

ANNUAL STATEMENT
OF THE
AMERIGROUP Tennessee, Inc.

of
Nashville
in the state of
Tennessee

TO THE
Insurance Department
OF THE STATE OF
Tennessee

For the Year Ending
December 31, 2009

2009

HEALTH

2009



ANNUAL STATEMENT
For the Year Ending December 31, 2009
OF THE CONDITION AND AFFAIRS OF THE
AMERIGROUP Tennessee, Inc.

NAIC Group Code 1156 , 1156 NAIC Company Code 12941 Employer's ID Number 20-4776597
(Current Period) (Prior Period)

Organized under the Laws of Tennessee State of Domicile or Port of Entry Tennessee

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[] Property/Casualty[] Hospital, Medical & Dental Service or Indemnity[]
 Dental Service Corporation[] Vision Service Corporation[] Health Maintenance Organization[X]
 Other[] Is HMO Federally Qualified? Yes[] No[X] N/A[]

Incorporated/Organized 04/26/2006 Commenced Business 04/01/2007

Statutory Home Office 22 Century Boulevard, Ste 310 , Nashville, TN 37214
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 4425 Corporation Lane
(Street and Number)

Mail Address Virginia Beach, VA (757)473-2721
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

4425 Corporation Lane Virginia Beach, VA 23462
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 4425 Corporation Lane
(Street and Number)

Virginia Beach, VA 23462 (757)473-2721
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.amerigroupcorp.com

Statutory Statement Contact Margaret Mary Roomsburg (757)473-2721
(Name) (Area Code)(Telephone Number)(Extension)

mroomsb@amerigroupcorp.com (757)557-6742
(E-Mail Address) (Fax Number)

OFFICERS

| Name | Title |
|----------------------------|-------------------------------|
| Alvin Brock King | President/CEO |
| William George Runyon | Vice President/CMO |
| Michael Anthony Scarbrough | Vice President/COO |
| Stanley Forrest Baldwin | Vice President/Secretary |
| Nicholas Joseph Pace, II | Vice President/Asst Secretary |
| Richard Charles Zoretic | Vice President/Asst Secretary |
| Scott Wayne Anglin | Vice President/Treasurer |
| James Ward Truess | Vice President/Asst Treasurer |
| Karen Lint Shields | Vice President/Asst Treasurer |

OTHERS

William Gardner Wood, M.D., Vice President
 Linda Kaye Whitley-Taylor, Vice President

Margaret Mary Roomsburg, Vice President

DIRECTORS OR TRUSTEES

Charles Brian Shipp
 Nicholas Joseph Pace, II

Alvin Brock King

State of Virginia
 County of Virginia Beach ss

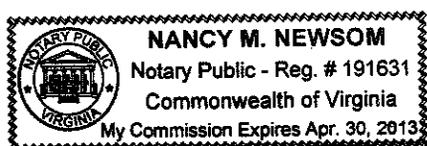
The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

| | | |
|-------------------------------|-------------------------------|-------------------------------|
| | | |
| <small>(Signature)</small> | <small>(Signature)</small> | <small>(Signature)</small> |
| Alvin Brock King | Stanley Forrest Baldwin | Margaret Mary Roomsburg |
| <small>(Printed Name)</small> | <small>(Printed Name)</small> | <small>(Printed Name)</small> |
| 1. | 2. | 3. |
| President/CEO | Vice President/Secretary | Vice President |
| <small>(Title)</small> | <small>(Title)</small> | <small>(Title)</small> |

Subscribed and sworn to before me this 23rd day of Feb, 2010

- a. Is this an original filing? Yes[X] No[]
 b. If no, 1. State the amendment number _____
 2. Date filed _____
 3. Number of pages attached _____

(Notary Public Signature)



AMERIGROUP[®]

C O R P O R A T I O N

Representation Concerning Matters Pertaining to Examination of Statutory Actuarial Items

TO: Ingenix Consulting

FROM: AMERIGROUP Tennessee, Inc.

In connection with your examination of the unpaid claim liability to be included in the statutory annual statement of AMERIGROUP Tennessee, Inc. (Company) as of December 31, 2009, I represent that to the best of my knowledge and belief:

1. All information which would affect the actuarial items examined has been given to you;
2. Basic records, listings, summaries and other information furnished to you, and underlying the calculation of the actuarial items identified below, are accurate and complete; and
3. No methods or procedures employed by the Company, now or in the past, would preclude the accurate determination of the actuarial items examined.
4. At-risk providers are in a financial position to meet all liabilities under any incentive contracts with payers.

I understand that you have relied on these items to perform your analysis and have not audited the accuracy or completeness of these items.

With respect to assets and liabilities of AMERIGROUP Tennessee, Inc. as of December 31, 2009, I represent that to the best of my knowledge and belief, the statutory statement, together with related exhibits, schedules and explanation therein contained, annexed or referred to, is a complete and fair statement of all the assets and liabilities and the condition of affairs of the Company as of December 31, 2009.

Signed Kathleen A Tottle

Name Kathleen Tottle

Title SVP, Corporate Actuarial

Date 2/11/10

Address 4425 Corporation Lane, VA 23462

Phone Number 757-321-3557

Signed Margaret Roomsburg

Name Margaret Roomsburg

Title SVP and Chief Accounting Officer

Date 2/11/10

Address 4425 Corporation Lane, VA 23462

Phone Number 757-473-2721

Statement of Actuarial Opinion
AMERIGROUP Tennessee, Inc
December 31, 2009

| | | | | |
|---|---|---|--|---------------------------------------|
| This Opinion is: | <input checked="" type="checkbox"/> Unqualified | <input type="checkbox"/> Qualified | <input type="checkbox"/> Adverse | <input type="checkbox"/> Inconclusive |
| Identification Section | <input checked="" type="checkbox"/> Prescribed Wording Only | <input type="checkbox"/> Prescribed Wording with Additional Wording | <input type="checkbox"/> Revised Wording | |
| Scope Section | <input checked="" type="checkbox"/> Prescribed Wording Only | <input type="checkbox"/> Prescribed Wording with Additional Wording | <input type="checkbox"/> Revised Wording | |
| Reliance Section | <input checked="" type="checkbox"/> Prescribed Wording Only | <input type="checkbox"/> Prescribed Wording with Additional Wording | <input type="checkbox"/> Revised Wording | |
| Opinion Section | <input checked="" type="checkbox"/> Prescribed Wording Only | <input type="checkbox"/> Prescribed Wording with Additional Wording | <input type="checkbox"/> Revised Wording | |
| Relevant Comments | | | <input type="checkbox"/> Revised Wording | |
| <input type="checkbox"/> The Actuarial Memorandum include "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice | | | | |

I, John C. Lloyd, am associated with the firm of Ingenix Consulting. I am a member of the American Academy of Actuaries and have been retained by AMERIGROUP Tennessee, Inc. to render an opinion with regard to loss reserves, actuarial liabilities and related items. I was appointed on December 3, 2009 in accordance with the requirements of the annual statement instructions. I meet the Academy qualification standards for rendering the opinion.

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials, as of December 31, 2009.

| | |
|---|--------------|
| A. Claims unpaid (Page 3, Line 1); | \$66,885,138 |
| B. Accrued medical incentive pool and bonus payments (Page 3, Line 2); | \$0 |
| C. Unpaid claims adjustment expenses (Page 3, Line 3); | \$1,520,475 |
| D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves, premium deficiency reserves, and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D; | \$9,842 |
| E. Aggregate life policy reserves (Page 3, Line 5); | \$0 |
| F. Property/casualty unearned premium reserves (Page 3, Line 6); | \$0 |
| G. Aggregate health claim reserves (Page 3, Line 7); and | \$0 |
| H. Any actuarial reserves and liabilities not included in the items above | \$0 |

In forming my opinion on items A through G above I relied upon data prepared by Margaret Roomsburg, SVP - Chief Accounting Officer and Kathleen Tottle, SVP - Corporate Actuary as certified in the attached statements. I evaluated that data for reasonableness and consistency. I also reconciled that data to the Underwriting and Investment Exhibit - Part 2B of the company's current annual statement. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.

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

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- C. 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 the state in which this statement is filed,
- D. Make 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 and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year end,
- F. Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was reviewed for reasonableness and consistency with the applicable Actuarial Standards of Practice.

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



John C. Lloyd FSA, MAAA
2170 Satellite Blvd., Suite 150
Duluth GA 30097
678-417-4909

February 17, 2010

ASSETS

| | Current Year | | | Prior Year |
|---|--------------|--------------------|---------------------------------|---------------------|
| | 1 | 2 | 3 | 4 |
| | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1-2) | Net Admitted Assets |
| 1. Bonds (Schedule D) | 55,367,813 | | 55,367,813 | 46,213,753 |
| 2. Stocks (Schedule D) | | | | |
| 2.1 Preferred stocks | | | | |
| 2.2 Common Stocks | | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | | |
| 3.2 Other than first liens | | | | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 Properties held for sale (less \$.....0 encumbrances) | | | | |
| 5. Cash (\$.....16,011,824 Schedule E Part 1), cash equivalents (\$.....4,998,958 Schedule E Part 2) and short-term investments (\$.....47,114,062 Schedule DA) | 68,124,844 | | 68,124,844 | 75,349,688 |
| 6. Contract loans (including \$.....0 premium notes) | | | | |
| 7. Other invested assets (Schedule BA) | | | | |
| 8. Receivables for securities | | | | |
| 9. Aggregate write-ins for invested assets | | | | |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | 123,492,657 | | 123,492,657 | 121,563,441 |
| 11. Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 12. Investment income due and accrued | 278,285 | | 278,285 | 362,026 |
| 13. Premiums and considerations: | | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | 36,472,947 | | 36,472,947 | 9,816,800 |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) | | | | |
| 13.3 Accrued retrospective premiums | | | | |
| 14. Reinsurance: | | | | |
| 14.1 Amounts recoverable from reinsurers | | | | 254 |
| 14.2 Funds held by or deposited with reinsured companies | | | | |
| 14.3 Other amounts receivable under reinsurance contracts | | | | |
| 15. Amounts receivable relating to uninsured plans | 2,231,533 | | 2,231,533 | 1,151,466 |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | | | | |
| 16.2 Net deferred tax asset | 4,580,626 | 3,798,862 | 781,764 | |
| 17. Guaranty funds receivable or on deposit | | | | |
| 18. Electronic data processing equipment and software | 269,514 | 157,442 | 112,072 | 638,618 |
| 19. Furniture and equipment, including health care delivery assets (\$.....0) | 1,685,713 | 1,685,713 | | |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | | | | |
| 21. Receivables from parent, subsidiaries and affiliates | | | | |
| 22. Health care (\$.....0) and other amounts receivable | 2,446,063 | 2,446,063 | | |
| 23. Aggregate write-ins for other than invested assets | | | | |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) | 171,457,338 | 8,088,080 | 163,369,258 | 133,532,605 |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 26. Total (Lines 24 and 25) | 171,457,338 | 8,088,080 | 163,369,258 | 133,532,605 |
| DETAILS OF WRITE-INS | | | | |
| 0901. | | | | |
| 0902. | | | | |
| 0903. | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | | | |
| 0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) | | | | |
| 2301. Prepaid Expenses - Short-term | | | | |
| 2302. | | | | |
| 2303. | | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | | | | |
| 2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | | | | |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|--|--------------|----------------|--------------|--------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$.....0 reinsurance ceded) | 66,885,138 | | 66,885,138 | 75,084,654 |
| 2. Accrued medical incentive pool and bonus amounts | | | | |
| 3. Unpaid claims adjustment expenses | 1,520,475 | | 1,520,475 | 1,899,953 |
| 4. Aggregate health policy reserves | 9,842 | | 9,842 | |
| 5. Aggregate life policy reserves | | | | |
| 6. Property/casualty unearned premium reserves | | | | |
| 7. Aggregate health claim reserves | | | | |
| 8. Premiums received in advance | | | | |
| 9. General expenses due or accrued | 223,829 | | 223,829 | 645,090 |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) | | | | |
| 10.2 Net deferred tax liability | | | | |
| 11. Ceded reinsurance premiums payable | | | | |
| 12. Amounts withheld or retained for the account of others | | | | |
| 13. Remittances and items not allocated | | | | |
| 14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) | | | | |
| 15. Amounts due to parent, subsidiaries and affiliates | 4,527,572 | | 4,527,572 | |
| 16. Payable for securities | | | | |
| 17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) | | | | |
| 18. Reinsurance in unauthorized companies | | | | |
| 19. Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 20. Liability for amounts held under uninsured plans | | | | |
| 21. Aggregate write-ins for other liabilities (including \$.....0 current) | 9,348,510 | | 9,348,510 | 1,314,610 |
| 22. TOTAL Liabilities (Lines 1 to 21) | 82,515,366 | | 82,515,366 | 78,944,307 |
| 23. Aggregate write-ins for special surplus funds | X X X | X X X | | |
| 24. Common capital stock | X X X | X X X | 1,000 | 1,000 |
| 25. Preferred capital stock | X X X | X X X | | |
| 26. Gross paid in and contributed surplus | X X X | X X X | 94,364,304 | 93,939,311 |
| 27. Surplus notes | X X X | X X X | | |
| 28. Aggregate write-ins for other than special surplus funds | X X X | X X X | | |
| 29. Unassigned funds (surplus) | X X X | X X X | (13,511,412) | (39,352,013) |
| 30. Less treasury stock, at cost: | | | | |
| 30.10 shares common (value included in Line 24 \$.....0) | X X X | X X X | | |
| 30.20 shares preferred (value included in Line 25 \$.....0) | X X X | X X X | | |
| 31. TOTAL Capital and Surplus (Lines 23 to 29 minus Line 30) | X X X | X X X | 80,853,892 | 54,588,298 |
| 32. TOTAL Liabilities, Capital and Surplus (Lines 22 and 31) | X X X | X X X | 163,369,258 | 133,532,605 |
| DETAILS OF WRITE-INS | | | | |
| 2101. Due to MMCC | | | | 153,532 |
| 2102. Accrued Premium Tax | 9,348,510 | | 9,348,510 | 1,161,078 |
| 2103. | | | | |
| 2198. Summary of remaining write-ins for Line 21 from overflow page | | | | |
| 2199. TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above) | 9,348,510 | | 9,348,510 | 1,314,610 |
| 2301. | X X X | X X X | | |
| 2302. | X X X | X X X | | |
| 2303. | X X X | X X X | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | X X X | X X X | | |
| 2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | X X X | X X X | | |
| 2801. | X X X | X X X | | |
| 2802. | X X X | X X X | | |
| 2803. | X X X | X X X | | |
| 2898. Summary of remaining write-ins for Line 28 from overflow page | X X X | X X X | | |
| 2899. TOTALS (Lines 2801 through 2803 plus 2898) (Line 28 above) | X X X | X X X | | |

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|---|----------------|-------------|-------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member Months | X X X | 2,297,031 | 2,224,177 |
| 2. Net premium income (including \$.....0 non-health premium income) | X X X | 626,125,979 | 607,095,174 |
| 3. Change in unearned premium reserves and reserve for rate credits | X X X | | |
| 4. Fee-for-service (net of \$.....0 medical expenses) | X X X | | |
| 5. Risk revenue | X X X | | |
| 6. Aggregate write-ins for other health care related revenues | X X X | | |
| 7. Aggregate write-ins for other non-health revenues | X X X | | |
| 8. TOTAL Revenues (Lines 2 to 7) | X X X | 626,125,979 | 607,095,174 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | | 419,659,675 | 344,344,799 |
| 10. Other professional services | | 10,245,809 | 28,092,729 |
| 11. Outside referrals | | | |
| 12. Emergency room and out-of-area | | 26,762,637 | 50,030,095 |
| 13. Prescription drugs | | 1,583,073 | 903,872 |
| 14. Aggregate write-ins for other hospital and medical | | 57,300,273 | 111,891,744 |
| 15. Incentive pool, withhold adjustments and bonus amounts | | | |
| 16. Subtotal (Lines 9 to 15) | | 515,551,467 | 535,263,239 |
| Less: | | | |
| 17. Net reinsurance recoveries | | (641,620) | (588,473) |
| 18. TOTAL Hospital and Medical (Lines 16 minus 17) | | 516,193,087 | 535,851,712 |
| 19. Non-health claims (net) | | | |
| 20. Claims adjustment expenses, including \$.....11,059,584 cost containment expenses | | 16,002,926 | 15,665,584 |
| 21. General administrative expenses | | 73,036,222 | 56,115,828 |
| 22. Increase in reserves for life and accident and health contracts (Including \$.....0 increase in reserves for life only) | | | |
| 23. TOTAL Underwriting Deductions (Lines 18 through 22) | | 605,232,235 | 607,633,124 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | X X X | 20,893,744 | (537,950) |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 1,609,092 | 3,355,672 |
| 26. Net realized capital gains (losses) less capital gains tax of \$.....0 | | 38,582 | 7,278 |
| 27. Net investment gains (losses) (Lines 25 plus 26) | | 1,647,674 | 3,362,950 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] | | | |
| 29. Aggregate write-ins for other income or expenses | | | |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) | X X X | 22,541,418 | 2,825,000 |
| 31. Federal and foreign income taxes incurred | X X X | | |
| 32. Net income (loss) (Lines 30 minus 31) | X X X | 22,541,418 | 2,825,000 |
| DETAILS OF WRITE-INS | | | |
| 0601. | X X X | | |
| 0602. | X X X | | |
| 0603. | X X X | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | X X X | | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | X X X | | |
| 0701. | X X X | | |
| 0702. | X X X | | |
| 0703. | X X X | | |
| 0798. Summary of remaining write-ins for Line 7 from overflow page | X X X | | |
| 0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) | X X X | | |
| 1401. Nursing Facility, DME, Home Health Care, Ambulance, Transportation, Claim Int. Exp. | | 57,300,273 | 111,891,744 |
| 1402. | | | |
| 1403. | | | |
| 1498. Summary of remaining write-ins for Line 14 from overflow page | | | |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) | | 57,300,273 | 111,891,744 |
| 2901. | | | |
| 2902. | | | |
| 2903. | | | |
| 2998. Summary of remaining write-ins for Line 29 from overflow page | | | |
| 2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) | | | |

STATEMENT OF REVENUE AND EXPENSES (Continued)

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| CAPITAL & SURPLUS ACCOUNT | | |
| 33. Capital and surplus prior reporting year | 54,588,298 | 24,061,114 |
| 34. Net income or (loss) from Line 32 | 22,541,418 | 2,825,000 |
| 35. Change in valuation basis of aggregate policy and claim reserves | | |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 | | |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. Change in net deferred income tax | (8,602,556) | |
| 39. Change in nonadmitted assets | 11,901,739 | 8,843,644 |
| 40. Change in unauthorized reinsurance | | |
| 41. Change in treasury stock | | |
| 42. Change in surplus notes | | |
| 43. Cumulative effect of changes in accounting principles | | |
| 44. Capital Changes: | | |
| 44.1 Paid in | | |
| 44.2 Transferred from surplus (Stock Dividend) | | |
| 44.3 Transferred to surplus | | |
| 45. Surplus adjustments: | | |
| 45.1 Paid in | 424,993 | 27,325,953 |
| 45.2 Transferred to capital (Stock Dividend) | | |
| 45.3 Transferred from capital | | |
| 46. Dividends to stockholders | | |
| 47. Aggregate write-ins for gains or (losses) in surplus | | (8,467,413) |
| 48. Net change in capital and surplus (Lines 34 to 47) | 26,265,594 | 30,527,184 |
| 49. Capital and surplus end of reporting year (Line 33 plus 48) | 80,853,892 | 54,588,298 |
| DETAILS OF WRITE-INS | | |
| 4701. Goodwill | | (6,544,413) |
| 4702. Intangible Asset | | (1,923,000) |
| 4703. | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | | |
| 4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) | | (8,467,413) |

