

**QUARTERLY STATEMENT**  
**OF THE**  
**AMERIGROUP Tennessee, Inc.**

**of**  
**Nashville**  
**in the state of**  
**Tennessee**

**TO THE**  
**Insurance Department**  
**OF THE STATE OF**  
**Tennessee**

**FOR THE QUARTER ENDED**  
**June 30, 2010**

**2010**

HEALTH

**2010**



**QUARTERLY STATEMENT**  
**AS OF June 30, 2010**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**AMERIGROUP Tennessee, Inc.**

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

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

Mail Address 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 Web Site 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

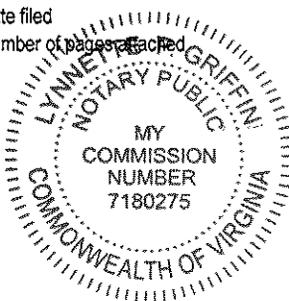
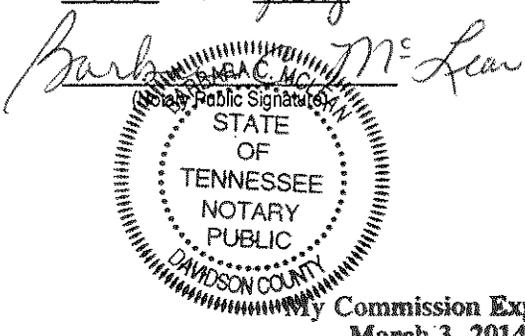
State of Virginia  
 County of Virginia Beach ss

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.

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

Subscribed and sworn to before me this 28th day of July, 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: Lynnette P. Griffin  
 Commission Expires: 4/30/12

# AMERIGROUP<sup>®</sup>

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 June 30, 2010, 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 June 30, 2010, 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 June 30, 2010.

Signed Kathleen Tottle

Name Kathleen Tottle

Title SVP, Corporate Actuarial

Date 8/9/10

Address 4425 Corporation Lane, VA 23462

Phone Number 757-321-3557

Signed Margaret Roomsburg

Name Margaret Roomsburg

Title SVP and Chief Accounting Officer

Date 8/9/10

Address 4425 Corporation Lane, VA 23462

Phone Number 757-473-2721

**Statement of Actuarial Opinion**  
**AMERIGROUP Tennessee, Inc**  
June 30, 2010

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);	\$95,140,213
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2);	\$0
C. Unpaid claims adjustment expenses (Page 3, Line 3);	\$1,999,170
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;	\$0
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

August 8, 2010

## ASSETS

	Current Statement Date			4 December 31, Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	105,407,612		105,407,612	55,367,813
2. Stocks:				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate:				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate:				
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 (\$.....20,059,505), cash equivalents (\$.....7,304,124) and short-term investments (\$.....96,160,487) .....	123,524,116		123,524,116	68,124,844
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives .....				
8. Other invested assets .....				
9. Receivables for securities .....				
10. Aggregate write-ins for invested assets .....				
11. Subtotals, cash and invested assets (Lines 1 to 10) .....	228,931,728		228,931,728	123,492,657
12. Title plants less \$.....0 charged off (for Title insurers only) .....				
13. Investment income due and accrued .....	616,279		616,279	278,285
14. Premiums and considerations:				
14.1 Uncollected premiums and agents' balances in the course of collection .....	4,040,721		4,040,721	36,472,947
14.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) .....				
14.3 Accrued retrospective premiums .....	102,439		102,439	
15. Reinsurance:				
15.1 Amounts recoverable from reinsurers .....				
15.2 Funds held by or deposited with reinsured companies .....				
15.3 Other amounts receivable under reinsurance contracts .....				
16. Amounts receivable relating to uninsured plans .....	1,104,513		1,104,513	2,231,533
17.1 Current federal and foreign income tax recoverable and interest thereon .....				
17.2 Net deferred tax asset .....	2,254,946	437,464	1,817,482	781,764
18. Guaranty funds receivable or on deposit .....				
19. Electronic data processing equipment and software .....	162,125	119,588	42,537	112,072
20. Furniture and equipment, including health care delivery assets (\$.....0) .....	1,630,249	1,630,249		
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Receivables from parent, subsidiaries and affiliates .....				
23. Health care (\$.....0) and other amounts receivable .....	2,050,108	2,050,108		
24. Aggregate write-ins for other than invested assets .....	500,000		500,000	
25. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 11 to 24) .....	241,393,108	4,237,409	237,155,699	163,369,258
26. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
27. Total (Lines 25 and 26) .....	241,393,108	4,237,409	237,155,699	163,369,258
<b>DETAILS OF WRITE-INS</b>				
1001. ....				
1002. ....				
1003. ....				
1098. Summary of remaining write-ins for Line 10 from overflow page .....				
1099. TOTALS (Lines 1001 through 1003 plus 1098) (Line 10 above) .....				
2401. LTC Contract Receivable .....	500,000		500,000	
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	500,000		500,000	

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	95,140,213		95,140,213	66,885,138
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	1,999,170		1,999,170	1,520,475
4. Aggregate health policy reserves .....				9,842
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserve .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	463,703		463,703	
9. General expenses due or accrued .....	195,288		195,288	223,829
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses)) .....	8,876,347		8,876,347	
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 .....	4,095,221		4,095,221	4,527,572
16. Derivatives .....				
17. Payable for securities .....				
18. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
19. Reinsurance in unauthorized companies .....				
20. Net adjustments in assets and liabilities due to foreign exchange rates .....				
21. Liability for amounts held under uninsured plans .....				
22. Aggregate write-ins for other liabilities (including \$.....0 current) .....	13,898,282		13,898,282	9,348,510
23. Total liabilities (Lines 1 to 22) .....	124,668,224		124,668,224	82,515,366
24. Aggregate write-ins for special surplus funds .....	X X X	X X X		
25. Common capital stock .....	X X X	X X X	1,000	1,000
26. Preferred capital stock .....	X X X	X X X		
27. Gross paid in and contributed surplus .....	X X X	X X X	94,693,795	94,364,304
28. Surplus notes .....	X X X	X X X		
29. Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
30. Unassigned funds (surplus) .....	X X X	X X X	17,792,680	(13,511,412)
31. Less treasury stock, at cost:				
31.1 .....0 shares common (value included in Line 25 \$.....0) .....	X X X	X X X		
31.2 .....0 shares preferred (value included in Line 26 \$.....0) .....	X X X	X X X		
32. Total capital and surplus (Lines 24 to 30 minus Line 31) .....	X X X	X X X	112,487,475	80,853,892
33. Total Liabilities, capital and surplus (Lines 23 and 32) .....	X X X	X X X	237,155,699	163,369,258
<b>DETAILS OF WRITE-INS</b>				
2201. Accrued Premium Tax .....	13,898,282		13,898,282	9,348,510
2202. ....				
2203. ....				
2298. Summary of remaining write-ins for Line 22 from overflow page .....				
2299. TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above) .....	13,898,282		13,898,282	9,348,510
2401. ....	X X X	X X X		
2402. ....	X X X	X X X		
2403. ....	X X X	X X X		
2498. Summary of remaining write-ins for Line 24 from overflow page .....	X X X	X X X		
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above) .....	X X X	X X X		
2901. ....	X X X	X X X		
2902. ....	X X X	X X X		
2903. ....	X X X	X X X		
2998. Summary of remaining write-ins for Line 29 from overflow page .....	X X X	X X X		
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	X X X	X X X		

## STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months .....	X X X	1,195,278	1,138,494	2,297,031
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	413,415,532	295,591,926	626,125,979
3. Change in unearned premium reserves and reserves 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	413,415,532	295,591,926	626,125,979
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		253,007,811	152,901,228	390,879,854
10. Other professional services .....		6,702,945	22,319,437	10,922,534
11. Outside referrals .....				
12. Emergency room and out-of-area .....		22,241,461	24,825,136	54,252,517
13. Prescription drugs .....		1,118,940	729,788	1,583,073
14. Aggregate write-ins for other hospital and medical .....		26,428,151	42,769,122	57,913,489
15. Incentive pool, withhold adjustments and bonus amounts .....				
16. Subtotal (Lines 9 to 15) .....		309,499,308	243,544,711	515,551,467
<b>Less:</b>				
17. Net reinsurance recoveries .....		(344,617)	(307,631)	(641,620)
18. Total hospital and medical (Lines 16 minus 17) .....		309,843,925	243,852,342	516,193,087
19. Non-health claims (net) .....				
20. Claims adjustment expenses, including \$.....7,952,706 cost containment expenses .....		10,787,424	7,345,803	16,002,926
21. General administrative expenses .....		47,881,382	30,749,292	73,036,222
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) .....		368,512,731	281,947,437	605,232,235
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	44,902,801	13,644,489	20,893,744
25. Net investment income earned .....		768,775	903,738	1,609,092
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....			32,003	38,582
27. Net investment gains or (losses) (Lines 25 plus 26) .....		768,775	935,741	1,647,674
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	45,671,576	14,580,230	22,541,418
31. Federal and foreign income taxes incurred .....	X X X	15,892,475		
32. Net income (loss) (Lines 30 minus 31) .....	X X X	29,779,101	14,580,230	22,541,418
<b>DETAILS OF WRITE-INS</b>				
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 (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	X X X			
1401. Nursing Facility, DME, Home Health Care, Ambulance, Transportation, Claim Int. Exp. ....		26,428,151	42,769,122	57,913,489
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) .....		26,428,151	42,769,122	57,913,489
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....				

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year .....	80,853,892	54,588,298	54,588,298
34. Net income or (loss) from Line 32 .....	29,779,101	14,580,230	22,541,418
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 .....	(2,325,680)	2,680,389	(8,602,556)
39. Change in nonadmitted assets .....	3,850,671	2,712,519	11,901,739
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 .....	329,491	203,126	424,993
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 .....			
48. Net change in capital and surplus (Lines 34 to 47) .....	31,633,583	20,176,264	26,265,594
49. Capital and surplus end of reporting period (Line 33 plus 48) .....	112,487,475	74,764,562	80,853,892
<b>DETAILS OF WRITE-INS</b>			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....			

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31	
<b>Cash from Operations</b>				
1. Premiums collected net of reinsurance .....	446,199,180	280,656,854	599,479,674	
2. Net investment income .....	430,781	1,021,926	1,731,415	
3. Miscellaneous income .....				
4. Total (Lines 1 to 3) .....	446,629,961	281,678,780	601,211,089	
5. Benefit and loss related payments .....	281,301,895	256,101,865	524,851,746	
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
7. Commissions, expenses paid and aggregate write-ins for deductions .....	56,374,608	36,694,551	89,057,227	
8. Dividends paid to policyholders .....				
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	7,016,128			
10. Total (Lines 5 through 9) .....	344,692,631	292,796,416	613,908,973	
11. Net cash from operations (Line 4 minus Line 10) .....	101,937,330	(11,117,636)	(12,697,884)	
<b>Cash from Investments</b>				
12. Proceeds from investments sold, matured or repaid:				
12.1 Bonds .....	16,950,000	24,125,000	38,625,000	
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) .....	16,950,000	24,125,000	38,625,000	
13. Cost of investments acquired (long-term only):				
13.1 Bonds .....	66,989,799	31,678,626	47,740,478	
13.2 Stocks .....				
13.3 Mortgage loans .....				
13.4 Real estate .....				
13.5 Other invested assets .....				
13.6 Miscellaneous applications .....		32,003	38,582	
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	66,989,799	31,710,629	47,779,060	
14. Net increase (or decrease) in contract loans and premium notes .....				
15. Net cash from investments (Line 12.8 minus Lines 13.7 and 14) .....	(50,039,799)	(7,585,629)	(9,154,060)	
<b>Cash from Financing and Miscellaneous Sources</b>				
16. Cash provided (applied):				
16.1 Surplus notes, capital notes .....				
16.2 Capital and paid in surplus, less treasury stock .....				
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) .....	3,501,741	5,999,573	14,627,100	
17. Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) .....	3,501,741	5,999,573	14,627,100	
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>				
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	55,399,272	(12,703,692)	(7,224,844)	
19. Cash, cash equivalents and short-term investments:				
19.1 Beginning of year .....	68,124,844	75,349,688	75,349,688	
19.2 End of period (Line 18 plus Line 19.1) .....	123,524,116	62,645,996	68,124,844	
<b>Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:</b>				
20.0001	Depreciation .....	387,533	780,311	1,437,734
20.0002	Non-cash Capital Contributions .....	329,491	203,126	424,993

## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	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 .....	195,103							1,109	193,994	
2. First Quarter .....	201,438							1,160	200,278	
3. Second Quarter .....	199,568							1,205	198,363	
4. Third Quarter .....										
5. Current Year .....										
6. Current Year Member Months .....	1,195,278							6,900	1,188,378	
Total Member Ambulatory Encounters for Period:										
7. Physician .....	632,462							7,408	625,054	
8. Non-Physician .....	516,200							6,405	509,795	
9. Total .....	1,148,662							13,813	1,134,849	
10. Hospital Patient Days Incurred .....	80,867							1,708	79,159	
11. Number of Inpatient Admissions .....	10,784							217	10,567	
12. Health Premiums Written (a) .....	413,415,532							8,021,865	405,393,667	
13. Life Premiums Direct .....										
14. Property/Casualty Premiums Written .....										
15. Health Premiums Earned .....	413,415,532							8,021,865	405,393,667	
16. Property/Casualty Premiums Earned .....										
17. Amount Paid for Provision of Health Care Services .....	280,957,278							7,205,366	273,751,912	
18. Amount Incurred for Provision of Health Care Services .....	309,499,308							6,672,700	302,826,608	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....8,021,865.

**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
0199999 Individually Listed Claims Unpaid .....						
0299999 Aggregate Accounts Not Individually Listed - Uncovered .....						
0399999 Aggregate Accounts Not Individually Listed - Covered .....	8,647,193	351,103	9,845	5,750	(36,704)	8,977,187
0499999 Subtotals .....	8,647,193	351,103	9,845	5,750	(36,704)	8,977,187
0599999 Unreported claims and other claim reserves .....						86,163,026
0699999 Total Amounts Withheld .....						
0799999 Total Claims Unpaid .....						95,140,213
0899999 Accrued Medical Incentive Pool And Bonus Amounts .....						

**UNDERWRITING AND INVESTMENT EXHIBIT**

## ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....						
2. Medicare Supplement .....						
3. Dental only .....						
4. Vision only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....	2,196,462	5,009,870	287,589	2,241,521	2,484,051	2,858,584
7. Title XIX - Medicaid .....	39,377,762	234,717,801	11,981,311	80,629,792	51,359,073	64,026,554
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	41,574,224	239,727,671	12,268,900	82,871,313	53,843,124	66,885,138
10. Healthcare receivables (a) .....	55,984	179,124			55,984	522,063
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals .....	41,518,240	239,548,547	12,268,900	82,871,313	53,787,140	66,363,075

(a) Excludes \$.....1,815,000 loans or advances to providers not yet expensed.

## Notes to Financial Statement

### 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, 2010 (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

No Change

#### C. Accounting Policy

No Change

### 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

No Change

### 6. Joint Ventures, Partnerships and Limited Liability Companies

No Change

### 7. Investment Income

No Change

### 8. Derivative Instruments

No Change

### 9. Income Taxes

No Change

### 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 periods ended June 2010 and December 2009 were \$24,149,263 and \$44,262,089, respectively. As of June 30, 2010 and December 31, 2009, the Company owed to AMERIGROUP Corporation \$4,095,221 and \$4,527,572, respectively. As of June 30, 2010, the company received from AMERIGROUP Corporation non-cash capital contributions of \$329,491 and there were no dividends paid. During 2009, the Company received from AMERIGROUP Corporation non-cash capital contributions of \$424,993, and there were no dividends paid.

