

## Notes to Financial Statement

**22. Reinsurance**

A new contract was signed with the ING Reinsurance, a division of ReliaStar Life Insurance Company, effective July 1, 2008, with the attachment points of \$1,000,000 per member. The Company during this reporting period had no Unsecured Reinsurance Recoverable, Reinsurance Recoverable in Dispute, Uncollectible Reinsurance, and Commutation of Reinsurance or Retroactive Reinsurance.

**23. Retrospectively Rated Contracts and Contracts Subject to Redetermination**

None

**24. Change in Incurred Claims and Claim Adjustment Expenses**

The changes to reserves for incurred claims and claim adjustment expenses result from re-estimation and are reflected in the period determined.

**25. Intercompany Pooling Arrangements**

None

**26. Structured Settlements**

None

**27. Health Care Receivables**

Health Care Receivables consist of provider advances and provider overpayments on paid claims.

**28. Participating Policies**

None

**29. Premium Deficiency Reserves.**

None

**30. Salvage and Subrogation**

None

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating? Tennessee
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2007
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2007
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....
- 3.4 By what department or departments?  
Department of Commerce and Insurance, TennCare Division
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[X] No[ ] N/A[ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
  - 4.11 sales of new business? Yes[ ] No[X]
  - 4.12 renewals? Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
  - 4.21 sales of new business? Yes[ ] No[X]
  - 4.22 renewals? Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]
- 7.2 If yes,
  - 7.21 State the percentage of foreign control ..... 0.000%
  - 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
.....	.....

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	Yes[ ] No[X]				

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
KPMG 2100 Dominion Towers / 999 Waterside Dr. Norfolk, Virginia 23510
- 10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Reden & Anders LTD., 1200 17th Street Suite 750, Denver, CO 80202
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]
  - 11.11 Name of real estate holding company
  - 11.12 Number of parcels involved
  - 11.13 Total book/adjusted carrying value \$ 0
- 11.2 If yes, provide explanation
- 12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
  - 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
  - 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[ ] No[ ] N/A[X]
  - 12.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]

## GENERAL INTERROGATORIES (Continued)

- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A[X]
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No [ ]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - c. Compliance with applicable governmental laws, rules and regulations;
  - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - e. Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain:
- 13.2 Has the code of ethics for senior managers been amended? Yes [ ] No[X]
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No[X]
- 13.31 If the response to 13.3 is Yes, provide the nature of any waiver(s).

### BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[X] No [ ]
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No [ ]
16. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No [ ]

### FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No[X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$ ..... 0
  - 18.12 To stockholders not officers \$ ..... 0
  - 18.13 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 18.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers \$ ..... 0
  - 18.22 To stockholders not officers \$ ..... 0
  - 18.23 Trustees, supreme or grand (Fraternal only) \$ ..... 0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No[X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others \$ ..... 0
  - 19.22 Borrowed from others \$ ..... 0
  - 19.23 Leased from others \$ ..... 0
  - 19.24 Other \$ ..... 0
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No[X]
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment \$ ..... 0
  - 20.22 Amount paid as expenses \$ ..... 0
  - 20.23 Other amounts paid \$ ..... 0
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No[X]
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ ..... 0

### INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 22.3) Yes[X] No [ ]
- 22.2 If no, give full and complete information, relating thereto:
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 16 where this information is also provided)
- 22.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A[X]
- 22.5 If answer to 22.4 is YES, report amount of collateral \$ ..... 0
- 22.6 If answer to 22.4 is NO, report amount of collateral \$ ..... 0
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3). Yes [ ] No[X]
- 23.2 If yes, state the amount thereof at December 31 of the current year:
- 23.21 Subject to repurchase agreements \$ ..... 0
  - 23.22 Subject to reverse repurchase agreements \$ ..... 0
  - 23.23 Subject to dollar repurchase agreements \$ ..... 0
  - 23.24 Subject to reverse dollar repurchase agreements \$ ..... 0
  - 23.25 Pledged as collateral \$ ..... 0
  - 23.26 Placed under option agreements \$ ..... 0
  - 23.27 Letter stock or securities restricted as to sale \$ ..... 0
  - 23.28 On deposit with state or other regulatory body \$ ..... 0
  - 23.29 Other \$ ..... 0
- 23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No[X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A[X]  
If no, attach a description with this statement.
- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No[X]
- 25.2 If yes, state the amount thereof at December 31 of the current year. \$ ..... 0

## GENERAL INTERROGATORIES (Continued)

26. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]
- 26.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
U.S. Bank .....	EX DC-WNWW, 1025 Connecticut Avenue, Suite 517, Washington, DC 20036 .....

- 26.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

- 26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes[] No[X]
- 26.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

- 26.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....	.....	.....

- 27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[] No[X]
- 27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
27.2999 Total .....	.....	.....

- 27.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	.....	.....	.....

28. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds .....	104,783,128	105,107,858	324,730
28.2 Preferred stocks .....	.....	.....	.....
28.3 Totals .....	104,783,128	105,107,858	324,730

- 28.4 Describe the sources of methods utilized in determining the fair values  
As stated on the monthly Brokers' statements.

- 29.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[]
- 29.2 If no, list exceptions:

### OTHER

- 30.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 115,851
- 30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

## GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid

- 31.1 Amount of payments for legal expenses, if any? \$..... 286,592  
 31.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Waller Lansden Dortch & Davis, LLP .....	199,566

- 32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 1,384  
 32.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
Tennessee Lobbyists Association .....	999
National Association of Social Workers .....	350

# GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$ ..... 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ ..... 0
- 1.31 Reason for excluding:
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ ..... 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ ..... 0
- 1.6 Individual policies - Most current three years:
- 1.61 Total premium earned \$ ..... 0
- 1.62 Total incurred claims \$ ..... 0
- 1.63 Number of covered lives ..... 0
- All years prior to most current three years:
- 1.64 Total premium earned \$ ..... 0
- 1.65 Total incurred claims \$ ..... 0
- 1.66 Number of covered lives ..... 0
- 1.7 Group policies - Most current three years:
- 1.71 Total premium earned \$ ..... 0
- 1.72 Total incurred claims \$ ..... 0
- 1.73 Number of covered lives ..... 0
- All years prior to most current three years:
- 1.74 Total premium earned \$ ..... 0
- 1.75 Total incurred claims \$ ..... 0
- 1.76 Number of covered lives ..... 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	607,095,174	382,864,891
2.2 Premium Denominator .....	607,095,174	382,864,891
2.3 Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	75,084,654	72,252,049
2.5 Reserve Denominator .....	75,084,654	72,252,049
2.6 Reserve Ratio (2.4 / 2.5) .....	1.000	1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No[X]
- 3.2 If yes, give particulars:
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No [ ]
- 4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No[X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No [ ]
- 5.2 If no, explain:
- 5.3 Maximum retained risk (see instructions):
- 5.31 Comprehensive Medical \$ ..... 750,000
- 5.32 Medical Only \$ ..... 0
- 5.33 Medicare Supplement \$ ..... 0
- 5.34 Dental & Vision \$ ..... 0
- 5.35 Other Limited Benefit Plan \$ ..... 0
- 5.36 Other \$ ..... 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
 AMERIGROUP Tennessee, Inc. has an insolvency continuation and conversion provision with ING Reinsurance, a division of ReliaStar, in the event of insolvency.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes[X] No [ ]
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year ..... 5,552
- 8.2 Number of providers at end of reporting year ..... 8,133
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No[X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months ..... 0
- 9.22 Business with rate guarantees over 36 months ..... 0
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ ] No[X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses \$ ..... 0
- 10.22 Amount actually paid for year bonuses \$ ..... 0
- 10.23 Maximum amount payable withholds \$ ..... 0
- 10.24 Amount actually paid for year withholds \$ ..... 0
- 11.1 Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [ ] No[X]
- 11.13 An Individual Practice Association (IPA), or, Yes [ ] No[X]
- 11.14 A Mixed Model (combination of above)? Yes [ ] No[X]
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes[X] No [ ]
- 11.3 If yes, show the name of the state requiring such net worth.  
 Tennessee
- 11.4 If yes, show the amount required. \$ ..... 15,656,844
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No[X]
- 11.6 If the amount is calculated, show the calculation.  
 4% of the first \$150,000,000 of annualized revenue, plus 1.5% above \$150,000,000 based upon weighted average capitation rates proposed by contractor, plus priority add-on capitation times the number of enrollees assigned as of 12/01/08.
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Grand Region Middle .....

## FIVE-YEAR HISTORICAL DATA

	1 2008	2 2007	3 2006	4 2005	5 2004
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 26) .....	133,532,605	107,602,809			
2. Total liabilities (Page 3, Line 22) .....	78,944,307	83,541,695	261,411		
3. Statutory surplus .....	15,656,844	15,656,844			
4. Total capital and surplus (Page 3, Line 31) .....	54,588,298	24,061,114	(261,411)		
<b>INCOME STATEMENT (Page 4)</b>					
5. Total revenues (Line 8) .....	607,095,174	382,864,891			
6. Total medical and hospital expenses (Line 18) .....	535,851,712	360,775,300			
7. Claims adjustment expenses (Line 20) .....	15,665,584	10,471,572			
8. Total administrative expenses (Line 21) .....	56,115,828	41,393,542	261,411		
9. Net underwriting gain (loss) (Line 24) .....	(537,950)	(29,775,523)	(261,411)		
10. Net investment gain (loss) (Line 27) .....	3,362,950	3,133,971			
11. Total other income (Lines 28 plus 29) .....					
12. Net income or (loss) (Line 32) .....	2,825,000	(26,641,552)	(261,411)		
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	6,321,953	38,828,765			
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. Total adjusted capital .....	54,588,298	24,061,114			
15. Authorized control level risk-based capital .....	20,987,751	16,643,989			
<b>ENROLLMENT (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7) .....	186,887	186,629			
17. Total members months (Column 6, Line 7) .....	2,224,177	1,642,504			
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	88.3	94.2			
20. Cost containment expenses .....	1.9	2.3			
21. Other claims adjustment expenses .....	0.7	0.5			
22. Total underwriting deductions (Line 23) .....	100.1	107.8			
23. Total underwriting gain (loss) (Line 24) .....	0	(8)			
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5) .....	79,272,844				
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	71,963,937				
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 25, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 39, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 53, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....					



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: AMERIGROUP Tennessee, Inc. 2. LOCATION:

NAIC Group Code 1156

BUSINESS IN THE STATE OF TENNESSEE DURING THE YEAR

NAIC Company Code 12941

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year	186,629								186,629	
2. First Quarter	186,356							412	185,944	
3. Second Quarter	186,303							584	185,719	
4. Third Quarter	187,001							634	186,367	
5. Current Year	186,887							694	186,193	
6. Current Year Member Months	2,224,177							6,424	2,217,753	
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician	1,113,642							6,323	1,107,319	
8. Non-Physician	841,199							6,214	834,985	
9. Total	1,954,841							12,537	1,942,304	
10. Hospital Patient Days Incurred	131,296							1,574	129,722	
11. Number of Inpatient Admissions	22,049							193	21,856	
12. Health Premiums Written (b)	607,095,174							8,112,101	598,983,073	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	607,095,174							8,112,101	598,983,073	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	532,205,187							4,543,394	527,661,793	
18. Amount Incurred for Provision of Health Care Services	535,263,239							6,570,443	528,692,796	

(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$......8,112,101



## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION: AMERIGROUP Tennessee, Inc.    2. LOCATION:

NAIC Group Code 1156

BUSINESS IN THE STATE OF **GRAND TOTAL** DURING THE YEAR

NAIC Company Code 12941

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
<b>Total Members at end of:</b>										
1. Prior Year	186,629								186,629	
2. First Quarter	186,356							412	185,944	
3. Second Quarter	186,303							584	185,719	
4. Third Quarter	187,001							634	186,367	
5. Current Year	186,887							694	186,193	
6. Current Year Member Months	2,224,177							6,424	2,217,753	
<b>Total Member Ambulatory Encounters for Year:</b>										
7. Physician	1,113,642							6,323	1,107,319	
8. Non-Physician	841,199							6,214	834,985	
9. Total	1,954,841							12,537	1,942,304	
10. Hospital Patient Days Incurred	131,296							1,574	129,722	
11. Number of Inpatient Admissions	22,049							193	21,856	
12. Health Premiums Written (b)	607,095,174							8,112,101	598,983,073	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	607,095,174							8,112,101	598,983,073	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	532,205,187							4,543,394	527,661,793	
18. Amount Incurred for Provision of Health Care Services	535,263,239							6,570,443	528,692,796	

(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$. .....8,112,101

29 Grand Total

## SCHEDULE S - PART 1 - SECTION 2

### Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Location	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
<b>NONE</b>											
0399999 Totals .....											

