NAIC statutory accounting practices and procedures. The effect of having non-admitted the provider advances was a \$6.0 million reduction of the Plan's statutory surplus.

B-C No significant changes from 12/31/2004.

2-8 No significant changes from 12/31/2004.

9. Income Taxes				
a. The components of the net deferred tax asset are as follows:				
			<u>March 31, 2005</u>	<u>December 31, 2004</u>
	Total of gross deferred tax assets		320,237	288,387
	Total of deferred tax liabilities		(61,848)	(61,848)
	Net deferred tax asset		258,389	226,539
	Deferred Tax Asset nonadmitted		15,550	45,880
	Net admitted deferred tax asset		242,839	180,659
	Increase (decrease) in DTAs nonadmitted	04	(30,330)	N/A
b. Deferred tax liabilities are not recognized for the following amounts:				
	None			
c. The provisions for incurred taxes on earnings for the years ended December 31 are:				
			<u>March 31, 2005</u>	<u>December 31, 2004</u>
	Federal		795,245	(695,056)
	Foreign		0	0
			795,245	(695,056)
	Federal Income Tax on net capital gains		0	0
	Utilization of capital loss carry-forwards		0	0
	Federal and foreign income taxes incurred	07	795,245	(695,056)

NOTES TO FINANCIAL STATEMENTS

	The tax effect of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities are:				
	<u>Deferred Tax Assets:</u>		<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>Change</u>
	Amortization of insurance in force		0	0	0
	PY Discounted unpaid claims		0	0	0
	CY Discounted unpaid claims		156,094	149,585	6,510
	PY Discounted unearned premiums		0	0	0
	CY Discounted unearned premiums		0	0	0
	Gain/loss on sale of assets		0	0	0
	Depreciation		0	0	0
	Penalties		0	0	0
	Lobbying		0	0	0
	Bad debt expense reserve		42,519	0	42,519
	Incentive compensation		0	0	0
	Other accrued liabilities		0	0	0
	Malpractice reserve		0	0	0
	Vacation pay accrual		20,317	16,031	4,286
	Accrued audit fees		0	0	0
	Accrued bonuses		6,563	6,563	0
	Write off of business expansion costs		0	0	0
	Incurred business expansion costs		0	0	0
	Reorganization charges		0	0	0
	IRC Section 481 adjustment		0	0	0
	Accrued legal fees		0	0	0
	Gain share reserve		0	0	0
	Premium Deficiency Reserve		0	0	0
	Reinsurance reserve		0	0	0
	OPM contingency/accrual		0	0	0
	Charitable contributions		0	0	0
	Risk sharing liability		0	0	0
	Interest expense on surplus notes		0	0	0
	AHERF reserves		0	0	0
	Accrual to market discount		0	0	0
	Plan BANKR reserved at corporate		0	0	0
	Amortization of PHC Ohio Exchange		0	0	0
	RAR adjustments		0	0	0
	Stat to gaap adjustment		0	0	0
	Non-accruable revenue		0	0	0
	Retention bonus		0	0	0
	Deferred 311(B) sec. 197 goodwill		0	0	0
	Sale of CSC 1% interest in CMS		0	0	0
	Incurred business expansion costs - BR/QC		0	0	0
	Deferred Gain Upon CHL Securities Transfer		0	0	0
	Incurred Business Expansion Costs-New Alliance		0	0	0
	Incurred Business Expansion Costs-MAHP		0	0	0

NOTES TO FINANCIAL STATEMENTS

	HIPAA Capitalized Expenses		0	0	0
	Excessive Employee Remuneration (162(m))		0	0	0
	Senior Note Issuance Costs		0	0	0
	Holiday Wages		0	0	0
	Unrealized (gain) loss		0	0	0
			0	0	0
			0	0	0
			0	0	0
	Sec. 382 net operating loss		0	0	0
	Nonadmitted assets		94,744	116,208	(21,465)
	Total deferred tax assets		320,237	288,387	31,850
	Nonadmitted deferred tax assets		(15,550)	(45,880)	30,330
	Admitted deferred tax assets		304,687	242,507	62,180
	<u>Deferred Tax Liabilities:</u>				
	Total deferred tax liabilities		61,848	61,848	(0)
	Net admitted deferred tax asset		242,839	180,659	62,180
			0		
	The change in net deferred income taxes is comprised of the following (exclusive of nonadmitted assets):				
			<u>March 31, 2005</u>	<u>December 31, 2004</u>	<u>Change</u>
	Total deferred tax assets		320,237	288,387	31,850
	Total deferred tax liabilities		61,848	61,848	(0)
	Net deferred tax asset	04	258,389	226,539	31,850
	Tax effect of unrealized gains(losses)				0
	Change in net deferred income tax				31,850
	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 taxes. The significant items causing this difference are as follows:				
			<u>March 31, 2005</u>		
	Provision computed at statutory rate		951,467		
	Tax-exempt interest		0		
	Meals and entertainment		220		
	Investment fees relating to tax-exempt income		88		
	Dividend received reduction		0		
	Penalties		0		
	Political Contributions		0		
	Lobbying Expense		0		
	Stock options		(156,530)		
	State income taxes		0		
	State franchise taxes		0		