## Notes to Financial Statement

**11. Debt**

No Change

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

No Change

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

No Change

**14. Contingencies**

None

**15. Leases**

No Change

**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

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

A. The Company continues to experience run out of the Administrative Services Only (ASO) operations in the West Tennessee Grand Region and in the Middle Tennessee Grand Region. In 2010, 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	\$ 244,166	\$ 0	\$ 244,166
b. Total Net Other Income or Expenses (Including Interest paid or received from plan)	\$ 0	\$ 0	\$ 0
c. Net Gain or Loss from Operations	\$ 244,166	\$ 0	\$ 244,166
d. Total Claim Payment Volume	\$ 0	\$ 0	\$ 0

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

None

**20. Other Items**

None

**21. Events Subsequent**

None

## Notes to Financial Statement

**22. Reinsurance**

No Change

**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:

	2010	2009
Liability balance prior year	\$66,885,138	\$75,084,654
Plus incurred related to:		
Current year	322,542,288	525,965,040
Prior years	<u>(13,042,980)</u>	<u>(10,413,573)</u>
Total Incurred	309,499,308	515,551,467
Less paid related to:		
Current year	239,670,009	461,366,265
Prior years	<u>41,574,224</u>	<u>62,384,718</u>
Total Paid	281,244,233	523,750,983
Balance current year	<u>\$95,140,213</u>	<u>\$66,885,138</u>

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, provider overpayments on paid claims, and Medicare pharmacy rebates.

**28. Participating Policies**

None

**29. Premium Deficiency Reserves.**

None

**30. Salvage and Subrogation**

None

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[ ] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[ ] No[ ] N/A[X]
- 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. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[ ] No[X]  
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]
- 4.2 If yes, provide the name of 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

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[X] No[ ] N/A[ ]  
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....03/31/2008.....
- 6.2 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.....
- 6.3 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.....
- 6.4 By what department or departments?  
Department of Commerce and Insurance, TennCare Division
- 6.5 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[ ]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]
- 7.1 Has this 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]
- 7.2 If yes, give full information
- 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 below the names and location (city and state of the main office) of any affiliates regulated by a federal 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]				

- 9.1 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.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

### FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 0

### INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[ ] No[X]
- 11.2 If yes, give full and complete information relating thereto:
- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$..... 0
- 13. Amount of real estate and mortgages held in short-term investments: \$..... 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[ ] No[X]

## GENERAL INTERROGATORIES (Continued)

### INVESTMENT

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....		
14.22 Preferred Stock .....		
14.23 Common Stock .....		
14.24 Short-Term Investments .....		
14.25 Mortgages Loans on Real Estate .....		
14.26 All Other .....		
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....		
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes[ ] No[X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement. Yes[ ] No[ ] N/A[X]

16. 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[ ]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

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

16.2 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)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes[ ] No[X]

16.4 If yes, give full and complete information relating thereto:

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

16.5 Identify all investment advisors, 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	2 Name(s)	3 Address
77784 .....	Deutsche Investment Management Americas, Inc. ....	345 Park Avenue, New York, New York 10154 .....

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes[X] No[ ]

17.2 If no, list exceptions:

## General Interrogatories Part 1 Attachments

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

The Administrative Services Agreement with Amerigroup Corporation was amended in 2010 to reflect a revision to the pricing included in Exhibits A and B of the agreement.

## GENERAL INTERROGATORIES

### PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent	.....	77%
1.2 A&H cost containment percent	.....	2%
1.3 A&H expense percent excluding cost containment expenses	.....	12%

2.1 Do you act as a custodian for health savings accounts?	Yes[ ] No[X]	
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$.....	0
2.3 Do you act as an administrator for health savings accounts?	Yes[ ] No[X]	
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$.....	0

**SCHEDULE S - CEDED REINSURANCE**  
Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Location	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
			<b>NONE</b>			

# SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

## Current Year to Date - Allocated by States and Territories

1	Direct Business Only								
	2	3	4	5	6	7	8	9	
State, Etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	L		8,021,865	405,393,667				413,415,532	
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 Mariana Islands (MP)	N								
57. Canada (CN)	N								
58. Aggregate other alien (OT)	XXX								
59. Subtotal	XXX		8,021,865	405,393,667				413,415,532	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. Total (Direct Business)	(a)..... 1		8,021,865	405,393,667				413,415,532	

**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								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

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

**NONE**

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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 is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSE

No

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



12941201036500002

2010

Document Code: 365

**NONE**

**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Current year change in encumbrances .....		
4. Total gain (loss) on disposals .....		
5. Deduct amounts received on disposals .....		
6. Total foreign exchange change in book/adjusted carrying .....		
7. Deduct current year's other than temporary impairment recognized .....		
8. Deduct current year's depreciation .....		
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 (Line 9 minus Line 10) .....		

**NONE****SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
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 .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and mortgage interest po .....		
9. Total foreign exchange change in book value/recorded inv .....		
10. Deduct current year's other than temporary impairment recognized .....		
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 (Line 11 plus Line 12) .....		
14. Deduct total nonadmitted amounts .....		
15. Statement value at end of current period (Line 13 minus Line 14) .....		

**NONE****SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition .....		
2.2 Additional investment made after acquisition .....		
3. Capitalized deferred interest and other .....		
4. Accrual of discount .....		
5. Unrealized valuation increase (decrease) .....		
6. Total gain (loss) on disposals .....		
7. Deduct amounts received on disposals .....		
8. Deduct amortization of premium and depreciation .....		
9. Total foreign exchange change in book/adjusted carrying value .....		
10. Deduct current year's other than temporary impairment recognized .....		
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****Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year .....	55,367,813	46,213,753
2. Cost of bonds and stocks acquired .....	67,135,415	47,873,756
3. Accrual of discount .....	13,288	5,110
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		38,582
6. Deduct consideration for bonds and stocks disposed of .....	16,950,000	38,625,000
7. Deduct amortization of premium .....	158,904	138,388
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) .....	105,407,612	55,367,813
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	105,407,612	55,367,813

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a) .....	127,702,703	858,872,897	777,599,459	(103,918)	127,702,703	208,872,223		107,480,833
2. Class 2 (a) .....								
3. Class 3 (a) .....								
4. Class 4 (a) .....								
5. Class 5 (a) .....								
6. Class 6 (a) .....								
7. Total Bonds .....	127,702,703	858,872,897	777,599,459	(103,918)	127,702,703	208,872,223		107,480,833
<b>PREFERRED STOCK</b>								
8. Class 1 .....								
9. Class 2 .....								
10. Class 3 .....								
11. Class 4 .....								
12. Class 5 .....								
13. Class 6 .....								
14. Total Preferred Stock .....								
15. Total Bonds & Preferred Stock .....	127,702,703	858,872,897	777,599,459	(103,918)	127,702,703	208,872,223		107,480,833

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

QSI02

**SCHEDULE DA - PART 1****Short - Term Investments**

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999. Totals .....	96,160,487	X X X	96,181,399	55,115	30,352

**SCHEDULE DA - Verification****Short-Term Investments**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year .....	47,114,062	58,569,375
2. Cost of short-term investments acquired .....	1,330,409,951	1,613,999,768
3. Accrual of discount .....	6,038	
4. Unrealized valuation increase (decrease) .....		
5. Total gain (loss) on disposals .....		
6. Deduct consideration received on disposals .....	1,281,332,621	1,625,442,089
7. Deduct amortization of premium .....	36,943	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) .....	96,160,487	47,114,062
11. Deduct total nonadmitted amounts .....		
12. Statement value at end of current period (Line 10 minus Line 11) .....	96,160,487	47,114,062

SI04 Schedule DB - Part A Verification ..... NONE

SI04 Schedule DB - Part B Verification ..... NONE

SI05 Schedule DB Part C Section 1 ..... NONE

SI06 Schedule DB Part C Section 2 ..... NONE

SI07 Schedule DB - Verification ..... NONE

**SCHEDULE E - Verification**  
(Cash Equivalents)

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year .....	4,998,958	.....
2.	Cost of cash equivalents acquired .....	25,569,843	9,998,819
3.	Accrual of discount .....	1,828	139
4.	Unrealized valuation increase (decrease) .....	.....	.....
5.	Total gain (loss) on disposals .....	.....	.....
6.	Deduct consideration received on disposals .....	23,260,000	5,000,000
7.	Deduct amortization of premium .....	6,505	.....
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) .....	7,304,124	4,998,958
11.	Deduct total nonadmitted amounts .....	.....	.....
12.	Statement value at end of current period (Line 10 minus Line 11) .....	7,304,124	4,998,958

