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**ANNUAL STATEMENT**  
**For the Year Ending December 31, 2011**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care**

NAIC Group Code	1156 (Current Period)	1156 (Prior Period)	NAIC Company Code	10767	Employer's ID Number	13-4212818
Organized under the Laws of	Ohio		State of Domicile or Port of Entry		Ohio	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]	Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]	Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]			
Incorporated/Organized	03/08/2002		Commenced Business	09/01/2005		
Statutory Home Office	10123 Alliance Road (Street and Number)		Cincinnati, OH 45242 (City or Town, State and Zip Code)			
Main Administrative Office	4425 Corporation Lane Virginia Beach, VA 23462 (Street and Number)		4425 Corporation Lane (Street and Number) (757)490-6900 (Area Code) (Telephone Number)			
Primary Location of Books and Records	4425 Corporation Lane Virginia Beach, VA 23462 (Street and Number)		4425 Corporation Lane (Street and Number) (757)473-2721 (Area Code) (Telephone Number)			
Internet Website Address	www.amerigroupcorp.com					
Statutory Statement Contact	Margaret Mary Roomsburg mroomsb@amerigroupcorp.com (E-Mail Address)		(757)473-2721 (Area Code)(Telephone Number)(Extension) (757)557-6742 (Fax Number)			

**OFFICERS**

Name	Title
Gary Michael Radtke	President and CEO
Nicholas Joseph Pace	Vice President/Secretary
James Ward Truess	Vice President/Asst. Treasurer
Richard Charles Zoretic	Vice President/Asst. Secretary
Scott Wayne Anglin	Vice President/Treasurer
Linda Kaye Whitley-Taylor	Vice President
Margaret Mary Roomsburg	Vice President/Asst. Secretary
Karen Lint Shields	Vice President/Asst. Treasurer

**OTHERS**

**DIRECTORS OR TRUSTEES**

Gary Michael Radtke	Nicholas Joseph Pace
Peter David Haytaian	

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)  
 Gary Michael Radtke  
 (Printed Name)  
 1.  
 President/CEO  
 (Title)

(Signature)  
 Nicholas Joseph Pace  
 (Printed Name)  
 2.  
 Vice President/Secretary  
 (Title)

(Signature)  
 Margaret Mary Roomsburg  
 (Printed Name)  
 3.  
 Vice President/Asst. Secretary  
 (Title)

Subscribed and sworn to before me this  
 day of \_\_\_\_\_, 2012

a. Is this an original filing?  
 b. If no, 1. State the amendment number  
 2. Date filed  
 3. Number of pages attached

Yes[X] No[ ]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Notary Public Signature)

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	27,653,760		27,653,760	14,645,889
2. Stocks (Schedule D)				
2.1 Preferred stocks .....				
2.2 Common Stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2 Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3 Properties held for sale (less \$.....0 encumbrances) .....				
5. Cash (\$.....4,920,822 Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....18,790,171 Schedule DA) .....	23,710,993		23,710,993	33,922,809
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	51,364,753		51,364,753	48,568,698
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	180,395		180,395	158,664
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	2,885,367		2,885,367	2,481,447
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	489,413		489,413	900,107
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon .....				
18.2 Net deferred tax asset .....	1,193,469	155,320	1,038,149	1,263,149
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....	11,323	6,688	4,635	5,337
21. Furniture and equipment, including health care delivery assets (\$.....0) .....	580,321	580,321		
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....				
24. Health care (\$.....0) and other amounts receivable .....	1,446,317	1,446,317		
25. Aggregate write-ins for other than invested assets .....	450	450		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	58,151,808	2,189,096	55,962,712	53,377,402
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. Total (Lines 26 and 27) .....	58,151,808	2,189,096	55,962,712	53,377,402
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. <b>TOTALS</b> (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501. Prepays .....	450	450		
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. <b>TOTALS</b> (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	450	450		

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	16,213,035		16,213,035	13,025,103
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	349,410		349,410	284,095
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....	1,401,547		1,401,547	462,036
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....				5,600
9. General expenses due or accrued .....	2,513,155		2,513,155	2,132,676
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....	277,366		277,366	634,167
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 .....	120,117		120,117	589,793
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	343,006		343,006	499,121
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers) .....				
20. Reinsurance in unauthorized companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....	2,076,808		2,076,808	
23. Aggregate write-ins for other liabilities (including \$.....0 current) .....				
24. TOTAL Liabilities (Lines 1 to 23) .....	23,294,444		23,294,444	17,632,591
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		
26. Common capital stock .....	XXX	XXX	10	10
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	32,811,719	41,453,516
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	(143,461)	(5,708,715)
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0) .....	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0) .....	XXX	XXX		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	32,668,268	35,744,811
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	XXX	XXX	55,962,712	53,377,402
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....				
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX		

# STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	X X X	669,569	684,848
1. Member Months .....			
2. Net premium income (including \$.....0 non-health premium income) .....	X X X	148,035,378	154,029,351
3. Change in unearned premium reserves and reserve for rate credits .....	X X X		
4. Fee-for-service (net of \$.....0 medical expenses) .....	X X X		
5. Risk revenue .....	X X X		
6. Aggregate write-ins for other health care related revenues .....	X X X		
7. Aggregate write-ins for other non-health revenues .....	X X X		
8. TOTAL Revenues (Lines 2 to 7) .....	X X X	148,035,378	154,029,351
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		83,858,995	96,349,010
10. Other professional services .....		8,596,800	9,306,855
11. Outside referrals .....			
12. Emergency room and out-of-area .....		11,867,230	8,963,513
13. Prescription drugs .....		4,838,796	980,544
14. Aggregate write-ins for other hospital and medical .....		1,727,018	1,746,719
15. Incentive pool, withhold adjustments and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....		110,888,839	117,346,641
<b>Less:</b>			
17. Net reinsurance recoveries .....		3,528,811	4,903,341
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		107,360,028	112,443,300
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....4,424,980 cost containment expenses .....		5,671,259	5,241,664
21. General administrative expenses .....		24,817,515	24,643,957
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) .....		137,848,802	142,328,921
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X	10,186,576	11,700,430
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		386,684	756,863
26. Net realized capital gains (losses) less capital gains tax of \$.....1,135 .....		4,944	(2,834)
27. Net investment gains (losses) (Lines 25 plus 26) .....		391,628	754,029
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	10,578,204	12,454,459
31. Federal and foreign income taxes incurred .....	X X X	3,771,417	3,217,193
32. Net income (loss) (Lines 30 minus 31) .....	X X X	6,806,787	9,237,266
<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 (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X		
1401. Ancillary, DME, Home Healthcare, Ambulance, Transportation .....		1,727,018	1,746,719
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) .....		1,727,018	1,746,719
2901. .....			
2902. .....			
2903. .....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

# STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	35,744,811	35,843,647
34. Net income or (loss) from Line 32 .....	6,806,787	9,237,266
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 .....	(150,567)	(1,468,530)
39. Change in nonadmitted assets .....	273,913	1,855,675
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 .....	337,324	276,753
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....	(10,344,000)	(10,000,000)
47. Aggregate write-ins for gains or (losses) in surplus .....		
48. Net change in capital and surplus (Lines 34 to 47) .....	(3,076,543)	(98,836)
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	32,668,268	35,744,811
<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) .....		

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care  
**CASH FLOW**

		1 Current Year	2 Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	148,565,369	136,064,732
2.	Net investment income .....	608,958	866,982
3.	Miscellaneous income .....		
4.	Total (Lines 1 through 3) .....	149,174,327	136,931,714
5.	Benefit and loss related payments .....	103,019,538	122,121,519
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	27,499,250	28,185,875
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	4,129,353	1,966,220
10.	Total (Lines 5 through 9) .....	134,648,141	152,273,614
11.	Net cash from operations (Line 4 minus Line 10) .....	14,526,186	(15,341,900)
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	11,119,493	26,500,491
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 .....		2,834
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	11,119,493	26,503,325
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	24,365,290	7,129,383
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	24,365,290	7,129,383
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(13,245,797)	19,373,942
<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 .....	10,344,000	10,000,000
16.6	Other cash provided (applied) .....	(1,148,205)	(945,840)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(11,492,205)	(10,945,840)
<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) .....	(10,211,816)	(6,913,798)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	33,922,809	40,836,607
19.2	End of year (Line 18 plus Line 19.1) .....	23,710,993	33,922,809

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

20.0001	Depreciation .....	129,598	198,002
20.0002	Non Cash Capital Contribution .....	337,324	276,754

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income .....	148,035,378							148,035,378		
2. Change in unearned premium reserves and reserve for rate credit .....										
3. Fee-for-service (net of \$.....0 medical expenses) .....									XXX	
4. Risk revenue .....									XXX	
5. Aggregate write-ins for other health care related revenues .....									XXX	
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6) .....	148,035,378							148,035,378		
8. Hospital/medical benefits .....	83,858,995							83,858,995		
9. Other professional services .....	8,596,800							8,596,800		
10. Outside referrals .....									XXX	
11. Emergency room and out-of-area .....	11,867,230							11,867,230		
12. Prescription drugs .....	4,838,796							4,838,796		
13. Aggregate write-ins for other hospital and medical .....	1,727,018							1,727,018		
14. Incentive pool, withhold adjustments and bonus amounts .....									XXX	
15. Subtotal (Lines 8 to 14) .....	110,888,839							110,888,839		
16. Net reinsurance recoveries .....	3,528,811							3,528,811		
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	107,360,028							107,360,028		
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....4,424,980 cost containment expenses .....	5,671,259							5,671,259		
20. General administrative expenses .....	24,817,515							24,817,515		
21. Increase in reserves for accident and health contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
22. Increase in reserves for life contracts .....										
23. TOTAL Underwriting Deductions (Lines 17 to 22) .....	137,848,802							137,848,802		
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	10,186,576							10,186,576		
<b>DETAILS OF WRITE-INS</b>										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....										XXX
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....										XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....										
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....										
1301. Home Healthcare, DME, Transportation, etc. ....	1,727,018							1,727,018		
1302. ....										
1303. ....										
1398. Summary of remaining write-ins for Line 13 from overflow page .....										
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	1,727,018							1,727,018		

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	151,548,179	.....	3,512,801	148,035,378
8. Other health .....	.....	.....	.....	.....
9. Health subtotal (Lines 1 through 8) .....	151,548,179	.....	3,512,801	148,035,378
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11) .....	151,548,179	.....	3,512,801	148,035,378

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	106,959,043							106,959,043		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	3,939,505							3,939,505		
1.4 Net	103,019,538							103,019,538		
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	16,213,035							16,213,035		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	16,213,035							16,213,035		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)	(741,864)							(741,864)		
7. Amounts recoverable from reinsurers December 31, current year	489,413							489,413		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	13,025,103							13,025,103		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	13,025,103							13,025,103		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year	900,107							900,107		
12. Incurred benefits:										
12.1 Direct	110,888,839							110,888,839		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	3,528,811							3,528,811		
12.4 Net	107,360,028							107,360,028		
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	1,672,594	.....	.....	.....	.....	.....	.....	1,672,594	.....	.....
1.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.4 Net .....	1,672,594	.....	.....	.....	.....	.....	.....	1,672,594	.....	.....
2. Incurred but Unreported:										
2.1 Direct .....	14,540,441	.....	.....	.....	.....	.....	.....	14,540,441	.....	.....
2.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.4 Net .....	14,540,441	.....	.....	.....	.....	.....	.....	14,540,441	.....	.....
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. TOTALS										
4.1 Direct .....	16,213,035	.....	.....	.....	.....	.....	.....	16,213,035	.....	.....
4.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.4 Net .....	16,213,035	.....	.....	.....	.....	.....	.....	16,213,035	.....	.....

## UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3. Dental only .....	.....	.....	.....	.....	.....	.....
4. Vision only .....	.....	.....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	4,005,272	98,524,853	781,167	15,431,868	4,786,439	12,124,996
8. Other health .....	.....	.....	.....	.....	.....	.....
9. Health subtotal (Lines 1 to 8) .....	4,005,272	98,524,853	781,167	15,431,868	4,786,439	12,124,996
10. Healthcare receivables (a) .....	546,510	49,807	.....	.....	546,510	1,338,181
11. Other non-health .....	.....	.....	.....	.....	.....	.....
12. Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	3,458,762	98,475,046	781,167	15,431,868	4,239,929	10,786,815

(a) Excludes \$.....850,000 loans or advances to providers not yet expensed.

# UNDERWRITING AND INVESTMENT EXHIBIT

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

### Grand Total

#### Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	10,146	9,738	9,738	9,738	9,738
2. 2007 .....	142,964	163,364	162,947	162,947	162,944
3. 2008 .....	XXX	181,881	202,561	202,196	201,936
4. 2009 .....	XXX	XXX	208,406	226,323	225,776
5. 2010 .....	XXX	XXX	XXX	103,670	108,485
6. 2011 .....	XXX	XXX	XXX	XXX	98,525

#### Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	10,495	9,776	9,738	9,738	9,738
2. 2007 .....	169,633	165,339	162,947	162,947	162,944
3. 2008 .....	XXX	209,051	203,427	202,196	201,936
4. 2009 .....	XXX	XXX	230,888	226,509	225,752
5. 2010 .....	XXX	XXX	XXX	116,509	109,290
6. 2011 .....	XXX	XXX	XXX	XXX	113,957

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent	
1. 2007 .....	194,106	162,944	4,448	2.730	167,392	86.237	.....	.....	167,392	86.237
2. 2008 .....	233,328	201,936	5,622	2.784	207,558	88.955	.....	.....	207,558	88.955
3. 2009 .....	264,841	225,776	7,130	3.158	232,906	87.942	(24)	.....	232,882	87.933
4. 2010 .....	154,029	108,485	5,263	4.851	113,748	73.848	805	1	114,554	74.372
5. 2011 .....	148,035	98,525	4,958	5.032	103,483	69.904	15,432	348	119,263	80.564

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare . . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare . . . . . NONE

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)**  
**Title XIX - Medicaid**  
**Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	10,146	9,738	9,738	9,738	9,738
2. 2007 .....	142,964	163,364	162,947	162,947	162,944
3. 2008 .....	XXX	181,881	202,561	202,196	201,936
4. 2009 .....	XXX	XXX	208,406	226,323	225,776
5. 2010 .....	XXX	XXX	XXX	103,670	108,485
6. 2011 .....	XXX	XXX	XXX	XXX	98,525

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	10,495	9,776	9,738	9,738	9,738
2. 2007 .....	169,633	165,339	162,947	162,947	162,944
3. 2008 .....	XXX	209,051	203,427	202,196	201,936
4. 2009 .....	XXX	XXX	230,888	226,509	225,752
5. 2010 .....	XXX	XXX	XXX	116,509	109,290
6. 2011 .....	XXX	XXX	XXX	XXX	113,957

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2007 .....	194,106	162,944	4,448	2.730	167,392	86.237			167,392	86.237
2. 2008 .....	233,328	201,936	5,622	2.784	207,558	88.955			207,558	88.955
3. 2009 .....	264,841	225,776	7,130	3.158	232,906	87.942	(24)		232,882	87.933
4. 2010 .....	154,029	108,485	5,263	4.851	113,748	73.848	805	1	114,554	74.372
5. 2011 .....	148,035	98,525	4,958	5.032	103,483	69.904	15,432	348	119,263	80.564

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

**Other****Section A - Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.....	.....	.....	.....	.....
2. 2007 .....	.....	.....	.....	.....	.....
3. 2008 .....	.....	.....	.....	.....	.....
4. 2009 .....	.....	.....	.....	.....	.....
5. 2010 .....	.....	.....	.....	XXX .....	.....
6. 2011 .....	XXX .....	XXX .....	XXX .....	XXX .....	XXX .....

**Section B - Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.....	.....	.....	.....	.....
2. 2007 .....	.....	.....	.....	.....	.....
3. 2008 .....	.....	.....	.....	.....	.....
4. 2009 .....	.....	.....	.....	.....	.....
5. 2010 .....	.....	.....	.....	XXX .....	.....
6. 2011 .....	XXX .....	XXX .....	XXX .....	XXX .....	XXX .....

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2007 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. 2008 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. 2009 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. 2010 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
5. 2011 .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

# UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2. Additional policy reserves (a) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3. Reserve for future contingent benefits .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income) .....	1,401,547	.....	.....	.....	.....	.....	.....	1,401,547	.....
5. Aggregate write-ins for other policy reserves .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6. TOTALS (Gross) .....	1,401,547	.....	.....	.....	.....	.....	.....	1,401,547	.....
7. Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8. TOTALS (Net) (Page 3, Line 4) .....	1,401,547	.....	.....	.....	.....	.....	.....	1,401,547	.....
9. Present value of amounts not yet due on claims .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10. Reserve for future contingent benefits .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
11. Aggregate write-ins for other claim reserves .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
12. TOTALS (Gross) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
13. Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
14. TOTALS (Net) (Page 3, Line 7) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
<b>DETAILS OF WRITE-INS</b>									
0501. .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
0502. .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
0503. .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1101. .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1102. .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1103. .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....

