

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2008, or tax year beginning 07/01, 2008, and ending 06/30, 2009

2008

Department of the Treasury
Internal Revenue Service

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

▶ See instructions on back.

Name of exempt organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8453-EO and enter the applicable amount from the return. If any. If you check the box on line 1a, 2a, 3a, 4a, or 5a below and the amount on that line for the return for which you are filing this form was blank, then leave line 1b, 2b, 3b, 4b, or 5b, whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. Do not complete more than one line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, line 12)	1b <u>10864010.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5)	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance due (Form 8868, line 3c)	5b _____

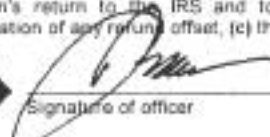
Part II Declaration of Officer

6 I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-855-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2008 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund.

Sign Here ▶



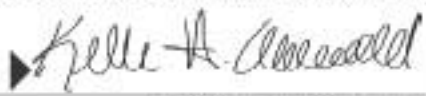
Signature of officer

5/11/10
Date

▶ CFO
Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature ▶ 	Date ▶ <u>5/13/10</u>	Check if also paid preparer <input checked="" type="checkbox"/>	Check if self-employed <input type="checkbox"/>	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code ▶ <u>ERNST & YOUNG U.S. LLP</u>				<u>EN 34-6565596</u>
	<u>TWO NORTH CENTRAL AVENUE, STE 2300</u>				<u>PHOENIX AZ 85004</u>
					Phone no <u>602/322-3000</u>

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer's Use Only	Preparer's signature ▶ _____	Date ▶ _____	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN	
	Firm's name (or yours if self-employed), address, and ZIP code ▶ _____				EIN
					Phone no

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2008 calendar year, or tax year beginning 07/01, 2008, and ending 06/30, 2009

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization PROVIDERS INSURANCE CORPORATION		D Employer identification number 71-0893000
		Doing Business As		E Telephone number (808) 535-7882
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 55 MERCHANT STREET, 24TH FLOOR		G Gross receipts \$ 10,864,010.
		City or town, state or country, and ZIP + 4 HONOLULU, HI 96813		
F Name and address of principal officer: DEBORAH BOYD SAME AS C ABOVE				H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions)
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: WWW.HAWAIIIPACIFICHEALTH.ORG		
K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 2002 M State of legal domicile: HI	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>SEE SCHEDULE O</u>		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	1
	5 Total number of employees (Part V, line 2a)	5	NONE
	6 Total number of volunteers (estimate if necessary)	6	NONE
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	NONE
b Net unrelated business taxable income from Form 990-T, line 34	7b	NONE	
Revenue	8 Contribution and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	14,115,593.	9,115,203.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,434,937.	1,717,487.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	38,653.	31,320.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	15,589,183.	10,864,010.
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	NONE
14 Benefits paid to or for members (Part IX, column (A), line 4)		NONE	NONE
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		NONE	NONE
16a Professional fundraising fees (Part IX, column (A), line 11e)		NONE	NONE
b Total fundraising expenses, Part IX, column (D), line 25			
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)		12,695,584.	13,435,577.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)		12,695,584.	13,435,577.
Net Assets or Fund Balances	19 Revenue less expenses. Subtract line 18 from line 12	2,893,599.	-2,571,567.
	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
	21 Total liabilities (Part X, line 26)	41,043,751.	58,105,510.
	22 Net assets or fund balances. Subtract line 21 from line 20	23,780,147.	45,218,303.
		17,263,604.	12,887,207.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here ▶ Signature of officer _____ Date _____

▶ Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed	Preparer's identifying number (see instructions)
<i>[Signature]</i>	5/15/10	<input type="checkbox"/>	
Firm's name (or yours if self-employed), address, and ZIP + 4	EIN	Phone no.	
ERNST & YOUNG U. S. LLP TWO NORTH CENTRAL AVENUE, STE 2300 PHOENIX, AZ 85004	34-656596	602/322-3000	

May the IRS discuss this return with the preparer shown above? (See instructions) Yes No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2008)

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes" describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 12,749,096. including grants of \$) (Revenue \$ 9,115,203.)