CASH FLOW

| | | 1 | 2 |
|--|---|--------------|--------------|
| | | Current Year | Prior Year |
| Cash from Operations | | | |
| 1. | Premiums collected net of reinsurance | 599,479,674 | 605,857,140 |
| 2. | Net investment income | 1,731,415 | 3,648,857 |
| 3. | Miscellaneous income | | |
| 4. | Total (Lines 1 through 3) | 601,211,089 | 609,505,997 |
| 5. | Benefit and loss related payments | 524,851,746 | 532,793,915 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 89,057,227 | 70,390,129 |
| 8. | Dividends paid to policyholders | | |
| 9. | Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | | |
| 10. | Total (Lines 5 through 9) | 613,908,973 | 603,184,044 |
| 11. | Net cash from operations (Line 4 minus Line 10) | (12,697,884) | 6,321,953 |
| Cash from Investments | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| 12.1 | Bonds | 38,625,000 | 30,975,000 |
| 12.2 | Stocks | | |
| 12.3 | Mortgage loans | | |
| 12.4 | Real estate | | |
| 12.5 | Other invested assets | | |
| 12.6 | Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 | Miscellaneous proceeds | | |
| 12.8 | Total investment proceeds (Lines 12.1 to 12.7) | 38,625,000 | 30,975,000 |
| 13. | Cost of investments acquired (long-term only): | | |
| 13.1 | Bonds | 47,740,478 | 48,352,650 |
| 13.2 | Stocks | | |
| 13.3 | Mortgage loans | | |
| 13.4 | Real estate | | |
| 13.5 | Other invested assets | | |
| 13.6 | Miscellaneous applications | 38,582 | 7,278 |
| 13.7 | Total investments acquired (Lines 13.1 to 13.6) | 47,779,060 | 48,359,928 |
| 14. | Net increase (decrease) in contract loans and premium notes | | |
| 15. | Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) | (9,154,060) | (17,384,928) |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. | Cash provided (applied): | | |
| 16.1 | Surplus notes, capital notes | | |
| 16.2 | Capital and paid in surplus, less treasury stock | | 22,200,000 |
| 16.3 | Borrowed funds | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | | |
| 16.5 | Dividends to stockholders | | |
| 16.6 | Other cash provided (applied) | 14,627,100 | (6,601,263) |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 14,627,100 | 15,598,737 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (7,224,844) | 4,535,762 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| 19.1 | Beginning of year | 75,349,688 | 70,813,926 |
| 19.2 | End of year (Line 18 plus Line 19.1) | 68,124,844 | 75,349,688 |

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

| | | | |
|---------|--------------------------------------|-----------|-----------|
| 20.0001 | Depreciation | 1,437,734 | 1,688,220 |
| 20.0002 | Non-cash Capital Contributions | 424,993 | 5,125,953 |

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

| | 1 | 2 Comprehensive (Hospital & Medical) | 3 Medicare Supplement | 4 Dental Only | 5 Vision Only | 6 Federal Employees Health Benefit Plan | 7 Title XVIII Medicare | 8 Title XIX Medicaid | 9 Other Health | 10 Other Non-Health |
|--|-------------|--|-----------------------------|---------------------|---------------------|---|---------------------------------|-------------------------------|----------------------|---------------------------|
| 1. Net premium income | 626,125,979 | | | | | | 13,401,387 | 612,724,592 | | |
| 2. Change in unearned premium reserves and reserve for rate credit | | | | | | | | | | |
| 3. Fee-for-service (net of \$.....0 medical expenses) | | | | | | | | | | XXX |
| 4. Risk revenue | | | | | | | | | | XXX |
| 5. Aggregate write-ins for other health care related revenues | | | | | | | | | | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 7. TOTAL Revenues (Lines 1 to 6) | 626,125,979 | | | | | | 13,401,387 | 612,724,592 | | |
| 8. Hospital/medical benefits | 419,659,675 | | | | | | 6,566,484 | 413,093,191 | | XXX |
| 9. Other professional services | 10,245,809 | | | | | | 269,784 | 9,976,025 | | XXX |
| 10. Outside referrals | | | | | | | | | | XXX |
| 11. Emergency room and out-of-area | 26,762,637 | | | | | | 1,516,414 | 25,246,223 | | XXX |
| 12. Prescription drugs | 1,583,073 | | | | | | 1,583,794 | (721) | | XXX |
| 13. Aggregate write-ins for other hospital and medical | 57,300,273 | | | | | | 438,632 | 56,861,641 | | XXX |
| 14. Incentive pool, withhold adjustments and bonus amounts | | | | | | | | | | XXX |
| 15. Subtotal (Lines 8 to 14) | 515,551,467 | | | | | | 10,375,108 | 505,176,359 | | XXX |
| 16. Net reinsurance recoveries | (641,620) | | | | | | (1,562) | (640,058) | | XXX |
| 17. TOTAL Hospital and Medical (Lines 15 minus 16) | 516,193,087 | | | | | | 10,376,670 | 505,816,417 | | XXX |
| 18. Non-health claims (net) | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 19. Claims adjustment expenses including \$.....11,059,584 cost containment expenses | 16,002,926 | | | | | | 305,055 | 15,697,871 | | |
| 20. General administrative expenses | 73,036,222 | | | | | | 1,420,767 | 71,615,455 | | |
| 21. Increase in reserves for accident and health contracts | | | | | | | | | | XXX |
| 22. Increase in reserves for life contracts | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 23. TOTAL Underwriting Deductions (Lines 17 to 22) | 605,232,235 | | | | | | 12,102,492 | 593,129,743 | | |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) | 20,893,744 | | | | | | 1,298,895 | 19,594,849 | | |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0501. | | | | | | | | | | XXX |
| 0502. | | | | | | | | | | XXX |
| 0503. | | | | | | | | | | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | | XXX |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | | XXX |
| 0601. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0602. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0603. | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | |
| 1301. Nursing Facility, DME, Home Health Care, Ambulance, Transportation, Claim Int. Exp. | 57,300,273 | | | | | | 438,632 | 56,861,641 | | XXX |
| 1302. | | | | | | | | | | XXX |
| 1303. | | | | | | | | | | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | | | | | | | | | | XXX |
| 1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) | 57,300,273 | | | | | | 438,632 | 56,861,641 | | XXX |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

| | | 1 | 2 | 3 | 4 |
|-----|--|--------------------|------------------------|----------------------|---|
| | Line of Business | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Columns 1 + 2 - 3) |
| 1. | Comprehensive (hospital and medical) | | | | |
| 2. | Medicare Supplement | | | | |
| 3. | Dental only | | | | |
| 4. | Vision only | | | | |
| 5. | Federal Employees Health Benefits Plan | | | | |
| 6. | Title XVIII - Medicare | 13,401,387 | | | 13,401,387 |
| 7. | Title XIX - Medicaid | 612,724,592 | | | 612,724,592 |
| 8. | Other health | | | | |
| 9. | Health subtotal (Lines 1 through 8) | 626,125,979 | | | 626,125,979 |
| 10. | Life | | | | |
| 11. | Property/casualty | | | | |
| 12. | TOTALS (Lines 9 to 11) | 626,125,979 | | | 626,125,979 |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|--|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Comprehensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Payments during the year: | | | | | | | | | | |
| 1.1 Direct | 524,210,380 | | | | | | 9,553,742 | 514,656,638 | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | (641,366) | | | | | | (1,562) | (639,804) | | |
| 1.4 Net | 524,851,746 | | | | | | 9,555,304 | 515,296,442 | | |
| 2. Paid medical incentive pools and bonuses | | | | | | | | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 66,885,138 | | | | | | 2,858,584 | 64,026,554 | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | 66,885,138 | | | | | | 2,858,584 | 64,026,554 | | |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | | | | | | | | | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | | | | | | | | | | |
| 5. Accrued medical incentive pools and bonuses, current year | | | | | | | | | | |
| 6. Net healthcare receivables (a) | 459,397 | | | | | | 10,162 | 449,235 | | |
| 7. Amounts recoverable from reinsurers December 31, current year | | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 75,084,654 | | | | | | 2,027,057 | 73,057,597 | | |
| 8.2 Reinsurance assumed | | | | | | | | | | |
| 8.3 Reinsurance ceded | | | | | | | | | | |
| 8.4 Net | 75,084,654 | | | | | | 2,027,057 | 73,057,597 | | |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | | | | | | | | | | |
| 9.2 Reinsurance assumed | | | | | | | | | | |
| 9.3 Reinsurance ceded | | | | | | | | | | |
| 9.4 Net | | | | | | | | | | |
| 10. Accrued medical incentive pools and bonuses, prior year | | | | | | | | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | 254 | | | | | | | 254 | | |
| 12. Incurred benefits: | | | | | | | | | | |
| 12.1 Direct | 515,551,467 | | | | | | 10,375,107 | 505,176,360 | | |
| 12.2 Reinsurance assumed | | | | | | | | | | |
| 12.3 Reinsurance ceded | (641,620) | | | | | | (1,562) | (640,058) | | |
| 12.4 Net | 516,193,087 | | | | | | 10,376,669 | 505,816,418 | | |
| 13. Incurred medical incentive pools and bonuses | | | | | | | | | | |

(a) Excludes \$.....40,500 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|------------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
| | Total | Compre- hensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Reported in Process of Adjustment: | | | | | | | | | | |
| 1.1 Direct | 7,230,891 | | | | | | 92,868 | 7,138,023 | | |
| 1.2 Reinsurance assumed | | | | | | | | | | |
| 1.3 Reinsurance ceded | | | | | | | | | | |
| 1.4 Net | 7,230,891 | | | | | | 92,868 | 7,138,023 | | |
| 2. Incurred but Unreported: | | | | | | | | | | |
| 2.1 Direct | 59,654,247 | | | | | | 2,765,716 | 56,888,531 | | |
| 2.2 Reinsurance assumed | | | | | | | | | | |
| 2.3 Reinsurance ceded | | | | | | | | | | |
| 2.4 Net | 59,654,247 | | | | | | 2,765,716 | 56,888,531 | | |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1 Direct | | | | | | | | | | |
| 3.2 Reinsurance assumed | | | | | | | | | | |
| 3.3 Reinsurance ceded | | | | | | | | | | |
| 3.4 Net | | | | | | | | | | |
| 4. TOTALS | | | | | | | | | | |
| 4.1 Direct | 66,885,138 | | | | | | 2,858,584 | 64,026,554 | | |
| 4.2 Reinsurance assumed | | | | | | | | | | |
| 4.3 Reinsurance ceded | | | | | | | | | | |
| 4.4 Net | 66,885,138 | | | | | | 2,858,584 | 64,026,554 | | |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

| | Line of Business | Claims Paid During the Year | | Claim Reserve and Claim Liability December 31 of Current Year | | 5 | 6 |
|-----|--|--|---|---|---|--|---|
| | | 1 | 2 | 3 | 4 | Claims Incurred in Prior Years (Columns 1 + 3) | Estimated Claim Reserve and Claim Liability December 31 of Prior Year |
| | | On Claims Incurred Prior to January 1 of Current Year | On Claims Incurred During the Year | On Claims Unpaid December 31 of Prior Year | On Claims Incurred During the Year | | |
| 1. | Comprehensive (hospital and medical) | | | | | | |
| 2. | Medicare Supplement | | | | | | |
| 3. | Dental only | | | | | | |
| 4. | Vision only | | | | | | |
| 5. | Federal Employees Health Benefits Plan | | | | | | |
| 6. | Title XVIII - Medicare | 1,233,161 | 8,322,143 | 65,669 | 2,792,915 | 1,298,830 | 2,027,057 |
| 7. | Title XIX - Medicaid | 61,145,828 | 454,150,614 | 2,220,695 | 61,805,859 | 63,366,523 | 73,057,343 |
| 8. | Other health | | | | | | |
| 9. | Health subtotal (Lines 1 to 8) | 62,378,989 | 462,472,757 | 2,286,364 | 64,598,774 | 64,665,353 | 75,084,400 |
| 10. | Healthcare receivables (a) | | 522,063 | | | | 62,666 |
| 11. | Other non-health | | | | | | |
| 12. | Medical incentive pool and bonus amounts | | | | | | |
| 13. | TOTALS (Lines 9 - 10 + 11 + 12) | 62,378,989 | 461,950,694 | 2,286,364 | 64,598,774 | 64,665,353 | 75,021,734 |

(a) Excludes \$.....1,924,000 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2005 | 2 2006 | 3 2007 | 4 2008 | 5 2009 |
| 1. | Prior | | | | | |
| 2. | 2005 | | | | | |
| 3. | 2006 | X X X | | | | |
| 4. | 2007 | X X X | X X X | 288,811 | 367,362 | 368,673 |
| 5. | 2008 | X X X | X X X | X X X | 454,243 | 515,311 |
| 6. | 2009 | X X X | X X X | X X X | X X X | 462,473 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|-------------|---|-----------|-----------|-----------|-----------|
| | | 1 2005 | 2 2006 | 3 2007 | 4 2008 | 5 2009 |
| 1. | Prior | | | | | |
| 2. | 2005 | | | | | |
| 3. | 2006 | X X X | | | | |
| 4. | 2007 | X X X | X X X | 361,063 | 368,084 | 368,923 |
| 5. | 2008 | X X X | X X X | X X X | 528,605 | 517,347 |
| 6. | 2009 | X X X | X X X | X X X | X X X | 527,072 |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

| Years in Which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|-------------------------|-------------------------|---|----------------------------|---|----------------------------|-----------------------|--|---|-----------------------------|
| 1. 2005 | | | | | | | | | | |
| 2. 2006 | | | | | | | | | | |
| 3. 2007 | 382,865 | 368,673 | 11,112 | 3.014 | 379,785 | 99.195 | 250 | 2 | 380,037 | 99.261 |
| 4. 2008 | 607,095 | 515,311 | 15,543 | 3.016 | 530,854 | 87.442 | 2,036 | 222 | 533,112 | 87.814 |
| 5. 2009 | 626,126 | 462,473 | 13,966 | 3.020 | 476,439 | 76.093 | 64,599 | 1,296 | 542,334 | 86.617 |

12 Total

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)
Title XVIII - Medicare

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2005 | 2 2006 | 3 2007 | 4 2008 | 5 2009 |
| 1. Prior | | | | | |
| 2. 2005 | | | | | |
| 3. 2006 | X X X | | | | |
| 4. 2007 | X X X | X X X | | | |
| 5. 2008 | X X X | X X X | X X X | 4,544 | 5,777 |
| 6. 2009 | X X X | X X X | X X X | X X X | 8,322 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|---|-----------|-----------|-----------|-----------|
| | 1 2005 | 2 2006 | 3 2007 | 4 2008 | 5 2009 |
| 1. Prior | | | | | |
| 2. 2005 | | | | | |
| 3. 2006 | X X X | | | | |
| 4. 2007 | X X X | X X X | | | |
| 5. 2008 | X X X | X X X | X X X | 6,571 | 5,843 |
| 6. 2009 | X X X | X X X | X X X | X X X | 11,115 |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

| Years in Which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|-------------------------|-------------------------|---|----------------------------|---|----------------------------|-----------------------|--|---|-----------------------------|
| 1. 2005 | | | | | | | | | | |
| 2. 2006 | | | | | | | | | | |
| 3. 2007 | | | | | | | | | | |
| 4. 2008 | 8,112 | 5,777 | 108 | 1.875 | 5,885 | 72.551 | 66 | 9 | 5,960 | 73.476 |
| 5. 2009 | 13,401 | 8,322 | 254 | 3.048 | 8,576 | 63.993 | 2,793 | 49 | 11,418 | 85.200 |

12 Title XVIII-Medicare

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | Cumulative Net Amounts Paid | | | | |
|------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| | 1 2005 | 2 2006 | 3 2007 | 4 2008 | 5 2009 |
| 1. Prior | | | | | |
| 2. 2005 | | | | | |
| 3. 2006 | X X X | | | | |
| 4. 2007 | X X X | X X X | 288,811 | 367,362 | 368,673 |
| 5. 2008 | X X X | X X X | X X X | 449,699 | 509,534 |
| 6. 2009 | X X X | X X X | X X X | X X X | 454,151 |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|------------------------------------|--|-----------|-----------|-----------|-----------|
| | 1 2005 | 2 2006 | 3 2007 | 4 2008 | 5 2009 |
| 1. Prior | | | | | |
| 2. 2005 | | | | | |
| 3. 2006 | X X X | | | | |
| 4. 2007 | X X X | X X X | 361,063 | 368,084 | 368,923 |
| 5. 2008 | X X X | X X X | X X X | 522,034 | 511,504 |
| 6. 2009 | X X X | X X X | X X X | X X X | 515,957 |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

| Years in Which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|--|----------------------|----------------------|--|----------------------------|---|----------------------------|--------------------|--|---|-----------------------------|
| 1. 2005 | | | | | | | | | | |
| 2. 2006 | | | | | | | | | | |
| 3. 2007 | 382,865 | 368,673 | 11,112 | 3.014 | 379,785 | 99.195 | 250 | 2 | 380,037 | 99.261 |
| 4. 2008 | 598,983 | 509,534 | 15,435 | 3.029 | 524,969 | 87.643 | 1,970 | 213 | 527,152 | 88.008 |
| 5. 2009 | 612,725 | 454,151 | 13,712 | 3.019 | 467,863 | 76.358 | 61,806 | 1,247 | 530,916 | 86.648 |

12 Title XIX-Medicaid

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Other

Section A - Paid Health Claims

| Year in Which Losses Were Incurred | | Cumulative Net Amounts Paid | | | | |
|---------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
| | | 1 2005 | 2 2006 | 3 2007 | 4 2008 | 5 2009 |
| 1. | Prior | | | | | |
| 2. | 2005 | NONE | | | | |
| 3. | 2006 | | | | | |
| 4. | 2007 | | | | | |
| 5. | 2008 | | | | | |
| 6. | 2009 | | | | | |
| | | | | | | |

Section B - Incurred Health Claims

| Year in Which Losses Were Incurred | | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year | | | | |
|---------------------------------------|-------------|---|-----------|-----------|-----------|-----------|
| | | 1 2005 | 2 2006 | 3 2007 | 4 2008 | 5 2009 |
| 1. | Prior | | | | | |
| 2. | 2005 | NONE | | | | |
| 3. | 2006 | | | | | |
| 4. | 2007 | | | | | |
| 5. | 2008 | | | | | |
| 6. | 2009 | | | | | |
| | | | | | | |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

| Years in Which Premiums were Earned and Claims were Incurred | 1 Premiums Earned | 2 Claims Payments | 3 Claim Adjustment Expense Payments | 4 (Col. 3/2) Percent | 5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3) | 6 (Col. 5/1) Percent | 7 Claims Unpaid | 8 Unpaid Claims Adjustment Expenses | 9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8) | 10 (Col. 9/1) Percent |
|---|-------------------------|-------------------------|---|----------------------------|---|----------------------------|-----------------------|--|---|-----------------------------|
| 1. 2005 | | | | | | | | | | |
| 2. 2006 | | | | | | | | | | |
| 3. 2007 | | | | | | | | | | |
| 4. 2008 | | | | | | | | | | |
| 5. 2009 | | | | | | | | | | |
| | | | NONE | | | | | | | |

12 Other

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|-------|---|------------------------|----------------|----------------|---|----------------------------|--------------------------|-------|
| | Total | Compre- hensive (Hospital & Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefits Plan | Title XVIII Medicare | Title XIX Medicaid | Other |
| 1. Unearned premium reserves | | | | | | | | | |
| 2. Additional policy reserves (a) | | | | | | | | | |
| 3. Reserve for future contingent benefits | | | | | | | | | |
| 4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income | 9,842 | | | | | | 9,842 | | |
| 5. Aggregate write-ins for other policy reserves | | | | | | | | | |
| 6. TOTALS (Gross) | 9,842 | | | | | | 9,842 | | |
| 7. Reinsurance ceded | | | | | | | | | |
| 8. TOTALS (Net) (Page 3, Line 4) | 9,842 | | | | | | 9,842 | | |
| 9. Present value of amounts not yet due on claims | | | | | | | | | |
| 10. Reserve for future contingent benefits | | | | | | | | | |
| 11. Aggregate write-ins for other claim reserves | | | | | | | | | |
| 12. TOTALS (Gross) | | | | | | | | | |
| 13. Reinsurance ceded | | | | | | | | | |
| 14. TOTALS (Net) (Page 3, Line 7) | | | | | | | | | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 0501. Risk Corridor Payable | | | | | | | | | |
| 0502. | | | | | | | | | |
| 0503. | | | | | | | | | |
| 0598. Summary of remaining write-ins for Line 5 from overflow page | | | | | | | | | |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) | | | | | | | | | |
| 1101. | | | | | | | | | |
| 1102. | | | | | | | | | |
| 1103. | | | | | | | | | |
| 1198. Summary of remaining write-ins for Line 11 from overflow page | | | | | | | | | |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) | | | | | | | | | |