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

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)			387,681		387,681
2. Salaries, wages and other benefits	3,010,425	391,966	7,446,373		10,848,764
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)					
4. Legal fees and expenses			38,220		38,220
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services			82,507		82,507
7. Traveling expenses	9,674		230,286		239,960
8. Marketing and advertising	554		338,346		338,900
9. Postage, express and telephone	69,237		447,812		517,049
10. Printing and office supplies	114,146		477,334		591,480
11. Occupancy, depreciation and amortization			517,008		517,008
12. Equipment			33,522		33,522
13. Cost or depreciation of EDP equipment and software			345,534		345,534
14. Outsourced services including EDP, claims, and other services	196,941	854,314	873,011		1,924,266
15. Boards, bureaus and association fees	2,935		165,364		168,299
16. Insurance, except on real estate			113,669		113,669
17. Collection and bank service charges	255,798		34,119		289,917
18. Group service and administration fees					
19. Reimbursements by uninsured plans					
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			105,574		105,574
23.2 State premium taxes			11,898,533		11,898,533
23.3 Regulator authority licenses and fees					
23.4 Payroll taxes					
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	765,270		1,282,622		2,047,892
26. TOTAL Expenses Incurred (Lines 1 to 25)	4,424,980	1,246,280	24,817,515		(a) 30,488,775
27. Less expenses unpaid December 31, current year	349,410		2,513,155		2,862,565
28. Add expenses unpaid December 31, prior year	284,095		2,132,676		2,416,771
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	4,359,665	1,246,280	24,437,036		30,042,981

**DETAILS OF WRITE-INS**

2501. Contributions, committee fees, conferences, fines & penalties etc.	765,270		1,282,622		2,047,892
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	765,270		1,282,622		2,047,892

(a) Includes management fees of \$.....10,398,534 to affiliates and \$.....0 to non-affiliates.

## EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds .....	(a) .....	17,795	31,795
1.1 Bonds exempt from U.S. tax .....	(a) .....	135,975	136,558
1.2 Other bonds (unaffiliated) .....	(a) .....	165,984	172,392
1.3 Bonds of affiliates .....	(a) .....		
2.1 Preferred stocks (unaffiliated) .....	(b) .....		
2.11 Preferred stocks of affiliates .....	(b) .....		
2.2 Common stocks (unaffiliated) .....			
2.21 Common stocks of affiliates .....			
3. Mortgage loans .....	(c) .....		
4. Real estate .....	(d) .....		
5. Contract loans .....			
6. Cash, cash equivalents and short-term investments .....	(e) .....	45,199	45,939
7. Derivative instruments .....	(f) .....		
8. Other invested assets .....			
9. Aggregate write-ins for investment income .....			
10. Total gross investment income .....		364,953	386,684
11. Investment expenses .....			(g) .....
12. Investment taxes, licenses and fees, excluding federal income taxes .....			(g) .....
13. Interest expense .....			(h) .....
14. Depreciation on real estate and other invested assets .....			(i) .....
15. Aggregate write-ins for deductions from investment income .....			
16. Total deductions (Lines 11 through 15) .....			
17. Net Investment income (Line 10 minus Line 16) .....			386,684

## DETAILS OF WRITE-INS

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

(a) Includes \$.....2,072 accrual of discount less \$.....(246,077) amortization of premium and less \$.....81,887 paid for accrued interest on purchases.  
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.  
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$.....6,437 accrual of discount less \$.....(9,019) amortization of premium and less \$.....3,789 paid for accrued interest on purchases.  
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.  
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....	725		725		
1.1 Bonds exempt from U.S. tax .....					
1.2 Other bonds (unaffiliated) .....	5,354		5,354		
1.3 Bonds of affiliates .....					
2.1 Preferred stocks (unaffiliated) .....					
2.11 Preferred stocks of affiliates .....					
2.2 Common stocks (unaffiliated) .....					
2.21 Common stocks of affiliates .....					
3. Mortgage loans .....					
4. Real estate .....					
5. Contract loans .....					
6. Cash, cash equivalents and short-term investments .....					
7. Derivative instruments .....					
8. Other invested assets .....					
9. Aggregate write-ins for capital gains (losses) .....					
10. Total capital gains (losses) .....	6,079		6,079		

## DETAILS OF WRITE-INS

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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care  
**EXHIBIT OF NONADMITTED ASSETS**

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	.....	.....	.....
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.....	.....	.....
2.2 Common stocks .....	.....	.....	.....
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.....	.....	.....
3.2 Other than first liens .....	.....	.....	.....
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.....	.....	.....
4.2 Properties held for the production of income .....	.....	.....	.....
4.3 Properties held for sale .....	.....	.....	.....
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....	.....	.....	.....
6. Contract loans .....	.....	.....	.....
7. Derivatives (Schedule DB) .....	.....	.....	.....
8. Other invested assets (Schedule BA) .....	.....	.....	.....
9. Receivables for securities .....	.....	.....	.....
10. Securities lending reinvested collateral assets (Schedule DL) .....	.....	.....	.....
11. Aggregate write-ins for invested assets .....	.....	.....	.....
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.....	.....	.....
13. Title plants (for Title insurers only) .....	.....	.....	.....
14. Invested income due and accrued .....	.....	.....	.....
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	.....	.....	.....
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	.....	.....	.....
15.3 Accrued retrospective premiums .....	.....	.....	.....
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.....	.....	.....
16.2 Funds held by or deposited with reinsured companies .....	.....	.....	.....
16.3 Other amounts receivable under reinsurance contracts .....	.....	.....	.....
17. Amounts receivable relating to uninsured plans .....	.....	.....	.....
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.....	.....	.....
18.2 Net deferred tax asset .....	155,320	80,887	(74,433)
19. Guaranty funds receivable or on deposit .....	6,688	28,210	21,522
20. Electronic data processing equipment and software .....	580,321	165,731	(414,590)
21. Furniture and equipment, including health care delivery assets .....	.....	.....	.....
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.....	.....	.....
23. Receivables from parent, subsidiaries and affiliates .....	.....	.....	.....
24. Health care and other amounts receivable .....	1,446,317	2,188,181	741,864
25. Aggregate write-ins for other than invested assets .....	450	.....	(450)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,189,096	2,463,009	273,913
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.....	.....	.....
28. Total (Lines 26 and 27) .....	2,189,096	2,463,009	273,913
<b>DETAILS OF WRITE-INS</b>			
1101. .....	.....	.....	.....
1102. .....	.....	.....	.....
1103. .....	.....	.....	.....
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.....	.....	.....
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.....	.....	.....
2501. Prepaids .....	450	.....	(450)
2502. .....	.....	.....	.....
2503. .....	.....	.....	.....
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.....	.....	.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	450	.....	(450)

## EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	55,460	55,408	54,957	58,020	55,379	669,569
2. Provider Service Organizations .....	.....	.....	.....	.....	.....	.....
3. Preferred Provider Organizations .....	.....	.....	.....	.....	.....	.....
4. Point of Service .....	.....	.....	.....	.....	.....	.....
5. Indemnity Only .....	.....	.....	.....	.....	.....	.....
6. Aggregate write-ins for other lines of business .....	.....	.....	.....	.....	.....	.....
7. TOTAL .....	55,460	55,408	54,957	58,020	55,379	669,569
<b>DETAILS OF WRITE-INS</b>						
0601. .....	.....	.....	.....	.....	.....	.....
0602. .....	.....	.....	.....	.....	.....	.....
0603. .....	.....	.....	.....	.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.....	.....	.....	.....	.....	.....
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	.....	.....	.....	.....	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE **AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care**  
**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies**

**A. Accounting Practices**

The financial statements of AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance.

The Ohio Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, version effective March 2011 (NAIC SAP) has been adopted by the state of Ohio subject to any deviations prescribed or permitted by the State of Ohio Insurance Commissioner.

There are no other state permitted practices that differ from the NAIC *Accounting Practices and Procedures Manual* that impact the financial statements or statutory net worth for AMERIGROUP Ohio, Inc.

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

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

**C. Accounting Policy**

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

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the scientific method.
- (3) Common stock – None.
- (4) Preferred Stock – None.
- (5) Mortgage loans – None.
- (6) Loan backed securities – None.
- (7) Investment in Subsidiaries, Controlled and Affiliated Companies – None.
- (8) Joint Ventures, Partnerships and Limited Liability Companies – None.
- (9) Derivatives – None.
- (10) Premium deficiency calculation – The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) Unpaid Claims and loss adjustment expenses include an amount determined from individual case estimates and claim reports and an amount, based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) Capitalization policy - No change from prior year.
- (13) Pharmaceutical rebates receivable – All pharmaceutical rebate receivables are considered non-admitted due to their collectability beyond 90 days.

**2. Accounting Changes and Corrections of Errors**

There were no significant accounting changes or corrections during the period.

**3. Business Combinations and Goodwill**

None.

**4. Discontinued Operations**

None.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE **AMERIGROUP Ohio, Inc.** dba **AMERIGROUP Community Care**  
**Notes to Financial Statements**

**5. Investments**

- A. Mortgage loans including Mezzanine Real Estate Loans - None.
- B. Debt Restructuring - None.
- C. Reverse Mortgages – None.
- D. Loan-Backed Securities – None.
- E. Repurchase Agreements – None.
- F. Real Estate – None.
- G. Investments in low-income housing tax credits – None.

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

The Company as of December 31, 2011 had no investments in Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of its admitted assets.

**7. Investment Income**

The Company reports only investment income that is earned as due and accrued in its financial statements. There was no non-admitted investment income as of December 31, 2011.

**8. Derivative Instruments**

The Company as of December 31, 2011 had no investments in Derivative Instruments.

## Notes to Financial Statements

### 9. Income Taxes

A. The components of net deferred tax assets (DTAs) and deferred tax liabilities (DTLs) at December 31 are as follows:

	12/31/11			12/31/10			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross deferred tax assets (admitted and non-admitted)	\$ 1,193,469	\$ -	\$ 1,193,469	\$ 1,344,036	\$ -	\$ 1,344,036	\$ (150,567)	\$ -	\$ (150,567)
(b) Statutory valuation allowance adjustment	-	-	-	-	-	-	-	-	-
(c) Adjusted gross deferred tax assets	1,193,469	-	1,193,469	1,344,036	-	1,344,036	(150,567)	-	(150,567)
(d) Total gross deferred income tax liabilities	-	-	-	-	-	-	-	-	-
(e) Net deferred tax asset (liability)	1,193,469	-	1,193,469	1,344,036	-	1,344,036	(150,567)	-	(150,567)
(f) Total deferred tax assets non-admitted in accordance with SSAP No. 10	(155,320)	-	(155,320)	(80,887)	-	(80,887)	(74,433)	-	(74,433)
(g) Total net admitted deferred tax asset (liability)	<u>\$ 1,038,149</u>	<u>\$ -</u>	<u>\$ 1,038,149</u>	<u>\$ 1,263,149</u>	<u>\$ -</u>	<u>\$ 1,263,149</u>	<u>\$ (225,000)</u>	<u>\$ -</u>	<u>\$ (225,000)</u>
4 Admission Calculation Components									
SSAP No. 10R Paragraph 10a, 10b, and 10c:									
(a) SSAP 10R, paragraph 10a	\$ 1,038,149	\$ -	\$ 1,038,149	\$ 1,263,149	\$ -	\$ 1,263,149	\$ (225,000)	\$ -	\$ (225,000)
(b) SSAP 10R, paragraph 10b (the lesser of paragraph 10b(i) and 10b(ii) below)	-	-	-	-	-	-	-	-	-
(c) SSAP 10R, paragraph 10b(i)	-	-	-	-	-	-	-	-	-
(d) SSAP 10R, paragraph 10b(ii)	\$3,085,513	-	3,085,513	4,362,991	-	4,362,991	(1,277,478)	-	(1,277,478)
(e) SSAP 10R, paragraph 10c	-	-	-	-	-	-	-	-	-
(f) Total (4a, 4b and 4e)	<u>\$ 1,038,149</u>	<u>\$ -</u>	<u>\$ 1,038,149</u>	<u>\$ 1,263,149</u>	<u>\$ -</u>	<u>\$ 1,263,149</u>	<u>\$ (225,000)</u>	<u>\$ -</u>	<u>\$ (225,000)</u>