GENERAL LIABILITY COVERAGE INCLUDES BLANKET SPECIAL EVENTS, DRUGGIST PROFESSIONAL LIABILITY, EMPLOYEE BENEFIT ADMINISTRATION LIABILITY ENDORSEMENT CLAIMS, EMPLOYERS LIABILITY EXCESS ENDORSEMENT, AND EXCESS AUTOMOBILE LIABILITY COVERAGE. HEALTH CARE PROFESSIONAL LIABILITY COVERAGE INCLUDES BLANKET SPECIAL EVENTS AND DRUGGIST PROFESSIONAL LIABILITY. PROVIDERS INSURANCE CORPORATION'S REVENUES FROM INSURANCE PREMIUMS ARE CHARGED BASED ON EXPECTED LOSSES AS DETERMINED BY ACTUARIAL ASSUMPTIONS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ► \$ 12,749,096. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

Table with 3 columns: Question Number, Question Text, Yes, No. Rows include questions 1 through 27 regarding organizational requirements and reporting.

Part IV Checklist of Required Schedules *(continued)*

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question numbers (1a-12b), descriptions, and Yes/No columns. Includes questions about Form 1096, Form W-2G, backup withholding, Form W-3, foreign accounts, prohibited tax shelter transactions, and Section 501(c)(3) organizations.

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Contains questions 1a through 11 regarding governing body structure and documentation.

Section B. Policies

Table with 3 columns: Question, Yes, No. Contains questions 12a through 16b regarding conflict of interest, whistleblower, and document retention policies.

Section C. Disclosure

Table with 2 columns: Question, Answer. Contains questions 17 through 20 regarding state disclosure requirements and public availability of documents.

Part VIII Statement of Revenue

71-0893000

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d	NONE				
	e Government grants (contributions) . .	1e					
	f All other contributions, gifts, grants, and similar amounts not included above . .	1f					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f ▶			NONE			
Program Service Revenue			Business Code				
	2a PREMIUM REVENUE		525100	9,115,203.	9,115,203.		
	b						
	c						
	d						
	e						
	f All other program service revenue						
g Total. Add lines 2a-2f ▶				9,115,203.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			1,717,487.			1,717,487.
	4 Income from investment of tax-exempt bond proceeds . . . ▶			NONE			
	5 Royalties ▶			NONE			
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss) ▶				NONE		
		(i) Securities	(ii) Other				
	7a Gross amount from sales of assets other than inventory						
	b Less: cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss) ▶				NONE		
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18. a						
	b Less: direct expenses b						
	c Net income or (loss) from fundraising events ▶				NONE		
	9a Gross income from gaming activities. See Part IV, line 19. a						
b Less: direct expenses b							
c Net income or (loss) from gaming activities ▶				NONE			
10a Gross sales of inventory, less returns and allowances a							
b Less: cost of goods sold b							
c Net income or (loss) from sales of inventory. ▶				NONE			
Miscellaneous Revenue		Business Code					
11a RISK MGMT EDUC FUND (MONARCH PIC DISB)		611710		31,320.			31,320.
b							
c							
d All other revenue							
e Total. Add lines 11a-11d ▶				31,320.			
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶				10,864,010.	9,115,203.	NONE	1,748,807.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	NONE			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages	NONE			
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	NONE			
9 Other employee benefits	NONE			
10 Payroll taxes	NONE			
11 Fees for services (non-employees):				
a Management	NONE			
b Legal	4,365.		4,365.	
c Accounting	55,265.		55,265.	
d Lobbying	NONE			
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees	12,380.		12,380.	
g Other	492,961.		492,961.	
12 Advertising and promotion	NONE			
13 Office expenses	41,927.		41,927.	
14 Information technology	NONE			
15 Royalties	NONE			
16 Occupancy	NONE			
17 Travel	19,359.		19,359.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	2,577.		2,577.	
20 Interest	NONE			
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	NONE			
23 Insurance	12,753,771.	12,749,096.	4,675.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a OTHER PURCHASES -----	45,758.		45,758.	
b CORPORATE ALLOCATION -----	7,214.		7,214.	
c -----				
d -----				
e -----				
f All other expenses -----				
25 Total functional expenses. Add lines 1 through 24f	13,435,577.	12,749,096.	686,481.	
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	16,158,551.	2	31,097,181.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	15,000,000.	7	NONE
	8 Inventories for sales or use		8	
	9 Prepaid expenses and deferred charges	7,667.	9	14,056.
	10a Land, buildings, and equipment: cost basis	10a		
	b Less: accumulated depreciation. Complete Part VI of Schedule D.	10b	10c	
	11 Investments - publicly traded securities	9,876,255.	11	4,961,150.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	1,278.	15	22,033,123.
16 Total assets. Add lines 1 through 15 (must equal line 34)	41,043,751.	16	58,105,510.	
Liabilities	17 Accounts payable and accrued expenses	10,613.	17	9,911.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	23,769,534.	25	45,208,392.
	26 Total liabilities. Add lines 17 through 25.	23,780,147.	26	45,218,303.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	17,263,604.	27	12,887,207.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	17,263,604.	33	12,887,207.
34 Total liabilities and net assets/fund balances	41,043,751.	34	58,105,510.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?		X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b	If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
--------------------------------------------------------------------	-----------------------------------------------------

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**. (Attach Schedule H.)
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**. (see instructions)
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III - Functionally Integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	<input checked="" type="checkbox"/>
(ii) A family member of a person described in (i) above?	11g(ii)	<input checked="" type="checkbox"/>
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	<input checked="" type="checkbox"/>
- h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
SEE STATEMENT 1									
Total									5,900,809.