## SCHEDULE S - PART 2

### Reinsurance Recoverable on Paid and Unpaid Losses Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Location	6 Paid Losses	7 Unpaid Losses
<b>Accident and Health, Non-Affiliates</b>						
67105	41-0451140	07/01/2007	RELIASTAR LIFE INS CO	20 Washington Avenue South, Minneapolis, MN 55401	254	
0599999 Total - Accident and Health, Non-Affiliates					254	
0699999 Totals - Accident and Health					254	
0799999 Totals - Life, Annuity and Accident and Health					254	

32 Schedule S - Part 3 - Section 2 ..... NONE

33 Schedule S - Part 4 ..... NONE

34 Schedule S - Part 5 ..... NONE

35 Schedule S - Part 6 ..... NONE

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

		Direct Business Only								
		1	2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts	
1. Alabama (AL)	N									
2. Alaska (AK)	N									
3. Arizona (AZ)	N									
4. Arkansas (AR)	N									
5. California (CA)	N									
6. Colorado (CO)	N									
7. Connecticut (CT)	N									
8. Delaware (DE)	N									
9. District of Columbia (DC)	N									
10. Florida (FL)	N									
11. Georgia (GA)	N									
12. Hawaii (HI)	N									
13. Idaho (ID)	N									
14. Illinois (IL)	N									
15. Indiana (IN)	N									
16. Iowa (IA)	N									
17. Kansas (KS)	N									
18. Kentucky (KY)	N									
19. Louisiana (LA)	N									
20. Maine (ME)	N									
21. Maryland (MD)	N									
22. Massachusetts (MA)	N									
23. Michigan (MI)	N									
24. Minnesota (MN)	N									
25. Mississippi (MS)	N									
26. Missouri (MO)	N									
27. Montana (MT)	N									
28. Nebraska (NE)	N									
29. Nevada (NV)	N									
30. New Hampshire (NH)	N									
31. New Jersey (NJ)	N									
32. New Mexico (NM)	N									
33. New York (NY)	N									
34. North Carolina (NC)	N									
35. North Dakota (ND)	N									
36. Ohio (OH)	N									
37. Oklahoma (OK)	N									
38. Oregon (OR)	N									
39. Pennsylvania (PA)	N									
40. Rhode Island (RI)	N									
41. South Carolina (SC)	N									
42. South Dakota (SD)	N									
43. Tennessee (TN)	L		8,112,101	598,983,073				607,095,174		
44. Texas (TX)	N									
45. Utah (UT)	N									
46. Vermont (VT)	N									
47. Virginia (VA)	N									
48. Washington (WA)	N									
49. West Virginia (WV)	N									
50. Wisconsin (WI)	N									
51. Wyoming (WY)	N									
52. American Samoa (AS)	N									
53. Guam (GU)	N									
54. Puerto Rico (PR)	N									
55. U.S. Virgin Islands (VI)	N									
56. Northern Marianas Islands (MP)	N									
57. Canada (CN)	N									
58. Aggregate other alien (OT)	X X X									
59. Subtotal	X X X		8,112,101	598,983,073				607,095,174		
60. Reporting entity contributions for Employee Benefit Plans	X X X									
61. TOTAL (Direct Business)	(a) 1		8,112,101	598,983,073				607,095,174		
<b>DETAILS OF WRITE-INS</b>										
5801.	X X X									
5802.	X X X									
5803.	X X X									
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X									
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X									

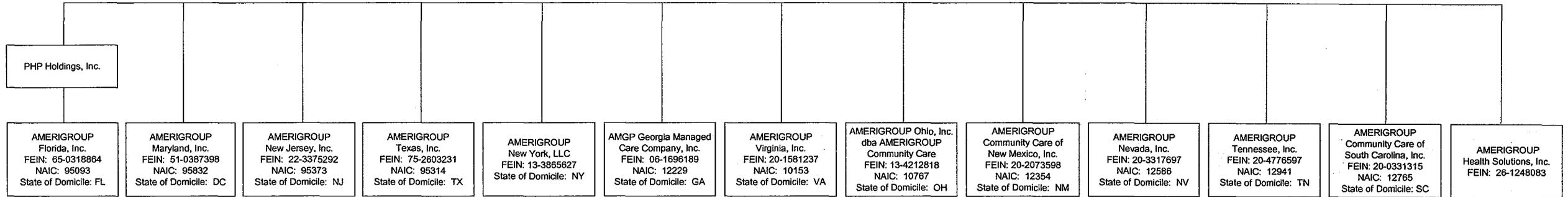
(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.:

**SCHEDULE T - PART 2**  
**INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN**  
**ALLOCATED BY STATES AND TERRITORIES**

Direct Business only						
States, Etc.	1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)	5 Deposit-Type Contracts	6 Totals
1. Alabama (AL)						
2. Alaska (AK)						
3. Arizona (AZ)						
4. Arkansas (AR)						
5. California (CA)						
6. Colorado (CO)						
7. Connecticut (CT)						
8. Delaware (DE)						
9. District of Columbia (DC)						
10. Florida (FL)						
11. Georgia (GA)						
12. Hawaii (HI)						
13. Idaho (ID)						
14. Illinois (IL)						
15. Indiana (IN)						
16. Iowa (IA)						
17. Kansas (KS)						
18. Kentucky (KY)						
19. Louisiana (LA)						
20. Maine (ME)						
21. Maryland (MD)						
22. Massachusetts (MA)						
23. Michigan (MI)						
24. Minnesota (MN)						
25. Mississippi (MS)						
26. Missouri (MO)						
27. Montana (MT)						
28. Nebraska (NE)						
29. Nevada (NV)						
30. New Hampshire (NH)						
31. New Jersey (NJ)						
32. New Mexico (NM)						
33. New York (NY)						
34. North Carolina (NC)						
35. North Dakota (ND)						
36. Ohio (OH)						
37. Oklahoma (OK)						
38. Oregon (OR)						
39. Pennsylvania (PA)						
40. Rhode Island (RI)						
41. South Carolina (SC)						
42. South Dakota (SD)						
43. Tennessee (TN)						
44. Texas (TX)						
45. Utah (UT)						
46. Vermont (VT)						
47. Virginia (VA)						
48. Washington (WA)						
49. West Virginia (WV)						
50. Wisconsin (WI)						
51. Wyoming (WY)						
52. American Samoa (AS)						
53. Guam (GU)						
54. Puerto Rico (PR)						
55. U.S. Virgin Islands (VI)						
56. Northern Mariana Islands (MP)						
57. Canada (CN)						
58. Aggregate other alien (OT)						
59. TOTALS						

**NONE**

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER**  
**MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**  
 AMERIGROUP Corporation



## SCHEDULE Y (Continued)

### PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/(Disburse- ments) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
95373	54-1739323	AMERIGROUP Corporation	44,400,000	(66,262,981)	26,528,180		255,291,018				259,956,217	
95314	22-3375292	AMERIGROUP New Jersey, Inc.	(9,400,000)				(17,305,930)				(26,705,930)	
95832	75-2603231	AMERIGROUP Texas, Inc.	(35,000,000)	(1,799,002)			(78,530,734)				(115,329,736)	
95093	51-0387398	AMERIGROUP Maryland, Inc.			(5,226,749)		(35,480,671)				(40,707,420)	
10767	65-0318864	AMERIGROUP Florida, Inc.		(17,100,000)	(5,209,102)		(30,790,609)				(53,099,711)	
10153	13-4212818	AMERIGROUP Ohio, Inc.		11,350,000			(11,530,922)				(180,922)	
12354	20-1581237	AMERIGROUP Virginia, Inc.					(3,875,603)				(3,875,603)	
12586	20-2073598	AMERIGROUP Community Care of New Mexico, Inc.		41,078,282	(7,776,859)		(4,042,475)				29,258,948	
12765	20-3317697	AMERIGROUP Nevada, Inc.										
12229	20-0331315	AMERIGROUP Community Care of South Carolina, Inc.		5,800,000			(1,078,531)				4,721,469	
12941	06-1696189	AMGP Georgia Managed Care Company, Inc.					(30,957,696)				(30,957,696)	
	13-3865627	AMERIGROUP New York, LLC			(3,581,769)		(7,901,930)				(11,483,699)	
	20-4776597	AMERIGROUP Tennessee, Inc.		26,933,701	(4,733,701)		(33,795,917)				(11,595,917)	
	26-1248083	AMERIGROUP Health Solutions, Inc.										
9999999 Totals									X X X			

Schedule Y Part 2 Explanation:



**NONE**

## SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....	46,213,753	38.016	46,213,753	38.016
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....				
1.22 Issued by U.S. government sponsored agencies .....				
1.3 Foreign government (including Canada, excluding mortgage-backed securities) .....				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....				
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....				
1.43 Revenue and assessment obligations .....				
1.44 Industrial development and similar obligations .....				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or Guaranteed by GNMA .....				
1.512 Issued or Guaranteed by FNMA and FHLMC .....				
1.513 All other .....				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....				
1.523 All other .....				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....				
2.2 Unaffiliated foreign securities .....				
2.3 Affiliated securities .....				
3. Equity interests:				
3.1 Investments in mutual funds .....				
3.2 Preferred stocks:				
3.21 Affiliated .....				
3.22 Unaffiliated .....				
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....				
3.32 Unaffiliated .....				
3.4 Other equity securities:				
3.41 Affiliated .....				
3.42 Unaffiliated .....				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....				
3.52 Unaffiliated .....				
4. Mortgage loans:				
4.1 Construction and land development .....				
4.2 Agricultural .....				
4.3 Single family residential properties .....				
4.4 Multifamily residential properties .....				
4.5 Commercial loans .....				
4.6 Mezzanine real estate loans .....				
5. Real estate investments:				
5.1 Property occupied by company .....				
5.2 Property held for production of income (including \$.....0 of property acquired in satisfaction of debt) .....				
5.3 Property held for sale (including \$.....0 property acquired in satisfaction of debt) .....				
6. Contract loans .....				
7. Receivables for securities .....				
8. Cash, cash equivalents and short-term investments .....	75,349,688	61.984	75,349,688	61.984
9. Other invested assets .....				
10. Total invested assets .....	121,563,441	100.000	121,563,441	100.000

## SCHEDULE A - VERIFICATION BETWEEN YEARS

### Real Estate

1.	Book/adjusted carrying value, December 31 of prior year .....		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 6) .....		
2.2	Additional investment made after acquisition (Part 2, Column 9) .....		
3.	Current year change in encumbrances:		
3.1	Totals, Part 1, Column 13 .....		
3.2	Totals, Part 3, Column 11 .....		
4.	Total gain (loss) on disposals, Part 3, Column 18 .....		
5.	Deduct amounts received on disposals, Part 3, Column 15 .....		
6.	Total foreign exchange change in book/adjusted carrying value .....		
6.1	Totals, Part 1, Column 15 .....	<b>NONE</b>	
6.2	Totals, Part 3, Column 13 .....		
7.	Deduct current year's other than temporary impairment recognized:		
7.1	Totals, Part 1, Column 12 .....		
7.2	Totals, Part 3, Column 10 .....		
8.	Deduct current year's depreciation:		
8.1	Totals, Part 1, Column 11 .....		
8.2	Totals, Part 3, Column 9 .....		
9.	Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8) .....		
10.	Deduct total nonadmitted amounts .....		
11.	Statement value at end of current period (Lines 9 minus 10) .....		

## SCHEDULE B - VERIFICATION BETWEEN YEARS

### Mortgage Loans

1.	Book value/recorded investment excluding accrued interest, December 31 of prior year .....		
2.	Cost of acquired:		
2.1	Actual cost at time of acquisition (Part 2, Column 7) .....		
2.2	Additional investment made after acquisition (Part 2, Column 8) .....		
3.	Capitalized deferred interest and other:		
3.1	Totals, Part 1, Column 12 .....		
3.2	Totals, Part 3, Column 11 .....		
4.	Accrual of discount .....		
5.	Unrealized valuation increase (decrease):		
5.1	Totals, Part 1, Column 9 .....		
5.2	Totals, Part 3, Column 8 .....		
6.	Total gain (loss) on disposals, Part 3, Column 18 .....		
7.	Deduct amounts received on disposals, Part 3, Column 15 .....	<b>NONE</b>	
8.	Deduct amortization of premium and mortgage interest .....		
9.	Total foreign exchange change in book value/recorded investment excluding accrued interest .....		
9.1	Totals, Part 1, Column 13 .....		
9.2	Totals, Part 3, Column 13 .....		
10.	Deduct current year's other than temporary impairment recognized:		
10.1	Totals, Part 1, Column 11 .....		
10.2	Totals, Part 3, Column 10 .....		
11.	Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....		
12.	Total valuation allowance .....		
13.	Subtotal (Lines 11 plus 12) .....		
14.	Deduct total nonadmitted amounts .....		
15.	Statement value at end of current period (Line 13 minus Line 14) .....		

## SCHEDULE BA - VERIFICATION BETWEEN YEARS

### Other Long-Term Invested Assets

1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition (Part 2, Column 8) .....		
2.2 Additional investment made after acquisition (Part 2, Column 9) .....		
3. Capitalized deferred interest and other:		
3.1 Totals, Part 1, Column 16 .....		
3.2 Totals, Part 3, Column 12 .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease):		
5.1 Totals, Part 1, Column 13 .....		
5.2 Totals, Part 3, Column 9 .....		
6. Total gain (loss) on disposals, Part 3, Column 19 .....	<b>NONE</b>	
7. Deduct amounts received on disposals, Part 3, Column 18 .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value:		
9.1 Totals, Part 1, Column 17 .....		
9.2 Totals, Part 3, Column 14 .....		
10. Deduct current year's other than temporary impairment recognized:		
10.1 Totals, Part 1, Column 15 .....		
10.2 Totals, Part 3, Column 11 .....		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....		
12. Deduct total nonadmitted amounts .....		
13. Statement value at end of current period (Line 11 minus Line 12) .....		

## SCHEDULE D - VERIFICATION BETWEEN YEARS

### Bonds and Stocks

1. Book/adjusted carrying value, December 31 of prior year .....		24,095,124
2. Cost of bonds and stocks acquired, Column 7, Part 3 .....		53,108,523
3. Accrual of Discount .....		7,998
4. Unrealized valuation increase (decrease):		
4.1 Column 12, Part 1 .....		
4.2 Column 15, Part 2, Section 1 .....		
4.3 Column 13, Part 2, Section 2 .....		
4.4 Column 11, Part 4 .....		
5. Total gain (loss) on disposals, Column 19, Part 4 .....		7,278
6. Deduction consideration for bonds and stocks disposed of, Column 7, Part 4 .....		30,975,000
7. Deduct amortization of premium .....		30,170
8. Total foreign exchange change in book/adjusted carrying value:		
8.1 Column 15, Part 1 .....		
8.2 Column 19, Part 2, Section 1 .....		
8.3 Column 16, Part 2, Section 2 .....		
8.4 Column 15, Part 4 .....		
9. Deduct current year's other than temporary impairment recognized:		
9.1 Column 14, Part 1 .....		
9.2 Column 17, Part 2, Section 1 .....		
9.3 Column 14, Part 2, Section 2 .....		
9.4 Column 13, Part 4 .....		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....		46,213,753
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....		46,213,753

