

**Clear Choice Health Plans, Inc.**  
**Condensed Consolidated Income Statement**

(dollars in thousands except EPS and shares outstanding; unaudited)

|  | Quarter Ended  |                | Six Months Ended |                |
|--|----------------|----------------|------------------|----------------|
|  | 06/30/09       | 06/30/08       | 06/30/09         | 06/30/08       |
| Premium Revenue                                | \$51,314       | \$54,236       | \$107,185        | \$106,566      |
| Other Revenues                                 | 1,492          | 112            | 3,047            | 263            |
| <b>Total Revenue</b>                           | <b>52,806</b>  | <b>54,348</b>  | <b>110,232</b>   | <b>106,829</b> |
| Medical Expenses                               | (45,205)       | (47,415)       | (94,840)         | (93,962)       |
| <i>Medical Loss Ratio</i>                      | <i>(88.1%)</i> | <i>(87.4%)</i> | <i>(88.5%)</i>   | <i>(88.2%)</i> |
| Administration Expenses                        | (7,426)        | (6,494)        | (15,227)         | (12,435)       |
| <i>Administrative Expense Ratio</i>            | <i>(14.1%)</i> | <i>(11.9%)</i> | <i>(13.8%)</i>   | <i>(11.6%)</i> |
| <b>Income from Operations</b>                  | <b>175</b>     | <b>439</b>     | <b>165</b>       | <b>432</b>     |
| Investment Income                              | 620            | 532            | 1,092            | 2,135          |
| Interest Expense                               | (174)          |                | (491)            |                |
| Depreciation / Amortization                    | (678)          | (221)          | (1,240)          | (404)          |
| Settlement Income                              |                |                | 1,000            |                |
| <b>Earnings Before Taxes</b>                   | <b>(57)</b>    | <b>750</b>     | <b>526</b>       | <b>2,163</b>   |
| Income Taxes                                   | 1              | (324)          | (234)            | (891)          |
| <b>Net Income (Loss)</b>                       | <b>(56)</b>    | <b>426</b>     | <b>292</b>       | <b>1,272</b>   |
| Basic Earnings per Share                       | (\$0.03)       | \$0.23         | \$0.17           | \$0.69         |
| Weighted Average Shares<br>Outstanding (basic) | 1,708,732      | 1,832,425      | 1,704,890        | 1,843,381      |

# Clear Choice Health Plans, Inc.

## Condensed Consolidated Balance Sheet

(dollars in thousands; unaudited)

|  | <u>06/30/09</u>         | <u>12/31/08</u>         |
|--|-------------------------|-------------------------|
| <b>Assets</b>                            |                         |                         |
| Current Assets:                          |                         |                         |
| Cash & Cash Equivalents                  | \$6,461                 | \$8,569                 |
| Trust Funds                              | 3,224                   | 1,988                   |
| Investments – Current                    | 5,428                   | 5,661                   |
| Accounts and Other Receivables           | 19,054                  | 23,077                  |
| Deferred Income Taxes, Net               | <u>1,098</u>            | <u>998</u>              |
| <b>Total Current Assets</b>              | <b>35,265</b>           | <b>40,293</b>           |
| Investments, Net of Current Portion      | 39,175                  | 35,577                  |
| Property and Equipment, net              | 21,684                  | 22,524                  |
| Restricted Security                      | 4,225                   | 4,210                   |
| Goodwill & Intangible Assets, net        | 4,438                   | 4,562                   |
| Other assets                             | <u>614</u>              | <u>404</u>              |
| <b>Total Assets</b>                      | <b><u>\$105,401</u></b> | <b><u>\$107,570</u></b> |
| <b>Liabilities</b>                       |                         |                         |
| Claims and Withhold Payable              | \$25,533                | \$32,037                |
| Accounts Payable and Accrued Liabilities | 6,735                   | 8,524                   |
| Premiums Received in Advance             | 4,735                   | 1,319                   |
| Collections for Others and Reserves      | <u>3,224</u>            | <u>1,988</u>            |
| <b>Total Current Liabilities</b>         | <b>40,227</b>           | <b>43,868</b>           |
| Long Term Debt                           | 13,716                  | 13,879                  |
| Deferred Tax Liability, net              | <u>1,015</u>            | <u>543</u>              |
| <b>Total Liabilities</b>                 | <b>54,958</b>           | <b>58,290</b>           |
| <b>Equity</b>                            |                         |                         |
| Stock                                    | 10,882                  | 10,584                  |
| Retained Earnings and Accumulated Other  | <u>39,561</u>           | <u>38,696</u>           |
| <b>Total Stockholders' Equity</b>        | <b><u>50,443</u></b>    | <b><u>49,280</u></b>    |
| <b>Total Liabilities and Equity</b>      | <b><u>\$105,401</u></b> | <b><u>\$107,570</u></b> |