



STATE OF UTAH INSURANCE DEPARTMENT

REPORT OF FINANCIAL EXAMINATION

of

**ALTIUS HEALTH PLANS, INC.**

of

South Jordan, Utah

as of

December 31, 2009



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January 31, 2011

Honorable Neal T. Gooch, Commissioner  
Utah Insurance Department  
3110 State Office Building  
Salt Lake City, Utah 84114

Honorable Monica J. Lindeen, Commissioner  
Secretary, Western Zone, NAIC  
840 Helena Avenue  
Helena, Montana 59601

Honorable Joseph Torti, III, Superintendent  
Chair, Financial Condition (E) Committee, NAIC  
State of Rhode Island  
Department of Business Regulation  
Division of Insurance  
1511 Pontiac Avenue, Building 69-2  
Cranston, Rhode Island 02920

Pursuant to your instructions and in compliance with statutory requirements, an examination, as of December 31, 2009, has been made of the financial condition and business affairs of:

ALTIUS HEALTH PLANS, INC.  
South Jordan, Utah

hereinafter referred to in this report as the Organization, and the following report of examination is respectfully submitted.

#### **SCOPE OF EXAMINATION**

##### Period Covered by Examination

We have performed our association examination of Altius Health Plans, Inc. This examination covers the period of January 1, 2006 through December 31, 2009.

### Examination Procedure Employed

We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook. The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the organization by obtaining information about the organization including corporate governance, identifying and assessing inherent risks within the organization and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, management's compliance with statutory accounting principles and annual statement instructions when applicable to domestic state regulations.

All accounts and activities of the organization were considered in accordance with the risk-focused examination process.

### Status of Prior Examination Findings

Completion of the last examination was as of December 31, 2005. Any significant items noted in the prior examination, which were not addressed, are included in this report.

## **SUMMARY OF SIGNIFICANT FINDINGS**

There were no material adverse findings; significant non-compliance findings; material changes in financial statements, nor updates to other significant regulatory information disclosed in the previous examination report.

## **SUBSEQUENT EVENTS**

There were no significant subsequent events determined by this examination.

## **ORGANIZATION HISTORY**

### General

Effective July 1, 1987, the Organization was organized and incorporated under the laws of Utah as FHP of Utah, Inc., a wholly owned subsidiary of FHP, Inc.

Effective July 27, 1987, the Organization certified as an HMO and became federally qualified on October 24, 1995.

Effective March 1997, PacifiCare Health Systems, Inc. (PHSI) acquired control of FHP, Inc. and its subsidiaries. Following the acquisition, PHSI became the ultimate

controlling person in the holding company system and changed the name of the Organization to PacifiCare of Utah, Inc.

Effective September 1998, Elan Health Partners LLC (Elan), a Utah limited liability company, acquired all of the issued and outstanding stock of the Organization.

During 1999, the Organization formed a wholly owned subsidiary, Altius Health Administrators Inc., which was licensed as a third party administrator effective December 16, 1999.

Effective October 31, 1999, the Organization purchased certain assets and liabilities of Intergroup of Utah, a subsidiary of Foundation Health Plans.

Effective September 20, 2001, Croghan & Sipf Healthcare Enterprises, LLC (Croghan & Sipf), a Delaware limited liability company, purchased 50,000 shares of common stock and 2,400,000 shares of preferred stock of the Organization.

Effective September 1, 2003, Coventry Health Care, Inc. (CHC) purchased 100% of the Organization's preferred and common stock. CHC continues to own 100 percent of the outstanding common capital stock.

#### Bylaws

Effective October 20, 2008, the Organization amended and restated its bylaws to include the Treasurer as one of the necessary principal offices appointed by the Board of Directors.

#### Capital Stock

The Articles of Incorporation authorized the Organization to issue 3,530,000 shares of common stock with a par value of \$1.00 per share. As of December 31, 2009, the Organization had 3,509,000 shares issued and outstanding, all owned by its current parent, Coventry Health Care, Inc.