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1-3; 5 The portion of total contributions by each person; 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities; 10 Other income. Do not include gain or loss from the sale of capital assets; 11 Total support. Add lines 7 through 10.

12 Gross receipts from related activities, etc. (See instructions.)
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here.
16b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here.
17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and stop here.
17b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here.
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions, merchandise sold or services performed; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 7c Add lines 7a and 7b; 8 Public support (Subtract line 7c from line 6).

Section B. Total Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included in line 10b; 12 Other income. Do not include gain or loss from the sale of capital assets; 13 Total support. (Add lines 9, 10c, 11, and 12.); 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Line Number, Percentage. Rows include: 15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f)); 16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g.

Section D. Computation of Investment Income Percentage

Table with 3 columns: Description, Line Number, Percentage. Rows include: 17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f)); 18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h.

- 19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.
b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization.
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions.

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate contributions to (during year), 3 Aggregate grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?, 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply). 2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year. Table with 2 columns: Held at the End of the Year, rows: 2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 8/17/06. 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year. 4 Number of states where property subject to conservation easement is located. 5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? 6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year. 7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year. 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? 9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items. 1b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1. (ii) Assets included in Form 990, Part X. 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1. b Assets included in Form 990, Part X.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition, b Scholarly research, c Preservation for future generations, d Loan or exchange programs, e Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

Table with 2 columns: Description, Amount. Rows: 1c Beginning balance, 1d Additions during the year, 1e Distributions during the year, 1f Ending balance.

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

Table with 6 columns: (a) Current Year, (b) Prior year, (c) Two years back, (d) Three years back, (e) Four years back. Rows: 1a Beginning of year balance, 1b Contributions, 1c Investment earnings or losses, 1d Grants or scholarships, 1e Other expenditures for facilities and programs, 1f Administrative expenses, 1g End of year balance.

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment %
b Permanent endowment %
c Term endowment %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

Table with 3 columns: Question, Yes, No. Rows: 3a(i) unrelated organizations, 3a(ii) related organizations, 3b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

- (i) unrelated organizations
(ii) related organizations
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Table with 5 columns: Description of investment, (a) Cost or other basis (investment), (b) Cost or other basis (other), (c) Depreciation, (d) Book value. Rows: 1a Land, 1b Buildings, 1c Leasehold improvements, 1d Equipment, 1e Other.

Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

Table with 10 rows for reconciliation of net assets. Columns include line numbers (1-10) and descriptions such as 'Total revenue', 'Total expenses', 'Excess or (deficit) for the year', 'Net unrealized gains', 'Donated services', 'Investment expenses', 'Prior period adjustments', 'Other', 'Total adjustments', and 'Excess or (deficit) for the year per financial statements'.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Table with 5 main rows for revenue reconciliation. Sub-rows include adjustments like 'Net unrealized gains on investments', 'Donated services', 'Recoveries of prior year grants', 'Investment expenses not included', and 'Other'.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

Table with 5 main rows for expense reconciliation. Sub-rows include adjustments like 'Donated services', 'Prior year adjustments', 'Losses reported on Form 990', 'Investment expenses not included', and 'Other'.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

SEE PAGE 5

Series of horizontal dashed lines provided for entering supplemental information.