## SCHEDULE D - SUMMARY BY COUNTRY

### Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	34,956,186	35,432,148	34,955,075	34,825,000
	2. Canada .....				
	3. Other Countries .....				
	4. Totals .....	34,956,186	35,432,148	34,955,075	34,825,000
States, Territories and Possessions (Direct and Guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed)	8. Totals .....				
	9. United States .....				
	10. Canada .....				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	11. Other Countries .....				
	12. Totals .....				
	13. United States .....	4,708,241	4,424,980	4,733,701	5,000,000
Public Utilities (unaffiliated)	14. Canada .....				
	15. Other Countries .....				
	16. Totals .....	4,708,241	4,424,980	4,733,701	5,000,000
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	17. United States .....				
	18. Canada .....				
	19. Other Countries .....				
Parent, Subsidiaries and Affiliates	20. Totals .....				
	21. United States .....	6,549,326	6,681,355	6,550,035	6,500,000
	22. Canada .....				
Parent, Subsidiaries and Affiliates	23. Other Countries .....				
	24. Totals .....	6,549,326	6,681,355	6,550,035	6,500,000
	25. Totals .....				
<b>PREFERRED STOCKS</b>					
Public Utilities (unaffiliated)	26. Total Bonds .....	46,213,753	46,538,483	46,238,811	46,325,000
	27. United States .....				
	28. Canada .....				
	29. Other Countries .....				
Banks, Trust and Insurance Companies (unaffiliated)	30. Totals .....				
	31. United States .....				
	32. Canada .....				
Industrial and Miscellaneous (unaffiliated)	33. Other Countries .....				
	34. Totals .....				
	35. United States .....				
Parent, Subsidiaries and Affiliates	36. Canada .....				
	37. Other Countries .....				
	38. Totals .....				
<b>COMMON STOCKS</b>					
Public Utilities (unaffiliated)	39. Totals .....				
	40. Total Preferred Stocks .....				
	41. United States .....				
	42. Canada .....				
Banks, Trust and Insurance Companies (unaffiliated)	43. Other Countries .....				
	44. Totals .....				
	45. United States .....				
Industrial and Miscellaneous (unaffiliated)	46. Canada .....				
	47. Other Countries .....				
	48. Totals .....				
Parent, Subsidiaries and Affiliates	49. United States .....				
	50. Canada .....				
	51. Other Countries .....				
Parent, Subsidiaries and Affiliates	52. Totals .....				
	53. Totals .....				
	54. Total Common Stocks .....				
<b>Total Bonds and Stocks</b>		46,213,753	46,538,483	46,238,811	

## SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

	1	2	3	4	5	6	7	8	9	10	11
Quality Rating Per the NAIC Designation	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed (a)
1. U.S. Governments, (Group 1)											
1.1 Class 1	26,372,265	18,956,186				45,328,451	43.26	89,965,117	100.00	45,328,451	
1.2 Class 2											
1.3 Class 3											
1.4 Class 4											
1.5 Class 5											
1.6 Class 6											
1.7 TOTALS	26,372,265	18,956,186				45,328,451	43.26	89,965,117	100.00	45,328,451	
2. All Other Governments, (Group 2)											
2.1 Class 1											
2.2 Class 2											
2.3 Class 3											
2.4 Class 4											
2.5 Class 5											
2.6 Class 6											
2.7 TOTALS											
3. States, Territories and Possessions etc., Guaranteed, (Group 3)											
3.1 Class 1											
3.2 Class 2											
3.3 Class 3											
3.4 Class 4											
3.5 Class 5											
3.6 Class 6											
3.7 TOTALS											
4. Political Subdivisions of States, Territories & Possessions, Guaranteed, (Group 4)											
4.1 Class 1											
4.2 Class 2											
4.3 Class 3											
4.4 Class 4											
4.5 Class 5											
4.6 Class 6											
4.7 TOTALS											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, (Group 5)											
5.1 Class 1					4,708,241	4,708,241	4.49			4,708,241	
5.2 Class 2											
5.3 Class 3											
5.4 Class 4											
5.5 Class 5											
5.6 Class 6											
5.7 TOTALS					4,708,241	4,708,241	4.49			4,708,241	

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## SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
6. Public Utilities (Unaffiliated), (Group 6)											
6.1 Class 1 .....											
6.2 Class 2 .....											
6.3 Class 3 .....											
6.4 Class 4 .....											
6.5 Class 5 .....											
6.6 Class 6 .....											
6.7 TOTALS .....											
7. Industrial & Miscellaneous (Unaffiliated), (Group 7)											
7.1 Class 1 .....	48,197,110	6,549,326				54,746,436	52.25			54,746,436	
7.2 Class 2 .....											
7.3 Class 3 .....											
7.4 Class 4 .....											
7.5 Class 5 .....											
7.6 Class 6 .....											
7.7 TOTALS .....	48,197,110	6,549,326				54,746,436	52.25			54,746,436	
8. Credit Tenant Loans, (Group 8)											
8.1 Class 1 .....											
8.2 Class 2 .....											
8.3 Class 3 .....											
8.4 Class 4 .....											
8.5 Class 5 .....											
8.6 Class 6 .....											
8.7 TOTALS .....											
9. Parent, Subsidiaries and Affiliates, (Group 9)											
9.1 Class 1 .....											
9.2 Class 2 .....											
9.3 Class 3 .....											
9.4 Class 4 .....											
9.5 Class 5 .....											
9.6 Class 6 .....											
9.7 TOTALS .....											

## SCHEDULE D - PART 1A - SECTION 1 (Continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values By Major Types of Issues and NAIC Designations

Quality Rating Per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	(d) 74,569,375	25,505,512			4,708,241	104,783,128	100.00	X X X	X X X	104,783,128	
10.2 Class 2	(d)							X X X	X X X		
10.3 Class 3	(d)							X X X	X X X		
10.4 Class 4	(d)							X X X	X X X		
10.5 Class 5	(d)					(c)		X X X	X X X		
10.6 Class 6	(d)					(c)		X X X	X X X		
10.7 TOTALS	74,569,375	25,505,512			4,708,241	(b) 104,783,128	100.00	X X X	X X X	104,783,128	
10.8 Line 10.7 as a % of Column 6	71.17	24.34			4.49	100.00	X X X	X X X	X X X	100.00	
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	85,068,443	4,896,674				X X X	X X X	89,965,117	100.00	89,965,117	
11.2 Class 2						X X X	X X X				
11.3 Class 3						X X X	X X X				
11.4 Class 4						X X X	X X X				
11.5 Class 5						X X X	X X X	(c)			
11.6 Class 6						X X X	X X X	(c)			
11.7 TOTALS	85,068,443	4,896,674				X X X	X X X	(b) 89,965,117	100.00	89,965,117	
11.8 Line 11.7 as a % of Col. 8	94.56	5.44				X X X	X X X	100.00	X X X	100.00	
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	74,569,375	25,505,512			4,708,241	104,783,128	100.00	89,965,117	100.00	104,783,128	X X X
12.2 Class 2											X X X
12.3 Class 3											X X X
12.4 Class 4											X X X
12.5 Class 5											X X X
12.6 Class 6											X X X
12.7 TOTALS	74,569,375	25,505,512			4,708,241	104,783,128	100.00	89,965,117	100.00	104,783,128	X X X
12.8 Line 12.7 as a % of Col. 6	71.17	24.34			4.49	100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	71.17	24.34			4.49	100.00	X X X	X X X	X X X	100.00	X X X
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1										X X X	
13.2 Class 2										X X X	
13.3 Class 3										X X X	
13.4 Class 4										X X X	
13.5 Class 5										X X X	
13.6 Class 6										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Col. 6							X X X	X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10							X X X	X X X	X X X	X X X	

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(a) Includes \$.....0 freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.  
 (b) Includes \$.....0 current year, \$.....0 prior year of bonds with Z designations and \$.....0 current year, \$.....0 prior year  
 "Z" means the SVO could not evaluate the obligation because valuation procedures for the security class is under regulatory review.  
 (c) Includes \$.....0 current year, \$.....0 prior year of bonds with 5\* designations and \$.....0 current year, \$.....0 prior year  
 principal and interest payments. "6\*\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.  
 (d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0.

## SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

	1	2	3	4	5	6	7	8	9	10	11
Distribution by Type	1 Year or Less	Over 1 Year Through 5 Years	Over 5 Years Through 10 Years	Over 10 Years Through 20 Years	Over 20 Years	Total Current Year	Column 6 as a % of Line 10.7	Total From Column 6 Prior Year	% From Column 7 Prior Year	Total Publicly Traded	Total Privately Placed
1. U.S. Governments, (Group 1)											
1.1 Issuer Obligations	26,372,265	18,956,186				45,328,451	43.26	89,965,117	100.00	45,328,451	
1.2 Single Class Mortgage-Backed/Asset-Backed Securities											
1.7 TOTALS	26,372,265	18,956,186				45,328,451	43.26	89,965,117	100.00	45,328,451	
2. All Other Governments, (Group 2)											
2.1 Issuer Obligations											
2.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
2.3 Defined											
2.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
2.5 Defined											
2.6 Other											
2.7 TOTALS											
3. States, Territories and Possessions, Guaranteed, (Group 3)											
3.1 Issuer Obligations											
3.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
3.3 Defined											
3.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
3.5 Defined											
3.6 Other											
3.7 TOTALS											
4. Political Subdivisions of States, Territories & Possessions, Guaranteed, (Group 4)											
4.1 Issuer Obligations											
4.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
4.3 Defined											
4.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
4.5 Defined											
4.6 Other											
4.7 TOTALS											
5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, (Group 5)											
5.1 Issuer Obligations					4,708,241	4,708,241	4.49			4,708,241	
5.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
5.3 Defined											
5.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
5.5 Defined											
5.6 Other											
5.7 TOTALS					4,708,241	4,708,241	4.49			4,708,241	

## SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
6. Public Utilities (Unaffiliated), (Group 6)											
6.1 Issuer Obligations											
6.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
6.3 Defined											
6.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
6.5 Defined											
6.6 Other											
6.7 TOTALS											
7. Industrial & Miscellaneous (Unaffiliated), (Group 7)											
7.1 Issuer Obligations	48,197,110	6,549,326				54,746,436	52.25			54,746,436	
7.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
7.3 Defined											
7.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
7.5 Defined											
7.6 Other											
7.7 TOTALS	48,197,110	6,549,326				54,746,436	52.25			54,746,436	
8. Credit Tenant Loans, (Group 8)											
8.1 Issuer Obligations											
8.7 TOTALS											
9. Parent, Subsidiaries and Affiliates, (Group 9)											
9.1 Issuer Obligations											
9.2 Single Class Mortgage-Backed/Asset-Backed Securities											
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
9.3 Defined											
9.4 Other											
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
9.5 Defined											
9.6 Other											
9.7 TOTALS											

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## SCHEDULE D - PART 1A - SECTION 2 (Continued)

Maturity Distribution of All Bonds Owned December 31, At Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Column 6 as a % of Line 10.7	8 Total From Column 6 Prior Year	9 % From Column 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	74,569,375	25,505,512			4,708,241	104,783,128	100.00	X X X	X X X	104,783,128	
10.2 Single Class Mortgage-Backed/Asset-Backed Securities								X X X	X X X		
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
10.3 Defined								X X X	X X X		
10.4 Other								X X X	X X X		
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
10.5 Defined								X X X	X X X		
10.6 Other								X X X	X X X		
10.7 TOTALS	74,569,375	25,505,512			4,708,241	104,783,128	100.00	X X X	X X X	104,783,128	
10.8 Line 10.7 as a % of Column 6	71.17	24.34			4.49	100.00	X X X	X X X	X X X	100.00	
11. Total Bonds Prior Year											
11.1 Issuer Obligations	85,068,443	4,896,674						X X X	X X X	89,965,117	
11.2 Single Class Mortgage-Backed/Asset-Backed Securities								X X X	X X X		
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
11.3 Defined								X X X	X X X		
11.4 Other								X X X	X X X		
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
11.5 Defined								X X X	X X X		
11.6 Other								X X X	X X X		
11.7 TOTALS	85,068,443	4,896,674						X X X	X X X	89,965,117	
11.8 Line 11.7 as a % of Column 8	94.56	5.44						X X X	X X X	100.00	
12. Total Publicly Traded Bonds											
12.1 Issuer Obligations	74,569,375	25,505,512			4,708,241	104,783,128	100.00	89,965,117	100.00	104,783,128	X X X
12.2 Single Class Mortgage-Backed/Asset-Backed Securities											X X X
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
12.3 Defined											X X X
12.4 Other											X X X
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
12.5 Defined											X X X
12.6 Other											X X X
12.7 TOTALS	74,569,375	25,505,512			4,708,241	104,783,128	100.00	89,965,117	100.00	104,783,128	X X X
12.8 Line 12.7 as a % of Column 6	71.17	24.34			4.49	100.00	X X X	X X X	X X X	100.00	X X X
12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10	71.17	24.34			4.49	100.00	X X X	X X X	X X X	100.00	X X X
13. Total Privately Placed Bonds											
13.1 Issuer Obligations										X X X	
13.2 Single Class Mortgage-Backed/Asset-Backed Securities										X X X	
<b>MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:</b>											
13.3 Defined										X X X	
13.4 Other										X X X	
<b>MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:</b>											
13.5 Defined										X X X	
13.6 Other										X X X	
13.7 TOTALS										X X X	
13.8 Line 13.7 as a % of Column 6								X X X	X X X	X X X	
13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10								X X X	X X X	X X X	

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## SCHEDULE DA - VERIFICATION BETWEEN YEARS

### Short-Term Investments

	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets (a)	Investments in Parent, Subsidiaries and Affiliates
1. Book/adjusted carrying value, December 31 of prior year .....	65,869,993	65,869,993			
2. Cost of short-term investments acquired .....	906,134,067	906,134,067			
3. Accrual of discount .....	45,003	45,003			
4. Unrealized valuation increase (decrease) .....					
5. Total gain (loss) on disposals .....					
6. Deduct consideration received on disposals .....	913,479,688	913,479,688			
7. Deduct amortization of premium .....					
8. Total foreign exchange change in book/adjusted carrying value .....					
9. Deduct current year's other than temporary impairment recognized .....					
10. Book adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	58,569,375	58,569,375			
11. Deduct total nonadmitted amounts .....					
12. Statement value at end of current period (Line 10 minus Line 11) .....	58,569,375	58,569,375			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment: 0

**SI12 Schedule DB Part A Verification ..... NONE**

**SI12 Schedule DB Part B Verification ..... NONE**

**SI13 Schedule DB Part C Verification ..... NONE**

**SI13 Schedule DB Part D Verification ..... NONE**

**SI13 Schedule DB Part E Verification ..... NONE**

**SI14 Schedule DB Part F Sn 1 - Sum Replicated Assets ..... NONE**

**SI15 Schedule DB Part F Sn 2 - Recon Replicated Assets ..... NONE**

## SCHEDULE E - VERIFICATION BETWEEN YEARS

### Part 2 - Cash Equivalents

	1 Total	2 Bonds	3 Other (a)
1. Book/adjusted carrying value, December 31 of prior year .....			
2. Cost of cash equivalents acquired .....	1,000,000	1,000,000	
3. Accrual of discount .....			
4. Unrealized valuation increase (decrease) .....			
5. Total gain (loss) on disposals .....			
6. Deduct consideration received on disposals .....	1,000,000	1,000,000	
7. Deduct amortization of premium .....			
8. Total foreign exchange change in book/adjusted carrying value .....			
9. Deduct current year's other than temporary impairment recognized .....			
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) .....			
11. Deduct total nonadmitted amounts .....			
12. Statement value at end of current period (Lines 10 minus 11) .....			