#### Dividends and Capital Contributions

During the examination period, with Department approval, the Organization paid the following dividends:

<b>Year</b>	<b>Type</b>	<b>Amount</b>
2006	Extraordinary	\$10,000,000
2007	Extraordinary	9,300,000
2008	Extraordinary	9,800,000
Total		\$ 29,100,000

There were no capital contributions during the period of examination.

Mergers and Acquisitions

There were no mergers or acquisitions involving the Organization during the period of examination.

**CORPORATE RECORDS**

During the examination period, documentation of significant corporate events and actions taken by the Board of Directors was by written consent in lieu of meetings.

The examination reviewed the minutes of the Board of Directors and determined that the records adequately demonstrate appropriate organizational governance.

The Board of Directors received the previous examination report dated December 31, 2005 on June 21, 2007.

**MANAGEMENT & CONTROL INCLUDING CORPORATE GOVERNANCE**

Board of Directors

The bylaws of the organization indicated the number of directors of the corporation shall be as fixed from time to time by resolution of the Board of Directors or Shareholders, but in no instance, shall there be fewer directors than the minimum number required by Section 803 of the Act. The Board of Directors shall consist of a minimum of three individuals.

The following persons served as directors of the Organization as of December 31, 2009:

<u>Name and Location</u>	<u>Title and Principal Occupation</u>
Michael Bahr Highland, Utah	Executive Vice President, Commercial Business CHC
Thomas Davis Atlanta, Georgia	President and CEO CHC of Georgia, Inc.
Todd Daniel Trettin Salt Lake City, Utah	President and CEO Altius Health Plans, Inc.

On October 10, 2001, the Utah Department of Insurance approved a request from Altius to amend its bylaws to allow the majority of its Board members to be non-residents of the State of Utah.

Michael Bahr resigned as President of Altius Health Plans, Inc. effective September 14, 2009, to assume the position of Executive Vice President of CHC. Todd Trettin was elected a member of the Board of Directors by the sole shareholder on September 14, 2009; his principal occupation is President and Chief Executive Officer of Altius Health Plans, Inc.

Company Officers

The officers of the Organization as of December 31, 2009, were as follows:

<u>Name and Location</u>	<u>Title</u>
Todd Daniel Trettin Salt Lake City, Utah	President and Chief Executive Officer
Brett Ronald Clay Draper, Utah	Chief Financial Officer and Treasurer
Shirley Ann Roquemore Smith Rockville, Maryland	Secretary
John Joseph Ruhlmann Bethesda, Maryland	Corporate Controller
Melinda Lee Tuozzo Crownsville, Maryland	Assistant Treasurer
Jonathan David Weinberg Potomac, Maryland	Assistant Secretary
Richard Jayson Chatelain West Jordan, Utah	Actuary

Conflict of Interest Procedure

All employees are subject to the CHC Compliance and Ethics Program, which requires conflict of interest disclosures. Employees are required to take the ethics training within 30 days of employment and every year thereafter.

Committees

The examination reviewed the minutes of the Corporate Audit Committee and determined the records demonstrate that it operates within the scope of its authority and provides for appropriate organizational compliance and support.

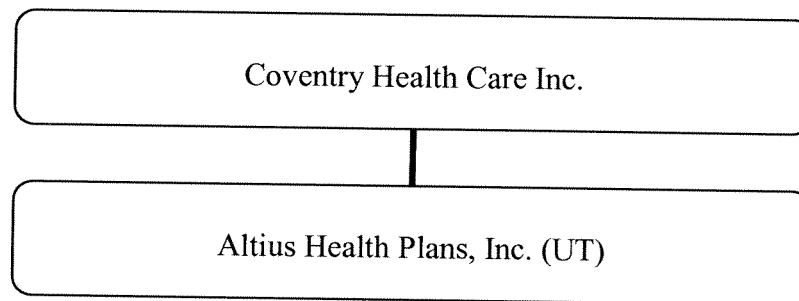
The respective Corporate Audit Committee members as of December 31, 2009 were as follows:

<b>Corporate Audit Committee</b>	
<u>Name and Location</u>	<u>Title and Principal Occupation</u>
Lawrence N. Kugelman Bethesda, Maryland	Chair, Coventry Health Care, Inc. Private Investor & Consultant
L. Dale Crandall Bethesda, Maryland	Director, Coventry Health Care, Inc. Retired
Elizabeth E. Tallett Bethesda, Maryland	Director, Coventry Health Care, Inc. Principal, Hunter Partners, LLC

Neither the Articles of Incorporation or bylaws specify any other committees, but Altius has implemented various informal committees to address functions and processes within the Organization. The examination reviewed the minutes of other committees of the organization including, the Compensation Committee and Nominating Committee, and determined that the records demonstrate appropriate organizational compliance and support.

