

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **DECEMBER 31, 2003**

OF THE **Scott & White Health Plan**  
(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION **CONSOLIDATED**  
(Location)

**EXHIBIT II - 2003 Quarter/Annual**  
**ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES**

Indicate Reporting Period: Current Quarter  X

	1. Total	2. COMMERCIAL RISK (Omit Provider HMO Business)	3. MEDICARE (Omit Provider HMO Business)		4. MEDICAID (Omit Provider HMO Business)		5. POINT OF SERVICE RIDER COVERAGE	6. ASSUMED RISK (as Provider HMO)	7. CHILDREN'S HEALTH INSURANCE PLAN	8. PUBLICLY SUPPORTED HEALTH CARE	9. NON-RISK
			RISK	COST	RISK	COST					
1. ENROLLEES AT THE END OF REPT PERIOD.....	169,656	144,299	0	25,357	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	507,897	431,675	0	76,222	0	0	0	0	0	0	0
3. Direct Premiums.....	106,705,103	85,630,023	0	21,075,080	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Net Premiums.....	106,705,103	85,630,023	0	21,075,080	0	0	0	XXXXXXXX	0	0	XXXXXXXX
5. Change in unearned premium reserve & reserve for rate cre	0	0	0	0	0	0	0	0	0	0	0
6. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
7. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
8. Other Health Related Revenues.....	0	0	0	0	0	0	0	0	0	0	0
9. TOTAL HEALTHCARE RELATED REVENUES (L4 to L8).....	106,705,103	85,630,023	0	21,075,080	0	0	0	0	0	0	0
10. Other Revenues (excluding investment income).....	4,883,002	4,883,002	0	0	0	0	0	0	0	0	0
11. TOTAL REVENUE (L9 to L10).....	111,588,105	90,513,025	0	21,075,080	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
12. Hospital/Medical Benefits.....	74,727,207	58,925,940	0	15,801,267	0	0	0	0	0	0	0
13. Other Professional Services.....	1,487,957	1,300,214	0	187,743	0	0	0	0	0	0	0
14. Outside Referrals.....	2,307,907	1,907,391	0	400,516	0	0	0	0	0	0	0
15. Emergency Room and Out-of-Area.....	1,688,580	1,544,873	0	143,707	0	0	XXXXXXXX	0	0	0	0
16. Other Medical & Hospital.....	2,976,367	1,905,019	0	1,071,348	0	0	0	0	0	0	0
17. Incentive Pool & Withhold Adjustments.....	10,195,054	10,195,054	0	0	0	0	0	0	0	0	0
18. SUBTOTAL MED & HOSP (L12 to L17).....	93,383,072	75,778,491	0	17,604,581	0	0	0	0	0	0	0
19. Net Reins Claims Incurred.....	38,171	38,171	0	0	0	0	0	0	0	0	0
20. TOTAL MEDICAL & HOSP (L18 less L19).....	93,344,901	75,740,320	0	17,604,581	0	0	0	0	0	0	0
21. Claims Adjustment Expenses.....	2,476,131	2,476,131	0	0	0	0	0	0	0	0	0
22. General Administrative Expenses.....	6,285,604	68,673	0	6,216,931	0	0	0	0	0	0	0
23. Increase in Reserves for A&H contracts.....	(3,058,139)	(370,802)	0	(2,687,337)	0	0	0	0	0	0	0
24. TOTAL UNDERWRITING DEDUCTIONS(L20 to L23).....	99,048,497	77,914,322	0	21,134,175	0	0	0	0	0	0	0
25. NET UNDERWRITING GAIN/(LOSS) (L9 less L24).....	7,656,606	7,715,701	0	(59,095)	0	0	0	0	0	0	0
26. Net Investment Income Earned.....	250,608	250,608	0	0	0	0	0	0	0	0	0
27. Net Realized Capital Gains/(Losses).....	117,128	117,128	0	0	0	0	0	0	0	0	0
28. NET INVESTMENT GAINS/(LOSSES) (L26 to L27).....	367,736	367,736	0	0	0	0	0	0	0	0	0
29. Other Expenses.....	2,723,573	2,723,573	0	0	0	0	0	0	0	0	0
30. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS (L10 + L25 +</b>	<b>10,183,771</b>	<b>10,242,866</b>	<b>0</b>	<b>(59,095)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
31. Extraordinary Items & Federal Income Taxes.....	224,228	224,228	0	0	0	0	0	0	0	0	0
32. <b>NET INCOME (LOSS) (L30 less L31).....</b>	<b>9,959,543</b>	<b>10,018,638</b>	<b>0</b>	<b>(59,095)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
33a. NON-TAXABLE COMMERCIAL RISK ENROLLEES.....		54,926	(Examples of non-taxable enrollees are State								
33b. NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....		165,352	of Texas enrollees and Federal employees.)								