(a) Indicate the category of such investments, for example, joint ventures, transportation equipment:

<b>E01</b>	<b>Schedule A - Part 1 Real Estate Owned</b> .....	<b>NONE</b>
<b>E02</b>	<b>Schedule A - Part 2 Real Estate Acquired</b> .....	<b>NONE</b>
<b>E03</b>	<b>Schedule A - Part 3 Real Estate Sold</b> .....	<b>NONE</b>
<b>E04</b>	<b>Schedule B - Part 1 Mortgage Loans Owned</b> .....	<b>NONE</b>
<b>E05</b>	<b>Schedule B - Part 2 Mortgage Loans Acquired</b> .....	<b>NONE</b>
<b>E06</b>	<b>Schedule B - Part 3 Mortgage Loans DISPOSED</b> .....	<b>NONE</b>
<b>E07</b>	<b>Schedule BA - Part 1 Invested Assets Owned</b> .....	<b>NONE</b>
<b>E08</b>	<b>Schedule BA - Part 2 Invested Assets Acquired</b> .....	<b>NONE</b>
<b>E09</b>	<b>Schedule BA - Part 3 Invested Assets DISPOSED</b> .....	<b>NONE</b>

# SCHEDULE D - PART 1

Showing all Long-Term BONDS Owned December 31 of Current Year

1 CUSIP Identi- fication	2 Description	Codes			6 NAIC Desig- nation	7 Actual Cost	Fair Value		10 Par Value	11 Book/ Adjusted Carrying Value	Change in Book Adjusted Carrying Value				Interest					Dates	
		3 Code	4 F O R E I G N	5 Bond CHAR			8 Rate Used to Obtain Fair Value	9 Fair Value			12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Foreign Exchange Change in B./A.C.V.	16 Rate of	17 Effective Rate of Interest	18 When Paid	19 Admitted Amount Due and Accrued	20 Amount Received During Year	21 Acquired	22 Maturity
<b>U.S. Governments - Issuer Obligations</b>																					
31331GEW5	Federal Farm Credit Bank			1	1	4,000,000	101.7190	4,068,760	4,000,000	4,000,000					3.375	3.403	MN	16,125		11/18/2008	11/18/2011
31331Y3P3	Federal Farm Credit Bank			1	1	3,035,130	105.3440	3,160,320	3,000,000	3,033,765		(1,365)			3.500	3.095	AO	25,667		11/19/2008	10/03/2011
31331Y4G2	Federal Farm Credit Bank			1	1	2,500,000	101.5310	2,538,275	2,500,000	2,500,000					3.300	3.327	JJ	35,063		07/28/2008	07/28/2010
31339XWG5	Federal Home Loan Bank			1	1	2,354,242	109.0940	2,400,068	2,200,000	2,351,605		(2,637)			5.000	2.162	JD	306	55,000	12/15/2008	06/30/2011
3133XQJR4	Federal Home Loan Bank	SD		1	1	2,616,338	100.0000	2,625,000	2,625,000	2,618,116		1,778			3.330	3.482	AO	21,853	49,170	05/21/2008	04/01/2011
3133XR2Y5	Federal Home Loan Bank			1	1	2,985,870	103.0940	3,092,820	3,000,000	2,987,299		1,429			3.000	3.330	JD	5,000	55,500	10/31/2008	06/11/2010
3128X7QR8	Federal Home Loan Mortgage Corp.			1	1	2,500,000	100.2730	2,506,825	2,500,000	2,500,000					3.000	3.023	MN	8,125		11/25/2008	02/22/2010
3133F2Y90	Federal Home Loan Mortgage Corp.			1	1	1,991,720	99.0110	1,980,220	2,000,000	1,991,744		24			3.000	3.124	JD	2,667		12/26/2008	06/15/2013
3136F9GV9	Federal National Mortgage Assoc.	SD		1	1	4,000,000	100.7810	4,031,240	4,000,000	4,000,000					3.625	3.658	AO	30,208	72,500	04/16/2008	04/16/2012
3136F9Z48	Federal National Mortgage Assoc.			1	1	3,000,000	100.0630	3,001,890	3,000,000	3,000,000					2.125	2.136	JD	177		12/30/2008	06/30/2010
31398AMX7	Federal National Mortgage Assoc.			1	1	2,497,500	100.2810	2,507,025	2,500,000	2,498,560		1,060			3.000	3.075	FA	27,500	37,500	02/21/2008	02/19/2010
31398APL0	Federal National Mortgage Assoc.			1	1	3,474,275	100.5630	3,519,705	3,500,000	3,475,097		822			4.000	4.230	MS	39,667		11/06/2008	03/19/2013
0199999	Subtotal - U.S. Governments - Issuer Obligations					34,955,075	X X X	35,432,148	34,825,000	34,956,186		1,111			X X X	X X X	X X X	212,358	269,670	X X X	X X X
0399999	Subtotal - U.S. Governments					34,955,075	X X X	35,432,148	34,825,000	34,956,186		1,111			X X X	X X X	X X X	212,358	269,670	X X X	X X X
<b>Special Revenue, Special Assessment - Issuer Obligations</b>																					
679110CY0	OK Student Loan				1	4,733,701	88.5000	4,424,980	5,000,000	4,708,241		(25,460)			1.125	1.426	JD	6,010	64,667	06/30/2008	12/01/2033
2599999	Subtotal - Special Revenue, Special Assessment - Issuer Obligations					4,733,701	X X X	4,424,980	5,000,000	4,708,241		(25,460)			X X X	X X X	X X X	6,010	64,667	X X X	X X X
3199999	Subtotal - Special Revenue, Special Assessment					4,733,701	X X X	4,424,980	5,000,000	4,708,241		(25,460)			X X X	X X X	X X X	6,010	64,667	X X X	X X X
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Issuer Obligations</b>																					
4042EPAA5	HSBC - FDIC				1	2,544,875	103.8510	2,596,275	2,500,000	2,544,278		(597)			3.125	2.516	JD	3,255		12/16/2008	12/16/2011
7591EAAA1	Regions Bank - FDIC				1	4,005,160	102.1270	4,085,080	4,000,000	4,005,048		(112)			2.750	2.701	JD	6,417		12/15/2008	12/10/2010
3999999	Subtotal - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations					6,550,035	X X X	6,681,355	6,500,000	6,549,326		(709)			X X X	X X X	X X X	9,672		X X X	X X X
4599999	Subtotal - Industrial & Miscellaneous (Unaffiliated)					6,550,035	X X X	6,681,355	6,500,000	6,549,326		(709)			X X X	X X X	X X X	9,672		X X X	X X X
5499999	Subtotals - Issuer Obligations					46,238,811	X X X	46,538,483	46,325,000	46,213,753		(25,058)			X X X	X X X	X X X	228,040	334,337	X X X	X X X
6099999	Grand Total - Bonds					46,238,811	X X X	46,538,483	46,325,000	46,213,753		(25,058)			X X X	X X X	X X X	228,040	334,337	X X X	X X X

E10

E11 Schedule D - Part 2 Sn 1 Prfrd Stocks Owned ..... NONE

E12 Schedule D - Part 2 Sn 2 Common Stocks Owned ..... NONE

## SCHEDULE D - PART 3

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
<b>Bonds - U.S. Governments</b>								
31331GEW5	Federal Farm Credit Bank		11/18/2008	UBS	X X X	4,000,000	4,000,000.00	
31331Y3P3	Federal Farm Credit Bank		11/19/2008	Suntrust	X X X	3,035,130	3,000,000.00	13,417
31331Y4G2	Federal Farm Credit Bank		07/28/2008	UBS	X X X	2,500,000	2,500,000.00	
31339XWG5	Federal Home Loan Bank		12/15/2008	Suntrust	X X X	2,354,242	2,200,000.00	50,417
3133XQJR4	Federal Home Loan Bank		05/21/2008	Suntrust	X X X	3,488,450	3,500,000.00	16,188
3133XR2Y5	Federal Home Loan Bank		10/31/2008	Suntrust	X X X	2,985,870	3,000,000.00	45,500
3128X7QR8	Federal Home Loan Mortgage Corp.		11/25/2008	UBS	X X X	2,500,000	2,500,000.00	625
3133F2Y90	Federal Home Loan Mortgage Corp.		12/26/2008	Suntrust	X X X	1,991,720	2,000,000.00	
3136F9GV9	Federal National Mortgage Assoc.		04/16/2008	UBS	X X X	4,000,000	4,000,000.00	
3136F9Z48	Federal National Mortgage Assoc.		12/30/2008	UBS	X X X	3,000,000	3,000,000.00	
31398AMX7	Federal National Mortgage Assoc.		02/21/2008	UBS	X X X	2,497,500	2,500,000.00	417
31398APL0	Federal National Mortgage Assoc.		11/06/2008	Suntrust	X X X	3,474,275	3,500,000.00	18,278
0399999	Subtotal - Bonds - U.S. Governments					35,827,187	35,700,000.00	144,842
<b>Bonds - Special Revenue, Special Assessment</b>								
679110CY0	OK Student Loan		06/30/2008	Suntrust	X X X	4,733,701	5,000,000.00	
3199999	Subtotal - Bonds - Special Revenue, Special Assessment					4,733,701	5,000,000.00	
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>								
4042EPAA5	HSBC - FDIC		12/16/2008	Suntrust	X X X	2,544,875	2,500,000.00	
7591EAAA1	Regions Bank - FDIC		12/15/2008	UBS	X X X	4,005,160	4,000,000.00	1,222
4599999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					6,550,035	6,500,000.00	1,222
6099997	Subtotal - Bonds - Part 3					47,110,923	47,200,000.00	146,064
6099998	Summary item from Part 5 for Bonds					5,997,600	6,000,000.00	
6099999	Subtotal - Bonds					53,108,523	53,200,000.00	146,064
6599998	Summary Item from Part 5 for Preferred Stocks						X X X	
7299998	Summary Item from Part 5 for Common Stocks						X X X	
7399999	Subtotal - Preferred and Common Stocks						X X X	
7499999	Totals					53,108,523	X X X	146,064

## SCHEDULE D - PART 4

**Showing All Long-Term Bonds and Stocks SOLD, REDEEMED, or Otherwise DISPOSED OF During Current Year**

1 CUSIP Identification	2 Description	3 F o r e i g n Disposal Date	4 Name of Purchaser	5 Number of Shares of Stock	6 Consideration	7 Par Value	8 Actual Cost	9 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/Adjusted Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	
									11 Unrealized Valuation Increase/ (Decrease)	12 Current Year (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V.  (Cols. 11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Governments</b>																				
3133XHAD4	Federal Home Loan Bank	10/06/2008	CALLED @ 100.0000000	X X X	3,200,000	3,200,000.00	3,200,000	3,200,000						3,200,000					168,000	10/06/2011
3133XLNS8	Federal Home Loan Bank	01/18/2008	CALLED @ 100.0000000	X X X	2,000,000	2,000,000.00	2,000,000	2,000,000						2,000,000					53,000	07/18/2008
3133XLQY2	Federal Home Loan Bank	07/16/2008	MATURITY	X X X	2,500,000	2,500,000.00	2,497,175	2,498,450		1,550			1,550	2,500,000					128,125	07/16/2008
3133XQJR4	Federal Home Loan Bank	12/31/2008	CALLED @ 100.0000000	X X X	875,000	875,000.00	872,113			593			593	872,705		2,295		2,295	16,390	04/01/2011
3128X6GW0	Federal Home Loan Mortgage Corp.	07/16/2008	CALLED @ 100.0000000	X X X	2,000,000	2,000,000.00	2,000,000	2,000,000						2,000,000					108,000	07/16/2009
3128X6GY6	Federal Home Loan Mortgage Corp.	01/23/2008	CALLED @ 100.0000000	X X X	2,000,000	2,000,000.00	2,000,000	2,000,000						2,000,000					53,500	01/23/2009
3128X6HM1	Federal Home Loan Mortgage Corp.	01/30/2008	CALLED @ 100.0000000	X X X	2,500,000	2,500,000.00	2,500,000	2,500,000						2,500,000					70,625	07/30/2012
3128X6WL6	Federal Home Loan Mortgage Corp.	06/24/2008	CALLED @ 100.0000000	X X X	3,400,000	3,400,000.00	3,397,960	3,397,964		262			262	3,398,226		1,774		1,774	80,750	06/24/2011
31398AHN5	Federal Nat'l Mortgage Assoc.	10/15/2008	CALLED @ 100.0000000	X X X	5,000,000	5,000,000.00	5,000,000	5,000,000						5,000,000					250,000	10/15/2010
31359M2A0	Federal National Mortgage Assoc.	05/20/2008	CALLED @ 100.0000000	X X X	1,500,000	1,500,000.00	1,498,125	1,498,710		255			255	1,498,964		1,036		1,036	39,000	11/20/2009
0399999	Subtotal - Bonds - U.S. Governments					24,975,000	24,975,000.00	24,965,373	24,095,124		2,660		2,660	24,969,895		5,105		5,105	967,390	X X X
6099997	Subtotal - Bonds - Part 4					24,975,000	24,975,000.00	24,965,373	24,095,124		2,660		2,660	24,969,895		5,105		5,105	967,390	X X X
6099998	Summary Item from Part 5 for Bonds					6,000,000	6,000,000.00	5,997,600			227		227	5,997,827		2,173		2,173	70,313	X X X
6099999	Subtotal - Bonds					30,975,000	30,975,000.00	30,962,973	24,095,124		2,887		2,887	30,967,722		7,278		7,278	1,037,703	X X X
6599998	Summary Item from Part 5 for Preferred Stocks						X X X													X X X
7299998	Summary Item from Part 5 for Common Stocks						X X X													X X X
7399999	Subtotal - Preferred and Common Stocks						X X X													X X X
7499999	Totals					30,975,000	X X X	30,962,973	24,095,124		2,887		2,887	30,967,722		7,278		7,278	1,037,703	X X X

## SCHEDULE D - PART 5

Showing All Long-Term Bonds and Stocks ACQUIRED During Year and Fully DISPOSED OF During Current Year

1 CUSIP Identifi- cation	2 Description	3 F O R E I G N	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) Number of Shares (Stock)	9 Actual Cost	10 Consider- ation	11 Book/ Adjusted Carrying Value at Disposal Date	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends		
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amortization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in B./A.C.V. (Col. 12+ 13-14)	16 Total Foreign Exchange Change in B./A.C.V.							
<b>Bonds - U.S. Governments</b>																						
31331YLG3	Federal Farm Credit Bank		01/02/2008	UBS	04/02/2008	CALL @ 100.0000000	3,000,000.000	2,997,600	3,000,000	2,997,827												
31331YLT5	Federal Farm Credit Bank		01/03/2008	UBS	04/03/2008	CALL @ 100.0000000	3,000,000.000	3,000,000	3,000,000	3,000,000												
0399999 Subtotal - Bonds - U.S. Governments							6,000,000.000	5,997,600	6,000,000	5,997,827												
6099998 Subtotal - Bonds							6,000,000.000	5,997,600	6,000,000	5,997,827												
7499999 Totals								5,997,600	6,000,000	5,997,827												

### SCHEDULE D - PART 6 - SECTION 1

#### Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

1 CUSIP Identification	2 Description Name of Subsidiary, Controlled or Affiliated Company	3 Foreign	4 NAIC Company Code or Alien Insurer Identification Number	5 NAIC Valuation Method (See SVO Purposes and Procedures manual)	6 Do Insurer's Assets Include Intangible Assets connected with Holding of Such Company's Stock?	7 Total Amount of Such Intangible Assets	8 Book/Adjusted Carrying Value	Stock of Such Company Owned by Insurer on Statement Date	
								9 Number of Shares	10 % of Outstanding
<b>NONE</b>									
1999999 Total - Preferred and Common Stocks .....								... X X X ...	... X X X ...