Holding Company

The Organization is wholly owned and controlled by Coventry Health Care, Inc (CHC); a Delaware managed health care company headquartered in Bethesda, Maryland. CHC provides comprehensive health benefits and services to a broad cross section of employer and government funded groups principally in the Midwest, mid-Atlantic and southeastern United States. The following illustrates the Organization's line of governance:



Affiliate Management and Administrative Services Agreements

1. Coventry Health Care, Inc. (CHC), effective October 8, 2003, provides the Organization with management services, advertising, marketing and public relations services, purchasing services, pharmacy services, corporate and legal services, regulatory compliance and governmental affairs services, accounting services, tax compliance and consulting services, facilities management services, risk management services, human resources consulting and payroll services.

Amendment summary:

- 1<sup>st</sup> Amendment, effective January 1, 2007, changes management fees to \$3.15 per member per month (pmpm).
- 2<sup>nd</sup> Amendment, effective March 1, 2007 adds new Medicare Advantage program requirements.
- Addendum to the 2<sup>nd</sup> Amendment, effective March 1, 2007, reflects Medicare Advantage program HMO member specific rules.
- 3<sup>rd</sup> Amendment, effective February 1, 2009 changes management fees to \$3.55 pmpm.

During 2009, the Organization incurred charges of approximately \$7,747,815 under this Agreement.

2. Coventry Management Services, Inc. (CMS), Effective June 1, 2004, provides to the Organization general management services, including but not limited to, information system services and consulting and service center services. The Information Systems services include desktop support, application development, data center support, telecommunications support, and network support. The Service Center provides claims processing services, data integrity services, fraud and recovery support, premium billing and collection services, enrollment and eligibility services, member services, and benefit and contract administration.

The original agreement specified the compensation to CMS as follows:

	PMPM
Information Systems Services	\$3.40
Service Center Services	<u>\$3.50</u>
Total	\$6.90

Amendment summary:

- 1st Amendment, effective January 1, 2007, changes management fees to \$7.65 pmpm.
- 2nd Amendment, effective March 1, 2007 incorporates new Medicare Advantage program requirements.
- Addendum to the 2nd amendment, effective March 1, 2007, incorporates Medicare Advantage program HMO member specific rules.
- 3rd Amendment, effective February 1, 2009 changes management fees to \$9.77 pmpm.

During 2009, the Organization incurred charges of approximately \$21,133,785 under this Agreement.

3. Coventry Health and Life Insurance Company (CHL), effective August 1, 2007, the Organization entered into an administrative service and underwriting agreement to develop and market Preferred Provider Organization (PPO) products. This agreement provides for administrative services including, but not limited to, claims payment, premium collection, premium allocation, general administrative services and marketing, financial services, medical management, provider relations and contracting, and facilities and support. The fees paid for the services are \$8.25 pmpm.

Amended effective January 1, 2009, the agreement now provides administrative services to PPO members in Nevada.

During 2009, the CHL paid \$66,566 for services provided by the Organization under this agreement.

4. Coventry Health and Life Insurance Company, effective March 1, 2007, the Organization entered into an agreement with CHL to develop and market Point of Service (POS) products. This agreement provides for administrative services including, but not limited to, claims payment, premium collection, premium allocation, general administrative services and marketing, financial services, medical management, provider relations and contracting, and facilities and support. The fees paid for the services are \$1.00 pmpm.

During 2009, CHL did not transfer any funds to the Organization and the Organization provided no services to CHL under this agreement.