The company has not elected to admit DTAs pursuant to paragraph 10e of SSAP 10R.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE **AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care**  
**Notes to Financial Statements**

5. Tax planning strategies did not have an effect on the Company's net admitted deferred tax assets.

The change in deferred income taxes reported in surplus before consideration of non-admitted assets is comprised of the following components:

	12/31/11	12/31/10	Change	12/31/10	12/31/09	Change
Net adjusted deferred tax asset (liability)	\$1,193,469	\$1,344,036	\$ (150,567)	\$1,344,036	\$2,812,565	\$(1,468,529)
Tax-effect of unrealized gains and losses	-	-	-	-	-	-
Net tax effect without unrealized gains and losses	<u>\$1,193,469</u>	<u>\$1,344,036</u>	<u>\$ (150,567)</u>	<u>\$1,344,036</u>	<u>\$2,812,565</u>	<u>(1,468,529)</u>
Change in deferred income tax			\$150,567			\$1,468,529

**B. Unrecognized deferred tax liabilities**

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

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

	12/31/2011	12/31/2010	Change
Current year tax expense (benefit)- ordinary income	\$ 3,874,677	\$ 3,208,055	\$ 666,622
Current year tax expense (benefit)-realized gains(losses)	1,135	-	1,135
Current year tax expense (benefit) incurred	<u>3,875,812</u>	<u>3,208,055</u>	<u>667,757</u>
Investment tax credits	-	-	-
Benefits of operating loss carryforwards	-	-	-
Prior year adjustments	<u>(103,260)</u>	<u>9,138</u>	<u>(112,398)</u>
Current income taxes incurred	<u>\$ 3,772,552</u>	<u>\$ 3,217,193</u>	<u>\$ 555,359</u>

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

	12/31/2011	12/31/2010	Change
Deferred tax assets:			
<b>Ordinary</b>			
Discounting of unpaid Losses	\$ 39,305	\$ 59,082	\$ (19,777)
Fixed assets	163,961	96,085	67,876
Receivables - non-admitted	980,766	1,178,114	(197,348)
Unearned premium reserve	-	392	(392)
Other	<u>9,437</u>	<u>10,363</u>	<u>(926)</u>
Subtotal	<u>1,193,469</u>	<u>1,344,036</u>	<u>(150,567)</u>
Non-admitted deferred tax assets	<u>(155,320)</u>	<u>(80,887)</u>	<u>(74,433)</u>
Admitted ordinary deferred tax assets	<u>\$ 1,038,149</u>	<u>\$ 1,263,149</u>	<u>\$ (225,000)</u>
<b>Capital</b>			
Investments	-	-	-
Net capital loss carry-forward	-	-	-
Other	-	-	-
Subtotal	-	-	-
Deferred tax liabilities:			
<b>Ordinary</b>			
Investments	-	-	-
Other	-	-	-
Subtotal	-	-	-
<b>Capital</b>			
Investments	-	-	-
Unrealized (gains) losses	-	-	-
Subtotal	-	-	-
Net Admitted Deferred Tax Assets (Liabilities)	<u>\$ 1,038,149</u>	<u>\$ 1,263,149</u>	<u>\$ (225,000)</u>

To assess the recoverability of deferred tax assets, we consider whether it is more likely than not that deferred tax assets will be realized. In making this determination, we take into account the scheduled reversal of deferred tax liabilities and whether projected future taxable income is sufficient to permit deduction of the deferred tax assets. Based on taxable income in 2010 and 2011, and projections of future taxable income, we believe it is more likely than not that we will fully realize the benefits of the gross deferred tax assets of \$1,193,469.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE **AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care**  
**Notes to Financial Statements**

**E. Reconciliation of Federal Income Tax Rate to Actual Effective Rate**

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes. The significant items causing this difference are as follows:

<b>Description</b>	<b>Amount</b>	<b>Tax effect</b>	<b>Effective Tax Rate</b>
Income before taxes	\$ 10,579,339	\$ 3,702,769	35.00%
Nondeductible lobbying expense	106,879	37,409	0.35%
Tax exempt interest	(116,074)	(40,626)	-0.38%
Other nondeductible expenses	15,930	5,575	0.05%
Other	(31,046)	(10,866)	-0.10%
GAAP to STAT difference	653,883	228,859	2.16%
<b>Total</b>	<b>\$ 11,208,911</b>	<b>\$ 3,923,119</b>	<b>37.08%</b>
 Federal Income Tax Incurred	 3,771,417	 35.65%	
Tax on capital gains/( losses)	1,135	0.01%	
Change in net deferred income tax	150,567	1.41%	
<b>Total statutory income tax</b>	<b>\$ 3,923,119</b>	<b>37.08%</b>	

As of December 31, 2011, the separate company operating loss carry-forward available for federal tax purposes is \$0. There are no tax credit carry-forwards.

The amount of income taxes incurred that are available for recoupment in the event of future net losses is: current year \$3,771,417; first preceding year \$3,104,794.