Part XIV Supplemental Information (continued)

FIN 48 FOOTNOTE

FORM 990, SCHEDULE D

EFFECTIVE 7/1/2007, PROVIDERS INSURANCE CORPORATION ADOPTED PROVISIONS OF FINANCIAL ACCOUNTING STANDARDS BOARD (FASB) INTERPRETATION NO. 48, ACCOUNTING FOR INCOME TAXES (FIN 48). FIN 48 ADDRESSES THE ACCOUNTING UNCERTAINTY IN INCOME TAXES RECOGNIZED FOR AN ENTERPRISE'S FINANCIAL STATEMENT AND PRESCRIBES A THRESHOLD OF MORE LIKELY THAN NOT FOR RECOGNITION AND DERECOGNITION OF TAX POSITIONS TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN. FIN 48 ALSO PROVIDES RELATED GUIDANCE ON MEASUREMENT, CLASSIFICATION, INTEREST AND PENALTIES, AND DISCLOSURE. AS A RESULT OF THE IMPLEMENTATION OF FIN 48, PROVIDERS INSURANCE CORPORATION DETERMINED THAT THE PROVISIONS OF FIN 48 DID NOT HAVE A MATERIAL EFFECT ON ITS FINANCIAL STATEMENTS AT JUNE 30, 2009.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

PROVIDERS INSURANCE CORPORATION

Employer identification number

71-0893000

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--------------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--------------------------------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

a Receive a severance payment or change of control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

	Yes	No
1b		
2		
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
CHARLES R. CHING	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	281,213.	66,981.	21,112.	82,372.	11,158.	462,836.	156,921.
MELINDA ASHTON, M. D.	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	220,296.	18,917.	NONE	9,464.	12,892.	261,569.	109,362.
DEBORAH BOYD	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	160,286.	13,838.	NONE	8,337.	6,638.	189,099.	79,482.
DAVID OKABE	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	383,410.	89,902.	22,998.	114,884.	12,527.	623,721.	207,098.
CHARLES A. STED	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	698,977.	203,227.	192,366.	274,431.	770.	1,369,771.	528,826.
RAYMOND P. VARA, JR.	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(ii)	559,000.	130,955.	7,800.	201,705.	13,852.	913,312.	278,900.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SCHEDULE J, PART I, QUESTION 3

QUESTIONS REGARDING COMPENSATION

THE ORGANIZATION'S CHIEF EXECUTIVE OFFICER IS PAID BY ITS TAX EXEMPT PARENT, HPH, AND IS DISCLOSED AS A PERSON PAID BY A RELATED ORGANIZATION.

SEE SCHEDULE O FOR 990 PART VI, LINE 15A FOR THE PROCESS USED BY HPH TO DETERMINE COMPENSATION.

SCHEDULE J, PART I, QUESTION 4B

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN

CHARLES R. CHING	\$40,512
DAVID OKABE	\$61,866
CHARLES A. STED	\$171,539
RAYMOND P. VARA, JR.	\$113,706

SCHEDULE J, PART I, LINE 7

NON-FIXED PAYMENTS TO PERSON LISTED ON PART VII, SECTION A, LINE 1A

NON-FIXED PAYMENTS ARE MADE TO EXECUTIVES BASED ON SYSTEM GOALS THAT ARE NOT BASED ON A PERCENTAGE OF NET EARNINGS.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization

PROVIDERS INSURANCE CORPORATION

Employer identification number

71-0893000

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

FORM 990, PART I, LINE 1 AND PART III, LINE 1

AS A CAPTIVE INSURANCE COMPANY, PROVIDERS INSURANCE CORPORATION PROVIDES

GENERAL AND HEALTH CARE PROFESSIONAL LIABILITY CLAIMS-MADE COVERAGE ON A

DIRECT BASIS TO HAWAI'I PACIFIC HEALTH AND ITS AFFILIATES.

Name of the organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

DOES THE ORGANIZATION HAVE MEMBERS OR STOCKHOLDERS?

FORM 990, PART VI, QUESTION 6

HAWAI' I PACIFIC HEALTH IS THE SOLE MEMBER WHO HAS THE RIGHT TO

PARTICIPATE IN THE ORGANIZATION' S GOVERNANCE WITH THE RIGHT TO ELECT THE

MEMBERS OF THE GOVERNING BODY AND/OR APPROVE SIGNIFICANT DECISIONS OF THE

GOVERNING BOARD.

Name of the organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS

FORM 990, PART VI, QUESTION 7A

HAWAI'I PACIFIC HEALTH IS THE SOLE MEMBER AND HAS THE POWER TO ELECT

MEMBERS OF THE ORGANIZATION'S GOVERNING BODY.