5. Group Dental Service (GDS), effective, January 1, 2009, the Organization entered into an agreement to provide management services pertaining to the Organization's dental operations including, but not limited to, claims processing, dental network contracting, dental utilization management, dental appeals and grievances, regulatory compliance and governmental affairs and reporting.

The agreement specified the compensation to GDS as follows:

Benefit Plans	PMPM
Medicare Advantage	\$5.46
CoventryOne	\$3.04, \$3.39, or \$5.41 Depending on Plan

The fee paid to GDS for self-funded group dental products is ninety-five percent (95%) of the dental administrative fee collected.

During 2009, the Organization incurred charges of approximately \$333,770 under this agreement.

#### Other Affiliate Agreements

1. Coventry Health and Life Insurance Company, effective October 1, 2003, the Organization entered into a reinsurance agreement with CHL. CHL will reinsure claims of the Organization members when those claims exceed certain threshold amounts under the agreement. The agreement includes several amendments, with effective dates through April 1, 2009, specifying that CHL will continue to provide reinsurance coverage in accordance with the limits and deductibles set forth in the Amendments.

The agreement specifies the premium for reinsurance coverage, effective April 1, 2009, provided by CHL as follows:

Products	PMPM
HMO	\$1.05
POS	\$1.05
Individual	\$1.51
Medicare	\$5.14

During 2009, the Organization incurred charges of approximately \$2,018,231 under the terms of the agreement.

2. Coventry Health Care, Inc., effective December 31, 2004, the Organization entered into an income tax allocation agreement, which provides that CHC and the Organization, as part of an affiliated group, will apportion earnings and profits and calculate a separate income tax liability pursuant to Internal Revenue Code and Treasury Regulation requirements.

The agreement provides that the Organization will pay the amounts due to CHC at such time as necessary to permit CHC to make required estimated payments. If CHC receives a recoverable from the Internal Revenue Service, CHC will return the recoverable to the Organization within thirty-days of receipt.

### **FIDELITY BONDS AND OTHER INSURANCE**

The minimum fidelity coverage suggested by the National Association of Insurance Commissioners (NAIC) for the Organization's size and premium volume is not less than \$1,250,000. As of the examination date, the Organization participated in fidelity bond coverage of \$20,000,000. The Organization also had additional insurance protection against loss from general liability, property, auto, workers compensation, umbrella, and professional liability claims made policy.

### **PENSIONS, STOCK OWNERSHIP AND INSURANCE PLANS**

The Organization's insurance program provides qualified employees and their dependents with group health, dental, life insurance, 401(k) plan, and disability benefits.

### **TERRITORY AND PLAN OF OPERATION**

The Organization is licensed as a health maintenance organization (HMO) in Utah, Wyoming, and Nevada; a managed care organization, writing only disability management care, in Idaho; and as a third party administrator (TPA) in Nevada.

The Organization markets its products through employees, independent producers and producer agencies. The Organization maintains an internal sales department composed of 23 sales producers and 7 support staff. State appointed producers enter into a "Producer Agreement" with the Organization. Producers agree to perform as set forth in that agreement and as set forth by the Organization's administrative guidelines, bulletins, directives, and manuals. All new producers are required to undergo training with the Organization.

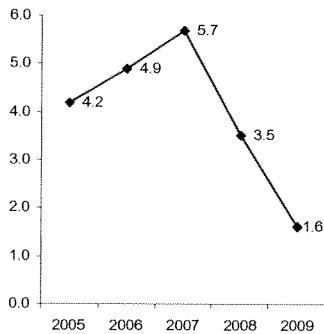
The main mode of marketing is through producers with very little advertising. The Organization used the following types of sales materials: magazine and trade publications; telephone directories; sports sponsorships; limited internet banner ads; internet link from employer's websites to the Organization's website; community activities; sales representation slides and enrollment season mailing kits.