E01 Schedule A Part 2 ..... NONE

E01 Schedule A Part 3 ..... NONE

E02 Schedule B Part 2 ..... NONE

E02 Schedule B Part 3 ..... NONE

E03 Schedule BA Part 2 ..... NONE

E03 Schedule BA Part 3 ..... NONE

## SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
<b>Bonds - U.S. Governments</b>									
31331JRU9	F F C B DEB 0.820% 12/16/		06/16/2010	Suntrust	X X X	1,500,000	1,500,000.00		1
31331JTG8	F F C B DEB 0.870% 3/28/		06/28/2010	UBS	X X X	2,000,000	2,000,000.00		1
31331JRV7	F F C B DEB 0.960% 3/16/		06/16/2010	Suntrust	X X X	1,000,000	1,000,000.00		1
3133XYWC5	F H L B DEB 0.250% 9/30/		06/30/2010	Suntrust	X X X	2,000,000	2,000,000.00		1
3133XXJQ1	F H L B DEB 0.500% 3/29/		05/21/2010	UBS	X X X	2,500,000	2,500,000.00	1,806	1
3133XYXQ3	F H L B DEB 0.500% 6/29/		06/29/2010	Suntrust	X X X	2,000,000	2,000,000.00		1
3133XY7H2	F H L B DEB 0.625% 8/10/		05/21/2010	UBS	X X X	3,503,281	3,500,000.00	668	1
3133XYSF3	F H L B DEB 0.625% 12/30/		06/30/2010	UBS	X X X	1,000,000	1,000,000.00		1
3133XYZJ7	F H L B DEB 0.650% 12/29/		06/29/2010	Suntrust	X X X	3,000,000	3,000,000.00		1
3133X9ZZ6	F H L B DEB 4.500% 1/06/		06/17/2010	Deutsche Bank	X X X	528,850	500,000.00	10,063	1
3128X96D7	F H L M C MTN 0.750% 4/30/		04/29/2010	UBS	X X X	1,999,500	2,000,000.00		1
3128X93G3	F H L M C MTN 0.750% 10/12/		04/12/2010	UBS	X X X	2,999,400	3,000,000.00		1
3134G1FV1	F H L M C MTN 0.900% 12/23/		06/23/2010	UBS	X X X	2,500,000	2,500,000.00		1
31398ATL6	F N M A MTN 3.625% 8/15/		05/27/2010	UBS	X X X	1,884,939	1,819,000.00	18,683	1
0399999	Subtotal - Bonds - U.S. Governments				X X X	28,415,970	28,319,000.00	31,220	X X X
<b>Bonds - U.S. Special Revenue, Special Assessment</b>									
03588EML4	ANNE ARUNDEL CNTY MD 5.250% 3/01/		06/14/2010	Deutsche Bank	X X X	1,080,950	1,000,000.00	15,021	1FE
052422DS8	AUSTIN TX HOTEL 0.30115% 11/15/		05/04/2010	Deutsche Bank	X X X	600,000	600,000.00	103	1FE
152757BY5	CENTRAL CA JT PWRS* 5.750% 2/01/		06/17/2010	Deutsche Bank	X X X	1,774,511	1,700,000.00	36,928	1FE
167562JS7	CHICAGO IL MIDWAY 0.330% 1/01/		06/08/2010	Deutsche Bank	X X X	1,800,000	1,800,000.00	116	1FE
373383GB8	GEORGIA ST 5.750% 8/01/		04/30/2010	Deutsche Bank	X X X	1,067,430	1,000,000.00	14,215	1FE
419771AC4	HAWAII PAC HEALTH 0.310% 7/01/		06/16/2010	Deutsche Bank	X X X	2,400,000	2,400,000.00	257	1FE
4876927B5	KELLER TX INDPT* 5.375% 8/15/		05/06/2010	Deutsche Bank	X X X	637,758	600,000.00	7,256	1FE
5742173L7	MARYLAND ST HEALTH 0.250% 7/01/		06/16/2010	Deutsche Bank	X X X	1,500,000	1,500,000.00		1FE
59259YCX5	METROPOLITAN NY 0.240% 11/01/		06/10/2010	Deutsche Bank	X X X	1,350,000	1,350,000.00		1FE
644682E69	NEW HAMPSHIRE ST REF 2.000% 7/01/		04/14/2010	Deutsche Bank	X X X	509,060	500,000.00		1FE
64971MU91	NEW YORK NY CITY 2.000% 11/01/		06/04/2010	Deutsche Bank	X X X	107,192	105,000.00		1FE
65003PCF9	NEW YORK ST URBAN 5.500% 1/01/		04/29/2010	Deutsche Bank	X X X	764,228	740,000.00	13,341	1FE
83710D3Q9	SOUTH CAROLINA ST 3.000% 6/01/		04/16/2010	Deutsche Bank	X X X	1,265,855	1,230,000.00	1,538	1FE
98464UAJ5	YAMHILL CNTY OR HO 0.24032% 12/01/		05/28/2010	Deutsche Bank	X X X	500,000	500,000.00	86	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue, Special Assessment				X X X	15,356,984	15,025,000.00	88,861	X X X
<b>Bonds - Industrial and Miscellaneous (Unaffiliated)</b>									
14912L4L2	CATERPILLAR FINL 2.000% 4/05/		04/06/2010	Deutsche Bank	X X X	29,949	30,000.00		1FE
0727G0CN8	BAYERISCHE NY 0.331% 3/20/		06/16/2010	Deutsche Bank	X X X	1,496,792	1,500,000.00	1,186	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	1,526,741	1,530,000.00	1,186	X X X
8399997	Subtotal - Bonds - Part 3				X X X	45,299,695	44,874,000.00	121,267	X X X
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	45,299,695	44,874,000.00	121,267	X X X
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	45,299,695	X X X	121,267	X X X

QE04

**Schedule D Part 3 (continued)**

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....0.

QE04.1

### SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 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	22 NAIC Designation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.									
<b>Bonds - U.S. Governments</b>																							
3133XP27	FHL B DEB 1.250% 3/30/		06/30/2010	CALLED @ 100.0000000	XXX	2,000,000	2,000,000.00	2,000,000							2,000,000					6,250	03/30/2015	1	
3133XR2Y5	Federal Home Loan Bank		06/11/2010	MATURITY	XXX	3,000,000	3,000,000.00	2,985,870	2,996,025		3,975			3,975	3,000,000					45,000	06/11/2010	1	
3133XW2N8	Federal Home Loan Bank		06/11/2010	CALLED @ 100.0000000	XXX	2,000,000	2,000,000.00	2,000,000	2,000,000						2,000,000					7,500	12/11/2012	1	
3128X8Y3D	Federal Home Loan Mortgage Corp		06/23/2010	CALLED @ 100.0000000	XXX	2,000,000	2,000,000.00	2,000,000	2,000,000						2,000,000					12,500	06/23/2011	1	
0399999	Subtotal - Bonds - U.S. Governments				XXX	9,000,000	9,000,000.00	8,985,870	6,996,025		3,975			3,975	9,000,000					71,250	XXX	XXX	
8399997	Subtotal - Bonds - Part 4				XXX	9,000,000	9,000,000.00	8,985,870	6,996,025		3,975			3,975	9,000,000					71,250	XXX	XXX	
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8399999	Subtotal - Bonds				XXX	9,000,000	9,000,000.00	8,985,870	6,996,025		3,975			3,975	9,000,000					71,250	XXX	XXX	
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9999999	Subtotal - Preferred and Common Stocks				XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9999999	Total - Bonds, Preferred and Common Stocks				XXX	9,000,000	9,000,000.00	8,985,870	6,996,025		3,975			3,975	9,000,000					71,250	XXX	XXX	

(a) For all common stock bearing the NAIC market indicator "U" provide the number of such issues .....0.