Name of the organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

DESCR CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING RIGHTS

FORM 990, PART VI, QUESTION 7B

HAWAI' I PACIFIC HEALTH, AS MEMBER, HAS THE FOLLOWING POWERS RESERVED TO

IT:

(I) ELECT A DIRECTOR TO THE BOARD;

(II) REMOVE A DIRECTOR FROM THE BOARD;

(III) AMEND THESE BYLAWS;

(IV) THE CORPORATION' S PARTICIPATION IN ALL LONG TERM FINANCING

TRANSACTIONS WHICH ARE IN EXCESS OF ONE (1) YEAR AND/OR FOR ONE MILLION

DOLLARS (\$ 1 , 0 0 0 , 0 0 0) OR MORE;

(V) ACQUIRE ASSETS WORTH OVER ONE MILLION DOLLARS (\$ 1 , 0 0 0 , 0 0 0) ;

(VI) ACQUIRE SHARES IN ANOTHER CORPORATION;

(VII) DEVELOP AND IMPLEMENT THE GENERAL POLICIES REGARDING THE

CORPORATION' S EXECUTIVE COMPENSATION AND BENEFIT PLANS;

(VIII) FORM A NEW CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP,

OR OTHER ORGANIZATION THAT IS OWNED SOLELY BY THE CORPORATION;

(IX) FORM A JOINT VENTURE OR OTHER BUSINESS RELATIONSHIP (OTHER THAN

THE ORDINARY COURSE OF BUSINESS CONTRACTS) BETWEEN THE CORPORATION AND

ANY PERSON OR ENTITY;

(X) DEVELOP AND PROMULGATE THE CORPORATE GOALS AND THE LONG-RANGE AND

STRATEGIC PLAN OF THE CORPORATION.

IN ADDITION, DECISIONS OF THE GOVERNING BODY REQUIRING THE APPROVAL OF

HAWAI' I PACIFIC HEALTH, AS MEMBER, INCLUDE:

(I) AMEND THE ARTICLES;

(II) APPOINT ANY INDEPENDENT AUDITOR OR CORPORATE COUNSEL FOR THE

Name of the organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

CORPORATION;

(III) CAUSE THE CORPORATION TO ENGAGE IN AGGREGATE BORROWING

(INCLUDING, WITHOUT LIMITATION, ENTERING INTO LEASE AGREEMENTS AND/OR

INSTALLMENT CONTRACTS), FOR PERIODS OF MORE THAN ONE (1) YEAR FOR ANY

PURPOSE IN AN AMOUNT THAT IS IN EXCESS OF A DOLLAR AMOUNT TO BE

DETERMINED BY THE MEMBER FROM TIME TO TIME;

(IV) PURCHASE, SELL, LEASE, DISPOSE, HYPOTHECATE, EXCHANGE, GIFT,

PLEDGE, ENCUMBER, OR DISPOSE OF ANY ASSET, REAL OR PERSONAL, WHICH: (A)

HAS A VALUE IN EXCESS OF A DOLLAR AMOUNT TO BE DETERMINED BY THE MEMBER

FROM TIME TO TIME; AND (B) IS NOT PREVIOUSLY INCLUDED IN THE CAPITAL

BUDGET OF THE CORPORATION;

(V) ALLOW ANY AFFILIATE TO PARTICIPATE IN AND OBTAIN INSURANCE FROM

THE CORPORATION'S INSURANCE PLAN;

(VI) ISSUE THE CORPORATION'S MEMBERSHIP TO ANYONE OTHER THAN THE

MEMBER;

(VII) MERGE AND/OR CONSOLIDATE THE CORPORATION WITH ANY ENTITY; AND

(VIII) DISSOLVE THE CORPORATION.

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
-------------------------------------------------------------	----------------------------------------------

REVIEW OF THE 990'S BY THE ORGANIZATION'S GOVERNING BODY

FORM 990, PART VI, QUESTION 10

VARIOUS SCHEDULES OF THE 990'S ARE PREPARED PRIMARILY BY STAFF WITHIN THE ACCOUNTING AREA OF THE ORGANIZATION WORKING WITH VARIOUS OTHER AREAS OF THE ORGANIZATION SUCH AS MANAGEMENT OF THE OPERATING UNITS, HR, LEGAL, ETC. DISCLOSURE NARRATIVES ARE WRITTEN AND COMPILED INTERNALLY BASED ON INPUT AND DISCUSSION WITH FINANCIAL ANALYSTS AND THE CHIEF OPERATING OFFICER / EXECUTIVE DIRECTOR OF THE REPORTING ENTITY. THE CHIEF OPERATING OFFICER / EXECUTIVE DIRECTOR OF EACH REPORTING ENTITY REVIEWS AND APPROVES THE DISCLOSURE NARRATIVES WHICH DESCRIBES THE MISSION/PURPOSE AND PROGRAM ACCOMPLISHMENTS OF THEIR ORGANIZATION.