## GROWTH OF ORGANIZATION

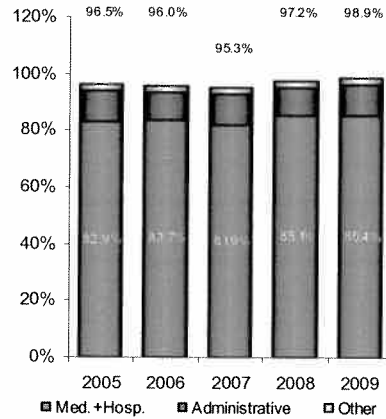
### Earnings

The Organization has posted positive underwriting and operating results since 2005. However, the operating margins declined from 5.7% in 2007 to 1.6% in 2009 driven by higher commercial medical and administrative loss ratios. In addition, in 2008, the Company introduced Medicare Advantage products where the medical loss ratio is higher.

**Operating Margin(%)**



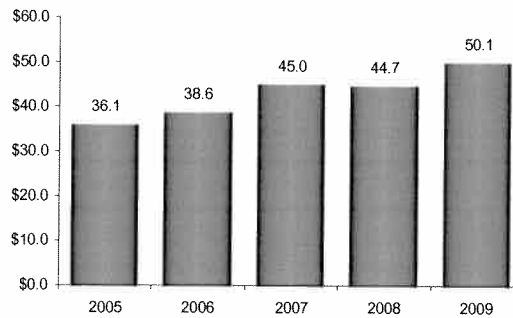
**Loss & Expense Ratios (%)**



### Capitalization

Driven by strong earnings the Organization has experienced 28% growth in capital and surplus since 2005.

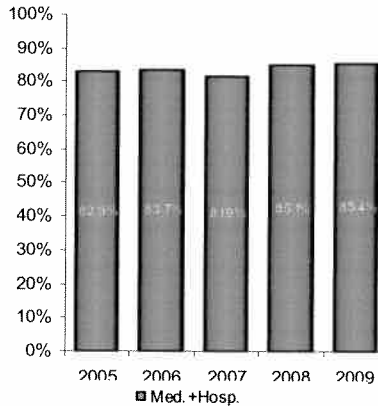
**Capital & Surplus (millions)**



## LOSS EXPERIENCE

Medical & Hospital Loss ratios increased modestly in 2008 with the introduction of Medicare Advantage products.

**Medical & Hospital Loss Ratios (%)**



## REINSURANCE

The Organization has an Excess Risk Reinsurance Agreement with Coventry Health and Life Insurance Company in effect during the period of the examination. The Agreement was amended in 2006, 2007, 2008 and 2009.

As specified, the deductible and reinsurance coverage for each member, during the agreement term are:

	Altius deductible	Reinsurance in excess of deductible
HMO	\$250,000	90%
POS	\$250,000	90%

Notwithstanding the above, the maximum reinsurance coverage payable under this Agreement for Eligible Charges as to any one Member shall be \$1,000,000.

## ACCOUNTS AND RECORDS

As of December 31, 2009, parent or affiliate companies under the terms of management agreements, performed many of the Organization's operational functions. (See Affiliate Management and Administrative Services Agreements). The Organization maintained its accounting transactions and records on electronic data processing systems owned and operated by the parent or affiliate companies. The systems were interactive, allowing the Organization on-line access to the information. The Coventry Health Care IDX system provided premium billing, reporting, and benefits processing for the

Organization. The PeopleSoft applications provided maintenance of the financial transactions including general ledger functions and accounts payable.

The following chart identifies the processing functions performed by affiliates at remote locations:

<b>Location</b>	<b>Processing Function</b>
Bethesda, Maryland	Corporate Record Keeping Investments Legal Treasury
Bismarck, North Dakota	Accounts Receivable Premium Billing Collections Claims Enrollment Group Administration
Cranberry, Pennsylvania	Benefit Administration Information Systems Recovery Operations
Harrisburg, Pennsylvania	Accounts Receivable Premium Billing Collections Provider Services Administration
Scottsdale, Arizona	Legal
West Valley City, Utah	Accounts Receivable (commencing 2010)

The accounting, actuarial analysis, agent services, appeals, benefit administration, compliance, credentialing, customer service, marketing, pharmacy administration services, provider contracting and relations, quality improvement and reporting, sales, underwriting and utilization management functions are maintained by the Organization in South Jordan, Utah.