1. Amount of insurer's capital and surplus from the prior period's statutory statement reduced by any admitted EDP, goodwill and net deferred tax assets included therein: \$.....0.  
 2. Total amount of intangible assets nonadmitted \$.....0.

### SCHEDULE D - PART 6 - SECTION 2

1 CUSIP Identification	2 Name of Lower-tier Company	3 Name of Company Listed in Section 1 Which Controls Lower-tier Company	4 Total Amount of Intangible Assets Included in Amount Shown in Column 7, Section 1	Stock in Lower-tier Company Owned Indirectly by Insurer on Statement Date	
				5 Number of Shares	6 % of Outstanding
<b>NONE</b>					
0399999 Total - Preferred and Common Stocks .....				... X X X ...	... X X X ...

## SCHEDULE DA - PART 1

Showing all SHORT-TERM INVESTMENTS Owned December 31 of Current Year

1 Description	Codes		4 Date Acquired	5 Name of Vendor	6 Maturity Date	7 Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value				12 Par Value	13 Actual Cost	Interest						20 Paid For Accrued Interest																			
	2 Code	3 For- eign					8 Unrealized Valuation Increase/ (Decrease)	9 Current Year's (Amortization)/ Accretion	10 Current Year's Other Than Temporary Impairment Recognized	11 Total Foreign Exchange Change in B./A.C.V.			14 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default	15 Non-Admitted Due and Accrued	16 Rate of	17 Effective Rate of	18 When Paid	19 Amount Received During Year																				
6099999 Subtotal - Bonds																				X X X	X X X	X X X																
<b>Exempt Money Market Mutual Funds</b>																																						
First American Treasury Fund	R		12/31/2008	U.S. Bank		10,372,265						10,372,265	12,611							81,671																		
7999999 Subtotal - Exempt Money Market Mutual Funds						10,372,265					X X X	10,372,265	12,611	X X X	X X X	X X X				81,671																		
<b>Class One Money Market Mutual Funds</b>																																						
Evergreen Institutional MM Fund	R		12/31/2008	U.S. Bank		7,480,628						7,480,628	15,796							1,353,461																		
US Bank Money Market Portal			12/11/2008	U.S. Bank		40,716,482						40,716,482	2							716,482																		
8099999 Subtotal - Class One Money Market Mutual Funds						48,197,110					X X X	48,197,110	15,798	X X X	X X X	X X X				2,069,943																		
8299999 Total Short-term Investments						58,569,375					X X X	58,569,375	28,409	X X X	X X X	X X X				2,151,614																		

E18	Schedule DB - Part A Sn 1 Opt/Cap/Floor Owned .....	NONE
E18	Schedule DB - Part A Sn 2 Opt/Cap/Floor Acquired .....	NONE
E19	Schedule DB - Part A Sn 3 Opt/Cap/Floor Term .....	NONE
E19	Schedule DB - Part B Sn 1 Opt/Cap/Floor In-force .....	NONE
E20	Schedule DB - Part B Sn 2 Opt/Cap/Floor Written .....	NONE
E20	Schedule DB - Part B Sn 3 Opt/Cap/Floor Term .....	NONE
E21	Schedule DB - Part C Sn 1 Col/Swap/Frwr Open .....	NONE
E21	Schedule DB - Part C Sn 2 Col/Swap/Frwr Opened .....	NONE
E22	Schedule DB - Part C Sn 3 Col/Swap/Frwr Term .....	NONE
E22	Schedule DB - Part D Sn 1 Futures Contracts Open .....	NONE
E23	Schedule DB - Part D Sn 2 Futures Contracts Opened .....	NONE
E23	Schedule DB - Part D Sn 3 Futures Contracts Term .....	NONE
E24	Schedule DB - Part E Sn 1 Counterparty Exposure .....	NONE

## SCHEDULE E - PART 1 - CASH

1 Depository	2 Code	3 Rate of Interest	4 Amount of Interest Received During Year	5 Amount of Interest Accrued December 31 of Current Year	6 Balance	7 *
<b>open depositories</b>						
Wachovia .....		2.210	59,098		16,710,722	X X X
0199998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....						
		X X X	267		69,591	X X X
<b>0199999 Totals - Open Depositories</b> .....						
		X X X	59,365		16,780,313	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....						
		X X X				X X X
<b>0299999 Totals - Suspended Depositories</b> .....						
		X X X	59,365		16,780,313	X X X
<b>0399999 Total Cash On Deposit</b> .....						
		X X X	X X X	X X X		X X X
<b>0499999 Cash in Company's Office</b> .....						
		X X X	59,365		16,780,313	X X X
<b>0599999 Total Cash</b> .....						

### TOTALS OF DEPOSITORY BALANCES ON THE LAST DAY OF EACH MONTH DURING THE CURRENT YEAR

1. January .....	(6,179,725)	4. April .....	2,468,386	7. July .....	3,179,351	10. October .....	7,928,379
2. February .....	(2,932,204)	5. May .....	(145,031)	8. August .....	5,405,907	11. November .....	12,307,184
3. March .....	13,603,159	6. June .....	10,385,783	9. September .....	13,316,963	12. December .....	16,780,313

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
<div style="border: 1px solid black; padding: 10px; display: inline-block;"> <p style="font-size: 2em; margin: 0;">N O N E</p> </div>							
8799999 Total Cash Equivalents .....							

## SCHEDULE E - PART 3 - SPECIAL DEPOSITS

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1.	Alabama (AL)					
2.	Alaska (AK)					
3.	Arizona (AZ)					
4.	Arkansas (AR)					
5.	California (CA)					
6.	Colorado (CO)					
7.	Connecticut (CT)					
8.	Delaware (DE)					
9.	District of Columbia (DC)					
10.	Florida (FL)					
11.	Georgia (GA)					
12.	Hawaii (HI)					
13.	Idaho (ID)					
14.	Illinois (IL)					
15.	Indiana (IN)					
16.	Iowa (IA)					
17.	Kansas (KS)					
18.	Kentucky (KY)					
19.	Louisiana (LA)					
20.	Maine (ME)					
21.	Maryland (MD)					
22.	Massachusetts (MA)					
23.	Michigan (MI)					
24.	Minnesota (MN)					
25.	Mississippi (MS)					
26.	Missouri (MO)					
27.	Montana (MT)					
28.	Nebraska (NE)					
29.	Nevada (NV)					
30.	New Hampshire (NH)					
31.	New Jersey (NJ)					
32.	New Mexico (NM)					
33.	New York (NY)					
34.	North Carolina (NC)					
35.	North Dakota (ND)					
36.	Ohio (OH)					
37.	Oklahoma (OK)					
38.	Oregon (OR)					
39.	Pennsylvania (PA)					
40.	Rhode Island (RI)					
41.	South Carolina (SC)					
42.	South Dakota (SD)					
43.	Tennessee (TN)	O	Statutory Deposit	16,990,381	17,028,505	
44.	Texas (TX)					
45.	Utah (UT)					
46.	Vermont (VT)					
47.	Virginia (VA)					
48.	Washington (WA)					
49.	West Virginia (WV)					
50.	Wisconsin (WI)					
51.	Wyoming (WY)					
52.	American Samoa (AS)					
53.	Guam (GU)					
54.	Puerto Rico (PR)					
55.	U.S. Virgin Islands (VI)					
56.	Northern Mariana Islands (MP)					
57.	Canada (CN)					
58.	Aggregate other alien (OT)	X X X	X X X			
59.	Total	X X X	X X X	16,990,381	17,028,505	
<b>DETAILS OF WRITE-INS</b>						
5801.						
5802.						
5803.						
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X	X X X			
5899.	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X	X X X			



## SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2008

(To be filed by March 1)

### PART 1 - INTERROGATORIES

- |   |  |
|---|--|
| <p>1. The reporting insurer is a member of a group of insurers or other holding company system:<br/>                 If yes, do the below amounts represent 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group:<br/>                 or 2) allocation to each insurer:</p>  | Yes[X] No[ ]<br><br>Yes[ ] No[X]<br>Yes[X] No[ ] |
| <p>2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity?</p>  | Yes[ ] No[X]                                     |
| <p>3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond a period of 12 months from the date of the agreement?</p> | Yes[ ] No[X]                                     |

### PART 2 - OFFICERS AND EMPLOYEES COMPENSATION

1	Name and Principal Position	2	Annual Compensation			
			3	4	5	6
		Year	Salary	Bonus	All Other Compensation	Totals
1.	Al Brock King CEO/President	2008 2007 2006	302,985 ..... .....	58,457 ..... .....	..... ..... .....	361,442 ..... .....
2.	Charles Brian Shipp Former CEO/President	2008 2007 2006	233,716 243,269 .....	183,893 20,000 .....	5,538 ..... .....	423,147 263,269 .....
3.	Carol Ann Churchill Former Medical Director	2008 2007 2006	192,639 212,308 .....	..... 5,000 .....	96,667 70,890 .....	289,306 288,198 .....
4.	Michael Anthony Scarbrough COO/Vice President	2008 2007 2006	205,457 ..... .....	33,427 ..... .....	42,152 ..... .....	281,036 ..... .....
5.	Lorena Jean Stanley Senior Vice President - Program Management	2008 2007 2006	85,000 164,423 .....	125,000 96,250 .....	66,373 214,928 .....	276,373 475,601 .....
6.	Kendall B. Edwards Vice President - Finance	2008 2007 2006	183,377 135,000 .....	53,382 30,000 .....	26,640 47,878 .....	263,399 212,878 .....
7.	Melanie Dolores Hunter Medical Director	2008 2007 2006	219,128 157,115 .....	31,451 ..... .....	..... 40,919 .....	250,579 198,034 .....
8.	Catherine Smith Callahan Exec VP Associate Services	2008 2007 2006	24,297 28,287 .....	62,642 27,706 .....	126,228 395 .....	213,167 56,388 .....
9.	James W Truess Assistant Treasurer	2008 2007 2006	70,041 46,461 .....	83,865 37,207 .....	17,219 12,565 .....	171,125 96,233 .....
10.	Heather Leigh Baroni VP Behavioral Health Plan Ops - TN	2008 2007 2006	148,284 ..... .....	..... ..... .....	18,298 ..... .....	166,582 ..... .....

### PART 3 - DIRECTOR COMPENSATION

1	2	3	4
Name and Principal Position or Occupation	Compensation Paid or Deferred for Services as Director	All Other Compensation Paid or Deferred	Totals
NONE			
9999999			



**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT**  
**For The Year Ended December 31, 2008**  
**(To be filed by March 1)**  
**FOR THE STATE OF TENNESSEE**

NAIC Group Code: 1156  
 Address (City, State and Zip Code): Nashville, TN 37214  
 Person Completing This Exhibit:

NAIC Company Code: 12941

Title: Telephone:

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2005				Policies Issued in 2006, 2007, 2008			
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
<b>NONE</b>																	
0299999 Total Experience on Group Policies .....																	

GENERAL INTERROGATORIES

1. If response in Column 1 is no, give full and complete details:
2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
  - 2.1 Address:
  - 2.2 Contact Person and Phone Number:
3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B)
  - 3.1 Address:
  - 3.2 Contact Person and Phone Number:
4. Explain any policies identified above as policy type "O":

Supp12 Tennessee

Supp13 SIS Title ..... NONE

Supp14 SIS Financial Reporting ..... NONE

Supp15 SIS Inform. - Management and Directors ..... NONE

Supp16 Statement Beneficial Ownership ..... NONE



# Medicare Part D Coverage Supplement

(Net of Reinsurance)

(To be Filed By March 1)

NAIC Group Code: 1156

NAIC Company Code: 12941

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage		XXX		XXX	
1.12 Without Reinsurance Coverage		XXX		XXX	
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	
1.2 Supplemental Benefits		XXX		XXX	
2. Premiums Due and Uncollected - change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage		XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium - change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage		XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments - change					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage		XXX		XXX	XXX
5.12 Without Reinsurance Coverage		XXX		XXX	XXX
5.13 Risk-Corridor Payment Adjustments		XXX		XXX	XXX
5.2 Supplemental Benefits		XXX		XXX	XXX
6. Total Premiums		XXX		XXX	
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage	<b>NONE</b>			XXX	
7.12 Without Reinsurance Coverage				XXX	
7.2 Supplemental Benefits				XXX	
8. Claim Reserves and Liabilities - change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage		XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Healthcare Receivables - change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage		XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage		XXX		XXX	XXX
10.12 Without Reinsurance Coverage		XXX		XXX	XXX
10.2 Supplemental Benefits		XXX		XXX	XXX
11. Total Claims		XXX		XXX	
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - net to reimbursements applied	XXX		XXX		
12.2 Reimbursements Received but Not Applied - change	XXX		XXX		
12.3 Reimbursements Receivable - change	XXX		XXX		XXX
12.4 Healthcare Receivables - change	XXX		XXX		XXX
13. Aggregate Policy Reserves - change					XXX
14. Expenses Paid		XXX		XXX	
15. Expenses Incurred		XXX		XXX	XXX
16. Underwriting Gain/Loss		XXX		XXX	XXX
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## Amended Statement Cover

**NONE**

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**ANNUAL DISKETTE TRANSMITTAL FORM AND CERTIFICATION  
(HEALTH)**

Name of Insurer AMERIGROUP Tennessee, Inc.