SENIOR MANAGEMENT OF THE HEALTH CARE SYSTEM REVIEWS THE 990'S OF EACH FILING ORGANIZATION WITHIN THE HEALTH CARE SYSTEM. ONCE SENIOR MANAGEMENT HAS COMPLETED ITS REVIEW, THE 990'S ARE THEN PROVIDED TO THE GOVERNANCE AND NOMINATING COMMITTEE OF THE HEALTH CARE SYSTEM'S BOARD OF DIRECTORS FOR THEIR REVIEW.

THE GOVERNANCE AND NOMINATING COMMITTEE OF THE PARENT ENTITY'S (HPH) BOARD PROVIDES OVERSIGHT FOR THE 990 REPORTING AND REVIEWS THE 990'S FOR EACH ENTITY PRIOR TO FILING. IN ADDITION, THE 990'S FOR EACH ENTITY IS MADE AVAILABLE TO THE HPH BOARD OF DIRECTORS THROUGH A BOARD MEMBER PORTAL FOR REVIEW PRIOR TO THE FILING OF THE 990. COPIES OF THE 990'S ARE MADE AVAILABLE TO THE BOARD MEMBERS OF EACH SUBSIDIARY UNIT OF HPH AND IS PHYSICALLY LOCATED AT EACH FACILITY'S SITE FOR THE BOARD MEMBER TO REVIEW PRIOR TO FILING.

Name of the organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

THE 990'S WILL BE POSTED TO HPH'S WEB SITE FOR PUBLIC ACCESS AFTER THE
FILING OF THE RETURNS WITH THE IRS.

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
-------------------------------------------------------------	----------------------------------------------

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST

FORM 990, PART VI, QUESTION 12C

ANNUALLY, EACH DIRECTOR, OFFICER, KEY EMPLOYEE AND MEMBER OF A COMMITTEE

WITH BOARD DELEGATED POWERS SHALL ANNUALLY SIGN A STATEMENT WHICH AFFIRMS

THAT SUCH PERSON:

RECEIVED A COPY OF THE COI POLICY;

HAS READ AND UNDERSTANDS THE POLICY;

AGREES TO COMPLY WITH THE POLICY;

AND UNDERSTANDS THAT THE ORGANIZATION IS A CHARITABLE ORGANIZATION AND

THAT IN ORDER TO MAINTAIN ITS FEDERAL TAX EXEMPTION, THE ORGANIZATION

MUST ENGAGE PRIMARILY IN ACTIVITIES WHICH ACCOMPLISH ONE OR MORE OF ITS

TAX-EXEMPT PURPOSES.

THE IN-HOUSE LEGAL DEPARTMENT DISTRIBUTES THE STATEMENT REQUEST AND

REVIEWS THE COI STATEMENTS RETURNED. IDENTIFIED CONFLICTS OF INTEREST

ARE PRESENTED TO THE BOARD FOR REVIEW, DELIBERATION AND

CONFIRMATION/REFUTATION THAT A CONFLICT OF INTEREST EXISTS. IF A CONFLICT

OF INTEREST HAS BEEN FOUND, THE INDIVIDUAL MAY ADDRESS THE BOARD AND

EXPLAIN THE TRANSACTION OR ARRANGEMENT CAUSING THE CONFLICT. AFTER THE

PRESENTATION, THE INDIVIDUAL IS EXCUSED FROM THE MEETING AND SHALL NOT

PARTICIPATE WITH ANY DISCUSSION OR VOTE ON MATTERS PERTAINING TO THE

TRANSACTION OR ARRANGEMENT.

IN MEETINGS WHERE APPLICATION OF THE COI POLICY OCCURS, THE MEETING

MINUTES INCLUDE NATURE OF THE FINANCIAL INTEREST/CONFLICT, NAME(S) OF THE

PERSON(S) WITH THE POTENTIAL OR ACTUAL CONFLICT, ANY ACTION TAKEN TO

Name of the organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

ASSIST IN THE DETERMINATION OF WHETHER A CONFLICT EXISTED, INCLUDING ANY
 DISCUSSION OF ALTERNATIVE ARRANGEMENTS, THE BOARD'S DECISION(S) REGARDING
 THE CONFLICT AND NAMES OF PERSON PRESENT IN THE DISCUSSION AND VOTES
 RELATING TO THE TRANSACTION OR ARRANGEMENT.