Subsequent to the examination date, at the beginning of 2010, claims processing was transitioned to the home office location of the Organization at South Jordan, Utah.

The Organization provided the examiners with electronic trial balances as of December 31 of each year in the examination period. These trial balances consisted of general ledger accounts, grouped by financial statement account lines. Additionally, the Organization provided the examiners with electronic general ledger detail reports. The examiners used this information to review and test the significant financial transactions reported in the financial statements.

The Organization is party to an investment accounting services agreement with an external firm. The firm performs the Organization's investment portfolio accounting and valuation, which includes transaction recording and review, cash processing, valuation of assets, regulatory (statutory) reporting, and ad-hoc client reports.

There were no deficiencies encountered by the examiners relating to accounts and records.

An independent certified public accounting firm audited the Organization's records during the period covered by this examination. Audit reports for the years 2005 through 2009 were made available for the examiners use.

### **STATUTORY DEPOSITS**

The Organization's statutory deposit requirement was \$4,375,092 pursuant to U.C.A. § 31A-8-211(1). The examination confirmed the Organization maintained a sufficient statutory deposit consisting of U.S. Treasury Notes with a market value of \$4,428,938.

### **FINANCIAL STATEMENTS**

The following financial statements were prepared from the Organization's accounting records and the valuations and determinations made during the examination. The accompanying COMMENTS ON FINANCIAL STATEMENTS are an integral part of the financial statements.

**ALTIUS HEALTH PLANS, INC.**  
**BALANCE SHEET (ASSETS)**  
**as of December 31, 2009**

		Net Admitted Assets
Bonds	\$	76,323,970
Common Stocks		0
Cash and Short-Term Investments		8,020,143
Contract Loans		0
Receivables for Securities		0
Investment Income Due and Accrued		816,324
Uncollected Premiums and Agents' Balances		9,048,256
Deferred Premiums and Agent's Balances		0
Amounts Recoverable from Reinsurers		0
Other Amounts Receivable Under Reinsurance		
Contracts		0
Current Federal and Foreign Income Tax		
Recoverable		15,670
Net Deferred Tax Asset		805,952
Electronic Data Processing Equipment and Software		718
Health care and other amounts receivable		37,057
Aggregate Write-Ins for other than invested assets		0
Separate accounts		0
 Total Assets	 \$	 <u>95,068,090</u>

**ALTIUS HEALTH PLANS, INC.**  
**BALANCE SHEET (LIABILITIES, SURPLUS AND OTHER FUNDS)**  
**as of December 31, 2009**

		Current Year
Claims unpaid	\$	34,493,156
Accrued medical incentive pool and bonus amounts		0
Unpaid claims adjustment expenses		1,089,176
Aggregate health policy reserves		1,144,645
Aggregate life policy reserves		0
Property/casualty unearned premium reserves		0
Aggregate health claim reserves		0
Premiums received in advance		1,758,542
General expenses due or accrued		3,841,781
Current federal and foreign income tax payable and interest thereon		0
Net deferred tax liability		0
Ceded reinsurance premiums payable		0
Amounts withheld or retained for the account of others		30,615
Remittances and items not allocated		537,961
Borrowed money		0
Amounts due to parent, subsidiaries and affiliates		487,898
Payable for securities		0
Funds held under reinsurance treaties		0
Reinsurance in unauthorized companies		0
Net adjustments in assets and liabilities due to foreign exchange rates		0
Liability for amounts held under uninsured plans		1,362,118
Aggregate write-ins for other liabilities		235,099
<b>Total Liabilities</b>	<b>\$</b>	<b>44,980,991</b>
Common capital stock	\$	3,509,000
Gross paid in and contributed surplus		36,572,042
Unassigned funds (surplus)		10,006,057
<b>Total capital and surplus</b>	<b>\$</b>	<b>50,087,099</b>
<b>Total liabilities, capital and surplus</b>	<b>\$</b>	<b>95,068,090</b>