TEXAS HMO SUPPLEMENT

STATEMENT FOR THE PERIOD ENDING **DECEMBER 31, 2003**

OF THE **Scott & White Health Plan**  
(Name of Company)

REPORT FOR :1. CORPORATION / 2. DIVISION **CONSOLIDATED**  
(Location)

**EXHIBIT II - 2003 Quarter/Annual**  
**ACTUAL REVENUES AND EXPENSES BY MAJOR SPECIFIED LINES**

Indicate Reporting Period: Year-to-Date **X**

	1. Total	2. COMMERCIAL RISK (Omit Provider HMO Business)	3. MEDICARE (Omit Provider HMO Business)		4. MEDICAID (Omit Provider HMO Business)		5. POINT OF SERVICE RIDER COVERAGE	6. ASSUMED RISK (as Provider HMO)	7. CHILDREN'S HEALTH INSURANCE PLAN	8. PUBLICLY SUPPORTED HEALTH CARE	9. NON-RISK
			RISK	COST	RISK	COST					
1. ENROLLEES AT THE END OF REPT PERIOD.....	169,656	144,299	0	25,357	0	0	0	0	0	0	0
2. MEMBER MONTHS.....	2,010,698	1,706,678	0	304,020	0	0	0	0	0	0	0
3. Direct Premiums.....	416,000,467	335,795,068	0	80,205,399	0	0	0	XXXXXXXX	0	0	XXXXXXXX
4. Net Premiums.....	416,000,467	335,795,068	0	80,205,399	0	0	0	XXXXXXXX	0	0	XXXXXXXX
5. Change in unearned premium reserve & reserve for rate cre	0	0	0	0	0	0	0	0	0	0	0
6. Fee-for-Service (gross revenues).....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	0
7. Risk Revenue.....	0	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	0	XXXXXXXX	XXXXXXXX	XXXXXXXX
8. Other Health Related Revenues.....	0	0	0	0	0	0	0	0	0	0	0
9. TOTAL HEALTHCARE RELATED REVENUES (L4 to L8).	416,000,467	335,795,068	0	80,205,399	0	0	0	0	0	0	0
10. Other Revenues (excluding investment income).....	19,798,286	19,798,286	0	0	0	0	0	0	0	0	0
11. TOTAL REVENUE (L9 to L10).....	435,798,753	355,593,354	0	80,205,399	0	0	0	0	0	0	0
<b>MEDICAL AND HOSPITAL:</b>											
12. Hospital/Medical Benefits.....	276,952,852	217,656,196	0	59,296,656	0	0	0	0	0	0	0
13. Other Professional Services.....	2,217,026	2,066,668	0	150,358	0	0	0	0	0	0	0
14. Outside Referrals.....	10,547,251	9,117,737	0	1,429,514	0	0	0	0	0	0	0
15. Emergency Room and Out-of-Area.....	9,397,059	8,412,463	0	984,596	0	0	XXXXXXXX	0	0	0	0
16. Other Medical & Hospital.....	50,925,820	37,335,422	0	13,590,398	0	0	0	0	0	0	0
17. Incentive Pool & Withhold Adjustments.....	32,795,054	32,795,054	0	0	0	0	0	0	0	0	0
18. SUBTOTAL MED & HOSP (L12 to L17).....	382,835,062	307,383,540	0	75,451,522	0	0	0	0	0	0	0
19. Net Reins Claims Incurred.....	86,623	86,623	0	0	0	0	0	0	0	0	0
20. TOTAL MEDICAL & HOSP (L18 less L19).....	382,748,439	307,296,917	0	75,451,522	0	0	0	0	0	0	0
21. Claims Adjustment Expenses.....	2,476,131	2,476,131	0	0	0	0	0	0	0	0	0
22. General Administrative Expenses.....	30,939,830	23,310,923	0	7,628,907	0	0	0	0	0	0	0
23. Increase in Reserves for A&H contracts.....	(2,003,727)	0	0	(2,003,727)	0	0	0	0	0	0	0
24. TOTAL UNDERWRITING DEDUCTIONS(L20 to L23).....	414,160,673	333,083,971	0	81,076,702	0	0	0	0	0	0	0
25. NET UNDERWRITING GAIN/(LOSS) (L9 less L24).....	1,839,794	2,711,097	0	(871,303)	0	0	0	0	0	0	0
26. Net Investment Income Earned.....	959,737	959,737	0	0	0	0	0	0	0	0	0
27. Net Realized Capital Gains/(Losses).....	69,587	69,587	0	0	0	0	0	0	0	0	0
28. NET INVESTMENT GAINS/(LOSSES) (L26 to L27).....	1,029,324	1,029,324	0	0	0	0	0	0	0	0	0
29. Other Expenses.....	10,610,526	10,610,526	0	0	0	0	0	0	0	0	0
30. <b>INCOME (LOSS) BEFORE FIT &amp; EXP ITEMS (L10 + L25 +</b>	<b>12,056,878</b>	<b>12,928,181</b>	<b>0</b>	<b>(871,303)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
31. Extraordinary Items & Federal Income Taxes.....	592,720	592,720	0	0	0	0	0	0	0	0	0
32. <b>NET INCOME (LOSS) (L30 less L31).....</b>	<b>11,464,158</b>	<b>12,335,461</b>	<b>0</b>	<b>(871,303)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
33a. <b>NON-TAXABLE COMMERCIAL RISK ENROLLEES.....</b>		54,926	(Examples of non-taxable enrollees are State								
33b. <b>NON-TAXABLE COMMERCIAL RISK MEMBER MONTHS.....</b>		582,720	of Texas enrollees and Federal employees.)								