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

| | Claim Adjustment Expenses | | 3 General Administrative Expenses | 4 Investment Expenses | 5 Total |
|--|--------------------------------------|--|--|-----------------------------|----------------|
| | 1 Cost Containment Expenses | 2 Other Claim Adjustment Expenses | | | |
| 1. Rent (\$.....0 for occupancy of own building) | | | 2,108,081 | | 2,108,081 |
| 2. Salaries, wages and other benefits | 9,720,051 | 2,666,204 | 24,659,874 | | 37,046,129 |
| 3. Commissions (less \$.....0 ceded plus \$.....0 assumed) | | | | | |
| 4. Legal fees and expenses | | | 279,588 | | 279,588 |
| 5. Certifications and accreditation fees | | | | | |
| 6. Auditing, actuarial and other consulting services | | | 412,074 | | 412,074 |
| 7. Traveling expenses | 62,656 | (35) | 446,269 | | 508,890 |
| 8. Marketing and advertising | 1,261 | | 271,485 | | 272,746 |
| 9. Postage, express and telephone | 168,462 | | 1,709,296 | | 1,877,758 |
| 10. Printing and office supplies | 101,217 | | 1,320,634 | | 1,421,851 |
| 11. Occupancy, depreciation and amortization | | | 1,917,373 | | 1,917,373 |
| 12. Equipment | | | | | |
| 13. Cost or depreciation of EDP equipment and software | | | 3,856,850 | | 3,856,850 |
| 14. Outsourced services including EDP, claims, and other services | 370,204 | 2,277,173 | 3,814,927 | | 6,462,304 |
| 15. Boards, bureaus and association fees | 3,953 | | 981,346 | | 985,299 |
| 16. Insurance, except on real estate | | | 1,012,039 | | 1,012,039 |
| 17. Collection and bank service charges | 390,467 | | 16,617 | | 407,084 |
| 18. Group service and administration fees | | | | | |
| 19. Reimbursements by uninsured plans | | | (1,128) | | (1,128) |
| 20. Reimbursements from fiscal intermediaries | | | | | |
| 21. Real estate expenses | | | | | |
| 22. Real estate taxes | | | | | |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes | | | | | |
| 23.2 State premium taxes | | | 23,434,003 | | 23,434,003 |
| 23.3 Regulator authority licenses and fees | | | | | |
| 23.4 Payroll taxes | | | | | |
| 23.5 Other (excluding federal income and real estate taxes) | | | | | |
| 24. Investment expenses not included elsewhere | | | | | |
| 25. Aggregate write-ins for expenses | 241,313 | | 6,796,894 | | 7,038,207 |
| 26. TOTAL Expenses Incurred (Lines 1 to 25) | 11,059,584 | 4,943,342 | 73,036,222 | | (a) 89,039,148 |
| 27. Less expenses unpaid December 31, current year | 1,520,475 | | 223,829 | | 1,744,304 |
| 28. Add expenses unpaid December 31, prior year | 1,899,953 | | 645,090 | | 2,545,043 |
| 29. Amounts receivable relating to uninsured plans, prior year | | | | | |
| 30. Amounts receivable relating to uninsured plans, current year | | | | | |
| 31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 11,439,062 | 4,943,342 | 73,457,483 | | 89,839,887 |
| DETAILS OF WRITE-INS | | | | | |
| 2501. Purchase Svc., Equip., Leases, Contr , Gifts, R&M, Temp Labor, etc. | 241,313 | | 6,796,894 | | 7,038,207 |
| 2502. | | | | | |
| 2503. | | | | | |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | | | | | |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 241,313 | | 6,796,894 | | 7,038,207 |

(a) Includes management fees of \$.....44,262,089 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|---|-------------------------------|----------------------------|
| 1. U.S. Government bonds | (a)..... 1,252,871 | 1,246,372 |
| 1.1 Bonds exempt from U.S. tax | (a)..... | |
| 1.2 Other bonds (unaffiliated) | (a)..... | |
| 1.3 Bonds of affiliates | (a)..... | |
| 2.1 Preferred stocks (unaffiliated) | (b)..... | |
| 2.11 Preferred stocks of affiliates | (b)..... | |
| 2.2 Common stocks (unaffiliated) | | |
| 2.21 Common stocks of affiliates | | |
| 3. Mortgage loans | (c)..... | |
| 4. Real estate | (d)..... | |
| 5. Contract loans | | |
| 6. Cash, cash equivalents and short-term investments | (e)..... 478,544 | 362,720 |
| 7. Derivative instruments | (f)..... | |
| 8. Other invested assets | | |
| 9. Aggregate write-ins for investment income | | |
| 10. Total gross investment income | 1,731,415 | 1,609,092 |
| 11. Investment expenses | | (g)..... |
| 12. Investment taxes, licenses and fees, excluding federal income taxes | | (g)..... |
| 13. Interest expense | | (h)..... |
| 14. Depreciation on real estate and other invested assets | | (i)..... |
| 15. Aggregate write-ins for deductions from investment income | | |
| 16. Total deductions (Lines 11 through 15) | | |
| 17. Net investment income (Line 10 minus Line 16) | | 1,609,092 |

DETAILS OF WRITE-INS

| | | |
|---|--|--|
| 0901. | | |
| 0902. | | |
| 0903. | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | |
| 0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) | | |
| 1501. | | |
| 1502. | | |
| 1503. | | |
| 1598. Summary of remaining write-ins for Line 15 from overflow page | | |
| 1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) | | |

- (a) Includes \$.....12,097 accrual of discount less \$.....145,375 amortization of premium and less \$.....78,816 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....139 accrual of discount less \$.....12,992 amortization of premium and less \$.....6,938 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

| | 1 Realized Gain (Loss) on Sales or Maturity | 2 Other Realized Adjustments | 3 Total Realized Capital Gain (Loss) (Columns 1 + 2) | 4 Change in Unrealized Capital Gain (Loss) | 5 Change in Unrealized Foreign Exchange Capital Gain (Loss) |
|--|--|------------------------------------|--|---|---|
| 1. U.S. Government bonds | 38,582 | | 38,582 | | |
| 1.1 Bonds exempt from U.S. tax | | | | | |
| 1.2 Other bonds (unaffiliated) | | | | | |
| 1.3 Bonds of affiliates | | | | | |
| 2.1 Preferred stocks (unaffiliated) | | | | | |
| 2.11 Preferred stocks of affiliates | | | | | |
| 2.2 Common stocks (unaffiliated) | | | | | |
| 2.21 Common stocks of affiliates | | | | | |
| 3. Mortgage loans | | | | | |
| 4. Real estate | | | | | |
| 5. Contract loans | | | | | |
| 6. Cash, cash equivalents and short-term investments | | | | | |
| 7. Derivative instruments | | | | | |
| 8. Other invested assets | | | | | |
| 9. Aggregate write-ins for capital gains (losses) | | | | | |
| 10. Total capital gains (losses) | 38,582 | | 38,582 | | |

DETAILS OF WRITE-INS

| | | | | | |
|--|--|--|--|--|--|
| 0901. | | | | | |
| 0902. | | | | | |
| 0903. | | | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | | | | |
| 0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) | | | | | |

EXHIBIT OF NONADMITTED ASSETS

| | 1 | 2 | 3 |
|---|--|--|--|
| | Current Year Total Nonadmitted Assets | Prior Year Total Nonadmitted Assets | Change in Total Nonadmitted Assets (Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) | | | |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | |
| 2.2 Common stocks | | | |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | |
| 3.2 Other than first liens | | | |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | |
| 4.2 Properties held for the production of income | | | |
| 4.3 Properties held for sale | | | |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) | | | |
| 6. Contract loans | | | |
| 7. Other invested assets (Schedule BA) | | | |
| 8. Receivables for securities | | | |
| 9. Aggregate write-ins for invested assets | | | |
| 10. Subtotals, cash and invested assets (Lines 1 to 9) | | | |
| 11. Title plants (for Title insurers only) | | | |
| 12. Invested income due and accrued | | | |
| 13. Premium and considerations: | | | |
| 13.1 Uncollected premiums and agents' balances in the course of collection | | | |
| 13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | |
| 13.3 Accrued retrospective premiums | | | |
| 14. Reinsurance: | | | |
| 14.1 Amounts recoverable from reinsurers | | | |
| 14.2 Funds held by or deposited with reinsured companies | | | |
| 14.3 Other amounts receivable under reinsurance contracts | | | |
| 15. Amounts receivable relating to uninsured plans | | | |
| 16.1 Current federal and foreign income tax recoverable and interest thereon | | | |
| 16.2 Net deferred tax asset | 3,798,862 | 13,183,182 | 9,384,320 |
| 17. Guaranty funds receivable or on deposit | | | |
| 18. Electronic data processing equipment and software | 157,442 | 859,111 | 701,669 |
| 19. Furniture and equipment, including health care delivery assets | 1,685,713 | 1,992,887 | 307,174 |
| 20. Net adjustment in assets and liabilities due to foreign exchange rates | | | |
| 21. Receivables from parent, subsidiaries and affiliates | | 1,925,627 | 1,925,627 |
| 22. Health care and other amounts receivable | 2,446,063 | 1,946,166 | (499,897) |
| 23. Aggregate write-ins for other than invested assets | | 82,846 | 82,846 |
| 24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) | 8,088,080 | 19,989,819 | 11,901,739 |
| 25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | |
| 26. Total (Lines 24 and 25) | 8,088,080 | 19,989,819 | 11,901,739 |
| DETAILS OF WRITE-INS | | | |
| 0901. | | | |
| 0902. | | | |
| 0903. | | | |
| 0998. Summary of remaining write-ins for Line 9 from overflow page | | | |
| 0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) | | | |
| 2301. Prepaid Expenses | | 82,846 | 82,846 |
| 2302. | | | |
| 2303. | | | |
| 2398. Summary of remaining write-ins for Line 23 from overflow page | | | |
| 2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | | 82,846 | 82,846 |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment | Total Members at End of | | | | | 6 Current Year Member Months |
|--|-------------------------|-----------------------|------------------------|-----------------------|----------------------|---------------------------------------|
| | 1 Prior Year | 2 First Quarter | 3 Second Quarter | 4 Third Quarter | 5 Current Year | |
| 1. Health Maintenance Organizations | 186,887 | 188,802 | 195,469 | 184,645 | 195,103 | 2,297,031 |
| 2. Provider Service Organizations | | | | | | |
| 3. Preferred Provider Organizations | | | | | | |
| 4. Point of Service | | | | | | |
| 5. Indemnity Only | | | | | | |
| 6. Aggregate write-ins for other lines of business | | | | | | |
| 7. TOTAL | 186,887 | 188,802 | 195,469 | 184,645 | 195,103 | 2,297,031 |
| DETAILS OF WRITE-INS | | | | | | |
| 0601. | | | | | | |
| 0602. | | | | | | |
| 0603. | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | | | | | | |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) | | | | | | |

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

| 1 Name of Debtor | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Nonadmitted | 7 Admitted |
|--|------------------|-------------------|-------------------|-------------------|------------------|---------------|
| 0199999 Total individuals | | | | | | |
| 0299998 Premium due and unpaid not individually listed | | | | | | |
| 0299999 Total group | | | | | | |
| 0399999 Premiums due and unpaid from Medicare entities | | | | | | |
| 0499999 Premiums due and unpaid from Medicaid entities | 8,816,809 | 4,115,818 | 4,140,694 | 19,399,626 | | 36,472,947 |
| 0599999 Accident and health premiums due and unpaid (Page 2, Line 13) .. | 8,816,809 | 4,115,818 | 4,140,694 | 19,399,626 | | 36,472,947 |

EXHIBIT 3 - HEALTH CARE RECEIVABLES

| 1 Name of Debtor | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Nonadmitted | 7 Admitted |
|--|------------------|-------------------|-------------------|-------------------|------------------|---------------|
| 0199998 Pharmaceutical Rebate Receivables - Not Individually Listed | | | | | | |
| 0199999 Subtotal - Pharmaceutical Rebate Receivables | | | | | | |
| 0299998 Claim Overpayment Receivables - Not Individually Listed | 494,255 | 27,808 | | | 522,063 | |
| 0299999 Subtotal - Claim Overpayment Receivables | 494,255 | 27,808 | | | 522,063 | |
| Loans and Advances to Providers | | | | | | |
| Centerstone Mental Health Center | | | 100,000 | 300,000 | 400,000 | |
| Tennessee Carriers, Inc. | | 100,000 | 200,000 | 70,000 | 370,000 | |
| 0399998 Loans and Advances to Providers - Not Individually Listed | | 100,000 | 100,000 | 954,000 | 1,154,000 | |
| 0399999 Subtotal - Loans and Advances to Providers | | 200,000 | 400,000 | 1,324,000 | 1,924,000 | |
| 0499998 Capitation Arrangement Receivables - Not Individually Listed | | | | | | |
| 0499999 Subtotal - Capitation Arrangement Receivables | | | | | | |
| 0599998 Risk Sharing Receivables - Not Individually Listed | | | | | | |
| 0599999 Subtotal - Risk Sharing Receivables | | | | | | |
| 0699998 Other Receivables - Not Individually Listed | | | | | | |
| 0699999 Subtotal - Other Receivables | | | | | | |
| 0799999 Gross health care receivables | 494,255 | 227,808 | 400,000 | 1,324,000 | 2,446,063 | |

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**Aging Analysis of Unpaid Claims**

| 1 Account | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 91 - 120 Days | 6 Over 120 Days | 7 Total |
|--|------------------|-------------------|-------------------|--------------------|--------------------|------------|
| 0299999 Aggregate Accounts Not Individually Listed - Uncovered | | | | | | |
| 0399999 Aggregate Accounts Not Individually Listed - Covered | 6,624,675 | 947,396 | 27,316 | 28,496 | (396,992) | 7,230,891 |
| 0499999 Subtotals | 6,624,675 | 947,396 | 27,316 | 28,496 | (396,992) | 7,230,891 |
| 0599999 Unreported claims and other claim reserves | | | | | | 59,654,247 |
| 0699999 Total Amounts Withheld | | | | | | |
| 0799999 Total Claims Unpaid | | | | | | 66,885,138 |
| 0899999 Accrued Medical Incentive Pool and Bonus Amounts | | | | | | |

EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

| 1 Name of Affiliate | 2 1 - 30 Days | 3 31 - 60 Days | 4 61 - 90 Days | 5 Over 90 Days | 6 Nonadmitted | Admitted | |
|---|------------------|-------------------|-------------------|-------------------|------------------|--------------|------------------|
| | | | | | | 7 Current | 8 Non-Current |
| <div style="border: 1px solid black; padding: 10px; display: inline-block;"> NONE </div> | | | | | | | |
| 0399999 Total gross amounts receivable | | | | | | | |

EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

| 1 Affiliate | 2 Description | 3 Amount | 4 Current | 5 Non-Current |
|--|-----------------------|-------------|--------------|------------------|
| Individually listed payables | | | | |
| AMERIGROUP Corporation | Management Fees | 4,527,572 | 4,527,572 | |
| 0199999 Total - Individually listed payables | XXX | 4,527,572 | 4,527,572 | |
| 0299999 Payables not individually listed | XXX | | | |
| 0399999 Total gross payables | XXX | 4,527,572 | 4,527,572 | |

EXHIBIT 7 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS

| Payment Method | 1 Direct Medical Expense Payment | 2 Column 1 as a % of Total Payments | 3 Total Members Covered | 4 Column 3 as a % of Total Members | 5 Column 1 Expenses Paid to Affiliated Providers | 6 Column 1 Expenses Paid to Non-Affiliated Providers |
|---|-------------------------------------|--|----------------------------|---------------------------------------|---|---|
| Capitation Payments: | | | | | | |
| 1. Medical groups | | | | | | |
| 2. Intermediaries | | | | | | |
| 3. All other providers | 12,831,378 | 2.448 | 195,103 | 100.000 | | 12,831,378 |
| 4. TOTAL Capitation Payments | 12,831,378 | 2.448 | 195,103 | 100.000 | | 12,831,378 |
| Other Payments: | | | | | | |
| 5. Fee-for-service | 5,017,984 | 0.957 | X X X | X X X | | 5,017,984 |
| 6. Contractual fee payments | 506,361,018 | 96.595 | X X X | X X X | | 506,361,018 |
| 7. Bonus/withhold arrangements - fee-for-service | | | X X X | X X X | | |
| 8. Bonus/withhold arrangements - contractual fee payments | | | X X X | X X X | | |
| 9. Non-contingent salaries | | | X X X | X X X | | |
| 10. Aggregate cost arrangements | | | X X X | X X X | | |
| 11. All other payments | | | X X X | X X X | | |
| 12. TOTAL Other Payments | 511,379,002 | 97.552 | X X X | X X X | | 511,379,002 |
| 13. TOTAL (Line 4 plus Line 12) | 524,210,380 | 100.000 | X X X | X X X | | 524,210,380 |

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EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

| 1 NAIC Code | 2 Name of Intermediary | 3 Capitation Paid | 4 Average Monthly Capitation | 5 Intermediary's Total Adjusted Capital | 6 Intermediary's Authorized Control Level RBC |
|----------------|---------------------------|----------------------|---------------------------------|--|--|
| NONE | | | | | |
| 9999999 | | | X X X | X X X | X X X |

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

| | 1 | 2 | 3 | 4 | 5 | 6 |
|--|-----------|--------------|-----------------------------|------------------------------------|---------------------------|---------------------------|
| Description | Cost | Improvements | Accumulated Depreciation | Book Value Less Encumbrances | Assets Not Admitted | Net Admitted Assets |
| 1. Administrative furniture and equipment | 2,770,820 | | 1,085,107 | 1,685,713 | 1,685,713 | |
| 2. Medical furniture, equipment and fixtures | | | | | | |
| 3. Pharmaceuticals and surgical supplies | | | | | | |
| 4. Durable medical equipment | | | | | | |
| 5. Other property and equipment | | | | | | |
| 6. TOTAL | 2,770,820 | | 1,085,107 | 1,685,713 | 1,685,713 | |

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The Financial Statements of AMERIGROUP Tennessee, Inc. (the Company) is presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective March 1, 2009 (NAIC SSAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee. There are no state permitted practices that differ from the NAIC Accounting Practices and Procedures Manual that impact the financial statements or statutory net worth for AMERIGROUP Tennessee, Inc.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Statutory Accounting Principles requires management to make estimates and assumptions that affect the report amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

The Company records premium revenues based on its membership records and premiums rates for each membership category within each county. Premiums are due monthly and are recognized as revenue during the period in which the company is obligated to provide service to members.

In addition, the Company uses the following accounting policies.

- (1) Short-term investments are stated at amortized cost. Any Bonds not backed by other loans are stated at amortized cost using the interest method.
- (2) Unpaid Claims and loss adjustment expenses include an amount determined from individual case estimates and claim reports and an amount, based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.

2. Accounting Changes and Corrections of Errors

A. Disclosure for Insurers Upon Initial Implementation of Codification:

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

The Company as of December 31, 2009 does not possess or reflect any Mortgage Loans, Debt Restructuring, Reverse Mortgages, Loan-Backed Securities or Repurchase Agreements.

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company as of December 31, 2009 had no investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of its admitted assets.

7. Investment Income

The Company reports only investment income that is earned as due and accrued.

8. Derivative Instruments

The Company as of December 31, 2009 had no investments in Derivative Instruments.

Notes to Financial Statements

9. Income Taxes

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs) at December 31:

| | 2009 | 2008 |
|--|----------------|-----------------|
| Total of all deferred income tax assets (admitted and non-admitted) | \$ 4,580,626 | \$ 13,183,182 |
| Total of all deferred income tax liabilities | 0 | 0 |
| Net deferred tax asset (liability) | \$ 4,580,626 | \$ 13,183,182 |
| | | |
| Total deferred tax assets non-admitted in accordance with SSAP No.10 | \$ (3,798,862) | \$ (13,183,182) |
| | | |
| Total net admitted deferred tax asset (liability) | 781,764 | 0 |
| (Increase) decrease in deferred tax assets non-admitted | \$ 9,384,320 | \$ 959,980 |

B. Unrecognized deferred tax liabilities

There are no temporary differences for which deferred tax liabilities are not recognized.

C. Current income taxes incurred consist of the following major components:

| | 2009 | 2008 |
|---|------|------|
| Current year tax expense (benefit) (exclusive of items below) | \$ 0 | \$ 0 |
| Tax credits | \$ 0 | \$ 0 |
| Prior year adjustments | \$ 0 | \$ 0 |
| Current income taxes incurred | \$ 0 | \$ 0 |

Deferred income tax assets and liabilities consist of the following major components:

| | 2009 | 2008 | Change |
|--|----------------|-----------------|----------------|
| Deferred tax assets: | | | |
| Goodwill | \$ 15,035 | \$ 301,579 | \$ (286,544) |
| Property and Equipment | \$ 568,714 | \$ 790,985 | \$ (222,271) |
| Unrealized loss | \$ 0 | \$ 99,141 | \$ (99,141) |
| Claims Unpaid | \$ 367,368 | \$ 856,804 | \$ (489,436) |
| Contractual Allowances | \$ 1,335,951 | \$ 1,705,655 | \$ (369,704) |
| Unearned Revenue | \$ 0 | \$ 0 | \$ 0 |
| Federal NOL Carryforward | \$ 2,227,412 | \$ 9,183,949 | \$ (6,956,537) |
| Other | \$ 66,146 | \$ 245,069 | \$ (178,923) |
| Total deferred tax assets | \$ 4,580,626 | \$ 13,183,182 | \$ (8,602,556) |
| Non-admitted deferred tax assets | \$ (3,798,862) | \$ (13,183,182) | \$ 9,384,320 |
| Admitted deferred tax assets | \$ 781,764 | \$ 0 | \$ 781,764 |
| | | | |
| Deferred tax liabilities: | | | |
| Other | 0 | 0 | 0 |
| Net Admitted Deferred Tax Assets (Liabilities) | \$ 781,764 | \$ 0 | \$ 781,764 |
| | | | |
| Total deferred tax assets | \$ 4,580,626 | \$ 13,183,182 | \$ (8,602,556) |
| Total deferred tax liabilities | \$ 0 | \$ 0 | \$ 0 |
| Net deferred tax assets | \$ 4,580,626 | \$ 13,183,182 | \$ (8,602,556) |
| Less tax effect of unrealized gains and losses | | | \$ 99,141 |
| Net change in deferred tax assets | | | \$ (8,503,415) |

We do not elect to admit deferred tax assets pursuant to SSAP 10R paragraph 10e.