**ALTIUS HEALTH PLANS, INC.**  
**STATEMENT OF REVENUE AND EXPENSES**  
**for the Year Ended December 31, 2009**

	Current Year
Net premium income	\$ 427,509,175
Change in unearned premium reserves and reserve for rate credits	, 0
Fee for service	0
Risk revenue	0
Aggregate write-ins for health care related revenues	0
Aggregate write-ins for other non-health revenues	0
 Total Revenues	 \$ 427,509,175
 Hospital/medical benefits	 313,762,953
Other professional services	1,882,213
Outside referrals	0
Emergency room and out of area	3,925,899
Prescription drugs	45,490,401
Aggregate write-ins for other hospital and medical	0
Incentive pool, withhold adjustments and bonus amounts	0
 Subtotal	 \$ 365,061,466
 Net reinsurance recoveries	 91,325
 Total hospital an medical expense	 364,970,141
Non health claims	0
Claims adjustment expenses	11,239,853
General administrative expenses	46,691,188
Increase in reserves for life and accident and health contracts	(106,194)
Total underwriting deductions	\$ 422,794,988
 Net underwriting gain	 \$ 4,714,187

**ALTIUS HEALTH PLANS, INC.**  
**STATEMENT OF REVENUE AND EXPENSES (Cont.)**  
**for the Year Ended December 31, 2009**

	<u>Current Year</u>
Net investment income earned	\$ 2,634,459
Net realized capital gains	380,818
	<hr/>
Net investment gains	\$ 3,015,277
Net loss from agents' or premium balances charged off	(452,457)
Aggregate write-ins for other income or expenses	430
	<hr/>
Net income after capital gains tax and before all other federal income taxes	7,277,437
Federal and foreign income taxes incurred	2,069,156
	<hr/>
Net Income (Loss)	\$ <u>5,208,281</u>

**ALTIVUS HEALTH PLANS, INC.**  
**RECONCILIATION OF CAPITAL AND SURPLUS**  
**2006 through 2009**

	2006	2007	2008	Per Exam 2009
Capital and surplus prior reporting year	\$ 36,060,958	\$ 38,636,274	\$ 45,026,284	\$ 44,721,521
Increase (decrease) in common stock	0	0	0	0
Increase (decrease) in contributed capital	0	0	0	0
Net Income (or loss)	14,007,633	15,173,275	9,421,993	5,208,281
Change in net deferred income tax	(712,403)	20,715	485,670	(79,064)
Change in non-admitted assets	(719,913)	496,020	(412,426)	236,361
Dividends to stockholders	(10,000,000)	(9,300,000)	(9,800,000)	0
Aggregate write-ins for gains or (losses) in surplus	(1)	0	0	0
Net change in capital and surplus	2,575,316	6,390,010	(304,763)	5,365,578
Capital and surplus end of reporting year	<u>\$ 38,636,274</u>	<u>\$ 45,026,284</u>	<u>\$ 44,721,521</u>	<u>\$ 50,087,099</u>

## COMMENTS ON FINANCIAL STATEMENTS

Capital and surplus

\$50,087,099

The Organization's capital and surplus was determined to be the same as that reported in the Organization's annual statement as of December 31, 2009.

The Organization's minimum capital requirement was \$100,000 as defined in U.C.A. § 31A-8-209. The Organization had total adjusted capital, as defined by U.C.A. § 31A-17 Part 6, of \$50,087,099 which significantly exceeded the company action level risk-based capital (RBC) requirement of \$15,334,852.

## SUMMARY OF EXAMINATION FINDINGS

There were no significant findings to include in this report.

## CONCLUSION

Michael Mayberry, FSA, MAAA, of the actuarial firm of Actuarial Firm Lewis and Ellis, Inc. performed the actuarial phases of the examination. In addition, Donald Catmull, CFE, Examination Supervisor, and Teresa Trusty, AFE, PIR, Financial Examiner, participated in the examination. Jan Moenck, CFE, CIE, CRP, Managing Director, and Phillip E. McMurray, IT Manager, all of McGladrey, Inc., participated in the examination representing the Utah Insurance Department. They join the undersigned in acknowledging the assistance and cooperation extended during the course of the examination by officers, employees, and representatives of the Organization.

Respectfully Submitted,



Leman McLean, CFE  
Utah Insurance Department