Date 03/01/2009 FEIN 20-4776597  
 NAIC Group # 1156 NAIC Company # 12941

THIS FORM IS REQUIRED FOR ALL DISKETTE TRANSMITTALS, PLEASE PROVIDE ANY ADDITIONAL COMMENTS THAT MAY HELP TO IDENTIFY DISKETTE CONTENT

	March	April	June
1. Is this the first time you've submitted this filing? (Y/N) .....	Yes .....	N/A .....	N/A .....
2. Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N) .....	N/A .....	N/A .....	N/A .....
3. Is this being re-filed due to changes to the data originally filed? (Y/N) .....	N/A .....	N/A .....	N/A .....
4. Other? (Y/N) .....	N/A .....	N/A .....	N/A .....
(If "yes" attach an explanation.)			

B. Additional comments if necessary for clarification:

C. Diskette Contact Person: Margaret Mary Roomsburg  
 Phone: (757)473-2721-  
 Address: 4425 Corporation Lane, Virginia Beach, VA 23462

D. Software Vendor: SunGard iWORKS - EFS  
 Version: 2008.A.2

E. Have material validation failures been addressed in the explanation file? Yes[X] No[]

F. The undersigned hereby certifies that, according to the best of his/her knowledge and belief: that the diskettes submitted with this form were prepared in compliance with the NAIC specifications, that the diskettes have been tested against the validations included with these specifications, and that annual statement information required to be contained on diskette is identical to the information in the 2008 Annual Statement blank filed with the insurer's domiciliary state insurance department. In addition, the diskettes have been scanned through a virus detection software package, and no viruses are present on the diskettes. The virus detection software used was (name): McAfee VirusScan Enterprise

(version number): 8.5.0.781

(Signed) \_\_\_\_\_

Type Name and Title: Margaret Mary Roomsburg, Vice President

AMERIGROUP Tennessee, Inc.-Grand Region Middle  
 Cash Reconciliation-Middle Region-Medicaid only  
 December 31, 2008

Month Received	Cash Received	Recorded	rate cell before accrual	Ten percent	90% collected	10% collected	Liquidated	Damages	Premium Taxes	ASO Claims	Refund Checks	ASO fees	New Rate Increase Settlements	Other A/R	Cash difference	Premium receivable
	Medicaid Cash	Medicaid Premium Q7, C9, L15							Not Reported	Not Reported	Not Reported		Not Reported	Not Reported		Prem Rec P2, C3, L13.2
Beginning Balance (Prem. Rec)																\$ 8,578,765.65
January	38,187,482.70	42,330,569.66	42,330,569.65	4,233,056.97	38,097,512.69					89,852.01		118.00			0.01	4,233,056.96
February	41,566,456.92	41,469,916.91	41,469,916.91	4,146,991.69	37,322,925.22	4,265,231.70		(21,700.00)							0.00	(118,240.01)
March	42,799,838.79	42,828,093.51	42,828,093.51	4,282,809.35	38,545,284.16	4,315,054.63		(60,500.00)							(0.00)	(32,245.28)
April	37,762,637.95	41,924,192.30	41,924,192.30	4,192,419.23	37,731,773.07			(1,500.00)		39,291.11	(7,070.23)	144.00			-	4,192,419.23
May	54,799,322.47	42,160,050.26	42,160,050.27	4,216,005.03	37,944,045.24	16,855,277.23									(0.00)	(12,639,272.20)
June	50,670,647.01	98,913,364.19	51,615,102.20	5,161,510.22	46,453,591.98									1,050.00	0.00	945,505.19
July	91,392,510.91	46,380,860.37	44,113,082.03	4,411,308.20	39,701,773.83			(1,000.00)		41,712.77		258.00	46,488,256.09		0.00	(750,202.02)
August	48,920,676.54	47,293,011.98	48,576,192.05	4,857,619.21	43,718,572.85			(2,288.00)					793,083.49		0.00	446,311.00
September	49,437,289.42	51,575,440.39	49,538,522.47	4,953,852.25	44,584,670.22			(5,000.00)							(0.01)	96,233.05
October	49,032,692.05	46,939,570.74	48,976,488.67	4,897,648.87	44,078,839.80										-	(56,203.38)
November	49,856,711.17	50,979,069.22	49,979,069.22	4,997,906.92	44,981,162.30			(23,100.00)							0.01	100,258.05
December	43,370,040.17	47,656,689.12	48,188,933.52	4,818,893.35	43,370,040.17										0.00	4,818,893.35
Difference b/w Tax Pmt & Recon.	1,028.72								1,028.72						-	-
2Q08 TPL Behavioral Health	42.58													42.58	-	-
E. Lane Refunds	659.42													659.42	-	-
Cash Difference from 2007 Retroactivity		(1,467,755.60)													(1,520.67)	1,520.67
<b>Total</b>	<b>\$ 597,797,036.82</b>	<b>\$ 598,983,073.05</b>	<b>\$ 551,700,212.80</b>	<b>\$ 55,170,021.28</b>	<b>\$ 496,530,191.53</b>	<b>\$ 53,933,507.33</b>	<b>\$ (115,088.00)</b>	<b>\$ 1,028.72</b>	<b>\$ 170,855.89</b>	<b>\$ (7,070.23)</b>	<b>\$ 520.00</b>	<b>\$ 47,281,339.58</b>	<b>\$ 1,752.00</b>	<b>\$ (1,520.67)</b>	<b>\$ 9,816,800.26</b>	Balance @ 12/31/08

Cash that should be included on premium tax return	
Medicaid Premiums	598,983,073.05
Change in Premium Receivable	(1,238,034.61)
ASO Claims	170,855.89
Refund Checks	(7,070.23)
ASO Fees	520.00
TPL Recovery	1,050.00
Difference b/w Tax Pmt & Recon.	1,028.72
2Q08 TPL Behavioral Health	42.58
E. Lane Refunds	659.42
	<u>597,912,124.82</u>
1Q08 Cash Collected	(122,635,978.41)
2Q08 Cash Collected	(143,234,107.42)
3Q08 Cash Collected	(189,758,764.87)
	<u>142,283,274.11</u>
Total Cash Collected	597,797,036.82
1Q08 Cash Collected	(122,635,978.41)
2Q08 Cash Collected	(143,234,107.42)
3Q08 Cash Collected	(189,758,764.87)
add back liquidated damages	115,088.00
	<u>142,283,274.11</u>

2,845,665.48

4,997,906.92 November 10% withhold  
 4,818,893.35 December 10% withhold

\$ (0.01) Difference

AMERIGROUP Tennessee, Inc.-Grand Region West  
Cash Reconciliation  
December 31, 2008

Date Received	Cash	Recorded	Liquidated Damages	Due to Health Solutions	Weekly Claims Run	Manual Checks	Capitation Payment	Refund Checks	Case Management	Premium Taxes	Voided Checks	Voided Invoice	Other A/R	Accrued Expenses	Interest to state	Cash difference	Premium receivable
	Cash P2, C3, L5 IA	Premium P4, C2, L2	Admin Exp P4, C2, L21	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported	Not Reported				Prem Rec P2, C3, L13.1
6 ASO Recov. Pmts-\$10,346.59	62,079.54									(3,758,256.91)			62,079.54			-	-
3Q08 WTN Prem. Tax-doubled	(3,758,256.91)															-	-
October 3, 2008	9,111,891.79				9,068,308.51	43,583.28										-	-
October 6, 2008	1,833,926.53	1,833,926.53														-	-
October 8, 2008	3,410,933.95				3,537,650.76	98,220.10										-	-
October 15, 2008	6,938,392.32				6,436,922.92	6,107.15	632,271.74									-	-
October 22, 2008	6,555,924.39				6,537,310.39	18,614.00		(251,814.21)	26,877.30							-	-
October 30, 2008	7,290,351.38				6,860,251.38	430,100.00										-	-
November 5, 2008	5,298,443.67				5,619,943.19	7,134.76										-	-
November 10, 2008	39,425.55	58,025.55	(18,600.00)					(270,400.27)								-	-
November 13, 2008	8,134,818.86				7,971,111.49	163,707.37										-	-
November 19, 2008	4,769,350.52				4,759,673.28	9,677.24										-	-
November 26, 2008	5,679,546.29				5,397,381.36	282,930.29		(765.36)								-	-
December 3, 2008	2,248,505.95				2,247,705.95	800.00										-	-
December 10, 2008	3,886,888.56				3,824,865.33	45,815.10			16,208.13							-	-
December 17, 2008	3,729,917.62				3,748,262.52	104,817.70		(123,162.60)								-	-
December 24, 2008	2,449,812.40				2,449,223.37	589.03										-	-
December 31, 2008	1,497,646.68				1,497,146.68	500.00										-	-
Bonus Incentive		307,063.35														(307,063.35)	307,063.35
<b>Total</b>	<b>\$ 69,179,599.09</b>	<b>\$ 2,199,015.43</b>	<b>\$ (18,600.00)</b>	<b>\$ -</b>	<b>\$ 69,955,757.13</b>	<b>\$ 1,212,596.02</b>	<b>\$ 632,271.74</b>	<b>\$ (646,142.44)</b>	<b>\$ 43,085.43</b>	<b>\$ (3,758,256.91)</b>	<b>\$ (176,560.77)</b>	<b>\$ -</b>	<b>\$ 56,099.54</b>	<b>\$ -</b>	<b>\$ (12,602.73)</b>	<b>\$ (307,063.35)</b>	<b>\$ 307,063.35</b>

Cash that should be included on premium tax return

Cash collected	\$ 69,179,599.09	
add LD's	18,600.00	
interest remitted	12,602.73	
	<b>\$ 69,210,601.82</b>	\$ 1,384,216.04

AMERIGROUP Tennessee, Inc.  
 Report 2A - TennCare Income Statement  
 Middle Tennessee CRA 2.30.14.3.3 and 2.30.14.3.4

	Current Period	Year-To-Date Total	Previous Year Total
<b>Member Months</b>	<b>556,661</b>	<b>2,217,753</b>	<b>1,650,504</b>
<b>Revenues:</b>			
TennCare Capitation	147,144,491	598,983,073	382,864,891
Investment	733,880	3,363,170	3,133,750
Other Revenues	-	-	-
<b>Total Estimated Revenues</b>	<b>147,878,372</b>	<b>602,346,243</b>	<b>385,998,642</b>
<b>Expenses:</b>			
<b>Hospital and Medical (w/o Mental Health)</b>			
Capitated Physician Services	(105,653)	24,311	610,660
Fee-for Service Physician Services	45,774,849	205,691,649	147,415,840
Inpatient Hospital Services	25,865,919	128,704,477	86,360,108
Outpatient Hospital Services	9,725,865	39,210,052	27,174,358
Emergency Room Services	7,245,639	29,230,160	18,144,107
Dental Services	-	-	-
Vision Services	487,936	1,817,505	1,142,456
Pharmacy Services	-	-	-
Home Health Services	-	-	-
Chiropractic Services	-	-	-
Radiology Services	2,800,406	10,266,020	8,611,837
Laboratory Services	2,290,087	7,971,404	5,866,717
Durable Medical Equipment Services	1,195,237	4,333,471	2,771,355
Transportation Services	2,817,269	17,589,187	13,920,008
Outside Referrals	-	-	-
Medical Incentive Pool and Withhold Adj	-	-	-
Occupancy, Depreciation and Amortization	-	-	-
Other Medical and Hospital Services - Write-Ins	-	-	-
<b>Subtotal Medical and Hospital</b>	<b>98,097,554</b>	<b>444,838,236</b>	<b>312,017,445</b>
<b>Mental Health and Substance Abuse Services</b>			
Inpatient Psychiatric Facility Services	2,137,168	13,217,971	7,277,088
Inpatient Substance Abuse Treatment and Detox	566,767	2,323,017	1,134,599
Outpatient Mental Health Services	2,546,079	10,771,003	10,203,385
Outpatient Substance Abuse Treatment and Detox	2,188,664	8,481,373	1,104,385
Housing/Residential Treatment	1,858,770	7,296,859	1,366,760
Specialized Crisis Services	62,505	215,511	49,935
Psychiatric Rehab and Support Services	11,848,883	41,312,336	25,861,080
Case Management	26,239	87,116	483,154
Forensics	-	-	-
Other Judicial	-	-	-
Pharmacy	-	-	-
Lab Services	-	-	-
Transportation	29,584	149,374	129,716
Medical Incentive Pool and Withhold Adjustments	-	-	-
Occupancy, Depreciation and Amortization	-	-	-
Other Mental Health and Substance Abuse Services	-	-	-
PCP and Specialist Services	-	-	-
Other Mental Health Services - Write-Ins	-	-	-
<b>Subtotal MH&amp;SAS</b>	<b>21,264,660</b>	<b>83,854,559</b>	<b>47,610,099</b>
<b>Subtotal Hospital, Medical, MH&amp;SAS</b>	<b>119,362,214</b>	<b>528,692,795</b>	<b>359,627,545</b>
<b>LESS:</b>			
Net Reinsurance Recoveries Incurred	(156,178)	(587,544)	(1,147,754)
Copayments	-	-	-
Subrogation and Coordination of Benefits	-	-	-
<b>Subtotal Reinsurance, Copay, Subrogation</b>	<b>(156,178)</b>	<b>(587,544)</b>	<b>(1,147,754)</b>
<b>Total Hospital, Medical, MHS&amp;S</b>	<b>119,518,392</b>	<b>529,280,339</b>	<b>360,775,298</b>
<b>Administration:</b>			
Compensation	4,946,521	19,147,149	14,188,815
Marketing	62,580	192,471	137,955
Interest Expense	0	-	-
Premium Tax Expense	2,911,507	12,009,017	7,697,298
Occupancy, Depreciation, and Amortization	198,176	807,414	408,640
Other Administration - Write-Ins	6,603,280	41,339,606	30,365,526
<b>Total Administration Expenses</b>	<b>14,722,063</b>	<b>73,495,657</b>	<b>52,798,234</b>
<b>Total Expenses</b>	<b>134,240,455</b>	<b>602,775,996</b>	<b>413,573,532</b>
Extraordinary Item	-	-	-
Provision for Income Tax	-	-	-
<b>Net Income (Loss)</b>	<b>13,637,917</b>	<b>(429,753)</b>	<b>(27,574,890)</b>
<b>Write-Ins for Other Expense</b>			
<b>Detail of Other Medical and Hospital:</b>			
-	-	-	-
-	-	-	-
-	-	-	-
<b>Total Other Medical and Hospital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Detail of Other MH and SAS:</b>			
-	-	-	-
-	-	-	-
-	-	-	-
<b>Total Other MH and SAS</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Detail of Other Administration:</b>			
Purch Svc Accts	805,737	3,014,467	964,475
Rent Expenses	146,145	600,716	426,668
Telephone Expenses	94,491	484,195	400,803
Miscellaneous Expenses	170,386	846,623	915,448
Postage and Delivery	170,436	848,571	435,593
Printing and Reproduction	92,576	914,991	339,184
Management Fee-Ind	4,831,482	33,340,844	25,461,567
Other Administration < \$885,000 YTD	292,026	1,289,200	1,421,788
<b>Total Other Administration</b>	<b>6,603,280</b>	<b>41,339,606</b>	<b>30,365,526</b>