To assess the recoverability of deferred tax assets, we consider whether it is more likely than not that deferred tax assets will be realized. In making this determination, we take into account the scheduled reversal of deferred tax liabilities and whether projected future taxable income is sufficient to permit deduction of the deferred tax assets. Based on projections for future taxable income, we believe it is more likely than not that we will fully realize the benefits of the gross deferred tax assets of \$4,580,626.

Notes to Financial Statements

- D. The Company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate to income before income taxes. The significant items causing this difference are as follows:

| | | 2009 |
|---|----|------------|
| Federal current income taxes incurred | \$ | 0 |
| Change in deferred income tax | \$ | 8,602,556 |
| Other | | 0 |
| Total statutory income taxes | \$ | 8,602,556 |
| | | |
| Provision computed at statutory rate | \$ | 22,541,418 |
| | | 35% |
| | | |
| Expected income tax expense (benefit) at 35% statutory rate | \$ | 7,889,496 |
| Nondeductible lobbying expenses | \$ | 31,675 |
| STAT to GAAP difference | \$ | 661,730 |
| Other nondeductible expense | \$ | 4,458 |
| Return to provision true up | \$ | 15,197 |
| Totals | \$ | 8,602,556 |

E. Operating Loss Carryforward

- (1) As of December 31, 2009, the separate company operating loss carryforward available for federal tax purposes is \$6,364,035.
- (2) The amount of income taxes incurred that are available for recoupment in the event of future net losses is: current year \$0; first preceding year \$0.

F. Consolidated Federal Income Tax Return

- (1) The Company's Federal Income Tax return is consolidated with the following entities:

AMERIGROUP Corporation (Parent)
 AMERIGROUP Florida, Inc.
 AMERIGROUP New Jersey, Inc.
 AMERIGROUP Texas, Inc.
 AMERIGROUP Virginia, Inc.
 AMERIGROUP Ohio, Inc.
 AMERIGROUP Maryland, Inc.
 AMGP Georgia Managed Care Company, Inc.
 PHP Holdings, Inc.
 AMERIGROUP New York, LLC
 AMERIGROUP Tennessee, Inc.
 AMERIGROUP Community Care of New Mexico, Inc.
 AMERIGROUP Community Care of South Carolina, Inc.
 AMERIGROUP Health Solutions, Inc.
 AMERIGROUP Nevada, Inc.

AMERIGROUP Corporation has a written agreement outlining the method of allocating federal income tax between the entities. The allocation is based upon separate return calculations for each member of the affiliated group. If a member has a net loss, current credit is provided to the extent that the member has previously paid taxes.

10. Information Concerning Parent, Subsidiaries and Affiliates

AMERIGROUP Corporation owns 100% of the outstanding shares of the Company and provides administrative and financial support services to the Company. Management services fees charged, in accordance with an approved management services agreement, for the years ended December 2009 and 2008 were \$44,262,089 and \$49,906,409, respectively. As of December 31, 2009, the Company owed \$4,527,572 to AMERIGROUP Corporation. As of December 31, 2008, AMERIGROUP Corporation owed \$1,925,627 to the Company. During 2009, the Company received from AMERIGROUP Corporation non-cash capital contributions of \$424,993, and there were no dividends paid. During 2008, the Company received from AMERIGROUP Corporation capital contributions of \$27,325,953 (\$22,200,000 cash, \$4,733,701 auction rate security including accrued interest, and \$392,252 non-cash). There were no dividends paid in 2009.

11. Debt

The Company has no debt outstanding.

Notes to Financial Statements

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefits Plans

The Company's employees have the option to participate in a deferred compensation plan sponsored by AMERIGROUP Corporation. All full-time and most part-time employees of AMERIGROUP Corporation and the Company may elect to participate in this plan. This plan is exempt from income taxes under Section 401(k) of the Internal Revenue Code. Participants may contribute a certain percentage of their compensation subject to maximum federal and plan limits. AMERIGROUP Corporation may elect to match a certain percentage of each employee's contributions up to specified limits. For the years ended December 31, 2009 and 2008, AMERIGROUP Corporation's matching contribution under the plan was approximately \$4,486,000 and \$3,649,000, respectively, and was not directly charged to the Company.

13. Capital and Surplus, Shareholder's Dividend Restrictions and Quasi-Reorganizations.

- (1) The Company had 1000 shares of common stock authorized and 1000 shares outstanding.
- (2) The Company had no preferred stock outstanding.
- (3) The Company received from AMERIGROUP Corporation capital contributions of \$424,993 and \$27,325,953 as of December 31, 2009 and 2008, respectively. No dividends were paid during 2009 and 2008.

14. Contingencies

None

15. Leases

The Company leased office space under two lease agreements; one of the leases expires in August 31, 2013 and the other expires in January 31, 2010. The Company also has 3 equipment leases; two of which expire in May 5, 2011 and the other in November 5, 2010. Rental expense as of December 31, 2009 and December 31, 2009 were \$2,108,081 and \$2,135,573, respectively. At December 31, 2009, the minimum aggregate rental commitments were as follows:

| | |
|-------|------------|
| 2010: | \$ 912,250 |
| 2011: | \$ 919,091 |
| 2012: | \$ 945,207 |
| 2013: | \$ 645,397 |
| 2014: | \$ 0 |

16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial with Concentrations of Credit Risk.

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. Transfers of Receivables Reported as Sales

None

B. Transfer and Servicing of Financial Assets

None

C. Wash Sales

None

Notes to Financial Statements

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

A. The Company has Administrative Services Only (ASO) operations in the West Tennessee Grand Region and in the Middle Tennessee Grand Region. The West Region contract expired in October 2008 and only includes claims run out. In 2009, the ASO's operations were as followed:

| | ASO Uninsured Plan | Uninsured Portion of Partially Insured Plan | Total ASO |
|---|--------------------------|--|----------------|
| a. Net reimbursement for Administrative Expenses (including Administrative Fees) in excess of Actual Expenses | \$ (3,586,479) | \$ 0 | \$ (3,586,479) |
| b. Total Net Other Income or Expenses (Including Interest paid or received from plan) | \$ 11,189 | \$ 0 | \$ 11,189 |
| c. Net Gain or Loss from Operations | \$ (3,575,290) | \$ 0 | \$ (3,575,290) |
| d. Total Claim Payment Volume | \$15,557,240 | \$ 0 | \$ 15,557,240 |

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

None

20. Other Items

None

21. Events Subsequent

None

22. Reinsurance

A new contract was signed with ING Reinsurance, a division of ReliaStar Life Insurance Company, effective July 1, 2009, 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. ReliaStar Life Insurance Company was purchased by RGA Reinsurance Company effective January 1, 2010. The contract continues to be in force directly with ReliaStar Life Insurance Company until contract renewal.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None

24. Change in Incurred Claims and Claim Adjustment Expenses

A summary of the activity for claims unpaid is as follows:

| | 2009 | 2008 |
|------------------------------|--------------|--------------|
| Liability balance prior year | \$75,084,654 | \$72,252,049 |
| Plus incurred related to: | | |
| Current year | 525,965,040 | 528,218,428 |
| Prior years | (10,413,573) | 7,044,811 |
| Total Incurred | 515,551,467 | 535,263,239 |
| Less paid related to: | | |
| Current year | 461,366,265 | 453,855,936 |
| Prior years | 62,384,718 | 78,574,698 |
| Total Paid | 523,750,983 | 532,430,634 |
| Balance current year | \$66,885,138 | \$75,084,654 |

Notes to Financial Statements

The Company uses actuarial techniques based principally on historical payment patterns to estimate incurred claims. Changes in payment patterns and claims trends can result in adjustments to the claims estimate, which are recorded in current operations.

25. Intercompany Pooling Arrangements

None

26. Structured Settlements

None

27. Health Care Receivables

Health Care Receivables consisted of provider advances and provider overpayments on paid claims. All considered non-admitted at December 31, 2009.

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.03/31/2008.....
- 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.03/31/2008.....
- 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).10/28/2009.....
- 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?
Ingenix Consulting, 2170 Satellite Blvd., Suite 150, Atlanta, GA 30097
- 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 0
- 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: Yes[] No[X]
- 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[X] No[]
- 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 \$ 19,237,204
- 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, N.A. | 1025 Connecticut Avenue, Suite 517, Mail Code EX-DC-WNWW, 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 |
|--|--|--|
| 77784 | Deutsche Investment Management Americas, Inc. | 345 Park Ave, New York, New York 10154 |

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 | 107,480,833 | 107,794,703 | 313,870 |
| 28.2 Preferred stocks | | | |
| 28.3 Totals | 107,480,833 | 107,794,703 | 313,870 |

28.4 Describe the sources or methods utilized in determining the fair values
Custodial and Broker statements

29.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[]

29.2 If yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[X] No[]

29.3 If no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

30.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[]

30.2 If no, list exceptions:

GENERAL INTERROGATORIES (Continued)

OTHER

- 31.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$..... 175,124
- 31.2 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.

| 1 Name | 2 Amount Paid |
|--|------------------|
| National Committee for Quality Assurance | 53,936 |

- 32.1 Amount of payments for legal expenses, if any? \$..... 121,609
- 32.2 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. | 104,311 |

- 33.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$..... 126,388
- 33.2 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 |
|--------------------------|------------------|
| Bureau of TennCare | 78,240 |

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
- 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 | 626,125,979 | 607,095,174 |
| 2.2 Premium Denominator | 626,125,979 | 607,095,174 |
| 2.3 Premium Ratio (2.1 / 2.2) | 1.000 | 1.000 |
| 2.4 Reserve Numerator | 66,885,138 | 75,084,654 |
| 2.5 Reserve Denominator | 66,894,980 | 75,084,654 |
| 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
- 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 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
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes 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:
On July 1, 2009, AGP entered into an insolvency continuation and conversion provision with ING Reinsurance, a division of ReliaStar Life Insurance Company. ReliaStar Life Insurance Company was purchased by RGA Reinsurance Company effective January 1, 2010. The insolvency continuation and conversion provision continues to be in force directly with ReliaStar Life Insurance Company in the event of insolvency until contract renewal
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? Yes 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 8,133
- 8.2 Number of providers at end of reporting year 7,234
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 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
- 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
- 11.13 An Individual Practice Association (IPA), or, Yes No
- 11.14 A Mixed Model (combination of above)? Yes No
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such net worth.
Tennessee
- 11.4 If yes, show the amount required. \$ 16,133,399
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation.
The greater of \$1,500,000 or an amount totaling 4% of the first \$150,000,000 of premium revenues earned for the prior calendar year, plus 1.5% of the amount earned in excess of \$150,000,000 for the prior calendar year. \$16,133,399 (\$150,000,000 x 4% + (\$825,559,907 - \$150,000,000) x 1.5%)

12. List service areas in which the reporting entity is licensed to operate:

| | 1 |
|---------------------------|---|
| Name of Service Area | |
| Grand Region Middle | |

- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes No

GENERAL INTERROGATORIES (Continued)

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$..... 0

FIVE-YEAR HISTORICAL DATA

| | 1 2009 | 2 2008 | 3 2007 | 4 2006 | 5 2005 |
|--|--------------|-------------|--------------|-----------|-----------|
| BALANCE SHEET (Pages 2 and 3) | | | | | |
| 1. TOTAL Admitted Assets (Page 2, Line 26) | 163,369,258 | 133,532,605 | 107,602,809 | | |
| 2. TOTAL Liabilities (Page 3, Line 22) | 82,515,366 | 78,944,307 | 83,541,695 | 261,411 | |
| 3. Statutory surplus | 16,133,399 | 15,656,844 | 15,656,844 | | |
| 4. TOTAL Capital and Surplus (Page 3, Line 31) | 80,853,892 | 54,588,298 | 24,061,114 | (261,411) | |
| INCOME STATEMENT (Page 4) | | | | | |
| 5. TOTAL Revenues (Line 8) | 626,125,979 | 607,095,174 | 382,864,891 | | |
| 6. TOTAL Medical and Hospital Expenses (Line 18) | 516,193,087 | 535,851,712 | 360,775,300 | | |
| 7. Claims adjustment expenses (Line 20) | 16,002,926 | 15,665,584 | 10,471,572 | | |
| 8. TOTAL Administrative Expenses (Line 21) | 73,036,222 | 56,115,828 | 41,393,542 | 261,411 | |
| 9. Net underwriting gain (loss) (Line 24) | 20,893,744 | (537,950) | (29,775,523) | (261,411) | |
| 10. Net investment gain (loss) (Line 27) | 1,647,674 | 3,362,950 | 3,133,971 | | |
| 11. TOTAL Other Income (Lines 28 plus 29) | | | | | |
| 12. Net income or (loss) (Line 32) | 22,541,418 | 2,825,000 | (26,641,552) | (261,411) | |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | (12,697,884) | 6,321,953 | 38,828,765 | | |
| RISK-BASED CAPITAL ANALYSIS | | | | | |
| 14. TOTAL Adjusted Capital | 80,853,892 | 54,588,298 | 24,061,114 | | |
| 15. Authorized control level risk-based capital | 20,115,782 | 20,987,751 | 16,643,989 | | |
| ENROLLMENT (Exhibit 1) | | | | | |
| 16. TOTAL Members at End of Period (Column 5, Line 7) | 195,103 | 186,887 | 186,629 | | |
| 17. TOTAL Members Months (Column 6, Line 7) | 2,297,031 | 2,224,177 | 1,642,504 | | |
| OPERATING PERCENTAGE (Page 4) | | | | | |
| (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) | 82.4 | 88.3 | 94.2 | | |
| 20. Cost containment expenses | 1.8 | 1.9 | 2.3 | | |
| 21. Other claims adjustment expenses | 0.8 | 0.7 | 0.5 | | |
| 22. TOTAL Underwriting Deductions (Line 23) | 96.7 | 100.1 | 107.8 | | |
| 23. TOTAL Underwriting Gain (Loss) (Line 24) | 3.3 | (0.1) | (7.8) | | |
| UNPAID CLAIMS ANALYSIS | | | | | |
| (U&I Exhibit, Part 2B) | | | | | |
| 24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) | 64,665,353 | 79,272,844 | | | |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] | 75,021,734 | 71,963,937 | | | |
| INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) | | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, 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 | | | | | |

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain::



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 | | | | | | | |
| TOTAL Members at end of: | | | | | | | | | | |
| 1. Prior Year | 186,887 | | | | | | | 694 | 186,193 | |
| 2. First Quarter | 188,802 | | | | | | | 788 | 188,014 | |
| 3. Second Quarter | 195,469 | | | | | | | 878 | 194,591 | |
| 4. Third Quarter | 184,645 | | | | | | | 1,050 | 183,595 | |
| 5. Current Year | 195,103 | | | | | | | 1,109 | 193,994 | |
| 6. Current Year Member Months | 2,297,031 | | | | | | | 10,971 | 2,286,060 | |
| TOTAL Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 1,263,193 | | | | | | | 12,426 | 1,250,767 | |
| 8. Non-Physician | 894,879 | | | | | | | 10,784 | 884,095 | |
| 9. TOTAL | 2,158,072 | | | | | | | 23,210 | 2,134,862 | |
| 10. Hospital Patient Days Incurred | 124,178 | | | | | | | 3,140 | 121,038 | |
| 11. Number of Inpatient Admissions | 21,915 | | | | | | | 358 | 21,557 | |
| 12. Health Premiums Written (b) | 626,125,979 | | | | | | | 13,401,387 | 612,724,592 | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 626,125,979 | | | | | | | 13,401,387 | 612,724,592 | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 524,210,380 | | | | | | | 9,553,742 | 514,656,638 | |
| 18. Amount Incurred for Provision of Health Care Services | 515,551,467 | | | | | | | 10,375,108 | 505,176,359 | |

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....13,401,387



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 | | | | | | | |
| TOTAL Members at end of: | | | | | | | | | | |
| 1. Prior Year | 186,887 | | | | | | | 694 | 186,193 | |
| 2. First Quarter | 188,802 | | | | | | | 788 | 188,014 | |
| 3. Second Quarter | 195,469 | | | | | | | 878 | 194,591 | |
| 4. Third Quarter | 184,645 | | | | | | | 1,050 | 183,595 | |
| 5. Current Year | 195,103 | | | | | | | 1,109 | 193,994 | |
| 6. Current Year Member Months | 2,297,031 | | | | | | | 10,971 | 2,286,060 | |
| TOTAL Member Ambulatory Encounters for Year: | | | | | | | | | | |
| 7. Physician | 1,263,193 | | | | | | | 12,426 | 1,250,767 | |
| 8. Non-Physician | 894,879 | | | | | | | 10,784 | 884,095 | |
| 9. TOTAL | 2,158,072 | | | | | | | 23,210 | 2,134,862 | |
| 10. Hospital Patient Days Incurred | 124,178 | | | | | | | 3,140 | 121,038 | |
| 11. Number of Inpatient Admissions | 21,915 | | | | | | | 358 | 21,557 | |
| 12. Health Premiums Written (b) | 626,125,979 | | | | | | | 13,401,387 | 612,724,592 | |
| 13. Life Premiums Direct | | | | | | | | | | |
| 14. Property/Casualty Premiums Written | | | | | | | | | | |
| 15. Health Premiums Earned | 626,125,979 | | | | | | | 13,401,387 | 612,724,592 | |
| 16. Property/Casualty Premiums Earned | | | | | | | | | | |
| 17. Amount Paid for Provision of Health Care Services | 524,210,380 | | | | | | | 9,553,742 | 514,656,638 | |
| 18. Amount Incurred for Provision of Health Care Services | 515,551,467 | | | | | | | 10,375,108 | 505,176,359 | |

(a) For health business: number of persons insured under PPO managed care products0 and number of persons insured under indemnity only products0.
 (b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....13,401,387

29 Grand Total

30 Schedule S - Part 1 - Section 2 NONE

31 Schedule S - Part 2 NONE

32 Schedule S - Part 3 - Section 2 NONE

33 Schedule S - Part 4 NONE

34 Schedule S - Part 5 NONE

SCHEDULE S - PART 6**Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance**

| | 1 As Reported (net of ceded) | 2 Restatement Adjustments | 3 Restated (gross of ceded) |
|--|------------------------------------|---------------------------------|-----------------------------------|
| ASSETS (Page 2, Col. 3) | | | |
| 1. Cash and invested assets (Line 10) | 123,492,657 | | 123,492,657 |
| 2. Accident and health premiums due and unpaid (Line 13) | 36,472,947 | | 36,472,947 |
| 3. Amounts recoverable from reinsurers (Line 14.1) | | | |
| 4. Net credit for ceded reinsurance | X X X | | |
| 5. All other admitted assets (Balance) | 3,403,654 | | 3,403,654 |
| 6. TOTAL Assets (Line 26) | 163,369,258 | | 163,369,258 |
| LIABILITIES, CAPITAL AND SURPLUS (Page 3) | | | |
| 7. Claims unpaid (Line 1) | 66,885,138 | | 66,885,138 |
| 8. Accrued medical incentive pool and bonus payments (Line 2) | | | |
| 9. Premiums received in advance (Line 8) | | | |
| 10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 17) | | | |
| 11. Reinsurance in unauthorized companies (Line 18) | | | |
| 12. All other liabilities (Balance) | 15,630,228 | | 15,630,228 |
| 13. TOTAL Liabilities (Line 22) | 82,515,366 | | 82,515,366 |
| 14. TOTAL Capital and Surplus (Line 31) | 80,853,892 | X X X | 80,853,892 |
| 15. TOTAL Liabilities, Capital and Surplus (Line 32) | 163,369,258 | | 163,369,258 |
| NET CREDIT FOR CEDED REINSURANCE | | | |
| 16. Claims unpaid | | | |
| 17. Accrued medical incentive pool | | | |
| 18. Premiums received in advance | | | |
| 19. Reinsurance recoverable on paid losses | | | |
| 20. Other ceded reinsurance recoverables | | | |
| 21. TOTAL Ceded Reinsurance Recoverables | | | |
| 22. Premiums receivable | | | |
| 23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers | | | |
| 24. Unauthorized reinsurance | | | |
| 25. Other ceded reinsurance payables/offsets | | | |
| 26. TOTAL Ceded Reinsurance Payables/Offsets | | | |
| 27. TOTAL Net Credit for Ceded Reinsurance | | | |