**F. Consolidated Federal Income Tax Return**

The Company's Federal Income Tax return is consolidated with the following entities:

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

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

**10. Information Concerning Parent, Subsidiaries and Affiliates**

- A. AMERIGROUP Corporation owns 100% of the outstanding shares of the Company and provides administrative and financial support services to the Company. Intercompany management fees are charged to the Company in accordance with an approved Administrative and Support Services Agreement.
- B. During the year ending December 31, 2011, there were \$10,344,000 dividends paid. AMERIGROUP Corporation allocates compensation expense related to share-based payments made to employees of the Company. The amount of compensation expense for the years ended December 31, 2011 and 2010 was \$337,324 and \$276,753 respectively. The Company reflects these allocated expenses as capital contributions since AMERIGROUP Corporation does not bill the Company for these amounts, which are included in selling, general and administrative expenses in the accompanying statements of operations.
- C. Management fees charged to the Company were \$10,398,534 and \$10,264,938 for the years December 30, 2011 and 2010, and are included in general administrative expenses in the accompanying statutory statements of revenue and expenses.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE **AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care**  
**Notes to Financial Statements**

- D. AMERIGROUP Ohio, Inc. owed the AMERIGROUP Corporation \$343,006 as of December 31, 2011. The amount is the difference between the estimated charges and the actual expenses incurred in the month of December and were paid in January of 2012.
- E. Guarantees or undertakings, written or otherwise: None
- F. Material management or service contracts and cost sharing arrangements: The Company has agreements with AMERIGROUP Corporation for Administrative and Support Services and Tax Allocations.
- G. The Company is a wholly owned subsidiary of AMERIGROUP Corporation. AMERIGROUP is a multi-state organization that provides for the delivery of health care services to Medicaid, Medicare and other government-sponsored health care programs for low-income families and individuals. The other subsidiaries of AMERIGROUP are listed in note 9 F.
- H. Amount deducted from the value of an upstream intermediate entity or ultimate parent owned: None
- I. Investment in an SCA entity that exceeds 10% of the admitted assets of the insurer: None
- J. Investments in impaired SCA entities: None
- K. Investment in foreign insurance subsidiary: None
- L. Investment in downstream noninsurance holding company: None

**11. Debt**

None.

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

The Company's employees have the option to participate in a deferred compensation plan sponsored by AMERIGROUP Corporation. All full-time and most part-time employees of AMERIGROUP Corporation and the Company may elect to participate in this plan. This plan is exempt from income taxes under Section 401(k) of the Internal Revenue Code. Participants may contribute a certain percentage of their compensation subject to maximum federal and plan limits. AMERIGROUP Corporation may elect to match a certain percentage of each employee's contributions up to specified limits. For the years ended December 31, 2011 and 2010, AMERIGROUP Corporation's matching contribution under the plan was approximately \$90,138 and \$63,291 respectively, and was not directly charged to the Company.

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

- (1) The Company had 1000 shares of common stock authorized and 1000 shares outstanding, at a par value of \$1.00 per share, as of December 31, 2011 and December 31, 2010.
- (2) The Company has no preferred stock outstanding.
- (3) Except as limited by, and in accordance with the instructions and regulations of the Ohio Department of Insurance there is no limit on the portion of the Company's profits that may be paid as dividends.
- (4) In 2011 and 2010, the state of Ohio approved requests by AMERIGROUP Corporation, Inc. for payment of dividends by AMERIGROUP Ohio, Inc., as follows:

In October, 2011, AMERIGROUP Corporation was granted approval from the Ohio Department of Insurance to pay an extraordinary dividend of \$10,344,000 which was disbursed on November 14, 2011.

On December 14, 2010 AMERIGROUP Ohio paid an extraordinary dividend of 8,979,121 and an ordinary dividend of \$1,020,879 to AMERIGROUP Corporation.

- (5) Except as limited by Ohio Department of Insurance and within the limits of #3 above, there are no restrictions on the portion of the Company's profit that may be paid as ordinary dividends.
- (6) Surplus restrictions – None.
- (7) Advance to Surplus not repaid – None.
- (8) The Company does not have any stock held for special purposes.
- (9) The Company does not have any special surplus funds.
- (10) Unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses are \$0.
- (11) The Company is not a party to any surplus notes.
- (12) The Company was not involved in any quasi-reorganization in 2011.
- (13) Effective date of any quasi-reorganization – None.

**14. Contingencies**

- A. Contingent commitments - None.
- B. Assessments - None.
- C. Gain contingencies - None
- D. Claims related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits - None.
- E. All other – None.

**15. Leases**

- A. Lessee lease arrangements

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE **AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care**  
**Notes to Financial Statements**

- (1) The Company leases office space and equipment under various non-cancelable and cancelable operating lease agreements. Rental expense related to these leases totaled \$212,664 and \$198,266 for the years ended December 31, 2011 and 2010.
- (2) Future minimum lease payments for years ending December 31 are as follows:  
2012 - \$104,554  
2013 - \$107,057  
2014 - \$109,445  
2015 - \$107,829  
2016 - \$27,123  
Thereafter - \$0.00  
Total - \$456,007
- (3) Sale-leaseback transactions – None.

B. Lessor lease arrangements – None.

**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. ASO plans-None.

B. ASC plans-None.

C. Medicare or similarly structured cost based reimbursement contract – None.

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

None.

**20. Fair value Measurement**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

*Cash, uncollected premiums in the course of collection, investment income due and amounts recoverable from reinsurer, claims unpaid, unpaid claims adjustment expenses, remittances and items not allocated, general expenses due or accrued, amounts due to parent, subsidiaries and affiliates, and aggregate health policy reserves – the carrying amounts approximate fair value because of the short maturity of these items. These financial instruments were not assigned a level category since they are not carried at fair value.*

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE **AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care**  
**Notes to Financial Statements**

*Short-term investments* – The fair value of short-term investments were determined based on quoted market prices. A portion of short-term investments are comprised of money market funds that are carried at fair value and, accordingly, are assigned a level category.