**E06**    **Schedule DB Part A Section 1** ..... **NONE**

**E07**    **Schedule DB Part B Section 1** ..... **NONE**

**E08**    **Schedule DB Part D** ..... **NONE**

**SCHEDULE E - PART 1 - CASH**

## Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
<b>open depositories</b>								
Wachovia ..... Cash .....					... (3,405,002)	... (1,080,130)	... (108,295)	X X X
0199998 Deposits in .....10 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories .....	X X X	... X X X ..	... 24,721	..... 4,424	... 18,055,279	... 18,111,130	... 20,167,800	X X X
0199999 Totals - Open Depositories .....	X X X	... X X X ..	... 24,721	..... 4,424	... 14,650,277	... 17,031,000	... 20,059,505	X X X
0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories .....	X X X	... X X X ..						X X X
0299999 Totals - Suspended Depositories .....	X X X	... X X X ..						X X X
0399999 Total Cash On Deposit .....	X X X	... X X X ..	... 24,721	..... 4,424	... 14,650,277	... 17,031,000	... 20,059,505	X X X
0499999 Cash in Company's Office .....	X X X	... X X X ..	X X X	... X X X ..				X X X
0599999 Total Cash .....	X X X	... X X X ..	... 24,721	..... 4,424	... 14,650,277	... 17,031,000	... 20,059,505	X X X

## SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1	2	3	4	5	6	7	8
Description	Code	Date Acquired	Rate of Interest	Maturity Date	Book/Adjusted Carrying Value	Amount of Interest Due & Accrued	Amount Received During Year
<b>U.S. Governments - Issuer Obligations</b>							
FHL M C MTN 5.125% 8/23/		06/24/2010	5.125	08/23/2010	725,147	13,120	(693)
0199999 Subtotals - U.S. Governments - Issuer Obligations					725,147	13,120	(693)
0399999 Subtotals - U.S. Governments					725,147	13,120	(693)
<b>U.S. Special Revenue, Special Assessment - Issuer Obligations</b>							
UTAH ST SER A 5.000% 7/01/		05/28/2010	5.000	07/01/2010	250,000	6,250	(1,080)
2599999 Subtotals - U.S. Special Revenue, Special Assessment - Issuer Obligations					250,000	6,250	(1,080)
3199999 Subtotals - U.S. Special Revenue, Special Assessment					250,000	6,250	(1,080)
<b>Industrial &amp; Miscellaneous (Unaffiliated) - Issuer Obligations</b>							
CITY CHICAGO IL C P 0.330% 7/08/		05/05/2010	0.330	07/08/2010	1,100,000	575	
KBC FINL PRODS INTL C P 8/10/		06/14/2010	0.000	08/10/2010	1,499,166		354
MASS BAY TRANSP C P 0.500% 7/08/		06/22/2010	0.500	07/08/2010	1,200,000	148	
CITY OF SAN JOSE C P 0.400% 7/08/		06/09/2010	0.400	07/08/2010	1,500,000	367	
UNIVERSITY CHICAGO C P 8/04/		06/09/2010	0.000	08/04/2010	499,811		122
WEST VIRGINIA C P 0.450% 7/06/		06/29/2010	0.450	07/06/2010	530,000	13	
3299999 Subtotals - Industrial & Miscellaneous (Unaffiliated) - Issuer Obligations					6,328,977	1,103	476
3899999 Subtotals - Industrial & Miscellaneous (Unaffiliated)					6,328,977	1,103	476
4199999 Subtotals - Credit Tenant Loans							
5599999 Subtotals - Parent, Subsidiaries and Affiliates							
7799999 Subtotals - Issuer Obligations					7,304,124	20,473	(1,297)
8399999 Subtotals - Bonds					7,304,124	20,473	(1,297)
8499999 Sweep Accounts							
8599999 Other Cash Equivalents							
8699999 Total - Cash Equivalents					7,304,124	20,473	(1,297)



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2010

Document Code: 365

**MEDICARE PART D COVERAGE SUPPLEMENT**  
**Net of Reinsurance**  
**For the Quarter Ended June 30, 2010**

NAIC Group Code: 1156

NAIC Company Code: 12941

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected .....		XXX		XXX	
2. Earned Premiums .....		XXX		XXX	XXX
3. Claims Paid .....		XXX		XXX	
4. Claims Incurred .....		XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claim Paid Net of Reimbursements Applied (a) .....	<b>NONE</b>		XXX		
6. Aggregate Policy Reserves - change .....				XXX	XXX
7. Expenses Paid .....				XXX	
8. Expenses Incurred .....		XXX		XXX	XXX
9. Underwriting Gain or Loss .....		XXX		XXX	XXX
10. Cash Flow Results .....	XXX	XXX	XXX	XXX	

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.....0 due from CMS or \$.....0 due to CMS

## Amended Statement Cover

**NONE**

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

Name of Insurer AMERIGROUP Tennessee, Inc.

Date 08/15/2010 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.

	QTR. 1	QTR. 2	QTR. 3
A01. Is this the first time you've submitted this filing? (Y/N) .....	N/A .....	Yes .....	N/A .....
A02. Is this being re-filed at the request of the NAIC or a state insurance department? (Y/N) .....	N/A .....	N/A .....	N/A .....
A03. Is this being re-filed due to changes to the data originally filed? (Y/N) .....	N/A .....	N/A .....	N/A .....
A04. 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, LLC  
 Version: 2010.Q.1

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

F. The undersigned hereby certifies, 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 quarterly statement information required to be contained on diskette is identical to the information in the 2010 Quarterly 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 Mary Roomsburg

Type Name and Title: Margaret Mary Roomsburg, Vice President

**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 Premium due and unpaid from Medicare entities.....	366,376	4,016	4,016	32,034		406,442
0499999 Premium due and unpaid from Medicaid entities.....	3,634,279					3,634,279
0599999 Accident and health premiums due and unpaid (Page 2, Line 13) .	4,000,655	4,016	4,016	32,034		4,040,721

**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
<b>Pharmaceutical Rebate Receivables</b>						
Caremark	23,981	23,704	24,630	137,646	209,961	.....
0199998 Pharmaceutical Rebate Receivables - Not Individually Listed .....	.....	.....	.....	.....	.....	.....
0199999 Subtotal - Pharmaceutical Rebate Receivables .....	23,981	23,704	24,630	137,646	209,961	.....
0299998 Claim Overpayment Receivables - Not Individually Listed .....	25,147	.....	.....	.....	25,147	.....
0299999 Subtotal - Claim Overpayment Receivables .....	25,147	.....	.....	.....	25,147	.....
<b>Loans and Advances to Providers</b>						
Centerstone Mental Health Center	.....	.....	.....	400,000	400,000	.....
Tennessee Carriers, Inc.	.....	.....	.....	370,000	370,000	.....
0399998 Loans and Advances to Providers - Not Individually Listed .....	157,960	.....	.....	887,040	1,045,000	.....
0399999 Subtotal - Loans and Advances to Providers .....	157,960	.....	.....	1,657,040	1,815,000	.....
0499998 Capitation Arrangements Receivables - Not Individually Listed .....	.....	.....	.....	.....	.....	.....
0499999 Subtotal - Capitation Arrangements 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 .....	207,088	23,704	24,630	1,794,686	2,050,108	.....

## EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1 Name of Debtor	2 1 - 30 Days	3	4 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
0299999 Receivables not individually listed .....		<b>NONE</b>					
0399999 Total gross amounts receivable .....							

AMERIGROUP Tennessee, Inc.  
MLR Reconciliation to NAIC Filing  
June 30, 2010

**TOTAL REVENUES**

	Middle Tennessee	AMERIVANTAGE	West Tennessee	NAIC Filing	Page, Col, Line
Net premium income 2010	405,393,667	8,021,865		413,415,533	Q4, C2, L2
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	
Net premium income 2007	382,864,891			382,864,891	
<b>TOTAL</b>	<b>1,999,966,224</b>	<b>29,535,353</b>	<b>-</b>		
MLR Report	<u>2,005,593,388</u>				
Difference	(5,627,164)	Retroactivity not included in filing per state			

**UNPAID CLAIMS**

	Middle Tennessee	AMERIVANTAGE	West Tennessee	NAIC Filing	Page, Col, Line
Claims unpaid (less reinsurance ceded)	92,611,103	2,529,109		95,140,213	Q3, C3, L1
Unpaid claims adjustment expenses	1,944,892	54,278		1,999,170	Q3, C3, L3
<b>TOTAL</b>	<b>94,555,995</b>	<b>2,583,387</b>	<b>-</b>	<b>97,139,383</b>	

Middle Tennessee Unpaid Claims Total	94,555,995
IBNR on MLR report	<u>91,774,940</u>
Difference	2,781,055
Held checks included in paid on MLR report	<u>2,481,156</u>
Difference	299,898
Other Non-Med Liab (unapplied cash/voids)	<u>(299,898)</u>
Unreconciled difference	0

**HOSPITAL AND MEDICAL**

Total expenses on MLR report	<u>1,699,042,317</u>
Total hospital and medical 07 Dec 31	360,775,300
Total hospital and medical 08 Dec 31	535,851,712
Total hospital and medical 09 Dec 31	516,193,087
Total hospital and medical Cur YTD	<u>309,843,925</u>
Total from NAIC filing	1,722,664,024
Less Medicare expenses	<u>23,621,707</u>
NAIC net of Medicare expenses	1,699,042,317
Unreconciled difference	(0)

Medical Loss Ratio Report - Total  
Grand Region

MCO

AMERIGROUP, Tennessee, Inc.