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

| 1 | 2 | Direct Business Only | | | | | | | 9 |
|---|---------------|----------------------------|----------------------|--------------------|--|--|----------------------------|---------------------------|--------------------------|
| | | 3 | 4 | 5 | 6 | 7 | 8 | | |
| 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 | | 13,401,387 | 612,724,592 | | | | 626,125,979 | |
| 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) | XXX | | | | | | | | |
| 59. Subtotal | XXX | | 13,401,387 | 612,724,592 | | | | 626,125,979 | |
| 60. Reporting entity contributions for Employee Benefit Plans | XXX | | | | | | | | |
| 61. TOTAL (Direct Business) | (a) 1 | | 13,401,387 | 612,724,592 | | | | 626,125,979 | |
| DETAILS OF WRITE-INS | | | | | | | | | |
| 5801. | XXX | | | | | | | | |
| 5802. | XXX | | | | | | | | |
| 5803. | XXX | | | | | | | | |
| 5898. Summary of remaining write-ins for Line 58 from overflow page | XXX | | | | | | | | |
| 5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above) | XXX | | | | | | | | |

(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

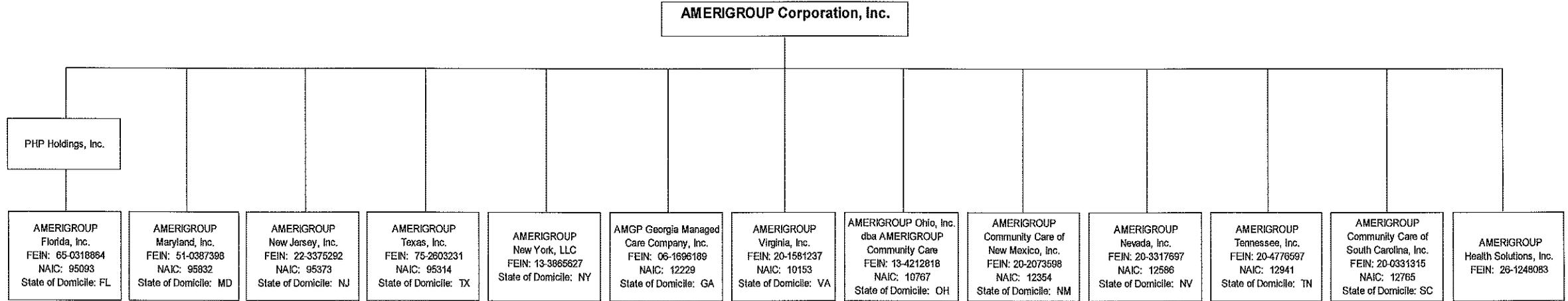
| Direct Business only | | | | | | |
|-----------------------------------|-------------------------------------|--|---|--|--------------------------------|-------------|
| States, Etc. | 1 Life (Group and Individual) | 2 Annuities (Group and Individual) | 3 Disability Income (Group and Individual) | 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



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/(Disbursements) 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) |
| | 54-1739323 | AMERIGROUP Corporation | 71,700,000 | (73,084,116) | | | 403,474,566 | | | | 402,090,450 | |
| 95373 | 22-3375292 | AMERIGROUP New Jersey, Inc. | | 19,595,166 | | | (25,238,482) | | | | (5,643,316) | |
| 95314 | 75-2603231 | AMERIGROUP Texas, Inc. | (25,000,000) | 4,422,598 | | | (138,274,596) | | | | (158,851,998) | |
| 95832 | 51-0387398 | AMERIGROUP Maryland, Inc. | (25,000,000) | 4,018,845 | | | (40,327,909) | | | | (61,309,064) | |
| 95093 | 65-0318864 | AMERIGROUP Florida, Inc. | | 3,807,028 | | | (48,457,451) | | | | (44,650,423) | |
| 10767 | 13-4212818 | AMERIGROUP Ohio, Inc. | | 74,888 | | | (14,533,860) | | | | (14,458,972) | |
| 10153 | 20-1581237 | AMERIGROUP Virginia, Inc. | (3,600,000) | 143,619 | | | (6,052,949) | | | | (9,509,330) | |
| 12354 | 20-2073598 | AMERIGROUP Community Care of New Mexico, Inc. | | 15,908,183 | | | (18,847,298) | | | | (2,939,115) | |
| 12586 | 20-3317697 | AMERIGROUP Nevada, Inc. | | 24,376,592 | | | (8,940,523) | | | | 15,436,069 | |
| 12765 | 20-0331315 | AMERIGROUP Community Care of South Carolina, Inc. | (8,100,000) | 55,500 | | | (776,462) | | | | (8,820,962) | |
| 12229 | 06-1696189 | AMGP Georgia Managed Care Company, Inc. | | 166,160 | | | (44,595,263) | | | | (44,429,103) | |
| | 13-3865627 | AMERIGROUP New York, LLC | (10,000,000) | 90,544 | | | (13,167,684) | | | | (23,077,140) | |
| 12941 | 20-4776597 | AMERIGROUP Tennessee, Inc. | | 424,993 | | | (44,262,089) | | | | (43,837,096) | |
| | 26-1248083 | AMERIGROUP Health Solutions, Inc. | | | | | | | | | | |
| 9999999 Totals | | | | | | | | | XXX | | | |

Schedule Y Part 2 Explanation:

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Response

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason, enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

- | | |
|---|-----|
| 1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? | Yes |
| 2. Will an actuarial opinion be filed by March 1? | Yes |
| 3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1? | Yes |
| 4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required by March 1? | Yes |

APRIL FILING

- | | |
|--|-----|
| 5. Will Management's Discussion and Analysis be filed by April 1? | Yes |
| 6. Will the Supplemental Investment Risks Interrogatories be filed by April 1? | Yes |
| 7. Will the Accident and Health Policy Experience Exhibit be filed by April 1? | Yes |

JUNE FILING

- | | |
|--|-----|
| 8. Will an audited financial report be filed by June 1? | Yes |
| 9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1? | Yes |

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but it is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

- | | |
|--|----|
| 10. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? | No |
| 11. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC? | No |
| 12. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC? | No |
| 13. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1? | No |
| 14. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 15. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1? | No |
| 16. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1? | No |

APRIL FILING

- | | |
|---|----|
| 17. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? | No |
| 18. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? | No |
| 19. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? | No |

Explanations:

Bar Codes:

Medicare Supplement Insurance Experience Exhibit



Health Life Supplement



Health Property / Casualty Supplement



Schedule SIS



Actuarial Opinion on Participating and Non-Participating Policies



Statement of Non-Guaranteed Elements for Exhibit 5



Medicare Part D Coverage Supplement



LTC Supplemental Interrogatories



Health Life Supplement - LHA Guaranty Association Reconciliation



Health Property/Casualty Supplement - Insurance Expense Exhibit



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 | | | | |
| 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 | 39,778,272 | 32.211 | 39,778,272 | 32.211 |
| 1.3 Non-U.S. 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 | 4,701,253 | 3.807 | 4,701,253 | 3.807 |
| 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 and hybrid securities) | 10,888,288 | 8.817 | 10,888,288 | 8.817 |
| 2.2 Unaffiliated Non-U.S. securities (including Canada) | | | | |
| 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 | 68,124,844 | 55.165 | 68,124,844 | 55.165 |
| 9. Other invested assets | | | | |
| 10. Total invested assets | 123,492,657 | 100.000 | 123,492,657 | 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 c | NONE | |
| 6.1 | Totals, Part 1, Column 15 | | |
| 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 | NONE | |
| 7. | Deduct amounts received on disposals, Part 3, Co | | |
| 8. | Deduct amortization of premium and mortgage int | | |
| 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 of mortgages owned 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 | | |
| 7. | Deduct amounts received on disposals, Part 3, Column 20 | | |
| 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) | | |

NONE

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

| | | | |
|-----|---|--|------------|
| 1. | Book/adjusted carrying value, December 31 of prior year | | 46,213,753 |
| 2. | Cost of bonds and stocks acquired, Part 3, Column 7 | | 47,873,756 |
| 3. | Accrual of Discount | | 12,097 |
| 4. | Unrealized valuation increase (decrease): | | |
| 4.1 | Part 1, Column 12 | | |
| 4.2 | Part 2, Section 1, Column 15 | | |
| 4.3 | Part 2, Section 2, Column 13 | | |
| 4.4 | Part 4, Column 11 | | |
| 5. | Total gain (loss) on disposals, Part 4, Column 19 | | 38,582 |
| 6. | Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 | | 38,625,000 |
| 7. | Deduct amortization of premium | | 145,375 |
| 8. | Total foreign exchange change in book/adjusted carrying value: | | |
| 8.1 | Part 1, Column 15 | | |
| 8.2 | Part 2, Section 1, Column 19 | | |
| 8.3 | Part 2, Section 2, Column 16 | | |
| 8.4 | Part 4, Column 15 | | |
| 9. | Deduct current year's other than temporary impairment recognized: | | |
| 9.1 | Part 1, Column 14 | | |
| 9.2 | Part 2, Section 1, Column 17 | | |
| 9.3 | Part 2, Section 2, Column 14 | | |
| 9.4 | Part 4, Column 13 | | |
| 10. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | | 55,367,813 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | | 55,367,813 |

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 |
|---|----------------------------------|--------------------------------------|-----------------|------------------|----------------------------|
| BONDS | | | | | |
| Governments (Including all obligations guaranteed by governments) | 1. United States | 39,778,272 | 40,100,623 | 39,859,909 | 39,650,000 |
| | 2. Canada | | | | |
| | 3. Other Countries | | | | |
| | 4. Totals | 39,778,272 | 40,100,623 | 39,859,909 | 39,650,000 |
| U.S. States, Territories and Possessions (Direct and guaranteed) | 5. Totals | | | | |
| U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed) | 6. Totals | | | | |
| U.S. Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions | 7. Totals | 4,701,253 | 4,549,775 | 4,733,701 | 5,000,000 |
| Industrial and Miscellaneous, Credit Tenant Loans and Hybrid Securities (unaffiliated) | 8. United States | 10,888,288 | 11,027,001 | 10,939,576 | 10,565,000 |
| | 9. Canada | | | | |
| | 10. Other Countries | | | | |
| | 11. Totals | 10,888,288 | 11,027,001 | 10,939,576 | 10,565,000 |
| Parent, Subsidiaries and Affiliates | 12. Totals | | | | |
| | 13. Total Bonds | 55,367,813 | 55,677,399 | 55,533,186 | 55,215,000 |
| PREFERRED STOCKS | | | | | |
| Industrial and Miscellaneous (unaffiliated) | 14. United States | | | | |
| | 15. Canada | | | | |
| | 16. Other Countries | | | | |
| | 17. Totals | | | | |
| Parent, Subsidiaries and Affiliates | 18. Totals | | | | |
| | 19. Total Preferred Stocks | | | | |
| COMMON STOCKS | | | | | |
| Industrial and Miscellaneous (unaffiliated) | 20. United States | | | | |
| | 21. Canada | | | | |
| | 22. Other Countries | | | | |
| | 23. Totals | | | | |
| Parent, Subsidiaries and Affiliates | 24. Totals | | | | |
| | 25. Total Common Stocks | | | | |
| | 26. Total Stocks | | | | |
| | 27. Total Bonds and Stocks | 55,367,813 | 55,677,399 | 55,533,186 | |

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

| 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) |
|---|---------------------------|--|--|---|-----------------------|----------------------------|---|---|---------------------------------------|-----------------------------------|--|
| 1. U.S. Governments | | | | | | | | | | | |
| 1.1 Class 1 | 39,012,400 | 15,813,571 | | | | 54,825,971 | 51.01 | 45,328,451 | 43.26 | 54,825,971 | |
| 1.2 Class 2 | | | | | | | | | | | |
| 1.3 Class 3 | | | | | | | | | | | |
| 1.4 Class 4 | | | | | | | | | | | |
| 1.5 Class 5 | | | | | | | | | | | |
| 1.6 Class 6 | | | | | | | | | | | |
| 1.7 TOTALS | 39,012,400 | 15,813,571 | | | | 54,825,971 | 51.01 | 45,328,451 | 43.26 | 54,825,971 | |
| 2. All Other Governments | | | | | | | | | | | |
| 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. U.S. States, Territories and Possessions etc., Guaranteed | | | | | | | | | | | |
| 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. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed | | | | | | | | | | | |
| 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. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed | | | | | | | | | | | |
| 5.1 Class 1 | | | | | 4,701,253 | 4,701,253 | 4.37 | 4,708,241 | 4.49 | 4,701,253 | |
| 5.2 Class 2 | | | | | | | | | | | |
| 5.3 Class 3 | | | | | | | | | | | |
| 5.4 Class 4 | | | | | | | | | | | |
| 5.5 Class 5 | | | | | | | | | | | |
| 5.6 Class 6 | | | | | | | | | | | |
| 5.7 TOTALS | | | | | 4,701,253 | 4,701,253 | 4.37 | 4,708,241 | 4.49 | 4,701,253 | |

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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. Industrial and Miscellaneous (unaffiliated) | | | | | | | | | | | |
| 6.1 Class 1 | 41,221,627 | 6,731,982 | | | | 47,953,609 | 44.62 | 54,746,436 | 52.25 | 47,953,609 | |
| 6.2 Class 2 | | | | | | | | | | | |
| 6.3 Class 3 | | | | | | | | | | | |
| 6.4 Class 4 | | | | | | | | | | | |
| 6.5 Class 5 | | | | | | | | | | | |
| 6.6 Class 6 | | | | | | | | | | | |
| 6.7 TOTALS | 41,221,627 | 6,731,982 | | | | 47,953,609 | 44.62 | 54,746,436 | 52.25 | 47,953,609 | |
| 7. Credit Tenant Loans | | | | | | | | | | | |
| 7.1 Class 1 | | | | | | | | | | | |
| 7.2 Class 2 | | | | | | | | | | | |
| 7.3 Class 3 | | | | | | | | | | | |
| 7.4 Class 4 | | | | | | | | | | | |
| 7.5 Class 5 | | | | | | | | | | | |
| 7.6 Class 6 | | | | | | | | | | | |
| 7.7 TOTALS | | | | | | | | | | | |
| 8. Hybrid Securities | | | | | | | | | | | |
| 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 | | | | | | | | | | | |
| 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) |
|--|---------------------------|--|--|---|-----------------------|----------------------------|---|---|---------------------------------------|-----------------------------------|--|
| 10. Total Bonds Current Year | | | | | | | | | | | |
| 10.1 Class 1 | (d) 80,234,027 | 22,545,553 | | | 4,701,253 | 107,480,833 | 100.00 | XXX | XXX | 107,480,833 | |
| 10.2 Class 2 | (d) | | | | | | | XXX | XXX | | |
| 10.3 Class 3 | (d) | | | | | | | XXX | XXX | | |
| 10.4 Class 4 | (d) | | | | | | | XXX | XXX | | |
| 10.5 Class 5 | (d) | | | | | (c) | | XXX | XXX | | |
| 10.6 Class 6 | (d) | | | | | (c) | | XXX | XXX | | |
| 10.7 TOTALS | 80,234,027 | 22,545,553 | | | 4,701,253 | (b) 107,480,833 | 100.00 | XXX | XXX | 107,480,833 | |
| 10.8 Line 10.7 as a % of Column 6 | 74.65 | 20.98 | | | 4.37 | 100.00 | XXX | XXX | XXX | 100.00 | |
| 11. Total Bonds Prior Year | | | | | | | | | | | |
| 11.1 Class 1 | 74,569,375 | 25,505,512 | | | 4,708,241 | XXX | XXX | 104,783,128 | 100.00 | 104,783,128 | |
| 11.2 Class 2 | | | | | | XXX | XXX | | | | |
| 11.3 Class 3 | | | | | | XXX | XXX | | | | |
| 11.4 Class 4 | | | | | | XXX | XXX | | | | |
| 11.5 Class 5 | | | | | | XXX | XXX | (c) | | | |
| 11.6 Class 6 | | | | | | XXX | XXX | (c) | | | |
| 11.7 TOTALS | 74,569,375 | 25,505,512 | | | 4,708,241 | XXX | XXX | (b) 104,783,128 | 100.00 | 104,783,128 | |
| 11.8 Line 11.7 as a % of Col. 8 | 71.17 | 24.34 | | | 4.49 | XXX | XXX | 100.00 | XXX | 100.00 | |
| 12. Total Publicly Traded Bonds | | | | | | | | | | | |
| 12.1 Class 1 | 80,234,027 | 22,545,553 | | | 4,701,253 | 107,480,833 | 100.00 | 104,783,128 | 100.00 | 107,480,833 | XXX |
| 12.2 Class 2 | | | | | | | | | | | XXX |
| 12.3 Class 3 | | | | | | | | | | | XXX |
| 12.4 Class 4 | | | | | | | | | | | XXX |
| 12.5 Class 5 | | | | | | | | | | | XXX |
| 12.6 Class 6 | | | | | | | | | | | XXX |
| 12.7 TOTALS | 80,234,027 | 22,545,553 | | | 4,701,253 | 107,480,833 | 100.00 | 104,783,128 | 100.00 | 107,480,833 | XXX |
| 12.8 Line 12.7 as a % of Col. 6 | 74.65 | 20.98 | | | 4.37 | 100.00 | XXX | XXX | XXX | 100.00 | XXX |
| 12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10 | 74.65 | 20.98 | | | 4.37 | 100.00 | XXX | XXX | XXX | 100.00 | XXX |
| 13. Total Privately Placed Bonds | | | | | | | | | | | |
| 13.1 Class 1 | | | | | | | | | | XXX | |
| 13.2 Class 2 | | | | | | | | | | XXX | |
| 13.3 Class 3 | | | | | | | | | | XXX | |
| 13.4 Class 4 | | | | | | | | | | XXX | |
| 13.5 Class 5 | | | | | | | | | | XXX | |
| 13.6 Class 6 | | | | | | | | | | XXX | |
| 13.7 TOTALS | | | | | | | | | | XXX | |
| 13.8 Line 13.7 as a % of Col. 6 | | | | | | | XXX | XXX | XXX | XXX | |
| 13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10 | | | | | | | XXX | XXX | XXX | XXX | |

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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 of bonds with Z* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "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 of bonds with 6* designations. "5*" means the NAIC designation was assigned by the SVO in reliance on the insurer's certification that the issuer is current in all 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 \$.....254,335; 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 | | | | | | | | | | | |
| 1.1 Issuer Obligations | 39,012,400 | 15,813,571 | | | | 54,825,971 | 51.01 | 45,328,451 | 43.26 | 54,825,971 | |
| 1.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | |
| 1.7 TOTALS | 39,012,400 | 15,813,571 | | | | 54,825,971 | 51.01 | 45,328,451 | 43.26 | 54,825,971 | |
| 2. All Other Governments | | | | | | | | | | | |
| 2.1 Issuer Obligations | | | | | | | | | | | |
| 2.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 2.3 Defined | | | | | | | | | | | |
| 2.4 Other | | | | | | | | | | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 2.5 Defined | | | | | | | | | | | |
| 2.6 Other | | | | | | | | | | | |
| 2.7 TOTALS | | | | | | | | | | | |
| 3. U.S. States, Territories and Possessions, Guaranteed | | | | | | | | | | | |
| 3.1 Issuer Obligations | | | | | | | | | | | |
| 3.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 3.3 Defined | | | | | | | | | | | |
| 3.4 Other | | | | | | | | | | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 3.5 Defined | | | | | | | | | | | |
| 3.6 Other | | | | | | | | | | | |
| 3.7 TOTALS | | | | | | | | | | | |
| 4. U.S. Political Subdivisions of States, Territories & Possessions, Guaranteed | | | | | | | | | | | |
| 4.1 Issuer Obligations | | | | | | | | | | | |
| 4.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 4.3 Defined | | | | | | | | | | | |
| 4.4 Other | | | | | | | | | | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 4.5 Defined | | | | | | | | | | | |
| 4.6 Other | | | | | | | | | | | |
| 4.7 TOTALS | | | | | | | | | | | |
| 5. U.S. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed | | | | | | | | | | | |
| 5.1 Issuer Obligations | | | | | 4,701,253 | 4,701,253 | 4.37 | 4,708,241 | 4.49 | 4,701,253 | |
| 5.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 5.3 Defined | | | | | | | | | | | |
| 5.4 Other | | | | | | | | | | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 5.5 Defined | | | | | | | | | | | |
| 5.6 Other | | | | | | | | | | | |
| 5.7 TOTALS | | | | | 4,701,253 | 4,701,253 | 4.37 | 4,708,241 | 4.49 | 4,701,253 | |