NOTES TO FINANCIAL STATEMENTS

	Incentive compensation		0		
	Unbooked lossess		0		
	Amortization of insurance in force		0		
	PY Discounted unpaid claims		0		
	CY Discounted unpaid claims		6,510		
	PY Discounted unearned premiums		0		
	CY Discounted unearned premiums		0		
	Gain/(loss) on sale of assets		1		
	Prepaid Postage		0		
	Depreciation		(1)		
	Penalties		0		
	Lobbying		0		
	Bad debt expense reserve		42,519		
	Incentive compensation		0		
	Other accrued liabilities		0		
	Malpractice reserve		0		
	Vacation pay accrual		4,286		
	Accrued audit fees		0		
	Accrued bonuses		0		
	Write off of business expansion costs		0		
	Incurred business expansion costs		0		
	Reorganization charges		0		
	IRC Section 481 adjustment		0		
	Accrued legal fees		0		
	Gain share reserve		0		
	Premium Deficiency Reserve		0		
	Reinsurance reserve		0		
	OPM contingency/accrual		0		
	Charitable contributions		0		
	Risk sharing liability		0		
	Interest expense on surplus notes		0		
	AHERF reserves		0		
	Accrual to market discount		0		
	Plan BANKR reserved at corporate		0		
	Amortization of PHC Ohio Exchange		0		
	RAR adjustments		0		
	Stat to gaap adjustment		0		
	Non-accruable revenue		0		
	Retention bonus		0		
	Deferred 311(B) sec. 197 goodwill		0		
	Sale of CSC 1% interest in CMS		0		
	Incurred business expansion costs - BR/QC		0		
	Deferred Gain Upon CHL Securities Transfer		0		
	Incurred Business Expansion Costs- New Alliance		0		
	Incurred Business Expansion Costs- MAHP		0		
	HIPAA Capitalized Expenses		0		
	Excessive Employee Remuneration (162(m))		0		

NOTES TO FINANCIAL STATEMENTS

	Senior Note Issuance Costs		0	
	Holiday Wages		0	
			0	
			0	
			0	
	True-Up		(53,314)	
	Total Statutory income taxes		795,245	
	Federal income taxes incurred		816,709	
	True-Up		(53,314)	
	Change in net deferred income taxes		31,850	
	Total Statutory income taxes	07	795,245	
	e. Amount of net loss carryforwards available to offset future taxable income (from the current year):			
	None - The tax benefit of any current and prior operating losses has been realized as a result of the intercompany tax allocation agreement with the parent.			
	2. Amount of federal income taxes incurred in the current year and each preceding year that are available for recoupment in the event of future losses:			
	2005	795,245		
	2004	0		
	2003	0		
	f. 1. The Company's taxable income or loss is included in the consolidated federal income tax return of its parent company, Coventry Health Care, Inc. The names of the entities with whom the Company's federal income tax return is currently consolidated are included on page 19 of this Statement (Schedule Y).			
	2. The method of tax allocation between the companies is subject to written agreement approved by management of the respective companies. The tax allocation agreement with the Parent is based upon taxes incurred on net income. Intercompany tax balances are settled monthly.			

10 Information concerning Parent Subsidiary and Affiliates

At March 31, 2005, \$701,510 is due from Coventry Health Care, Inc. for contributed capital and reimbursement of income taxes paid.

11-16 No significant changes from 12/31/2004

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

Not applicable

18-31 No significant changes from 12/31/2004

GENERAL INTERROGATORIES

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

**PART 1 - COMMON INTERROGATORIES
GENERAL**

- 1.1 Did the reporting entity implement any significant accounting policy changes that would require disclosure in the Notes to the Financial Statements? Yes [] No [X]
- 1.2 If yes, explain:
.....
- 2.1 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 [X] No []
- 2.2 If yes, has the report been filed with the domiciliary state? Yes [X] No []
- 3.1 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]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
- 4. 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.
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the 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

- 6. 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] NA []
If yes, attach an explanation.
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.
- 7.2 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.
- 7.3 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).
- 7.4 By what department or departments?
.....
- 8.1 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? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [] No [X]
- 8.2 If yes, give full information:
.....
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?..... Yes [] No [X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
.....
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms?..... Yes [] No [X]
- 9.4 If response to 9.3 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

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:\$701,510

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:\$

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

- 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 Statement Value
15.21 Bonds	\$	\$
15.22 Preferred Stock	\$	\$
15.23 Common Stock	\$	\$
15.24 Short-Term Investments	\$	\$
15.25 Mortgage Loans on Real Estate	\$	\$
15.26 All Other	\$	\$
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	\$	\$

- 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.

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 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
Wachovia Bank, N.A.....	1300 1 Street, N.W. DC 1984, 12th Floor, West Tower.....

- 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)

- 17.3 Have there been any changes, including name changes in the custodian(s) identified in 17.1 during the current quarter? Yes No

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

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

- 17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
104595.....	Evergreen.....	200 Berkeley Street, Boston, MA 02116.....
107423.....	Conning & Company.....	185 Aylum Street, City Place 11, Hartford, CT 06103-4105.....

- 18.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed? Yes No

- 18.2 If no, list exceptions:
.....

GENERAL INTERROGATORIES