Reporting Month	2007						2007						2008						For the Year Ended 6/30/2008
	Incurred Month			For the Year Ended 6/30/2007	Incurred Month			Incurred Month			Incurred Month								
	April	May	June		July	August	September	October	November	December	January	February	March	April	May	June			
Enrollment	186,286	185,849	182,738	554,873	183,065	184,202	185,279	186,022	186,220	186,191	185,890	186,418	187,099	186,868	185,909	185,554	2,228,686		
Capitation Revenue	\$48,629,108	\$48,521,778	\$47,563,970	\$144,714,856	\$47,640,744	\$47,890,544	\$48,093,388	\$48,344,959	\$48,194,584	\$48,267,840	\$48,184,738	\$48,169,023	\$48,210,584	\$46,328,859	\$46,102,431	\$45,965,791	\$571,393,515		
Premium Tax	\$977,582	\$970,466	\$951,279	\$2,891,328	\$952,813	\$957,811	\$961,865	\$966,899	\$963,892	\$965,357	\$963,695	\$963,380	\$964,212	\$926,578	\$922,049	\$919,316	\$11,422,870		
Capitation Revenue Net of Premium Tax	\$47,651,526	\$47,551,312	\$46,612,691	\$141,823,528	\$46,687,929	\$46,932,733	\$47,131,520	\$47,378,060	\$47,230,692	\$47,302,483	\$47,211,043	\$47,205,643	\$47,246,372	\$45,407,311	\$45,180,383	\$45,046,475	\$559,965,643		
Payments for Covered Services for the Month																			
Medical Services																			
CMS 1450-UB 92 Payments by the Claims Processing System																			
Inpatient - Maternity	\$1,226,193	\$1,271,413	\$1,339,112	\$3,836,720	\$1,335,437	\$1,772,722	\$1,285,034	\$1,582,191	\$1,421,329	\$1,496,918	\$1,691,314	\$1,695,456	\$1,376,915	\$1,338,920	\$1,529,260	\$1,484,443	\$17,999,940		
Inpatient - Newborn	\$1,972,520	\$2,021,955	\$2,735,709	\$6,680,184	\$2,706,847	\$1,855,874	\$1,831,266	\$2,821,243	\$1,647,584	\$2,273,674	\$2,370,552	\$2,244,403	\$1,933,464	\$1,682,705	\$1,915,043	\$2,117,640	\$25,400,295		
Inpatient - Medical	\$4,202,493	\$3,610,993	\$3,086,845	\$10,900,331	\$3,448,601	\$3,389,210	\$4,621,220	\$3,395,043	\$3,301,015	\$4,011,140	\$4,511,710	\$4,016,277	\$3,915,023	\$3,914,204	\$3,394,153	\$3,592,172	\$45,511,768		
Inpatient - Surgery	\$2,077,022	\$2,196,837	\$1,979,057	\$6,252,916	\$2,313,363	\$2,518,896	\$2,259,700	\$2,622,598	\$2,189,216	\$2,141,976	\$2,608,285	\$2,515,110	\$2,468,452	\$2,614,398	\$2,308,418	\$2,447,543	\$29,007,956		
Inpatient - Other	\$110,965	\$124,344	\$145,477	\$380,785	\$88,359	\$60,995	\$127,467	\$113,604	\$58,358	\$82,709	\$83,775	\$23,798	\$65,357	\$83,760	\$67,641	\$56,485	\$932,608		
Outpatient - Emergency Room	\$1,100,373	\$1,183,182	\$1,761,822	\$4,045,377	\$1,894,993	\$2,031,823	\$2,083,656	\$2,096,636	\$2,154,794	\$2,316,763	\$2,401,612	\$2,496,993	\$2,296,864	\$2,176,682	\$2,333,123	\$2,164,244	\$26,448,181		
Outpatient - Laboratory	\$465,991	\$534,928	\$372,970	\$1,373,889	\$361,385	\$399,477	\$357,825	\$409,880	\$392,091	\$371,937	\$473,594	\$477,395	\$441,800	\$423,991	\$399,999	\$411,290	\$4,920,663		
Outpatient - Radiology	\$1,056,588	\$1,177,136	\$1,010,333	\$3,244,057	\$947,352	\$1,136,160	\$973,690	\$1,083,609	\$1,015,178	\$904,637	\$1,081,432	\$991,318	\$1,141,521	\$1,155,493	\$1,025,891	\$1,069,192	\$12,525,474		
Outpatient - Surgery	\$1,000,337	\$1,135,395	\$1,138,539	\$3,274,271	\$1,145,134	\$1,246,776	\$1,131,956	\$1,353,878	\$1,202,276	\$1,093,258	\$1,430,378	\$1,277,664	\$1,223,404	\$1,421,933	\$1,442,701	\$1,373,765	\$15,543,124		
Outpatient - Other	\$383,313	\$401,050	\$413,141	\$1,197,503	\$394,710	\$445,314	\$447,964	\$463,888	\$431,749	\$447,179	\$453,635	\$400,054	\$410,059	\$444,325	\$462,874	\$449,146	\$5,250,897		
Hospice	\$679,755	\$689,599	\$697,894	\$2,067,348	\$723,965	\$662,439	\$594,094	\$586,263	\$507,017	\$501,180	\$522,874	\$490,692	\$580,723	\$535,569	\$621,033	\$576,209	\$6,902,057		
Long-Term Care Payments																			
Level I Facility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150		
Level II Facility	\$57,825	\$70,795	\$47,397	\$176,017	\$26,819	\$24,506	\$49,452	\$61,914	\$18,000	\$34,933	\$47,100	\$25,025	\$11,500	\$9,250	\$73,175	\$78,350	\$460,025		
Home and Community Based Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
CMS 1500 Payments by the Claims Processing System																			
Prof - E&M	\$6,202,139	\$6,596,729	\$6,231,235	\$19,030,104	\$5,955,841	\$7,114,008	\$6,188,447	\$7,078,268	\$6,681,532	\$6,090,410	\$7,312,658	\$7,123,543	\$6,717,650	\$7,066,783	\$6,620,830	\$6,465,411	\$80,415,481		
Prof - Home Health	\$5,627,006	\$6,481,572	\$6,249,525	\$18,358,103	\$6,397,295	\$6,532,270	\$6,119,583	\$6,725,615	\$6,475,746	\$6,539,801	\$6,691,791	\$6,107,542	\$6,629,386	\$6,590,832	\$6,778,633	\$6,565,781	\$78,145,530		
Prof - Maternity	\$845,586	\$898,930	\$922,368	\$2,736,884	\$981,467	\$1,100,427	\$943,078	\$1,043,035	\$923,972	\$931,762	\$1,157,510	\$1,149,138	\$1,083,844	\$1,088,930	\$1,070,118	\$1,014,740	\$12,487,182		