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

| | 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 |
|--|---------------------------|--|--|---|-----------------------|----------------------------|---|---|---------------------------------------|-----------------------------------|------------------------------------|
| Distribution by Type | | | | | | | | | | | |
| 6. Industrial and Miscellaneous | | | | | | | | | | | |
| 6.1 Issuer Obligations | 41,221,627 | 6,731,982 | | | | 47,953,609 | 44.62 | 54,746,436 | 52.25 | 47,953,609 | |
| 6.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 6.3 Defined | | | | | | | | | | | |
| 6.4 Other | | | | | | | | | | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 6.5 Defined | | | | | | | | | | | |
| 6.6 Other | | | | | | | | | | | |
| 6.7 TOTALS | 41,221,627 | 6,731,982 | | | | 47,953,609 | 44.62 | 54,746,436 | 52.25 | 47,953,609 | |
| 7. Credit Tenant Loans | | | | | | | | | | | |
| 7.1 Issuer Obligations | | | | | | | | | | | |
| 7.2 Single Class Mortgage-Backed Securities | | | | | | | | | | | |
| 7.7 TOTALS | | | | | | | | | | | |
| 8. Hybrid Securities | | | | | | | | | | | |
| 8.1 Issuer Obligations | | | | | | | | | | | |
| 8.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 8.3 Defined | | | | | | | | | | | |
| 8.4 Other | | | | | | | | | | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 8.5 Defined | | | | | | | | | | | |
| 8.6 Other | | | | | | | | | | | |
| 8.7 TOTALS | | | | | | | | | | | |
| 9. Parent, Subsidiaries and Affiliates | | | | | | | | | | | |
| 9.1 Issuer Obligations | | | | | | | | | | | |
| 9.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 9.3 Defined | | | | | | | | | | | |
| 9.4 Other | | | | | | | | | | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 9.5 Defined | | | | | | | | | | | |
| 9.6 Other | | | | | | | | | | | |
| 9.7 TOTALS | | | | | | | | | | | |

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

| | 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 |
|--|---------------------------|--|--|---|-----------------------|----------------------------|---|---|---------------------------------------|-----------------------------------|------------------------------------|
| Distribution by Type | | | | | | | | | | | |
| 10. Total Bonds Current Year | | | | | | | | | | | |
| 10.1 Issuer Obligations | 80,234,027 | 22,545,553 | | | 4,701,253 | 107,480,833 | 100.00 | XXX | XXX | 107,480,833 | |
| 10.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | XXX | XXX | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 10.3 Defined | | | | | | | | XXX | XXX | | |
| 10.4 Other | | | | | | | | XXX | XXX | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 10.5 Defined | | | | | | | | XXX | XXX | | |
| 10.6 Other | | | | | | | | XXX | XXX | | |
| 10.7 TOTALS | 80,234,027 | 22,545,553 | | | 4,701,253 | 107,480,833 | 100.00 | XXX | XXX | 107,480,833 | |
| 10.8 Line 10.7 as a % of Column 6 | 74.65 | 20.98 | | | 4.37 | 100.00 | XXX | XXX | XXX | 100.00 | |
| 11. Total Bonds Prior Year | | | | | | | | | | | |
| 11.1 Issuer Obligations | 74,569,375 | 25,505,512 | | | 4,708,241 | XXX | XXX | 104,783,128 | 100.00 | 104,783,128 | |
| 11.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | XXX | XXX | | | | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 11.3 Defined | | | | | | XXX | XXX | | | | |
| 11.4 Other | | | | | | XXX | XXX | | | | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 11.5 Defined | | | | | | XXX | XXX | | | | |
| 11.6 Other | | | | | | XXX | XXX | | | | |
| 11.7 TOTALS | 74,569,375 | 25,505,512 | | | 4,708,241 | XXX | XXX | 104,783,128 | 100.00 | 104,783,128 | |
| 11.8 Line 11.7 as a % of Column 8 | 71.17 | 24.34 | | | 4.49 | XXX | XXX | 100.00 | XXX | 100.00 | |
| 12. Total Publicly Traded Bonds | | | | | | | | | | | |
| 12.1 Issuer Obligations | 80,234,027 | 22,545,553 | | | 4,701,253 | 107,480,833 | 100.00 | 104,783,128 | 100.00 | 107,480,833 | XXX |
| 12.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | | XXX |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 12.3 Defined | | | | | | | | | | | XXX |
| 12.4 Other | | | | | | | | | | | XXX |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 12.5 Defined | | | | | | | | | | | XXX |
| 12.6 Other | | | | | | | | | | | XXX |
| 12.7 TOTALS | 80,234,027 | 22,545,553 | | | 4,701,253 | 107,480,833 | 100.00 | 104,783,128 | 100.00 | 107,480,833 | XXX |
| 12.8 Line 12.7 as a % of Column 6 | 74.65 | 20.98 | | | 4.37 | 100.00 | XXX | XXX | XXX | 100.00 | XXX |
| 12.9 Line 12.7 as a % of Line 10.7, Column 6, Section 10 | 74.65 | 20.98 | | | 4.37 | 100.00 | XXX | XXX | XXX | 100.00 | XXX |
| 13. Total Privately Placed Bonds | | | | | | | | | | | |
| 13.1 Issuer Obligations | | | | | | | | | | XXX | |
| 13.2 Single Class Mortgage-Backed/Asset-Backed Securities | | | | | | | | | | XXX | |
| MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES: | | | | | | | | | | | |
| 13.3 Defined | | | | | | | | | | XXX | |
| 13.4 Other | | | | | | | | | | XXX | |
| MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES: | | | | | | | | | | | |
| 13.5 Defined | | | | | | | | | | XXX | |
| 13.6 Other | | | | | | | | | | XXX | |
| 13.7 TOTALS | | | | | | | | | | XXX | |
| 13.8 Line 13.7 as a % of Column 6 | | | | | | | | XXX | XXX | XXX | |
| 13.9 Line 13.7 as a % of Line 10.7, Column 6, Section 10 | | | | | | | | XXX | XXX | XXX | |

S110

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 | 58,569,375 | 58,569,375 | | | |
| 2. Cost of short-term investments acquired | 1,613,999,768 | 1,613,999,768 | | | |
| 3. Accrual of discount | | | | | |
| 4. Unrealized valuation increase (decrease) | | | | | |
| 5. Total gain (loss) on disposals | | | | | |
| 6. Deduct consideration received on disposals | 1,625,442,089 | 1,625,442,089 | | | |
| 7. Deduct amortization of premium | 12,992 | 12,992 | | | |
| 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) | 47,114,062 | 47,114,062 | | | |
| 11. Deduct total nonadmitted amounts | | | | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 47,114,062 | 47,114,062 | | | |

(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 | 9,998,819 | 9,998,819 | |
| 3. Accrual of discount | 139 | 139 | |
| 4. Unrealized valuation increase (decrease) | | | |
| 5. Total gain (loss) on disposals | | | |
| 6. Deduct consideration received on disposals | 5,000,000 | 5,000,000 | |
| 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) | 4,998,958 | 4,998,958 | |
| 11. Deduct total nonadmitted amounts | | | |
| 12. Statement value at end of current period (Lines 10 minus 11) | 4,998,958 | 4,998,958 | |

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

E01 Schedule A - Part 1 Real Estate Owned NONE

E02 Schedule A - Part 2 Real Estate Acquired NONE

E03 Schedule A - Part 3 Real Estate Sold NONE

E04 Schedule B - Part 1 Mortgage Loans Owned NONE

E05 Schedule B - Part 2 Mortgage Loans Acquired NONE

E06 Schedule B - Part 3 Mortgage Loans DISPOSED NONE

E07 Schedule BA - Part 1 Invested Assets Owned NONE

E08 Schedule BA - Part 2 Invested Assets Acquired NONE

E09 Schedule BA - Part 3 Invested Assets DISPOSED NONE

SCHEDULE D - PART 1

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

| 1 | 2 | Codes | | | 6 | 7 | Fair Value | | 10 | 11 | Change in Book Adjusted Carrying Value | | | | Interest | | | | Dates | | |
|---|----------------------------------|-------|---------------|-----------------|------------------|-------------|--------------------------------|------------|------------|-------------------------------|---|--|---|--|----------|----------------------------|-----------|---------------------------------|-----------------------------|------------|------------|
| | | 3 | 4 | 5 | | | 8 | 9 | | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| CUSIP Identification | Description | Code | F O R E I G N | B O N D C H A R | NAIC Designation | Actual Cost | Rate Used to Obtain Fair Value | Fair Value | Par Value | Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Other Than Temporary Impairment Recognized | Total Foreign Exchange Change in B./A.C.V. | Rate of | Effective Rate of Interest | When Paid | Admitted Amount Due and Accrued | Amount Received During Year | Acquired | Maturity |
| U.S. Governments - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | |
| 31331GNC9 | Federal Farm Credit Bank | | | 1 | 1 | 3,000,000 | 101.1250 | 3,033,750 | 3,000,000 | 3,000,000 | | | | | 3.250 | 3.276 | FA | 36,021 | 48,750 | 02/18/2009 | 02/18/2014 |
| 31331Y3P3 | Federal Farm Credit Bank | | | 1 | 1 | 3,035,130 | 104.0310 | 3,120,930 | 3,000,000 | 3,021,843 | | (11,923) | | | 3.500 | 3.095 | AO | 25,687 | 105,000 | 11/19/2008 | 10/03/2011 |
| 31339XWG5 | Federal Home Loan Bank | | | 1 | 1 | 2,354,242 | 105.9690 | 2,331,318 | 2,200,000 | 2,291,867 | | (59,739) | | | 5.000 | 2.162 | JD | 306 | 116,000 | 12/15/2008 | 06/30/2011 |
| 3133XR2Y5 | Federal Home Loan Bank | | | 1 | 1 | 2,985,870 | 101.2190 | 3,036,570 | 3,000,000 | 2,996,025 | | 8,726 | | | 3.000 | 3.330 | JD | 5,000 | 90,000 | 10/31/2008 | 06/11/2010 |
| 3133XSX37 | Federal Home Loan Bank | | | 1 | 1 | 3,000,000 | 100.5940 | 3,017,820 | 3,000,000 | 3,000,000 | | | | | 2.625 | 2.642 | FA | 30,625 | 39,375 | 02/12/2009 | 02/11/2013 |
| 3133XTB62 | Federal Home Loan Bank | | | 1 | 1 | 2,000,000 | 100.1880 | 2,003,760 | 2,000,000 | 2,000,000 | | | | | 1.250 | 1.254 | MS | 7,639 | 12,500 | 03/11/2009 | 03/11/2011 |
| 3133XTGU4 | Federal Home Loan Bank | | | 1 | 1 | 2,000,000 | 100.4690 | 2,009,380 | 2,000,000 | 2,000,000 | | | | | 1.200 | 1.204 | AO | 5,600 | 12,000 | 04/09/2009 | 10/07/2010 |
| 3133XU7D9 | Federal Home Loan Bank | | | 1 | 1 | 1,000,000 | 100.1250 | 1,001,250 | 1,000,000 | 1,000,000 | | | | | 0.750 | 0.751 | JD | 3,396 | | 07/16/2009 | 01/18/2011 |
| 3133XV2J9 | Federal Home Loan Bank | | | 1 | 1 | 2,000,640 | 99.9380 | 1,998,760 | 2,000,000 | 2,000,487 | | (153) | | | 0.480 | 0.451 | MAT | 2,480 | | 09/28/2009 | 10/25/2010 |
| 3133XW2N8 | Federal Home Loan Bank | | | 1 | 1 | 2,000,000 | 99.5000 | 1,990,000 | 2,000,000 | 2,000,000 | | | | | 0.750 | 0.751 | JD | 833 | | 12/11/2009 | 12/11/2012 |
| 3128X8Y30 | Federal Home Loan Mortgage Corp | | | 1 | 1 | 2,000,000 | 100.4340 | 2,008,680 | 2,000,000 | 2,000,000 | | | | | 1.000 | 1.128 | JD | 556 | 10,000 | 06/23/2009 | 06/23/2011 |
| 3128X7NF7 | Federal Home Loan Mortgage Corp | | | 1 | 1 | 1,034,180 | 102.2410 | 1,022,410 | 1,000,000 | 1,018,188 | | (15,992) | | | 3.375 | 1.208 | MN | 5,250 | 33,750 | 04/01/2009 | 11/05/2010 |
| 3128X86R8 | Federal Home Loan Mortgage Corp | | | 1 | 1 | 2,450,000 | 100.0900 | 2,452,205 | 2,450,000 | 2,450,000 | | | | | 1.000 | 1.003 | FA | 9,119 | | 08/20/2009 | 02/17/2012 |
| 3128X8QX3 | Federal Home Loan Mortgage Corp | SD | | 1 | 1 | 3,500,000 | 100.1270 | 3,504,445 | 3,500,000 | 3,500,000 | | | | | 1.500 | 1.506 | MS | 15,021 | 26,250 | 03/18/2009 | 03/18/2011 |
| 3128X8QY1 | Federal Home Loan Mortgage Corp | | | 1 | 1 | 1,000,000 | 100.8910 | 1,008,910 | 1,000,000 | 1,000,000 | | | | | 1.550 | 1.556 | JD | 689 | 11,840 | 03/10/2009 | 12/15/2010 |
| 3138FHDR3 | Federal National Mortgage Assoc. | SD | | 1 | 1 | 3,200,000 | 101.1880 | 3,238,016 | 3,200,000 | 3,200,000 | | | | | 2.500 | 2.516 | MS | 21,778 | 40,000 | 03/23/2009 | 03/23/2012 |
| 3138FHFT7 | Federal National Mortgage Assoc. | SD | | 1 | 1 | 3,000,000 | 100.7500 | 3,022,500 | 3,000,000 | 3,000,000 | | | | | 2.400 | 2.414 | MS | 19,400 | 36,000 | 03/24/2009 | 09/24/2013 |
| 90345AA0 | US Ctl Fed Cr Gov Gld | | | 1 | 1 | 299,847 | 99.9730 | 299,919 | 300,000 | 299,862 | | 15 | | | 1.250 | 1.280 | AO | 750 | | 10/19/2009 | 10/19/2011 |
| 0199999 Subtotal - U.S. Governments - Issuer Obligations | | | | | | 39,859,909 | XXX | 40,100,623 | 39,650,000 | 39,778,272 | | (79,066) | | | XXX | XXX | XXX | 190,130 | 575,465 | XXX | XXX |
| 0399999 Subtotal - U.S. Governments | | | | | | 39,859,909 | XXX | 40,100,623 | 39,650,000 | 39,778,272 | | (79,066) | | | XXX | XXX | XXX | 190,130 | 575,465 | XXX | XXX |
| U.S. Special Revenue, Special Assessment - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | |
| 679110CY0 | OK Student Loan | | | | 1FE | 4,733,701 | 90.9960 | 4,549,775 | 5,000,000 | 4,701,253 | | (6,988) | | | 0.675 | 0.968 | JD | 2,906 | 43,542 | 06/30/2008 | 12/01/2033 |
| 2599999 Subtotal - U.S. Special Revenue, Special Assessment - Issuer Obligations | | | | | | 4,733,701 | XXX | 4,549,775 | 5,000,000 | 4,701,253 | | (6,988) | | | XXX | XXX | XXX | 2,906 | 43,542 | XXX | XXX |
| 3199999 Subtotal - U.S. Special Revenue, Special Assessment | | | | | | 4,733,701 | XXX | 4,549,775 | 5,000,000 | 4,701,253 | | (6,988) | | | XXX | XXX | XXX | 2,906 | 43,542 | XXX | XXX |
| Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | | |
| 06050BF0 | Bank of America Corp Sr Nt | | | | 1FE | 154,698 | 103.2360 | 154,854 | 150,000 | 153,825 | | (873) | | | 4.375 | 1.569 | JD | 547 | 3,281 | 10/15/2009 | 12/01/2010 |
| 10138MAB1 | Bottling Group LLC Company | | | | 1 | 807,683 | 107.1980 | 803,985 | 750,000 | 803,897 | | (3,786) | | | 4.625 | 2.047 | MN | 4,432 | 17,344 | 10/16/2009 | 11/15/2012 |
| 20825UAB0 | Conoco Funding Co Guar Nt | | | | 1FE | 137,648 | 108.7960 | 135,995 | 125,000 | 136,345 | | (1,303) | | | 6.350 | 1.211 | AO | 1,676 | | 10/16/2009 | 10/15/2011 |
| 291011AN4 | Emerson Electric Co Nt | | | | 1 | 376,495 | 107.4340 | 370,647 | 345,000 | 373,320 | | (3,175) | | | 5.750 | 1.214 | MN | 3,306 | 9,919 | 10/16/2009 | 11/01/2011 |
| 35177PAK3 | France Telecom Nt | | | | 1 | 324,975 | 107.1770 | 321,531 | 300,000 | 321,186 | | (3,789) | | | 7.750 | 1.624 | MS | 7,750 | | 10/15/2009 | 03/01/2011 |
| 38141GAZ7 | Goldman Sachs Group Inc Nt | | | | 1FE | 292,614 | 106.0430 | 291,618 | 275,000 | 289,661 | | (2,953) | | | 6.875 | 1.885 | JJ | 6,718 | | 10/15/2009 | 01/15/2011 |
| 4042EPAA5 | HSBC - FDIC | | | | 1 | 2,544,875 | 103.4850 | 2,587,125 | 2,500,000 | 2,529,675 | | (14,603) | | | 3.125 | 2.616 | JD | 3,255 | 76,125 | 12/18/2008 | 12/16/2011 |
| 478160AP9 | Johnson & Johnson Syr | | | | 1 | 548,655 | 108.6870 | 543,435 | 600,000 | 545,148 | | (3,507) | | | 5.150 | 1.626 | FA | 9,728 | | 10/16/2009 | 08/15/2012 |
| 46625HGG9 | JP Morgan Chase & Co Sr Nt | | | | 1FE | 292,826 | 105.8530 | 291,096 | 275,000 | 290,538 | | (2,287) | | | 5.600 | 1.559 | JD | 1,283 | 7,700 | 10/15/2009 | 06/01/2011 |
| 637432CU7 | National Rural Util MTN | | | | 1 | 610,880 | 108.9240 | 604,582 | 550,000 | 605,682 | | (5,198) | | | 7.250 | 2.441 | MS | 13,292 | | 10/16/2009 | 03/01/2012 |
| 74005PAW4 | Praxair Inc Nt | | | | 1 | 39,884 | 99.0330 | 39,613 | 40,000 | 39,889 | | 5 | | | 1.750 | 1.858 | MN | 89 | | 11/16/2009 | 11/15/2012 |
| 7591EAAA1 | Regions Bank - FDIC | | | | 1 | 4,005,160 | 102.1580 | 4,086,320 | 4,000,000 | 4,002,481 | | (2,567) | | | 2.750 | 2.701 | JD | 6,417 | 109,694 | 12/15/2008 | 12/10/2010 |
| 822582AA0 | Shell International Fin Grd | | | | 1 | 517,392 | 106.5150 | 511,272 | 480,000 | 512,672 | | (4,720) | | | 5.625 | 1.010 | JD | 300 | 13,500 | 10/13/2009 | 06/27/2011 |
| 94974NB3 | Wells Fargo Co | | | | 1FE | 285,791 | 103.6100 | 284,928 | 275,000 | 283,969 | | (1,822) | | | 4.875 | 1.677 | JJ | 6,293 | | 10/15/2009 | 01/12/2011 |
| 3299999 Subtotal - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | 10,939,576 | XXX | 11,027,001 | 10,565,000 | 10,888,288 | | (50,578) | | | XXX | XXX | XXX | 67,086 | 239,563 | XXX | XXX |
| 3899999 Subtotal - Industrial & Miscellaneous (Unaffiliated) | | | | | | 10,939,576 | XXX | 11,027,001 | 10,565,000 | 10,888,288 | | (50,578) | | | XXX | XXX | XXX | 67,086 | 239,563 | XXX | XXX |
| 7799999 Subtotals - Issuer Obligations | | | | | | 55,533,186 | XXX | 55,677,399 | 55,215,000 | 55,367,813 | | (136,632) | | | XXX | XXX | XXX | 260,122 | 858,570 | XXX | XXX |
| 8399999 Grand Total - Bonds | | | | | | 55,533,186 | XXX | 55,677,399 | 55,215,000 | 55,367,813 | | (136,632) | | | XXX | XXX | XXX | 260,122 | 858,570 | XXX | XXX |