AMERIGROUP Tennessee, Inc.  
 Report 2A - TennCare Income Statement  
 Grand Region West Tennessee CRA 2.30.14.3.3 and 2.30.14.3.4

	Current Period	Year-To-Date Total	Previous Year Total
<b>Member Months</b>	<b>491,968</b>	<b>1,987,456</b>	<b>337,816</b>
<b>Revenues:</b>			
TennCare Capitation	78,580,590	366,263,416	87,277,680
Investment	0	(220)	220
Other Revenues	0	-	-
<b>Total Estimated Revenues</b>	<b>78,580,590</b>	<b>366,263,196</b>	<b>87,277,900</b>
<b>Expenses:</b>			
<b>Hospital and Medical (w/o Mental Health)</b>			
Capitated Physician Services	632,272	8,948,747	1,153,653
Fee for Service Physician Services	5,709,259	39,079,363	7,178,058
Inpatient Hospital Services	15,657,765	70,075,232	8,997,282
Outpatient Services	1,157,801	4,597,229	2,319,275
Emergency Room Services	3,255,419	21,998,595	4,650,891
Mental Health Services	4,804	34,030	3,785
Dental Services	32,042	199,514	43,838
Vision Services	426,416	2,464,063	447,965
Pharmacy Services	-	-	-
Home Health Services	2,392,173	11,472,406	1,529,629
Chiropractic Services	-	-	-
Radiology Services	4,676,572	18,289,010	2,993,082
Laboratory Services	1,794,511	9,499,723	1,677,050
Durable Medical Equipment Services	58,289	306,671	75,209
Transportation Services	214,284	1,342,083	243,067
Outside Referrals	-	-	-
Medical incentive Pool and Withhold Adjustments	-	-	-
Occupancy Depreciation and Amortization	-	-	-
Other Medical and Hospital Services	29,595,916	138,419,284	16,572,049
<b>IBNR</b>	<b>10,774,052</b>	<b>14,591,930</b>	<b>34,485,394</b>
<b>Subtotal Medical and Hospital</b>	<b>76,381,574</b>	<b>341,317,881</b>	<b>82,370,225</b>
<b>LESS:</b>			
Net Reinsurance Recoveries Incurred	-	-	-
Copayments	-	-	-
Subrogation and Corrdination of Benefits	-	-	-
<b>Subtotal Reinsurance, Copay, Subrogation</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Hospital, Medical, MHS&amp;S</b>	<b>76,381,574</b>	<b>341,317,881</b>	<b>82,370,225</b>
<b>Administration:</b>			
Compensation	1,625,111	9,334,343	1,732,402
Marketing	9,147	30,319	10,975
Interest Expense	-	-	-
Premium Tax Expense	-	5,623,162	1,039,462
Occupancy, Depreciation, and Amortization	211,369	880,806	216,500
Other Administration - Write-Ins	(5,420,429)	5,517,714	974,996
<b>Total Administration Expenses</b>	<b>(3,574,802)</b>	<b>21,386,344</b>	<b>3,974,335</b>
<b>Total Expenses</b>	<b>72,806,772</b>	<b>362,704,225</b>	<b>86,344,560</b>
Extraordinary Item	-	-	-
Provision for Income Tax	-	-	-
<b>Net Income (Loss)</b>	<b>5,773,817</b>	<b>3,558,971</b>	<b>933,340</b>

Medical Services Monitoring Report

GRAND REGION WEST

Medical Services Monitoring Report

MCO		2008												TOTAL
Reporting Month		Incurred Month												
Dec-08		January	February	March	April	May	June	July	August	September	October	November	December	
Enrollment		168,107	168,273	168,026	167,272	166,133	165,390	164,321	163,392	161,813	159,546	115	0	1,652,389
<b>Payments for Medical Services for the Month</b>														
UB 92 Payments by the Claims Processing System		18,676,947	16,816,041	17,400,107	17,035,213	16,921,285	15,968,509	17,314,463	15,387,901	15,216,953	13,247,246	0	0	163,984,665
HCFA 1500 Payments by the Claims Processing System		11,060,371	10,400,626	10,216,847	10,476,563	9,810,850	9,284,931	10,211,135	10,222,432	8,990,371	8,655,122	0	0	99,329,248
Dental Payments by the Claims Processing System		0	0	0	0	0	0	0	0	0	0	0	0	0
Capitation Payments		576,551	586,240	3,974,803	602,592	1,408,928	1,333,452	659,951	1,828,528	690,198	632,272	0	0	12,293,515
Pharmacy Payments														0
Subcontractor Payments for Medical Services														0
Reinsurance Payment		0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payments/Adjustments to Medical Costs		137,057	414,852	(139,164)	164,139	(91,170)	263,295	571,331	(449,271)	78,092	(130,304)	134,050	3,316,161	4,269,068
Less:														0
BHO Capitation Revenue														0
Pharmacy Rebates														0
Recoveries not Claims Payments														0
<b>Total Payments for the month</b>		<b>30,450,926</b>	<b>28,217,759</b>	<b>31,452,594</b>	<b>28,278,507</b>	<b>28,049,894</b>	<b>26,850,187</b>	<b>28,756,879</b>	<b>26,989,590</b>	<b>24,975,614</b>	<b>22,404,336</b>	<b>134,050</b>	<b>3,316,161</b>	<b>279,876,497</b>
Remaining IBNR for the month		157,440	176,917	253,129	322,452	471,438	637,436	1,071,542	1,598,662	3,035,555	6,139,836	0	0	13,864,406
<b>Payments and Remaining IBNR for the month</b>		<b>30,608,366</b>	<b>28,394,676</b>	<b>31,705,723</b>	<b>28,600,959</b>	<b>28,521,332</b>	<b>27,487,623</b>	<b>29,828,421</b>	<b>28,588,252</b>	<b>28,011,168</b>	<b>28,544,172</b>	<b>134,050</b>	<b>3,316,161</b>	<b>293,740,902</b>
Per Member Expense		182.08	168.74	188.70	170.98	171.68	166.20	181.53	174.97	173.11	178.91	1,165.65	-	177.77
Per Member Month Exp. For Quarter				179.83			169.63			176.55			200.39	
Per Member Month Exp. For Quarter in 2004				160.04			158.21			163.51			160.29	
Per Member Month Exp. For Quarter in 2003				147.63			144.71			155.60			151.37	
Percent Change from 2003 to 2004				0.0840395			0.0932297			0.0508741			0.0589271	
Medical Services Budget for 2005 Quarter				173.49			172.96			171.83			169.73	
(Over)/Under Budget				(6)			3			(5)			(31)	

## Statement of Actuarial Opinion

I, A. Kirk Twiss, am associated with the firm of Ingenix Consulting, and am a Member of the American Academy of Actuaries. Ingenix Consulting has been retained by Memphis Managed Care Corp. (MMCC) with regard to claim liabilities and related items. I meet the Academy qualification standards for rendering the opinion and I am familiar with the valuation requirements applicable to MMCC.

I have examined the actuarial assumptions and actuarial methods used in determining claim liabilities listed below, as shown in the quarterly statement of MMCC, as prepared for filing with state regulatory officials as of December 31, 2008:

Claims Unpaid (restated April 2002) (Page 3, Line 1)	\$0
Remaining IBNR as of 12/31/2008	\$13,864,407

I have relied on listings and summaries of claims and other relevant data, as prepared by MMCC. I relied on James Proctor, CFO for the accuracy of the data as expressed in the attached statement. In other respects, my examination included such review of the actuarial assumptions and actuarial methods used and such tests of the actuarial calculations as I considered necessary.

I have not reviewed the financial position of any party related by contract to MMCC. I have assumed that such parties are in a financial position to meet all liabilities resulting from such contracts.

In my opinion, the amounts carried in the balance sheet on account of items identified above:

1. Are in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
2. Are based on actuarial assumptions which produce reserves at least as great as those called for in any contract provisions and appropriate to the purpose for which the Statement was prepared;
3. Meet the requirements of the insurance laws and regulations of the state of Tennessee and are at least as great as the minimum aggregate amounts required by Tennessee;
4. Make a good and sufficient provision for all unpaid claims of the organization under the terms of its contracts and agreements;
5. Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and
6. Include provision for all actuarial items which ought to be established.

I have reviewed the Underwriting and Investment Exhibit, Part 2B. The schedule was prepared consistent with *Section 3.6, Follow-Up Studies* contained in Actuarial Standard of Practice No. 5, *Incurred Health Claim Liabilities*.

The reserves and related actuarial items identified above make adequate provision for the anticipated cash flows related to the contractual obligations and expenses of MMCC, when considered in conjunction with the assets held by MMCC with respect to such reserves and related actuarial items, including, but not limited to, the cash flows on such assets and the considerations anticipated to be received under such policies and contracts.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.



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A. Kirk Twiss  
Fellow, Society of Actuaries  
Member, American Academy of Actuaries

Ingenix Consulting  
200 W. Madison Street, Suite 2000  
Chicago, Illinois 60606  
(312) 429-3905

AKT:bc

February 18, 2009

**AMERIGROUP Tennessee, Inc.**  
**MLR Reconciliation to NAIC Filing**  
**December 31, 2008**

**TOTAL REVENUES**

	Middle Tennessee	AMERIVANTAGE	West Tennessee	NAIC Filing	Page, Col, Line
Net premium income 2008	598,983,073	8,112,101		607,095,174	Q4, C2, L2
Net premium income 2007	382,864,891			382,864,891	Q4, C2, L2
<b>TOTAL</b>	<b>981,847,964</b>	<b>8,112,101</b>	<b>-</b>		
MLR Report	985,315,720				
Difference	(3,467,756)	Retroactivity not included in filing per state			

**UNPAID CLAIMS**

	Middle Tennessee	AMERIVANTAGE	West Tennessee	NAIC Filing	Page, Col, Line
Claims unpaid (less reinsurance ceded)	73,057,597	2,027,057		75,084,654	Q3, C3, L1
Unpaid claims adjustment expenses	1,847,870	52,083		1,899,953	Q3, C3, L3
<b>TOTAL</b>	<b>74,905,467</b>	<b>2,079,140</b>	<b>-</b>	<b>76,984,607</b>	

Middle Tennessee Unpaid Claims Total			74,905,467	
IBNR on MLR report			72,961,149	
Difference			1,944,317	
Held checks included in paid on MLR report			1,927,247	
Difference			17,071	
Unreconciled difference			17,071	

**HOSPITAL AND MEDICAL**

Total expenses on MLR report			890,055,640	
Total hospital and medical PY Dec 31			360,775,300	Q4, C4, L18
Total hospital and medical Cur YTD			535,851,711	Q4, C2, L18
Total from NAIC filing			896,627,011	
Less 2008 Medicare expenses			6,571,381	Q9, C2 + C4, L6
NAIC net of Medicare expenses			890,055,629	
Unreconciled difference			11	