Prof - Surgery	\$453,001	\$566,378	\$555,392	\$1,574,311	\$528,319	\$584,863	\$502,511	\$646,235	\$525,855	\$467,786	\$648,828	\$533,914	\$613,412	\$650,464	\$635,574	\$659,289	\$6,997,339		
Prof - DME	\$274,683	\$333,355	\$339,632	\$937,672	\$251,383	\$302,725	\$322,729	\$329,775	\$350,314	\$376,820	\$395,245	\$359,393	\$356,643	\$392,849	\$401,543	\$381,468	\$4,226,887		
Prof - Lab	\$601,450	\$627,090	\$612,250	\$1,840,791	\$508,534	\$594,155	\$513,533	\$574,251	\$529,733	\$454,340	\$629,149	\$641,221	\$584,952	\$716,764	\$653,778	\$674,304	\$7,074,713		
Prof - Radiology	\$879,753	\$997,851	\$992,180	\$2,769,784	\$763,829	\$875,235	\$764,503	\$922,524	\$767,012	\$707,847	\$883,202	\$787,488	\$819,764	\$879,421	\$832,534	\$853,635	\$9,856,996		
Prof - Transportation	\$1,049,640	\$1,298,323	\$1,237,584	\$3,585,547	\$1,233,836	\$1,338,267	\$1,209,224	\$1,424,358	\$1,342,305	\$1,239,307	\$1,481,394	\$1,378,802	\$1,426,135	\$1,467,658	\$1,477,279	\$1,464,591	\$16,483,157		
Prof - Other	\$1,624,165	\$1,731,617	\$1,567,777	\$4,921,558	\$1,574,659	\$1,727,375	\$1,522,566	\$1,815,749	\$1,759,509	\$1,589,729	\$1,897,052	\$1,798,686	\$1,793,272	\$1,793,272	\$1,753,833	\$1,695,526	\$20,607,215		
Capitation Payments	\$468,074	\$483,712	\$487,932	\$1,439,719	\$272,374	\$271,294	\$269,899	\$259,175	\$249,751	\$256,878	\$254,054	\$272,633	\$230,430	\$232,138	\$228,575	\$231,337	\$3,028,539		
Subcontractor Payments for Medical Services	\$71,057	\$79,717	\$94,582	\$245,356	\$130,108	\$164,740	\$128,435	\$142,227	\$115,935	\$96,741	\$126,734	\$117,941	\$125,893	\$116,922	\$97,793	\$94,110	\$1,457,579		
Other Medical (provide description)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Behavioral Health																			
Inpatient Payments by the Claims Processing System	\$1,481,558	\$1,609,893	\$1,650,350	\$4,741,801	\$1,749,342	\$1,966,565	\$2,051,195	\$1,821,493	\$1,717,578	\$1,917,365	\$1,880,971	\$1,976,725	\$1,796,349	\$1,926,609	\$1,981,197	\$1,732,722	\$22,529,110		
Outpatient Payments by the Claims Processing System	\$1,239,366	\$1,176,758	\$1,312,875	\$3,728,999	\$1,030,020	\$1,164,189	\$953,765	\$624,491	\$545,862	\$462,722	\$589,788	\$539,544	\$516,438	\$587,742	\$536,909	\$572,793	\$8,124,269		
Supported Housing Payments by the Claims Processing System	\$165,315	\$167,020	\$181,770	\$514,105	\$176,740	\$181,390	\$200,085	\$225,532	\$222,568	\$240,571	\$241,591	\$228,500	\$244,835	\$240,488	\$255,476	\$244,759	\$2,702,523		
Intensive Outpatient Payments by the Claims Processing System	\$53,173	\$81,920	\$79,343	\$214,436	\$80,231	\$89,642	\$73,599	\$81,698	\$70,613	\$61,424	\$79,677	\$58,641	\$80,554	\$100,519	\$92,149	\$79,764	\$948,510		
Partial Hospitalization Payments by the Claims Processing System	\$2,750	\$6,122	\$4,106	\$12,978	\$2,576	\$5,152	\$3,222	\$184	\$2,101	\$6,070	\$13,790	\$15,098	\$56,312	\$67,777	\$63,963	\$77,479	\$309,224		
In Home Payments by the Claims Processing System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Transportation Payments by the Claims Processing System	\$12,684	\$15,710	\$9,374	\$37,768	\$13,523	\$14,330	\$13,912	\$11,813	\$13,303	\$11,441	\$13,916	\$14,363	\$15,482	\$11,339	\$15,257	\$16,955	\$165,740		
Twenty-Three Hour Payments by the Claims Processing System	\$0	\$1,732	\$12,228	\$13,960	\$3,558	\$6,274	\$8,479	\$616	\$828	\$3,600	\$371	\$1,351	\$4,829	\$3,200	\$8,574	\$299	\$41,979		
CMHA Capitation Payments	\$313,648	\$331,291	\$302,878	\$947,818	\$316,784	\$317,083	\$320,147	\$319,690	\$320,946	\$322,020	\$319,958	\$326,766	\$315,958	\$328,663	\$315,196	\$332,627	\$3,855,841		
Other Capitation Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Grant Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Non-FFS Inpatient	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Subcontractor Payments for Mental Health and Substance Abuse	\$2,400,055	\$2,465,445	\$2,523,534	\$7,389,034	\$2,403,671	\$2,370,881	\$2,474,297	\$3,104,597	\$3,188,833	\$3,152,780	\$3,222,064	\$3,174,975	\$3,284,486	\$3,471,075	\$3,436,646	\$3,317,285	\$36,601,590		
Crisis Services Team Pass Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Less:																			
Recoveries not Reflected in Claims Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Payments	\$38,048,482	\$40,368,991	\$40,055,312	\$118,472,786	\$39,763,054	\$42,285,057	\$40,247,032	\$43,742,797	\$40,244,912	\$40,615,719	\$45,506,004	\$43,260,447	\$42,547,893	\$43,528,857	\$42,831,268	\$42,289,509	\$506,962,549		
UB92 IBNR	\$0	\$0	\$0	\$0	\$110,009	\$0	\$12,930	\$11,548	\$13,738	\$13,952	\$28,641	\$36,758	\$37,280	\$50,594	\$47,273	\$32,430	\$395,155		
Professional IBNR	\$0	\$0	\$0	\$0	\$110,009	\$37,447	\$36,156	\$38,648	\$42,728	\$110,831	\$102,487	\$106,111	\$132,870	\$145,663	\$157,989	\$149,426	\$1,049,216		
LTC IBNR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total IBNR	\$0	\$0	\$0	\$0															