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 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|--|--|---------|---------------|----------------|---------------------------|-------------|---------------|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends |
| Bonds - U.S. Governments | | | | | | | | |
| 31331GNC9 | Federal Farm Credit Bank | | 02/18/2009 | Suntrust | XXX | 3,000,000 | 3,000,000.00 | |
| 3133XSX37 | Federal Home Loan Bank | | 02/12/2009 | Suntrust | XXX | 3,000,000 | 3,000,000.00 | 219 |
| 3133XTB62 | Federal Home Loan Bank | | 03/11/2009 | UBS | XXX | 2,000,000 | 2,000,000.00 | |
| 3133XTGU4 | Federal Home Loan Bank | | 04/09/2009 | Suntrust | XXX | 2,000,000 | 2,000,000.00 | 133 |
| 3133XU7D9 | Federal Home Loan Bank | | 07/16/2009 | Suntrust | XXX | 1,000,000 | 1,000,000.00 | |
| 3133XV2J9 | Federal Home Loan Bank | | 09/28/2009 | Suntrust | XXX | 2,000,640 | 2,000,000.00 | 80 |
| 3133XW2N8 | Federal Home Loan Bank | | 12/11/2009 | Suntrust | XXX | 2,000,000 | 2,000,000.00 | |
| 3128X8Y30 | Federal Home Loan Mortgage Corp | | 06/23/2009 | Suntrust | XXX | 2,000,000 | 2,000,000.00 | |
| 3128X7NF7 | Federal Home Loan Mortgage Corp. | | 04/01/2009 | Suntrust | XXX | 1,034,180 | 1,000,000.00 | 13,781 |
| 3128X86R8 | Federal Home Loan Mortgage Corp. | | 08/20/2009 | Suntrust | XXX | 2,450,000 | 2,450,000.00 | 204 |
| 3128X8QX3 | Federal Home Loan Mortgage Corp. | | 03/18/2009 | UBS | XXX | 3,500,000 | 3,500,000.00 | |
| 3128X8QY1 | Federal Home Loan Mortgage Corp. | | 03/10/2009 | UBS | XXX | 1,000,000 | 1,000,000.00 | |
| 3136FHDR3 | Federal National Mortgage Assoc. | | 03/23/2009 | UBS | XXX | 3,200,000 | 3,200,000.00 | |
| 3136FHFT7 | Federal National Mortgage Assoc. | | 03/24/2009 | Suntrust | XXX | 3,000,000 | 3,000,000.00 | |
| 90345AAA0 | US Cit Fed Cr Gov Gtd | | 10/19/2009 | Deutsche Bank | XXX | 299,847 | 300,000.00 | |
| 0399999 | Subtotal - Bonds - U.S. Governments | | | | | 31,484,667 | 31,450,000.00 | 14,417 |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | |
| 060505BF0 | Bank of America Corp Sr Nt | | 10/15/2009 | Deutsche Bank | XXX | 154,698 | 150,000.00 | 2,443 |
| 10138MAB1 | Bottling Group LLC Company | | 10/16/2009 | Deutsche Bank | XXX | 807,682 | 750,000.00 | 14,549 |
| 20825UAB0 | Conoco Funding Co Guar Nt | | 10/16/2009 | Deutsche Bank | XXX | 137,647 | 125,000.00 | 22 |
| 291011AN4 | Emerson Electric Co Nt | | 10/16/2009 | Deutsche Bank | XXX | 376,495 | 345,000.00 | 9,092 |
| 35177PAK3 | France Telecom Nt | | 10/15/2009 | Deutsche Bank | XXX | 324,975 | 300,000.00 | 2,842 |
| 38141GAZ7 | Goldman Sachs Group Inc Nt | | 10/15/2009 | Deutsche Bank | XXX | 292,614 | 275,000.00 | 4,727 |
| 478160AP9 | Johnson & Johnson 5yr | | 10/16/2009 | Deutsche Bank | XXX | 548,655 | 500,000.00 | 4,363 |
| 46625HGG9 | JP Morgan Chase & Co Sr Nt | | 10/15/2009 | Deutsche Bank | XXX | 292,826 | 275,000.00 | 5,732 |
| 637432CU7 | National Rural Util MTN | | 10/16/2009 | Deutsche Bank | XXX | 610,880 | 550,000.00 | 4,984 |
| 74005PAW4 | Praxair Inc Nt | | 11/16/2009 | Deutsche Bank | XXX | 39,884 | 40,000.00 | |
| 822582AA0 | Shell International Fin Grd | | 10/13/2009 | Deutsche Bank | XXX | 517,392 | 480,000.00 | 7,950 |
| 949746NB3 | Wells Fargo Co | | 10/15/2009 | Deutsche Bank | XXX | 285,791 | 275,000.00 | 3,463 |
| 3899999 | Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | 4,389,539 | 4,065,000.00 | 60,167 |
| 8399997 | Subtotal - Bonds - Part 3 | | | | | 35,874,206 | 35,515,000.00 | 74,584 |
| 8399998 | Summary Item from Part 5 for Bonds | | | | | 11,999,550 | 12,000,000.00 | 3,930 |
| 8399999 | Subtotal - Bonds | | | | | 47,873,756 | 47,515,000.00 | 78,514 |
| 8999998 | Summary Item from Part 5 for Preferred Stocks | | | | | | XXX | |
| 9799998 | Summary Item from Part 5 for Common Stocks | | | | | | XXX | |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | | | XXX | |
| 9999999 | Totals | | | | | 47,873,756 | XXX | 78,514 |

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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 Carrying 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. | | | | | | | |
| Bonds - U.S. Governments | | | | | | | | | | | | | | | | | | | | |
| 31331GEW5 | Federal Farm Credit Bank | 11/18/2009 | CALLED @ 100.0000000 | XXX | 4,000,000 | 4,000,000.00 | 4,000,000 | 4,000,000 | | | | | | 4,000,000 | | | | | 135,000 | 11/18/2011 |
| 31331Y4G2 | Federal Farm Credit Bank | 07/28/2009 | CALLED @ 100.0000000 | XXX | 2,500,000 | 2,500,000.00 | 2,500,000 | 2,500,000 | | | | | | 2,500,000 | | | | | 82,500 | 07/28/2010 |
| 3133XQJR4 | Federal Home Loan Bank | 01/28/2009 | CALLED @ 100.0000000 | XXX | 2,625,000 | 2,625,000.00 | 2,616,338 | 2,618,116 | | 221 | | | 221 | 2,618,337 | | 6,663 | | 6,663 | 28,409 | 04/01/2011 |
| 3128X7QR8 | Federal Home Loan Mortgage Corp. | 02/23/2009 | CALLED @ 100.0000000 | XXX | 2,500,000 | 2,500,000.00 | 2,500,000 | 2,500,000 | | | | | | 2,500,000 | | | | | 18,750 | 02/22/2010 |
| 3133F2Y90 | Federal Home Loan Mortgage Corp. | 12/15/2009 | CALLED @ 100.0000000 | XXX | 2,000,000 | 2,000,000.00 | 1,991,720 | 1,991,744 | | 1,677 | | | 1,677 | 1,993,421 | | 6,579 | | 6,579 | 58,167 | 06/15/2013 |
| 3136F9GV9 | Federal National Mortgage Assoc. | 04/16/2009 | CALLED @ 100.0000000 | XXX | 4,000,000 | 4,000,000.00 | 4,000,000 | 4,000,000 | | | | | | 4,000,000 | | | | | 72,500 | 04/16/2012 |
| 3136F9Z48 | Federal National Mortgage Assoc. | 03/30/2009 | CALLED @ 100.0000000 | XXX | 3,000,000 | 3,000,000.00 | 3,000,000 | 3,000,000 | | | | | | 3,000,000 | | | | | 15,938 | 06/30/2010 |
| 31398AMX7 | Federal National Mortgage Assoc. | 02/19/2009 | CALLED @ 100.0000000 | XXX | 2,500,000 | 2,500,000.00 | 2,497,500 | 2,498,560 | | 168 | | | 168 | 2,498,728 | | 1,272 | | 1,272 | 37,500 | 02/19/2010 |
| 31398APL0 | Federal National Mortgage Assoc. | 03/19/2009 | CALLED @ 100.0000000 | XXX | 3,500,000 | 3,500,000.00 | 3,474,275 | 3,475,096 | | 1,183 | | | 1,183 | 3,476,279 | | 23,721 | | 23,721 | 70,000 | 03/19/2013 |
| 0399999 | Subtotal - Bonds - U.S. Governments | | | | 26,625,000 | 26,625,000.00 | 26,579,833 | 26,583,516 | | 3,249 | | | 3,249 | 26,586,765 | | 38,235 | | 38,235 | 518,764 | XXX |
| 8399997 | Subtotal - Bonds - Part 4 | | | | 26,625,000 | 26,625,000.00 | 26,579,833 | 26,583,516 | | 3,249 | | | 3,249 | 26,586,765 | | 38,235 | | 38,235 | 518,764 | XXX |
| 8399998 | Summary Item from Part 5 for Bonds | | | | 12,000,000 | 12,000,000.00 | 11,999,550 | | | 103 | | | 103 | 11,999,653 | | 347 | | 347 | 48,750 | XXX |
| 8399999 | Subtotal - Bonds | | | | 38,625,000 | 38,625,000.00 | 38,579,383 | 38,583,516 | | 3,352 | | | 3,352 | 38,586,418 | | 38,582 | | 38,582 | 567,514 | XXX |
| 8999998 | Summary Item from Part 5 for Preferred Stocks | | | | | | XXX | | | | | | | | | | | | | XXX |
| 9799998 | Summary Item from Part 5 for Common Stocks | | | | | | XXX | | | | | | | | | | | | | XXX |
| 9899999 | Subtotal - Preferred and Common Stocks | | | | | | XXX | | | | | | | | | | | | | XXX |
| 9999999 | Totals | | | | 38,625,000 | | XXX | 38,579,383 | 26,583,516 | 3,352 | | | 3,352 | 38,586,418 | | 38,582 | | 38,582 | 567,514 | XXX |

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 Date Acquired | 4 Name of Vendor | 5 Disposal Date | 6 Name of Purchaser | 7 Par Value (Bonds) Number of Shares (Stock) | 8 Actual Cost | 9 Conside- ration | 10 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) | | | | | |
| Bonds - U.S. Governments | | | | | | | | | | | | | | | | | | |
| 3133XTVFD | Federal Home Loan Bank | 08/31/2009 | UBS | 12/24/2009 | CALLED @ 100.0000000 | 4,000,000.000 | 4,000,000 | 4,000,000 | 4,000,000 | | | | | | | | 10,000 | 3,722 |
| 3128X8KP6 | Federal Home Loan Mortgage Corp. | 02/20/2009 | UBS | 05/18/2009 | CALLED @ 100.0000000 | 6,000,000.000 | 5,999,550 | 6,000,000 | 5,999,653 | | 103 | | 103 | | 347 | 347 | 18,750 | 208 |
| 3128X8NT5 | Federal Home Loan Mortgage Corp. | 03/19/2009 | UBS | 09/21/2009 | VARIOUS | 2,000,000.000 | 2,000,000 | 2,000,000 | 2,000,000 | | | | | | | | 20,000 | |
| 0399999 Subtotal - Bonds - U.S. Governments | | | | | | 12,000,000.000 | 11,999,550 | 12,000,000 | 11,999,653 | | 103 | | 103 | | 347 | 347 | 48,750 | 3,930 |
| 8399998 Subtotal - Bonds | | | | | | 12,000,000.000 | 11,999,550 | 12,000,000 | 11,999,653 | | 103 | | 103 | | 347 | 347 | 48,750 | 3,930 |
| 9999999 Totals | | | | | | | 11,999,550 | 12,000,000 | 11,999,653 | | 103 | | 103 | | 347 | 347 | 48,750 | 3,930 |

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 |
| NONE | | | | | | | | | |
| 1999999 Total - Preferred and Common Stocks | | | | | | | | ... XXX ... | ... XXX ... |

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 |
| NONE | | | | | |
| 0399999 Total - Preferred and Common Stocks | | | | ... XXX ... | ... XXX ... |

SCHEDULE DA - PART 1

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

| 1 CUSIP Identifi- cation | 2 Description | Codes | | 5 Date Acquired | 6 Name of Vendor | 7 Maturity Date | 8 Book/ Adjusted Carrying Value | Change in Book/Adjusted Carrying Value | | | | 13 Par Value | 14 Actual Cost | Interest | | | | | | 21 Paid For Accrued Interest |
|---|------------------------------------|-----------|-------------------|-----------------------|------------------------|-----------------------|---|---|--|---|--|--------------------|----------------------|--|--|---------------|----------------------------|--------------------|---|---------------------------------------|
| | | 3 Code | 4 For- eign | | | | | 9 Unrealized Valuation Increase/ (Decrease) | 10 Current Year's (Amortization)/ Accretion | 11 Current Year's Other Than Temporary Impairment Recognized | 12 Total Foreign Exchange Change in B./A.C.V. | | | 15 Amount Due and Accrued Dec. 31 of Current Year on Bond Not in Default | 16 Non-Admitted Due and Accrued | 17 Rate of | 18 Effective Rate of | 19 When Paid | 20 Amount Received During Year | |
| Bonds - U.S. Governments - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| | Federal Home Loan Bank | | | 07/22/2009 | UBS | 06/11/2010 | 1,011,232 | | | | | 1,000,000 | 1,022,370 | 1,667 | | 3.000 | 0.468 | JD | 15,000 | 3,417 |
| | Federal Home Loan Bank | | | 07/29/2009 | Suntrust | 06/01/2010 | 1,500,306 | | (11,138) | | | 1,500,000 | 1,500,615 | 625 | | 0.500 | 0.451 | JD | 3,750 | 1,208 |
| 0199999 Subtotal - Bonds - U.S. Governments - Issuer Obligations | | | | | | | 2,511,538 | | (11,447) | | | 2,500,000 | 2,522,985 | 2,292 | | XXX | XXX | XXX | 18,750 | 4,625 |
| 0399999 Total - U.S. Government Bonds | | | | | | | 2,511,538 | | (11,447) | | | 2,500,000 | 2,522,985 | 2,292 | | XXX | XXX | XXX | 18,750 | 4,625 |
| Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | | | | | | | | | | | | | | |
| | Citigroup Inc. Nt | | | 10/15/2009 | Deutsche Bank | 08/03/2010 | 254,335 | | (1,545) | | | 250,000 | 255,880 | 4,753 | | 4.625 | 1.662 | FA | | 2,313 |
| 3299999 Subtotal - Industrial and Miscellaneous (Unaffiliated) - Issuer Obligations | | | | | | | 254,335 | | (1,545) | | | 250,000 | 255,880 | 4,753 | | XXX | XXX | XXX | | 2,313 |
| 3899999 Total - Industrial and Miscellaneous (Unaffiliated) | | | | | | | 254,335 | | (1,545) | | | 250,000 | 255,880 | 4,753 | | XXX | XXX | XXX | | 2,313 |
| 7799999 Subtotal - Issuer Obligations | | | | | | | 2,765,873 | | (12,992) | | | 2,750,000 | 2,778,865 | 7,045 | | XXX | XXX | XXX | 18,750 | 6,938 |
| 8699999 Total - Parent, Subsidiaries and Affiliates | | | | | | | | | | | | XXX | | | | XXX | XXX | XXX | | |
| Exempt Money Market Mutual Funds | | | | | | | | | | | | | | | | | | | | |
| 31846V807 | First American Treasury Fund | R | | 12/24/2009 | U.S. Bank | | 7,537,204 | | | | | | 7,537,204 | | | | | | | 7,460 |
| 8899999 Subtotal - Exempt Money Market Mutual Funds | | | | | | | 7,537,204 | | | | | XXX | 7,537,204 | | | XXX | XXX | XXX | | 7,460 |
| Class One Money Market Mutual Funds | | | | | | | | | | | | | | | | | | | | |
| 300250602 | Evergreen Institutional MM Fund | R | | 12/31/2009 | Deutsche Bank | | 707,370 | | | | | | 707,370 | 58 | | | | | | 56,477 |
| 4812A2603 | JP Morgan Prime Money Fund | | | 12/31/2009 | U.S. Bank | | 5,175,894 | | | | | | 5,175,894 | 735 | | | | | | 65,227 |
| 60934N625 | Federated Prime Cash Obligations | | | 12/31/2009 | U.S. Bank | | 5,244,596 | | | | | | 5,244,596 | 1,028 | | | | | | 87,981 |
| 31846V625 | First American Prime Obligations | | | 12/31/2009 | U.S. Bank | | 5,045,394 | | | | | | 5,045,394 | 639 | | | | | | 58,539 |
| 38141W364 | Goldman Sachs FS Prime Obligations | | | 12/31/2009 | U.S. Bank | | 5,334,823 | | | | | | 5,334,823 | 1,047 | | | | | | 31,406 |
| 26188J206 | Dreyfus Cash Management | | | 12/31/2009 | U.S. Bank | | 4,227,410 | | | | | | 4,227,410 | 334 | | | | | | 65,671 |
| 825252554 | AIM STIC - Liquid Assets Portfolio | | | 12/31/2009 | U.S. Bank | | 5,534,209 | | | | | | 5,534,209 | 932 | | | | | | 39,020 |
| 316175405 | Fidelity Prime MM Fund | | | 12/31/2009 | U.S. Bank | | 5,541,289 | | | | | | 5,541,289 | 1,395 | | | | | | 41,289 |
| 8999999 Subtotal - Class One Money Market Mutual Funds | | | | | | | 36,810,985 | | | | | XXX | 36,810,985 | 6,168 | | XXX | XXX | XXX | 443,610 | |
| 9199999 Total Short-Term Investments | | | | | | | 47,114,062 | | (12,992) | | | XXX | 47,127,054 | 13,213 | | XXX | XXX | XXX | 469,820 | 6,938 |

E17

| | | |
|-----|--|------|
| 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 * |
|--|-----------|-----------------------|--|---|--------------|--------|
| open depositories | | | | | | |
| Wachovia Cash | | 0.114 | 2,774 | | 2,988,296 | XXX |
| 0199998 Deposits in60 depositories that do not exceed the allowable limit in any one depository (See instructions) - open depositories | | | | | | |
| | | XXX | 12,410 | 4,947 | 13,023,528 | XXX |
| 0199999 Totals - Open Depositories | | | | | | |
| | | XXX | 15,184 | 4,947 | 16,011,824 | XXX |
| 0299998 Deposits in0 depositories that do not exceed the allowable limit in any one depository (See instructions) - suspended depositories | | | | | | |
| | | XXX | | | | XXX |
| 0299999 Totals - Suspended Depositories | | | | | | |
| | | XXX | | | | XXX |
| 0399999 Total Cash On Deposit | | | | | | |
| | | XXX | 15,184 | 4,947 | 16,011,824 | XXX |
| 0499999 Cash in Company's Office | | | | | | |
| | | XXX | XXX | XXX | | XXX |
| 0599999 Total Cash | | | | | | |
| | | XXX | 15,184 | 4,947 | 16,011,824 | XXX |

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

| | | | | | | | |
|-------------------|------------|----------------|------------|--------------------|------------|--------------------|------------|
| 1. January | 16,151,266 | 4. April | 14,624,048 | 7. July | 16,137,003 | 10. October | 30,087,899 |
| 2. February | 12,938,291 | 5. May | 13,501,835 | 8. August | 13,318,403 | 11. November | 30,523,207 |
| 3. March | 21,911,931 | 6. June | 24,643,042 | 9. September | 32,062,219 | 12. December | 16,011,824 |

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 |
|--|-----------|-----------------------|--------------------------|-----------------------|--------------------------------------|---|--|
| U.S. Governments - Issuer Obligations | | | | | | | |
| Federal National Mortgage Assoc. | | 12/22/2009 ... | 0.000 | 03/17/2010 ... | 4,998,958 | | 139 |
| 0199999 Subtotal - U.S. Governments - Issuer Obligations | | | | | 4,998,958 | | 139 |
| 0399999 Subtotal - U.S. Governments | | | | | 4,998,958 | | 139 |
| 7799999 Subtotals - Issuer Obligations | | | | | 4,998,958 | | 139 |
| 8399999 Subtotal - Bonds | | | | | 4,998,958 | | 139 |
| 8699999 Total Cash Equivalents | | | | | 4,998,958 | | 139 |

SCHEDULE E - PART 3 - SPECIAL DEPOSITS

| | 1 | 2 | Deposits For | | All Other Special Deposits | |
|-----------------------------|-----------------|-------------------------------|------------------------------|------------|------------------------------|------------|
| | | | 3 | 4 | 5 | 6 |
| States, Etc. | Type of Deposit | Purpose of Deposit | Book/Adjusted Carrying Value | Fair Value | Book/Adjusted Carrying Value | 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. | O | Statutory Deposit | 19,237,204 | 19,292,165 | | |
| 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. | XXX | XXX | | | | |
| 59. | XXX | XXX | 19,237,204 | 19,292,165 | | |
| DETAILS OF WRITE-INS | | | | | | |
| 5801. | | | | | | |
| 5802. | | | | | | |
| 5803. | | | | | | |
| 5898. | XXX | XXX | | | | |
| 5899. | XXX | XXX | | | | |



SUPPLEMENTAL COMPENSATION EXHIBIT

For the Year Ended December 31, 2009
(To be filed by March 1)

PART 1 - INTERROGATORIES

1. The reporting insurer is a member of a group of insurers or other holding company system:
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:
or 2) allocation to each insurer: Yes[X] No[]
Yes[] No[X]
Yes[X] No[]