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
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PROCESSES FOR DETERMINING COMPENSATION

FORM 990, PART VI, QUESTION 15A & 15B

COMPENSATION FOR HPH EXECUTIVES (VICE PRESIDENT AND ABOVE) IS SET BY THE INDEPENDENT BOARD MEMBERS WHO ARE MEMBERS OF THE HPH COMPENSATION COMMITTEE. ON AN ANNUAL BASIS THE HPH BOARD CHAIRPERSON (WHO IS INDEPENDENT) SELECTS A NEUTRAL THIRD PARTY EXECUTIVE COMPENSATION CONSULTANT TO REVIEW THE EXECUTIVE' S COMPENSATION AND BENEFITS. THE CONSULTANT PROVIDES A WRITTEN REPORT TO THE COMPENSATION COMMITTEE AT ITS ANNUAL MEETING. INCLUDED IN THE REPORT IS MARKET BASED DATA FROM LIKE ORGANIZATIONS. THE COMPENSATION COMMITTEE MAKES FINAL DECISIONS REGARDING COMPENSATION AND BENEFITS AT THE MEETING AFTER REVIEW AND DISCUSSION OF THE CONSULTANT' S REPORT. COMMUNITY BASED DIRECTORS OF THE ORGANIZATION ARE NOT COMPENSATED.

CERTAIN EMPLOYED PHYSICIANS MAY BE OFFICERS OR AN IDENTIFIED KEY EMPLOYEE OF THE REPORTING OR RELATED ORGANIZATION. PHYSICIAN COMPENSATION IS ALSO HANDLED IN THE SAME MANNER AS EXECUTIVE COMPENSATION, WITH THE HPH COMPENSATION COMMITTEE RECEIVING A REPORT FROM A NEUTRAL CONSULTANT AND FOLLOWING THE SAME PROCESS AS DESCRIBED ABOVE.

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
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AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC
 FORM 990, PART VI, QUESTION 19
 THE CONFLICT OF INTEREST POLICY AND STANDARDS OF CONDUCT ARE AVAILABLE ON
 THE HAWAI'I PACIFIC HEALTH WEBSITE. THE CONSOLIDATED AUDITED FINANCIAL
 STATEMENTS WILL BE MADE AVAILABLE TO THE PUBLIC VIA THE HAWAI'I PACIFIC
 HEALTH WEBSITE.

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
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CONSOLIDATED FINANCIAL STATEMENTS

FORM 990, PART XI, LINE 2B

THE ORGANIZATION IS INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OF

HAWAI' I PACIFIC HEALTH.

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
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SCHEDULE J-2 COLUMN B

MEMBERS OF THE BOARD LISTED ON SCHEDULE J-2 ALSO DEVOTE TIME TO RELATED

ORGANIZATIONS AS LISTED BELOW:

	HPH	PIC	KHF	KMS	KMC	KMCPM	KMCWC	SF	SCH	WIF	WMH
ASHTON	40	1				2	2		2		1
BOYD		40									
BRUGGEMANN	1		1	1	3	6	11		15		4
CHAHANOVICH	1					55					
CHAIKO	10			1	4	10	15		10		5
CHING	30	2	1	3	4	1	4	1	3	1	5
CLARK	1									1	60
CLEMENTE					1						1
CULLINEY					1						1
DIAS					1		40		1		1
FOX	4					6	10		10		4
GIBSON		1						1	1		
GLADSTONE	5				1	1	1		50		1
HADDEN	1								50		
HARLACHER					1						1
HAZENFIELD						20					
HEDBERG								1	1		
INOUYE	25		1	2	4	1	5		6		12
JOSEPH											50

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
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	HPH	PIC	KHF	KMS	KMC	KMCPM	KMCWC	SF	SCH	WIF	WMH
KANESHIRO			1	1							
KIKUCHI											34
KNUDSEN	15										
KURREN	1										
KUSANO	1		1		5		9		20		
LERCH	40		1	1	5		5		5		1
LONG	30		1	1	8		1		1		16
MAGELSEN					40						
MASUMOTO											
-NONAKA	20		1	1	8		10		12		9
MATSUMOTO			1				1				
MORTON					6		45				
NAKAMURA	1		30								
NIKAIDO							40				
OKABE	35	1	1	1	1	3	4	1	6	1	3
PIETSCH	1								1		
PRESSLER											
-FISHER	45		1	1	1	1	1	1	2		2
RAETHEL	15			5	5	5	10		10		5
ROBBINS	10		1	10				1	40		1
ROBERTSON	15		1	1	8		12		15		8
ROBINSON		20						6		1	
ROVINSKY				40							

Name of the organization

Employer identification number

PROVIDERS INSURANCE CORPORATION

71-0893000

	HPH	PIC	KHF	KMS	KMC	KMCPM	KMCWC	SF	SCH	WIF	WMH
SARUWATARI	1								1		
SCHULZ	1								1		
SHIGEMITSU									50		
SMITH	1			5			55				
STED	32	1	3	1	6	2	2	1	3	1	8
VARA	5	5			5	10	10	1	15		

