

**THE MEGA LIFE AND HEALTH INSURANCE COMPANY**

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1**



(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT: 1. CORPORATION: THE MEGA LIFE AND HEALTH INSURANCE COMPANY

2. LOCATION: OKLAHOMA CITY OK

NAIC Group Code.....264

BUSINESS IN THE STATE OF INDIANA

DURING THE YEAR 2010

NAIC Company Code.....97055

215.1.IN

	Comprehensive Health Coverage			4 Government Business (Excluded by Statute)	5 Other Business (Excluded by Statute)	6 Other Health	7 Subtotal (Cols 1 thru 6)	8 Uninsured Plans	9 Total (Cols 7 + 8)
	1 Individual	2 Small Group Employer	3 Large Group Employer						
<b>1. Premium:</b>									
1.1 Health premiums earned (From Part 2, Line 1.8).....	11,269,005	0	0	0	374,719	556,007	12,199,731	XXX	12,199,731
1.2 Federal high risk pools.....							0	XXX	0
1.3 State high risk pools.....							0	XXX	0
1.4 Premiums earned including state and federal high risk programs (Lines 1.1+1.2+1.3).....	11,269,005	0	0	0	374,719	556,007	12,199,731	XXX	12,199,731
1.5 Federal taxes and federal assessments.....	650,087				6,952	(71,045)	585,994		585,994
1.6 State insurance, premium and other taxes (Similar local taxes of \$ 0).....	335,811				11,323	16,652	363,786		363,786
1.7 Regulatory authority licenses and fees.....	4,925				166	244	5,335		5,335
1.8 Adjusted premiums earned (Lines 1.4-1.5-1.6-1.7).....	10,278,182	0	0	0	356,278	610,156	11,244,616	XXX	11,244,616
1.9 Net assumed less ceded reinsurance premiums earned.....	(109,011)	0	0	0	0	2,288	(106,723)	XXX	(106,723)
1.10 Other adjustments due to MLR calculations - premiums.....	0	0	0	0	0	0	0	XXX	0
1.11 Risk revenue.....	0	0	0	0	0	0	0	XXX	0
1.12 Net adjusted premiums earned after reinsurance (lines 1.8+1.9+1.10+1.11).....	10,169,171	0	0	0	356,278	612,444	11,137,893	XXX	11,137,893
<b>2. Claims:</b>									
2.1 Incurred claims excluding prescription drugs.....	5,696,256				31,659	376,445	6,104,360	XXX	6,104,360
2.2 Prescription drugs.....	608,512						608,512	XXX	608,512
2.3 Pharmaceutical rebates.....	105,687						105,687	XXX	105,687
2.4 State stop loss, market stabilization and claim/census based assessments.....	0						0	XXX	0
<b>3. Incurred medical incentive pools and bonuses.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XXX</b>	<b>0</b>
<b>4. Deductible fraud and abuse detection/recovery expenses (for MLR use only).....</b>	<b>96,131</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>488</b>	<b>3,410</b>	<b>100,029</b>	<b>XXX</b>	<b>100,029</b>
5.0 Total incurred claims (Lines 2.1+2.2-2.3-2.4+3) (From Part 2, Line 2.10).....	6,199,081	0	0	0	31,659	376,445	6,607,185	XXX	6,607,185
5.1 Net assumed less ceded reinsurance claims incurred.....	(25,319)	0	0	0	0	(106,721)	(132,040)	XXX	(132,040)
5.2 Other adjustments due to MLR calculations - claims.....	0	0	0	0	0	0	0	XXX	0
5.3 Rebates paid.....	0	0	0	0	0	0	0	XXX	0
5.4 Estimated rebates unpaid prior year.....	0	0	0	0	0	0	0	XXX	0
5.5 Estimated rebates unpaid current year.....	0	0	0	0	0	0	0	XXX	0
5.6 Fee for service and co-pay revenue.....	0	0	0	0	0	0	0	XXX	0
5.7 Net incurred claims after reinsurance (Lines 5.0+5.1+5.2+5.3-5.4+5.5-5.6).....	6,173,762	0	0	0	31,659	269,724	6,475,145	XXX	6,475,145
<b>6. Improving health care quality expenses incurred:</b>									
6.1 Type A. Expenses for health improvements other than health information technology.....	14,443	0	0	0			14,443		14,443
6.2 Type B. Health information technology expenses related to health improvement.....	0	0	0	0			0		0
6.3 Total of defined expenses incurred for improving health care quality (Lines 6.1+6.2).....	14,443	0	0	0	0	0	14,443	0	14,443
7. Preliminary medical loss ratio: MLR (Lines 4+5.0+6.3) / Line 1.8.....	0.614	0.000	0.000	XXX	XXX	XXX	XXX	XXX	XXX
<b>8. Claims adjustment expenses:</b>									
8.1 Cost containment expenses not included in quality of care expenses in Line 6.3.....	226,939				254	3,120	230,313		230,313
8.2 All other claims adjustment expenses.....	300,978				22	333	301,333		301,333
8.3 Total claims adjustment expenses (Lines 8.1+8.2).....	527,917	0	0	0	276	3,453	531,646	0	531,646
9. Claims adjustment expense ratio (Line 8.3 / Line 1.8).....	0.051	0.000	0.000	0.000	0.001	0.006	XXX	XXX	XXX
<b>10. General and administrative (G&amp;A) expenses:</b>									
10.1 Direct sales salaries and benefits.....							0		0
10.2 Agents and brokers fees and commissions.....	576,636				19,444	28,593	624,673		624,673
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below).....	81,831				14,965	23,361	120,157		120,157
10.4 Other general and administrative expenses.....	1,350,502				274,490	445,130	2,070,122		2,070,122
10.5 Total general and administrative (Lines 10.1+10.2+10.3+10.4).....	2,008,969	0	0	0	308,899	497,084	2,814,952	0	2,814,952
11. Underwriting gain/(loss) (Lines 1.12-5.7-6.3-8.3-10.5).....	1,444,081	0	0	0	15,444	(157,817)	1,301,707	XXX	1,301,707
12. Income from fees of uninsured plans.....	XXX	XXX	XXX	XXX	XXX	XXX	XXX		0
13. Net investment and other gain/(loss).....	XXX	XXX	XXX	XXX	XXX	XXX	549,111	XXX	549,111
14. Federal income taxes (excluding taxes on Line 1.5 above).....	135,523				1,385	33,551	170,459		170,459
15. Net gain or (loss) (Lines 11+12+13-14).....	XXX	XXX	XXX	XXX	XXX	XXX	1,680,359	XXX	1,680,359
16. ICD-10 Implementation Expenses (informational only, already included in general expenses).....							0		0
<b>OTHER INDICATORS:</b>									
1. Number of certificates/policies.....	2,392				1,531	3,542	7,465		7,465
2. Number of covered lives.....	4,571				2,844	6,686	14,101		14,101
3. Number of groups.....	XXX						0		0
4. Member months.....	64,904				30,733	81,431	177,068		177,068