AMERIGROUP Tennessee, Inc.  
Report 2A  
For the Period Ending 06/30/10

	Current Period	Year-To-Date Total	Previous Year Total
Member Months	597,839	1,188,378	2,286,060
<b>Revenues:</b>			
TennCare Capitation	224,854,277	405,393,667	612,724,592
Investment	434,530	788,775	1,636,485
Other Revenues	0	0	0
<b>Total Revenues</b>	<b>225,288,807</b>	<b>406,162,443</b>	<b>614,361,078</b>
<b>Estimated Expenses:</b>			
<b>Hospital and Medical (w/o Mental Health)</b>			
Capitated Physician Services	0	0	205,814
Fee-for Service Physician Services	53,898,259	89,670,539	148,921,443
Inpatient Hospital Services	16,918,286	64,704,721	138,535,102
Outpatient Hospital Services	656,703	12,374,662	46,115,432
Emergency Room Services	8,259,369	14,708,550	32,418,244
Dental Services	0	0	0
Vision Services	494,844	982,835	2,068,802
Pharmacy Services	0	0	0
Home Health Services	8,082,830	14,061,279	30,803,658
Chiropractic Services	0	0	0
Radiology Services	3,350,909	6,730,713	12,701,600
Laboratory Services	2,082,954	4,910,141	10,766,427
Durable Medical Equipment Services	1,048,137	2,105,694	4,408,617
Transportation Services	5,850,033	9,413,702	14,149,018
Outside Referrals	0	0	0
Medical Incentive Pool and Withhold Adj	0	0	0
Occupancy, Depreciation and Amortization	0	0	0
Other Medical and Hospital Services - Write-Ins	0	0	0
<b>Subtotal Medical and Hospital</b>	<b>100,642,322</b>	<b>219,662,835</b>	<b>441,094,157</b>
<b>Mental Health and Substance Abuse Services</b>			
Inpatient Psychiatric Facility Services	867,656	3,268,257	6,376,963
Inpatient Substance Abuse Treatment and Detox	1,655,940	2,378,646	2,112,908
Outpatient Mental Health Services	1,446,901	3,694,415	9,192,615
Outpatient Substance Abuse Treatment and Detox	2,265,093	3,392,464	4,120,674
Housing/Residential Treatment	1,383,533	2,618,515	5,629,195
Specialized Crisis Services	2,539,411	2,582,517	381,075
Psychiatric Rehab and Support Services	(1,988,136)	2,951,573	27,248,985
Case Management	13,802,765	16,487,822	8,891,538
Forensics	0	0	0
Other Judicial	0	0	0
Pharmacy	0	0	0
Lab Services	0	0	0
Transportation	35,891	63,002	128,249
Medical Incentive Pool and Withhold Adjustments	0	0	0
Occupancy, Depreciation and Amortization	0	0	0
Other Mental Health and Substance Abuse Services	0	0	0
PCP and Specialist Services	0	0	0
Other Mental Health Services - Write-Ins	0	0	0
<b>Subtotal MH&amp;SAS</b>	<b>22,009,054</b>	<b>37,437,211</b>	<b>64,082,202</b>
<b>CHOICES</b>			
Nursing Facility Care	41,629,489	41,977,717	-
HCBS Services	3,650,776	3,748,846	-
<b>Subtotal CHOICES</b>	<b>45,280,265</b>	<b>45,726,563</b>	<b>-</b>
<b>Subtotal Hospital, Medical, MH&amp;SAS, CHOICES</b>	<b>167,931,641</b>	<b>302,826,609</b>	<b>505,176,359</b>
<b>LESS:</b>			
Net Reinsurance Recoveries Incurred	(173,718)	(343,651)	(640,058)
Copayments	0	0	0
Subrogation and Coordination of Benefits	0	0	0
<b>Subtotal Reinsurance, Copay, Subrogation</b>	<b>(173,718)</b>	<b>(343,651)</b>	<b>(640,058)</b>
<b>Total Hospital, Medical, MH&amp;SAS</b>	<b>168,105,359</b>	<b>303,170,259</b>	<b>505,816,417</b>
<b>Administration:</b>			
Compensation	5,254,237	9,146,927	12,121,242
Direct and Allocated Admin expenses	13,096,265	23,621,228	43,385,101
Marketing	49,903	86,826	106,288
Interest Expense	0	0	0
Premium Tax Expense	11,858,652	21,870,818	23,434,003
Occupancy, Depreciation, and Amortization	351,818	690,548	1,439,219
Other Administration - Write-Ins	1,476,778	2,339,510	3,240,993
<b>Total Administration Expenses</b>	<b>32,087,652</b>	<b>57,755,856</b>	<b>83,726,846</b>
<b>Total Expenses</b>	<b>200,193,011</b>	<b>360,926,116</b>	<b>589,543,263</b>
Extraordinary Item	0	0	0
Provision for Income Tax	8,874,419	15,892,475	0
<b>Net Income (Loss)</b>	<b>16,221,377</b>	<b>29,343,852</b>	<b>24,817,814</b>
<b>Write-Ins for Other Revenues</b>	0	0	0
<b>Total Other Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Write-Ins for Other Medical and Hospital</b>	0	0	0
<b>Total Other Medical and Hospital</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Write-Ins for Other MH &amp; SS</b>	0	0	0
<b>Total Other MH &amp; SS</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Write-Ins for Other Administration</b>			
Purch Svc Accts	62,423	103,171	409,551
Telephone Expenses	89,753	121,840	150,791
Fines & Penalties	91,400	283,681	78,240
Provision for Bad Debt	657,491	735,246	388,964
Postage and Delivery	142,662	339,109	624,917
Printing and Reproduction	85,268	271,919	675,063
Supplies Expense	33,304	55,514	58,689
Travel and Entertainment Exp	104,232	175,234	197,016
Other Administration < \$15,000 YTD	210,245	253,795	657,762
<b>Total Other Administration</b>	<b>1,476,778</b>	<b>2,339,510</b>	<b>3,240,993</b>

AMERIGROUP Tennessee, Inc.-Grand Region Middle  
 Cash Reconciliation-Middle Region-Medicaid only  
 June 30, 2010

Month Received	Cash	Recorded	Rate cell before accrual	Jan - 10 % Feb & Mar - 5%	90% collected	Collected Jan 10% Feb & Mar 5%	Liquidated Damages	Premium Taxes	ASO Claims	Refund Checks	ASO fees	Other A/R	Cash difference	Premium receivable
	Cash P2; C3, L5 IA	L2					Admin Exp P4; C2; L21	Not Reported	Not Reported	Not Reported	Premium P4, C2, L2	Not Reported		L13.1
Beginning Balance (Prem. Rec)														\$ 36,472,947.31
January	48,652,837.32	53,157,870.38	48,715,159.87	4,871,515.99	\$43,843,643.88	4,824,193.44	(15,000.00)	-	-	-	-		\$ (0.01)	47,322.55
February	51,155,006.01	55,896,382.14	48,723,673.71	2,436,183.69	\$46,287,490.02	4,871,515.99	(4,000.00)	-	-	-	-		\$ (0.00)	(2,435,332.30)
March	64,258,113.69	71,485,137.59	65,194,958.95	3,259,747.95	\$61,935,211.00	2,436,183.69	(113,281.00)	-	-	-	-		\$ 0.00	823,564.26
E. Lane Refunds	178.00											178.00	\$ -	-
April	107,240,552.74	71,106,037.02	109,457,899.78	5,472,894.99	103,985,004.79	3,259,747.95	(4,200.00)	-	-	-	-		\$ 0.00	2,213,147.04
May	72,698,175.38	75,534,641.05	72,843,975.38		72,843,975.38		(145,800.00)	-	-	-	-		\$ -	-
June	74,505,104.29	72,222,277.22	72,685,588.74	3,634,279.44	69,051,309.30	5,472,894.99	(19,100.00)	-	-	-	-		\$ (0.00)	(1,838,615.55)
June-Retro Eligibility	19,884,476.19	5,991,321.83											13,893,154.36	(13,893,154.36)
<b>Total</b>	<b>\$ 438,394,443.62</b>	<b>\$ 405,393,667.23</b>	<b>\$ 417,621,256.43</b>	<b>\$ 19,674,622.05</b>	<b>\$ 397,946,634.38</b>	<b>\$ 20,864,536.05</b>	<b>\$ (301,381.00)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 178.00</b>	<b>\$ 13,893,154.36</b>	<b>\$ 21,389,878.95</b>

Reconciliation

Cash that should be included on premium tax return	
Medicaid Premiums	405,393,667.23
Change in Premium Receivable	33,302,370.54
Unearned included in cash payment	(391.15)
Premium Taxes	-
ASO Claims	-
Refund Checks	-
ASO fees	-
Refund/Reimbursement	178.00
	<u>438,695,824.62</u>
1Q10 Cash Included	(164,198,416.02)
	<u>274,497,408.59</u>
Total Cash Collected	438,394,443.62
1Q10 Cash Collected	(164,198,416.02)
add back Liquidated damages	301,381.00
	<u>274,497,408.60</u>
	(0.00)

15,097,357.47

\$ 21,389,878.95	
13,893,154.36	Retro Eligibility Accrued April07-May10
(6,775,679.77)	Retro Eligibility Accrued April07-Dec09
(24,873,074.10)	Rate Adjustment Acct Jul09-Mar10
<u>3,634,279.44</u>	Subtotal @ 06/30/10
406,442.06	AMERIVANTAGE Premium Receivable
<u>4,040,721.50</u>	Balance @ 06/30/10
(0.01)	
<u>463,702.67</u>	unearned premium

AMERIGROUP Tennessee, Inc.-Grand Region West  
 Cash Reconciliation  
 June 30, 2010

Month Received	Cash	Recorded	Liquidated Damages	Premium Taxes	ASO Claims	Refund Checks	ASO fees	Other A/R	Cash difference	Premium receivable	Interest to state	Cash difference	Premium receivable
	Cash P2, C3, L5 IA	Premium P4, C2, L2	L21	Not Reported	Not Reported	Not Reported	Premium P4, C2, L2	Not Reported		L13.1			Prem Rec P2, C3, L13.1
June-ASO Claims	52,791.11				52,499.11		292.00		-	-		-	-
June-ASO Claims	98,721.35			4,359.00	94,096.35		266.00		-	-		-	-
June-ASO Claims	61,806.27				61,564.27		242.00		-	-		-	-
Total	\$ 213,318.73	\$ -	\$ -	\$ 4,359.00	\$ 208,159.73	\$ -	\$ 800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Cash that should be included on premium tax return	
Cash collected	\$ 213,318.73
add LD's	
interest remitted	
	\$ 213,318.73

\$ 11,732.53