Name of the organization PROVIDERS INSURANCE CORPORATION	Employer identification number 71-0893000
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LEGEND OF ACRONYMS

HPH HAWAI' I PACIFIC HEALTH

KHF KAPI' OLANI HEALTH FOUNDATION

KMS KAPI' OLANI MEDICAL SPECIALISTS

KMC KAUA' I MEDICAL CLINIC

KMCPM KAPI' OLANI MEDICAL CENTER AT PALI MOMI

KMCWC KAPI' OLANI MEDICAL CENTER FOR WOMEN & CHILDREN

PIC PROVIDERS INSURANCE CORPORATION

SF STRAUB FOUNDATION

SCH STRAUB CLINIC & HOSPITAL

WHF WILCOX HEALTH FOUNDATION

WMH WILCOX MEMORIAL HOSPITAL

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

OMB No. 1545-0047

2008

**Open to Public
Inspection**

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**
▶ **See separate instructions.**

Name of the organization

PROVIDERS INSURANCE CORPORATION

Employer identification number

71-0893000

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
SEE SCHEDULE R-1					

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

	Yes	No
1 During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to other organization(s)	X	
c Gift, grant, or capital contribution from other organization(s)		X
d Loans or loan guarantees to or for other organization(s)	X	
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)		X
l Performance of services or membership or fundraising solicitations by other organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets		X
n Sharing of paid employees	X	
o Reimbursement paid to other organization for expenses	X	
p Reimbursement paid by other organization for expenses	X	
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1) KAPI' OLANI MEDICAL CTR FOR WOMEN & CHILDREN	R	3,039,396.
(2) KAPI' OLANI MEDICAL CTR AT PALI MOMI	R	1,123,135.
(3) KAPI' OLANI MEDICAL SPECIALISTS	R	479,612.
(4) STRAUB CLINIC & HOSPITAL	R	2,949,581.
(5) WILCOX MEMORIAL HOSPITAL	R	1,354,689.
(6) KAUA' I MEDICAL CLINIC	R	735,805.

Part II Continuation of Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
HAWAI' I PACIFIC HEALTH 99-0246363 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HOLDING CO.	HI	501 (C) (3)	11B TYPE II	N/A
KAPI'OLANI MEDICAL CENTER WOMEN CHILDREN 99-0177350 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HOSPITAL	HI	501 (C) (3)	3	N/A
KAPI'OLANI HEALTH FOUNDATION 99-0246364 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	FUNDRAISING	HI	501 (C) (3)	7	N/A
KAPI'OLANI MEDICAL SPECIALISTS 99-0322406 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HEALTHCARE	HI	501 (C) (3)	9	N/A
KAPI'OLANI MEDICAL CENTER AT PALI MOMI 99-0274038 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HOSPITAL	HI	501 (C) (3)	3	N/A
WILCOX MEMORIAL HOSPITAL 99-0074365 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HOSPITAL	HI	501 (C) (3)	3	N/A
WILCOX HEALTH FOUNDATION 99-0204242 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	FUNDRAISING	HI	501 (C) (3)	7	N/A
KAUA' I MEDICAL CLINIC 99-0326099 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HOSPITAL	HI	501 (C) (3)	3	N/A
STRAUB CLINIC & HOSPITAL 91-2151670 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	HOSPITAL	HI	501 (C) (3)	3	N/A
STRAUB FOUNDATION 99-0109350 55 MERCHANT STREET, 24TH FLOOR HONOLULU, HI 96813	RESEARCH/EDU	HI	501 (C) (3)	7	N/A

Part V Continuation of Transactions With Related Organizations (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)		
(8)		
(9)		
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

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(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
KAPI'OLANI MEDICAL CENTER FOR WOMEN & CHILDREN	99-0177350	03	X	X	X	1,372,458.
KAPI'OLANI MEDICAL CENTER AT PALI MOMI	99-0274038	03	X	X	X	78,344.
STRAUB CLINIC & HOSPITAL	91-2151670	03	X	X	X	1,441,256.
WILCOX MEMORIAL HOSPITAL	99-0074365	03	X	X	X	856,064.
KAUA'I MEDICAL CLINIC	99-0326099	03	X	X	X	1,014,703.
KAPI'OLANI MEDICAL SPECIALISTS	99-0322406	09	X	X	X	1,137,984.
TOTAL AMOUNT OF SUPPORT						5,900,809.

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