

**SOUTH COUNTRY HEALTH ALLIANCE**  
**Minnesota Supplement Report #1A**  
**REALLOCATION OF EXPENSES AND INVESTMENT INCOME**  
**For the Year Ending December 31, 2012**  
**Public Information, Minnesota Statutes § 62D.08**

Line	Direct Non-Claim Expenses	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Total	Non MN	Total MN	Commercial	M+C	Medicare	MSHO	SNBC MA	SNBC	PMAP	MNCare	Dental	Other	Admin
1	Employee benefit expenses	0		0											
2	Sales expenses	108,095		108,095				1,287		8,681	89,140	8,987			
3	General business/office expense	20,654		20,654				2,477	1,506	6,380	9,275	1,016			
4	State premium taxes and assessments	0		0											
5	Consulting and professional fees	6,416		6,416				6,416							
6	Outsourced services	1,373,580		1,373,580				300,514	23,532	193,499	796,379	59,656			
7	Other expenses	71,465		71,465				19,639	2,358	14,827	30,804	3,837			
8	<b>Total Direct Expenses</b>	<b>1,580,210</b>	<b>0</b>	<b>1,580,210</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>330,333</b>	<b>27,396</b>	<b>223,387</b>	<b>925,598</b>	<b>73,496</b>	<b>0</b>	<b>0</b>	<b>0</b>

Line	Reallocated Indirect Non-Claim Expenses	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Total	Non MN	Total MN	Commercial	M+C	Medicare	MSHO	SNBC MA	SNBC	PMAP	MNCare	Dental	Other	Admin
9	Employee benefit expenses	4,126,591		4,126,591				1,058,759	311,139	349,635	2,265,269	141,789			
10	Sales expenses	24,102		24,102				6,184	1,817	2,042	13,231	828			
11	General business/office expense	1,107,606		1,107,606				284,178	83,512	93,844	608,015	38,057			
12	State premium taxes and assessments	21,500		21,500				5,516	1,621	1,822	11,802	739			
13	Consulting and professional fees	495,380		495,380				127,100	37,351	41,972	271,936	17,021			
14	Outsourced services	723,814		723,814				185,709	54,574	61,327	397,334	24,870			
15	Other expenses	184,709		184,709				47,391	13,927	15,650	101,394	6,347			
16	<b>Total Indirect Expenses</b>	<b>6,683,702</b>	<b>0</b>	<b>6,683,702</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,714,837</b>	<b>503,941</b>	<b>566,292</b>	<b>3,668,981</b>	<b>229,651</b>	<b>0</b>	<b>0</b>	<b>0</b>

Line	Direct plus Indirect Non-Claim Expenses	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		NAIC Total	Non MN	Total MN	Commercial	M+C	Medicare	MSHO	SNBC MA	SNBC	PMAP	MNCare	Dental	Other	Admin
17	Employee benefit expenses	4,126,591	0	4,126,591	0	0	0	1,058,759	311,139	349,635	2,265,269	141,789	0	0	0
18	Sales expenses	132,197	0	132,197	0	0	0	7,471	1,817	10,723	102,371	9,815	0	0	0
19	General business/office expense	1,128,260	0	1,128,260	0	0	0	286,655	85,018	100,224	617,290	39,073	0	0	0
20	State premium taxes and assessments	21,500	0	21,500	0	0	0	5,516	1,621	1,822	11,802	739	0	0	0
21	Consulting and professional fees	501,796	0	501,796	0	0	0	133,516	37,351	41,972	271,936	17,021	0	0	0
22	Outsourced services	2,097,394	0	2,097,394	0	0	0	486,223	78,106	254,826	1,193,713	84,526	0	0	0
23	Other expenses	256,174	0	256,174	0	0	0	67,030	16,285	30,477	132,198	10,184	0	0	0
24	<b>Total Non-Claim Expenses = Sum of Lines 17 to 23</b>	<b>8,263,912</b>	<b>0</b>	<b>8,263,912</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,045,170</b>	<b>531,337</b>	<b>789,679</b>	<b>4,594,579</b>	<b>303,147</b>	<b>0</b>	<b>0</b>	<b>0</b>
25	<b>Claims Adjustment Expenses</b>	<b>7,124,789</b>		<b>7,124,789</b>				<b>981,320</b>	<b>145,878</b>	<b>522,414</b>	<b>5,093,509</b>	<b>381,668</b>			
26	<b>Revenues (Supp Report #1, Line 8)</b>	176,254,906		176,254,906				45,221,694	13,289,361	14,933,593	96,754,187	6,056,071			
27	<b>Incurred Claims (Supp Report #1, Line 18 + Line 22)</b>	156,862,855		156,862,855				46,133,765	7,979,160	12,159,384	84,607,444	5,983,102			
28	<b>Net Investment Gain/(Loss) (Allocated)</b>	14,596		14,596				12,951	951	0	694	0			
29	<b>Aggregate Write Ins for Other Income or (Expenses)</b>	0		0											
30	<b>Federal and Foreign Income Taxes Incurred</b>	0		0											
31	<b>Net Income = Lines 26+28+29-24-25-27-30</b>	<b>4,017,946</b>	<b>0</b>	<b>4,017,946</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,925,610</b>	<b>4,633,937</b>	<b>1,462,116</b>	<b>2,459,349</b>	<b>-611,846</b>	<b>0</b>	<b>0</b>	<b>0</b>