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? Yes[] No[X]

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? 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 | 2009 | 275,182 | 197,400 | 64,920 | 537,502 |
| | | 2008 | 302,985 | 58,457 | | 361,442 |
| | | 2007 | | | | |
| 2. | William Gardner Wood Vice President | 2009 | 257,122 | 148,487 | 80,954 | 486,563 |
| | | 2008 | 9,585 | 37,618 | 6,954 | 54,157 |
| | | 2007 | | | | |
| 3. | Kendall B. Edwards Vice President - Finance | 2009 | 189,197 | 89,546 | 157,369 | 436,112 |
| | | 2008 | 183,377 | 53,382 | 26,640 | 263,399 |
| | | 2007 | 135,000 | 30,000 | 47,878 | 212,878 |
| 4. | Michael Anthony Scarbrough Vice President/COO | 2009 | 196,894 | 169,978 | 27 | 366,899 |
| | | 2008 | 205,457 | 33,427 | 42,152 | 281,036 |
| | | 2007 | | | | |
| 5. | Melanie Dolores Hunter Medical Director | 2009 | 220,649 | 53,400 | | 274,049 |
| | | 2008 | 219,128 | 31,451 | | 250,579 |
| | | 2007 | 157,115 | | 40,919 | 198,034 |
| 6. | William George Runyon Vice President/CMO | 2009 | 245,000 | 20,000 | 3,746 | 268,746 |
| | | 2008 | 68,203 | | | 68,203 |
| | | 2007 | | | | |
| 7. | Courtney Nelson Pearre Vice President - Gov't Relations | 2009 | 155,000 | 85,702 | | 240,702 |
| | | 2008 | 155,000 | | | 155,000 |
| | | 2007 | | | | |
| 8. | Richard Charles Zoretic Vice President/Asst Secretary | 2009 | 63,033 | 165,086 | 456 | 228,575 |
| | | 2008 | 66,355 | 71,884 | 6,801 | 145,040 |
| | | 2007 | 35,654 | 51,800 | | 87,454 |
| 9. | James Ward Truess Vice President/Asst Treasurer | 2009 | 63,033 | 165,086 | (26) | 228,093 |
| | | 2008 | 70,041 | 83,865 | 17,219 | 171,125 |
| | | 2007 | 46,461 | 37,207 | 12,565 | 96,233 |
| 10. | Charles Brian Shipp Regional CEO | 2009 | 102,522 | 109,592 | (34) | 212,080 |
| | | 2008 | 233,716 | 183,893 | 5,538 | 423,147 |
| | | 2007 | 243,269 | 20,000 | | 263,269 |

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, 2009
(To be filed by March 1)
FOR THE STATE OF TENNESSEE

NAIC Group Code: 1156

NAIC Company Code: 12941

Address (City, State and Zip Code): Nashville, TN 37214

Person Completing This Exhibit:

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 2006 | | | | Policies Issued in 2007, 2008, 2009 | | | | | |
|--|-------------------------------|---|-------------------------|------------------------------|-----------------------|------------------------------------|---------------------------|------------------|--|------------------------------|---------------------------------|----|--|-------------------------------------|--------------------------|---------------------------------|----|--|-------------------------------------|
| | | | | | | | | | | 11 Premiums Earned | 12 Incurred Claims Amount | | 13 Percent of Premiums Earned | 14 Number of Covered Lives | 15 Premiums Earned | 16 Incurred Claims Amount | | 17 Percent of Premiums Earned | 18 Number of Covered Lives |
| | | | | | | | | | | | 12 | 13 | | | | 16 | 17 | | |
| NONE | | | | | | | | | | | | | | | | | | | |
| 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)

NAIC Group Code: 1156

(To be Filed By March 1)

NAIC Company Code: 12941

| | Individual Coverage | | Group Coverage | | 5 Total Cash |
|---|---------------------|-----------|----------------|-----------|--------------------|
| | 1 | 2 | 3 | 4 | |
| | Insured | Uninsured | Insured | 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 | NONE | | | XXX | |
| 7.12 Without Reinsurance Coverage | NONE | | | XXX | |
| 7.2 Supplemental Benefits | NONE | | | 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 |
| 17. Cash Flow Results | XXX | XXX | XXX | XXX | |

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| Schedule DB - Part C - Section 3 | E22 |

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

Name of Insurer AMERIGROUP Tennessee, Inc.

Date 03/01/2010 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 - Statutory
 Version: 2009.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 2009 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) Margaret M. Roomsburg

Type Name and Title: Margaret Mary Roomsburg, Vice President

Amended Statement Cover

NONE

AMERIGROUP Tennessee, Inc.
 Report 2A - TennCare Income Statement-4Q09
 Middle Tennessee CRA 2.30.14.3.3 and 2.30.14.3.4

| | Current Period | Year-To-Date Total | Previous Year Total |
|---|--------------------|--------------------|---------------------|
| Member Months | <u>573,997</u> | <u>2,286,060</u> | <u>2,217,753</u> |
| Revenues: | | | |
| TennCare Capitation | 177,171,465 | 612,724,592 | 598,983,073 |
| Investment | 348,095 | 1,636,485 | 3,363,170 |
| Other Revenues | - | - | - |
| Total Estimated Revenues | <u>177,519,560</u> | <u>614,361,078</u> | <u>602,346,243</u> |
| Expenses: | | | |
| Hospital and Medical (w/o Mental Health) | | | |
| Capitated Physician Services | - | 205,814 | 24,311 |
| Fee-for Service Physician Services | 39,902,689 | 148,921,443 | 139,837,599 |
| Inpatient Hospital Services | 37,308,944 | 138,535,102 | 128,704,477 |
| Outpatient Hospital Services | 11,086,783 | 46,115,432 | 39,210,052 |
| Emergency Room Services | 7,041,368 | 32,418,244 | 29,230,160 |
| Dental Services | - | - | - |
| Vision Services | 538,200 | 2,068,802 | 1,817,505 |
| Pharmacy Services | - | - | - |
| Home Health Services | 6,338,653 | 30,803,658 | 65,854,050 |
| Chiropractic Services | - | - | - |
| Radiology Services | 3,178,458 | 12,701,600 | 10,266,020 |
| Laboratory Services | 3,262,927 | 10,766,427 | 7,971,404 |
| Durable Medical Equipment Services | 1,225,122 | 4,408,617 | 4,333,471 |
| Transportation Services | 3,810,608 | 14,149,018 | 17,589,187 |
| Outside Referrals | - | - | - |
| Medical Incentive Pool and Withhold Adj Occupancy, Depreciation and Amortization | - | - | - |
| Other Medical and Hospital Services - Write-Ins | - | - | - |
| Subtotal Medical and Hospital | <u>113,693,751</u> | <u>441,094,157</u> | <u>444,838,236</u> |
| Mental Health and Substance Abuse Services | | | |
| Inpatient Psychiatric Facility Services | 1,308,322 | 6,376,963 | 13,217,971 |
| Inpatient Substance Abuse Treatment and Detox | 555,799 | 2,112,908 | 2,323,017 |
| Outpatient Mental Health Services | 2,573,007 | 9,192,615 | 10,771,003 |
| Outpatient Substance Abuse Treatment and Detox | 1,478,718 | 4,120,674 | 8,481,373 |
| Housing/Residential Treatment | 1,378,637 | 5,629,195 | 7,296,859 |
| Specialized Crisis Services | 88,206 | 381,075 | 215,511 |
| Psychiatric Rehab and Support Services | 4,841,996 | 27,248,985 | 41,312,336 |
| Case Management | 3,144,597 | 8,891,538 | 87,116 |
| Forensics | - | - | - |
| Other Judicial | - | - | - |
| Pharmacy | - | - | - |
| Lab Services | - | - | - |
| Transportation | 30,409 | 128,249 | 149,374 |
| 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 | - | - | - |
| Subtotal MH&SAS | <u>15,399,690</u> | <u>64,082,202</u> | <u>83,854,559</u> |
| Subtotal Hospital, Medical, MH&SAS | <u>129,093,441</u> | <u>505,176,359</u> | <u>528,692,795</u> |
| LESS: | | | |
| Net Reinsurance Recoveries Incurred | (167,997) | (640,058) | (587,544) |
| Copayments | - | - | - |
| Subrogation and Coordination of Benefits | - | - | - |
| Subtotal Reinsurance, Copay, Subrogation | <u>(167,997)</u> | <u>(640,058)</u> | <u>(587,544)</u> |
| Total Hospital, Medical, MHS&S | <u>129,261,437</u> | <u>505,816,417</u> | <u>529,280,339</u> |
| Administration: | | | |
| Compensation | 3,663,310 | 11,824,075 | 19,147,149 |
| Marketing | 14,553 | 106,288 | 192,471 |
| Interest Expense | 0 | - | - |
| Premium Tax Expense | 9,384,317 | 23,434,003 | 12,009,017 |
| Occupancy, Depreciation, and Amortization | 389,859 | 1,445,759 | 1,408,130 |
| Other Administration - Write-Ins | 12,160,986 | 46,916,721 | 40,738,890 |
| Total Administration Expenses | <u>25,613,025</u> | <u>83,726,846</u> | <u>73,495,657</u> |
| Total Expenses | <u>154,874,462</u> | <u>589,543,263</u> | <u>602,775,996</u> |
| Extraordinary Item | - | - | - |
| Provision for Income Tax | - | - | - |
| Net Income (Loss) | <u>22,645,098</u> | <u>24,817,814</u> | <u>(429,753)</u> |
| Write-Ins for Other Expense | | | |
| Detail of Other Medical and Hospital: | | | |
| | - | - | - |
| | - | - | - |
| | - | - | - |
| Total Other Medical and Hospital | <u>-</u> | <u>-</u> | <u>-</u> |
| Detail of Other MH and SAS: | | | |
| | - | - | - |
| | - | - | - |
| Total Other MH and SAS | <u>-</u> | <u>-</u> | <u>-</u> |
| Detail of Other Administration: | | | |
| Purch Svc Accts | 730,702 | 2,847,345 | 3,014,467 |
| Provision for Bad Debt | 39,718 | 388,964 | 286,260 |
| Postage and Delivery | 175,914 | 729,058 | 848,571 |
| Printing and Reproduction | 182,692 | 745,830 | 914,991 |
| Recruitment Expenses | 118,317 | 387,596 | 317,928 |
| Management Fee-Ind | 10,869,678 | 40,910,865 | 33,340,844 |
| Other Administration < \$300,000 YTD | 43,964 | 907,063 | 2,015,830 |
| Total Other Administration | <u>12,160,986</u> | <u>46,916,721</u> | <u>40,738,890</u> |

AMERIGROUP Tennessee, Inc.-Grand Region Middle
 Cash Reconciliation-Middle Region-Medicaid only
 December 31, 2009

| Month Received | Cash | Recorded | rate cell before accrual | Ten percent | 90% collected | 10% collected | Liquidated | Damages | Premium Taxes | ASO Claims | Refund Checks | ASO fees | Other AJR | Cash difference | Premium receivable |
|-------------------------------|--------------------|--------------------|--------------------------|------------------|-------------------|------------------|-----------------------|--------------|---------------|--------------|---------------|--------------------|--------------|-----------------|------------------------|
| | Cash P2, C3, L5 IA | Premium P4, C2, L2 | | | | | Admin Exp P4, C2, L21 | | Not Reported | Not Reported | Not Reported | Premium P4, C2, L2 | Not Reported | | Prem Rec P2, C3, L13.1 |
| Beginning Balance (Prem. Rec) | | | | | | | | | | | | | | | \$ 9,816,800.26 |
| January | 42,607,778.03 | 47,267,080.53 | 47,234,836.14 | 4,723,483.61 | 42,511,352.53 | | | (1,000.00) | 3,286.12 | 93,708.39 | | 430.00 | | \$ (0.01) | 4,723,483.62 |
| February | 42,693,043.96 | 47,815,461.62 | 47,815,461.62 | 4,781,546.16 | 43,033,915.46 | | | (140,871.50) | | | | | | \$ 0.00 | 4,781,546.16 |
| March | 43,120,238.83 | 47,943,069.81 | 47,943,069.81 | 4,794,306.98 | 43,148,762.83 | | | (28,524.00) | | | | | | \$ 0.00 | 4,794,306.98 |
| April | 48,119,899.94 | 47,913,325.58 | 47,913,325.58 | 4,791,332.56 | 43,121,993.02 | 4,997,906.92 | | - | - | - | | | | \$ (0.00) | (206,574.36) |
| May | 48,651,018.80 | 48,722,250.50 | 48,722,250.50 | 4,872,225.05 | 43,850,025.45 | 4,818,893.35 | | (17,900.00) | | | | | | \$ (0.00) | 53,331.70 |
| June | 49,621,457.13 | 49,788,054.54 | 49,788,054.53 | 4,978,805.45 | 44,809,249.08 | 4,723,483.61 | | (40,800.00) | 10,751.67 | 118,074.78 | | 698.00 | | \$ 0.01 | 255,321.83 |
| July | 47,789,908.41 | 49,384,014.38 | 47,836,500.28 | 4,783,650.03 | 43,052,850.25 | 4,781,546.16 | | (44,488.00) | | | | | | \$ (0.00) | 2,103.87 |
| August | 66,421,939.86 | 48,851,099.93 | 47,168,458.66 | 4,716,845.87 | 42,451,612.79 | 24,220,320.07 | | (249,993.00) | | | | | | \$ (0.00) | (19,503,474.20) |
| September | 46,481,444.05 | 47,901,014.37 | 46,334,553.54 | 4,633,455.35 | 41,701,098.19 | 4,716,845.87 | | 63,500.00 | | | | | | \$ 0.01 | (83,390.52) |
| October | 52,765,465.47 | 47,047,465.16 | \$53,501,122.35 | 5,350,112.24 | 48,151,010.12 | 4,633,455.35 | | (19,000.00) | | | | | | \$ 0.00 | 716,656.88 |
| November | 49,068,756.11 | 48,576,270.97 | \$48,576,270.98 | 4,857,627.10 | 43,718,643.88 | 5,350,112.24 | | - | | | | | | \$ (0.01) | (492,485.13) |
| December | 48,271,368.08 | 81,547,729.29 | \$48,241,934.42 | 4,824,193.44 | 43,417,740.98 | 4,857,627.10 | | (4,000.00) | | | | | | \$ 0.00 | (33,433.66) |
| E. Lane Refunds | 100.00 | | | | | | | | | | | | 100.00 | \$ - | - |
| Retroactivity | | (32,244.40) | | | | | | | | | | | | \$ - | - |
| | | | | | | | | | | | | | | \$ - | - |
| | | | | | | | | | | | | | | \$ - | - |
| | | | | | | | | | | | | | | \$ - | - |
| Total | \$ 585,812,418.68 | \$ 612,724,592.28 | \$ 581,075,838.41 | \$ 58,107,583.84 | \$ 522,968,254.67 | \$ 63,100,190.67 | \$ (483,076.50) | \$ 14,037.79 | \$ 211,784.15 | \$ - | \$ 1,128.00 | \$ 100.00 | \$ (0.00) | \$ 4,824,193.43 | |

Reconciliation

4,824,193.44 December 10% withhold
 24,873,074.10 Rate Adjustment Accr'l Jul09-Dec09
 6,775,679.77 Retroactivity Accrued April07-November09

36,472,947.31 Balance @ 12/31/09

(0.01) Variance

| Cash that should be included on premium tax return | |
|--|---------------------|
| Medicaid Premiums | 612,724,592.28 |
| Change in Premium Receivable | (28,656,147.05) |
| Premium Taxes | 14,037.79 |
| ASO Claims | 211,784.15 |
| Refund Checks | - |
| ASO fees | 1,128.00 |
| E. Lane Refunds | 100.00 |
| | 586,295,495.17 |
| 1Q09 Cash Collected | (128,791,456.31) |
| 2Q09 Cash Collected | (146,451,175.88) |
| 3Q09 Cash Collected | (160,924,273.32) |
| | 150,128,589.66 |
| Total Cash Collected | \$ 585,812,418.68 |
| 1Q09 Cash Collected | \$ (128,791,456.31) |
| 2Q09 Cash Collected | \$ (146,451,175.88) |
| 3Q09 Cash Collected | \$ (160,924,273.33) |
| add back liquidated damages | \$ 483,076.50 |
| | 150,128,589.66 |
| | 8,257,072.43 |
| | 0.00 |

AMERIGROUP Tennessee, Inc.-Grand Region West
 Cash Reconciliation
 December 31, 2009

| 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, L3A | Premium P4, C2, L2 | Admin Exp P4, C2, L2 | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Not Reported | Prem Rec P2, C3, L3A |
| Total for 06/30/2009 Cash Recon | 20,215,033.05 | - | - | - | 13,424,423.75 | 3,698,334.00 | 321,867.94 | (1,088,559.13) | - | 3,639,357.07 | (20,408.21) | - | - | 39,418.63 | - | - | - |
| December 15, 2009 | (324,200.71) | - | - | - | - | - | - | - | - | - | - | - | (324,200.71) | - | - | - | - |
| Total | \$ 19,890,832.34 | \$ - | \$ - | \$ - | \$ 13,424,423.75 | \$ 3,698,334.00 | \$ 321,867.94 | \$ (1,088,559.13) | \$ - | \$ 3,639,357.07 | \$ (20,408.21) | \$ - | \$ (324,200.71) | \$ 39,418.63 | \$ - | \$ - | \$ - |

Cash that should be included on premium tax return

| | |
|---------------------|------------------|
| Cash collected | \$ 19,890,832.34 |
| add I.D's | - |
| interest remitted | - |
| 1,000 Cash Included | 19,890,832.34 |
| 2009 Cash Included | (16,779,466.94) |
| 2009 Cash Included | (4,435,573.41) |
| | \$ (324,200.71) |

(17,831.04)

AMERIGROUP Tennessee, Inc.
MLR Reconciliation to NAIC Filing
December 31, 2009

TOTAL REVENUES

| | Middle Tennessee | AMERIVANTAGE | West Tennessee | NAIC Filing | Page, Col, Line |
|-------------------------|----------------------|------------------|----------------|-------------|-----------------|
| Net premium income 2009 | 612,724,592 | 13,401,387 | | 626,125,979 | Q4, C2, L2 |
| Net premium income 2008 | 598,983,073 | 8,112,101 | | 607,095,174 | Q4, C3, L2 |
| Net premium income 2007 | 382,864,891 | | | 382,864,891 | Q4, C3, L2-2008 |
| TOTAL | 1,594,572,557 | 8,112,101 | - | | |
| MLR Report | <u>1,598,072,557</u> | | | | |
| Difference | (3,500,000) | | | | |
| Retroactivity accrual | <u>3,500,000</u> | | | | |
| Unreconciled difference | 0 | | | | |

UNPAID CLAIMS

| | Middle Tennessee | AMERIVANTAGE | West Tennessee | NAIC Filing | Page, Col, Line |
|--|-------------------|------------------|----------------|-------------------|-----------------|
| Claims unpaid (less reinsurance ceded) | 64,026,554 | 2,858,585 | | 66,885,138 | Q3, C3, L1 |
| Unpaid claims adjustment expenses | <u>1,462,130</u> | <u>58,345</u> | | <u>1,520,475</u> | Q3, C3, L3 |
| TOTAL | 65,488,684 | 2,916,930 | - | 68,405,613 | |

| | | | | |
|---|--|--|-------------------|--|
| Middle Tennessee Unpaid Claims Total | | | 65,488,684 | |
| IBNR on MLR report | | | <u>64,329,817</u> | |
| Difference | | | 1,158,867 | |
| Held checks included in paid on MLR report | | | <u>-</u> | |
| Difference | | | 1,158,867 | |
| IPA Settlement included in claims payment | | | (105,653) | |
| Vision included in claims payment | | | <u>(88,033)</u> | |
| Unreconciled difference | | | 965,181 | |
| IPA Settlement included in claims payment | | | (105,653) | |
| Vision included in claims payment | | | <u>(88,033)</u> | |
| Difference | | | 771,495 | |
| Difference between full margin and change in margin | | | <u>(771,495)</u> | |
| Unreconciled difference | | | - | |

HOSPITAL AND MEDICAL

| | | | | |
|--------------------------------------|--|--|----------------------|------------------|
| Total expenses on MLR report | | | <u>1,395,872,057</u> | |
| Total hospital and medical 07 Dec 31 | | | 360,775,300 | Q4, C4, L18-2008 |
| Total hospital and medical 08 Dec 31 | | | 535,851,712 | Q4, C3, L18 |
| Total hospital and medical Cur YTD | | | <u>516,193,087</u> | Q4, C2, L18 |
| Total from NAIC filing | | | 1,412,820,099 | |
| Less Medicare expenses | | | <u>16,948,042</u> | Q9, C2 + C4, L6 |
| NAIC net of Medicare expenses | | | 1,395,872,058 | |
| Unreconciled difference | | | (0) | |