**Medical Loss Ratio Report - Total Grand Region**

**MCO**

**AMERIGROUP, Tennessee, Inc.**

Reporting Month	2007 Incurred Month			For the Year Ended 6/30/2007	2007 Incurred Month				2008 Incurred Month						For the Year Ended 6/30/2008		
	April	May	June		July	August	September	October	November	December	January	February	March	April		May	June
	Enrollment	185,493	185,042		181,859	552,394	182,175	183,287	184,313	185,019	185,197	185,162	184,869	185,332		185,936	185,651
Capitation Revenue	\$47,960,415	\$47,739,772	\$46,810,832	\$142,511,019	\$46,835,248	\$47,006,919	\$47,227,149	\$47,534,017	\$47,344,813	\$47,391,050	\$47,288,253	\$47,232,380	\$47,229,400	\$45,252,461	\$44,998,665	\$44,820,961	\$560,161,315
<b>Payments for Covered Services for the Month</b>																	
<b>Medical Services</b>																	
CMS 1450/UB 92 Payments by the Claims Processing System																	
Inpatient - Maternity	\$1,286,326	\$1,315,586	\$1,407,140	\$4,009,053	\$1,384,995	\$1,810,565	\$1,347,581	\$1,927,449	\$1,829,138	\$1,829,657	\$2,093,219	\$1,817,985	\$1,410,188	\$1,377,739	\$1,557,861	\$1,514,208	\$19,900,584
Inpatient - Newborn	\$1,938,564	\$2,129,865	\$2,596,580	\$6,665,009	\$2,563,009	\$1,866,512	\$1,768,936	\$3,008,628	\$1,775,159	\$2,413,932	\$2,386,796	\$2,303,268	\$1,936,563	\$1,649,012	\$1,812,360	\$2,003,580	\$25,487,755
Inpatient - Medical	\$5,393,743	\$4,919,937	\$4,104,859	\$14,418,540	\$4,621,210	\$4,678,531	\$5,814,301	\$4,804,957	\$4,392,673	\$5,416,716	\$6,093,106	\$5,027,498	\$4,769,544	\$4,906,244	\$4,155,901	\$4,170,461	\$58,851,142
Inpatient - Surgery	\$945,019	\$967,712	\$908,949	\$2,821,680	\$1,094,388	\$1,214,449	\$1,105,250	\$1,228,483	\$1,169,811	\$1,020,313	\$1,370,937	\$1,433,722	\$1,214,500	\$1,297,961	\$1,162,593	\$1,271,045	\$14,583,451
Inpatient Other	\$203,853	\$241,232	\$234,834	\$679,918	\$211,472	\$184,693	\$159,465	\$173,002	\$59,044	\$118,967	\$145,142	\$65,709	\$93,840	\$127,968	\$121,036	\$1,551,358	
Outpatient - Emergency Room	\$1,009,971	\$1,048,482	\$1,787,844	\$3,846,296	\$1,908,444	\$2,062,164	\$2,107,690	\$2,122,335	\$2,183,529	\$2,336,893	\$2,438,296	\$2,525,896	\$2,321,884	\$2,196,512	\$2,368,373	\$2,199,302	\$26,771,319
Outpatient - Laboratory	\$399,533	\$431,203	\$373,603	\$1,204,338	\$359,569	\$401,277	\$359,471	\$410,653	\$394,344	\$375,917	\$478,545	\$481,312	\$444,684	\$427,817	\$401,210	\$406,449	\$4,941,247
Outpatient - Radiology	\$981,374	\$1,023,061	\$1,018,081	\$3,022,516	\$925,863	\$1,139,660	\$983,698	\$1,084,722	\$1,014,346	\$917,118	\$1,096,940	\$993,047	\$1,143,167	\$1,151,755	\$1,025,280	\$1,069,857	\$12,545,452
Outpatient - Surgery	\$1,010,680	\$1,139,240	\$1,138,849	\$3,288,769	\$1,150,334	\$1,246,655	\$1,137,612	\$1,373,107	\$1,322,558	\$1,105,380	\$1,436,759	\$1,275,002	\$1,314,748	\$1,424,527	\$1,442,582	\$1,374,831	\$15,604,095
Outpatient - Other	\$249,698	\$256,866	\$246,847	\$753,411	\$225,427	\$243,965	\$241,457	\$271,907	\$259,762	\$244,627	\$302,099	\$296,992	\$315,537	\$257,469	\$235,301	\$202,759	\$3,097,305
CMS 1500 Payments by the Claims Processing System																	
Prof - E&M	\$12,337,136	\$13,582,066	\$13,061,654	\$38,980,856	\$12,499,418	\$13,733,901	\$12,489,000	\$13,964,587	\$13,378,985	\$12,839,471	\$14,191,613	\$13,462,848	\$13,337,996	\$13,607,810	\$13,461,791	\$13,042,370	\$160,009,791
Prof - Maternity	\$839,257	\$887,106	\$985,093	\$2,711,457	\$970,792	\$1,095,931	\$932,044	\$1,032,074	\$919,808	\$920,824	\$1,161,196	\$1,151,959	\$1,073,094	\$1,080,507	\$1,053,309	\$1,010,560	\$12,402,097
Prof - Surgery	\$458,694	\$574,227	\$558,679	\$1,591,600	\$529,333	\$586,541	\$599,131	\$671,603	\$539,728	\$483,232	\$662,070	\$546,699	\$639,466	\$665,474	\$641,569	\$662,984	\$7,137,830
Prof - DME	\$275,804	\$332,657	\$326,519	\$934,980	\$248,357	\$295,341	\$297,577	\$330,248	\$348,522	\$370,320	\$374,972	\$347,943	\$333,233	\$374,257	\$380,450	\$342,207	\$4,043,426
Prof - Lab	\$602,608	\$628,547	\$613,531	\$1,844,686	\$503,606	\$590,815	\$510,829	\$572,973	\$528,377	\$455,612	\$627,920	\$642,070	\$581,031	\$712,758	\$643,458	\$640,736	\$7,010,185
Prof - Radiology	\$884,275	\$999,810	\$897,058	\$2,781,143	\$766,885	\$877,678	\$763,556	\$919,154	\$764,538	\$709,617	\$881,802	\$786,860	\$815,770	\$880,065	\$832,313	\$849,173	\$9,847,410
Prof - Transportation	\$1,118,149	\$1,374,468	\$1,331,044	\$3,823,660	\$1,325,345	\$1,447,130	\$1,314,225	\$1,537,748	\$1,446,349	\$1,330,728	\$1,582,884	\$1,463,134	\$1,525,945	\$1,564,402	\$1,610,420	\$1,608,674	\$17,757,683
Prof - Other	\$1,622,549	\$1,738,724	\$1,559,197	\$4,920,470	\$1,555,925	\$1,712,260	\$1,532,289	\$1,829,141	\$1,763,722	\$1,589,320	\$1,868,171	\$1,758,949	\$1,687,927	\$1,779,360	\$1,732,624	\$1,676,463	\$20,486,150
Capitation Payments	\$468,325	\$483,963	\$488,183	\$1,440,471	\$272,622	\$271,545	\$263,080	\$259,426	\$250,005	\$265,201	\$254,305	\$272,884	\$230,680	\$146,160	\$140,074	\$142,094	\$2,768,079
Subcontractor Payments for Medical Services	\$71,323	\$79,728	\$94,722	\$245,773	\$130,029	\$164,577	\$128,811	\$142,096	\$116,032	\$96,614	\$126,806	\$117,929	\$125,400	\$117,222	\$97,687	\$94,201	\$1,457,403
Other Medical (provide description)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Behavioral Health</b>																	
Inpatient Payments by the Claims Processing System	\$1,055,909	\$1,069,568	\$1,184,710	\$3,310,187	\$1,225,294	\$1,215,209	\$1,302,806	\$1,113,070	\$1,025,836	\$1,189,563	\$1,142,154	\$1,098,026	\$967,444	\$1,089,928	\$1,180,753	\$1,021,256	\$13,571,340
Outpatient Payments by the Claims Processing System	\$1,923,031	\$1,940,120	\$2,106,707	\$5,969,858	\$1,746,855	\$2,086,069	\$1,841,648	\$1,522,659	\$1,427,906	\$1,413,421	\$1,488,640	\$1,518,835	\$1,544,396	\$1,618,488	\$1,588,455	\$1,488,253	\$19,285,626
Supported Housing Payments by the Claims Processing System	\$162,540	\$160,566	\$176,229	\$499,335	\$170,645	\$173,410	\$193,780	\$219,079	\$217,626	\$234,247	\$228,487	\$213,671	\$230,055	\$224,759	\$241,880	\$237,805	\$2,585,443
Intensive Outpatient Payments by the Claims Processing System	\$52,833	\$80,700	\$78,143	\$211,676	\$79,300	\$88,282	\$72,613	\$80,315	\$68,604	\$61,130	\$81,500	\$58,639	\$79,759	\$100,397	\$92,870	\$78,430	\$941,838
Partial Hospitalization Payments by the Claims Processing System	\$1,980	\$4,862	\$4,106	\$10,948	\$1,840	\$5,152	\$2,768	\$184	\$944	\$4,374	\$9,232	\$9,692	\$32,446	\$35,067	\$53,287	\$75,959	\$230,944
In Home Payments by the Claims Processing System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transportation Payments by the Claims Processing System	\$12,684	\$15,710	\$9,713	\$38,107	\$13,074	\$13,954	\$13,501	\$11,813	\$12,600	\$11,316	\$13,474	\$12,958	\$14,574	\$11,092	\$14,970	\$17,564	\$160,889
Twenty-Three Hour Payments by the Claims Processing System	\$0	\$1,976	\$11,828	\$13,804	\$3,558	\$6,274	\$5,679	\$616	\$828	\$3,600	\$357	\$951	\$2,029	\$3,200	\$5,774	\$299	\$33,165
CMHA Capitation Payments	\$2,212,298	\$2,256,941	\$2,215,028	\$6,684,268	\$1,786,284	\$1,786,585	\$1,776,147	\$1,775,690	\$1,776,946	\$1,778,020	\$1,775,958	\$1,782,766	\$1,771,958	\$1,784,663	\$1,771,196	\$1,788,627	\$21,354,841
Other Capitation Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grant Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-FFS Inpatient	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subcontractor Payments for Mental Health and Substance Abuse	\$488,430	\$553,595	\$611,409	\$1,653,434	\$935,246	\$902,431	\$1,019,322	\$1,649,572	\$1,733,895	\$1,648,084	\$1,753,306	\$1,706,121	\$1,815,416	\$1,975,270	\$1,949,482	\$1,733,361	\$18,821,506
Crisis Services Team Pass Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less:																	
Recoveries not Reflected in Claims Payments				\$0													\$0
<b>Total Payments</b>	<b>\$38,006,586</b>	<b>\$40,238,517</b>	<b>\$40,131,138</b>	<b>\$118,376,241</b>	<b>\$39,209,119</b>	<b>\$41,901,555</b>	<b>\$39,994,965</b>	<b>\$44,037,290</b>	<b>\$40,721,613</b>	<b>\$41,184,213</b>	<b>\$46,066,686</b>	<b>\$43,173,367</b>	<b>\$41,770,455</b>	<b>\$42,553,755</b>	<b>\$41,781,791</b>	<b>\$40,844,545</b>	<b>\$503,239,353</b>
<b>Remaining IBNR</b>	<b>\$38,363</b>	<b>\$41,447</b>	<b>\$41,276</b>	<b>\$121,086</b>	<b>\$49,166</b>	<b>\$72,832</b>	<b>\$107,469</b>	<b>\$173,310</b>	<b>\$266,888</b>	<b>\$420,710</b>	<b>\$661,375</b>	<b>\$755,692</b>	<b>\$963,899</b>	<b>\$1,419,271</b>	<b>\$1,751,280</b>	<b>\$2,274,307</b>	<b>\$8,916,200</b>
<b>Payments and Remaining IBNR</b>	<b>\$38,044,949</b>	<b>\$40,279,964</b>	<b>\$40,172,413</b>	<b>\$118,497,327</b>	<b>\$39,258,285</b>	<b>\$41,974,388</b>	<b>\$40,102,434</b>	<b>\$44,210,600</b>	<b>\$40,988,501</b>	<b>\$41,604,923</b>	<b>\$46,728,061</b>	<b>\$43,929,059</b>	<b>\$42,734,354</b>	<b>\$43,973,026</b>	<b>\$43,533,071</b>	<b>\$43,118,852</b>	<b>\$512,155,553</b>
<b>Medical Loss Ratio</b>	<b>79.33%</b>	<b>84.37%</b>	<b>85.82%</b>	<b>83.15%</b>	<b>83.82%</b>	<b>89.29%</b>	<b>84.91%</b>	<b>93.01%</b>	<b>86.57%</b>	<b>87.79%</b>	<b>89.82%</b>	<b>93.01%</b>	<b>90.48%</b>	<b>97.17%</b>	<b>96.74%</b>	<b>96.20%</b>	<b>91.43%</b>
<b>Per Member Expense</b>	<b>\$205.10</b>	<b>\$217.68</b>	<b>\$220.90</b>	<b>\$214.52</b>	<b>\$215.50</b>	<b>\$229.01</b>	<b>\$217.58</b>	<b>\$238.95</b>	<b>\$221.32</b>	<b>\$224.69</b>	<b>\$252.76</b>	<b>\$237.03</b>	<b>\$229.83</b>	<b>\$236.86</b>	<b>\$235.77</b>	<b>\$234.09</b>	<b>\$231.14</b>

YTD Exp 227.82  
YTD MLR 89.4%

**Note:**

**Vendor Cash Advances as of 12/2008**

- TRANSPORTATION PROVIDERS:
- CMHCs/BEHAVIORAL PROVIDERS:
- HOME HEALTH PROVIDERS:
- PRIMARY CARE/OTHER PROVIDERS:

**Total Vendor Cash Advances**

**AMERIGROUP Tennessee, Inc.**  
**STATEMENT OF ACTUARIAL OPINION – 2008**

I, John C. Lloyd, a member of the American Academy of Actuaries, am a Principal with the firm of Ingenix Consulting, which has been retained by AMERIGROUP Tennessee, Inc. (Company) to render this opinion. I meet the Academy qualification standards for rendering the opinion and am familiar with the valuation requirements applicable to life and health insurance companies.

I have examined the actuarial assumptions and actuarial methods used in determining reserves and related actuarial items listed below, as shown in the annual statement of the Company, as prepared for filing with state regulatory officials for year 2008. Tabulated below are those reserves and related actuarial items.

Claims unpaid (less \$ reinsurance ceded) (Page 3, Line1)	\$ 75,084,654
Accrued medical incentive pool and bonus payments (Page 3, Line 2)	\$ 0
Unpaid claims adjustment expenses (Page 3, Line 3)	\$ 1,899,953
Aggregate health policy reserves (Page 3, Line 4)	\$ 0
Aggregate health claim reserves (Page 3, Line 7)	\$ 0

In forming my opinion on the reserves above, I relied upon data prepared by Margaret Roomsburg, Chief Accounting Officer, as certified in the attached statements. I evaluated that data for reasonableness and consistency. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.

My review covered the effect on reserves of incentive contracts with service providers and potential provider insolvencies. My review included consideration of the potential impact on reserves of contractual arrangements between the Company and service providers. Based on that review and the opinion provided by the Company regarding the separate amounts included to cover potential performance default by at-risk providers, I believe the amounts shown above appropriately recognize the financial impact of contracts between service providers and the Company and the financial strength of at-risk providers.

In my opinion the reserves and related actuarial values concerning the statement items identified above:

- (a) Are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated, in accordance with sound actuarial principles;
- (b) Are based on actuarial assumptions that produce reserves at least as great as those called for in any contract provision as to reserve basis and method, and are in accordance with all other contract provisions;
- (c) Meet the requirements of the Insurance Law and regulation of the state of Tennessee; and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed;

**AMERIGROUP Tennessee, Inc.**  
**STATEMENT OF ACTUARIAL OPINION - 2008**  
**(Continued)**

- (d) Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements;
- (e) Are computed on the basis of assumptions consistent with those used in computing the corresponding items in the annual statement of the preceding year-end; and
- (f) Include provision for all actuarial reserves and related statement items which ought to be established.

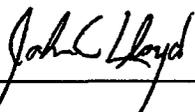
The reserves and related items, when considered in light of the assets held by the company with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on the assets, and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of the company.

The Underwriting and Investment Exhibit – Part 2B was prepared consistent with “*Section 3.6, Follow-Up Studies*” contained in Actuarial Standard of Practice No. 5, *Incurred Health and Disability Claims* which was adopted by the Actuarial Standards Board in December 2000 (Effective May 1, 2001).

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board, which standards form the basis of this statement of opinion.

This opinion is updated quarterly as required by statute. To the best of my knowledge, there have been no material changes from the applicable date of the annual statement to the date of the rendering of this opinion which should be considered in reviewing this opinion.

The impact of the unanticipated events subsequent to the date of this opinion is beyond the scope of this opinion.

  
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John C. Lloyd  
Principal, Ingenix Consulting – Atlanta  
Fellow, Society of Actuaries  
Member, American Academy of Actuaries

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February 19, 2009