The fair value measurements of the assets carried at fair value for the years ended December 31, 2011 and 2010 are as follows:

Asset category	2011	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Money market funds	\$ 17,619,577	17,619,577		
Total assets measured at fair value	\$ 17,619,577	17,619,577	—	—

Asset category	2010	Fair value measurements at reporting date using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Money market funds	\$ 28,344,861	28,344,861		
Total assets measured at fair value	\$ 28,344,861	28,344,861	—	—

## 21. Other Items

In late 2011, our actuaries re-evaluated the allocation methodology used to categorize our medical expenses in the NAIC-defined service categories reported in the Statement of Revenue and Expenses. As a result, there may be sizable shifts between the service categories presented for YTD 2011 as compared with prior periods.

## 22. Events Subsequent

The Company has evaluated subsequent events for potential recognition and/or disclosure through March 1st, the date the financial statements are available to be issued.

## 23. Reinsurance

A new contract was signed with RGA Reinsurance Company effective July 1, 2011, with the attachment points of \$300,000 per member. The Company during this reporting period had no Unsecured Reinsurance Recoverable, Reinsurance Recoverable in Dispute, Uncollectible Reinsurance, and Commutation of Reinsurance or Retroactive Reinsurance.

## 24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None.

## 25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2010 were \$13,025,103. As of December 31, 2011 \$5,486,167 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for the prior years are now \$781,167 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$6,757,769 million favorable prior-year development since December 31, 2010. The decrease is generally the result of ongoing analysis of recent loss development trends and is included in current year operations.

## 26. Intercompany Pooling Arrangements

None.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care  
**Notes to Financial Statements**

**27. Structured Settlements**

None.

**28. Health Care Receivables**

**A. Pharmaceutical Rebate Receivables**

Quarter	Estimated pharmacy rebates as reported on financial statements	Pharmacy rebates as billed or otherwise confirmed	Actual rebates received within 90 days of billing	Actual rebates received within 91 to 180 days after billing	Actual rebates received more than 180 days after billing
12/31/11	49,807	49,807	-	-	-
09/30/11	-	-	-	-	-
06/30/11	-	-	-	-	-
03/31/11	-	-	-	-	-
12/31/10	-	-	-	-	-
09/30/10	-	-	-	-	-
06/30/10	-	-	-	-	-
03/31/10	98,801	120,291	-	-	120,291
12/31/09	417,478	527,385	-	-	503,680
09/30/09	601,916	599,882	-	-	585,874
06/30/09	641,770	575,919	-	167,787	398,459
03/31/09	606,232	553,912	-	119,022	425,769
12/31/08	536,546	480,590	-	75,417	405,146
09/30/08	516,485	451,316	-	-	451,312
06/30/08	492,759	423,669	-	-	423,531
03/31/08	432,415	372,591	-	-	371,207

**B. Risk Sharing Receivables**

None.

**29. Participating Policies**

None.

**30. Premium Deficiency Reserves.**

None.

**31. Anticipated Salvage and Subrogation**

None.

## GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

## GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  Yes [X]  No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?  Yes [X]  No [ ]  N/A [ ]  
Ohio

1.3 State Regulating?  Yes [ ]  No [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:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.  12/31/2008

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.  12/31/2008

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).  05/28/2010

3.4 By what department or departments?  Ohio Office of Insurance Regulations

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?  Yes [X]  No [ ]  N/A [ ]

3.6 Have all of the recommendations within the latest financial examination report been complied with?  Yes [X]  No [ ]  N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  Yes [ ]  No [X]

4.11 sales of new business?  Yes [ ]  No [X]

4.12 renewals?  Yes [ ]  No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  Yes [ ]  No [X]

4.21 sales of new business?  Yes [ ]  No [X]

4.22 renewals?  Yes [ ]  No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?  Yes [ ]  No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.  Yes [ ]  No [X]

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?  Yes [ ]  No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?  Yes [ ]  No [X]

7.2 If yes,  7.21 State the percentage of foreign control  0.000%  
 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

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

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?  Yes [ ]  No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  Yes [ ]  No [X]

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?  Yes [ ]  No [X]

8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
.....	.....	..... <input type="checkbox"/> Yes [ ] <input checked="" type="checkbox"/> No [X] .....	..... <input type="checkbox"/> Yes [ ] <input checked="" type="checkbox"/> No [X] .....	..... <input type="checkbox"/> Yes [ ] <input checked="" type="checkbox"/> No [X] .....	..... <input type="checkbox"/> Yes [ ] <input checked="" type="checkbox"/> No [X] .....	..... <input type="checkbox"/> Yes [ ] <input checked="" type="checkbox"/> No [X] .....

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit? KPMG LLP Suite 1900, 440 Monticello Avenue, Norfolk, VA. 23510

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?  Yes [ ]  No [X]

10.2 If response to 10.1 is "yes," provide information related to this exemption:  Yes [ ]  No [X]

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?  Yes [ ]  No [X]

10.4 If response to 10.3 is "yes," provide information related to this exemption:  Yes [ ]  No [X]

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?  Yes [X]  No [ ]  N/A [ ]

10.6 If the answer to 10.5 is "NO" or "N/A" please explain:  John C. Lloyd, FSA, MAAA, OptumInsight, 2170 Satellite Blvd, Suite 150, Duluth, GA 30097

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  John C. Lloyd, FSA, MAAA, OptumInsight, 2170 Satellite Blvd, Suite 150, Duluth, GA 30097

## GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X] 0  
 12.11 Name of real estate holding company  
 12.12 Number of parcels involved  
 12.13 Total book/adjusted carrying value  
 12.2 If yes, provide explanation \$ 0

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:  
 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?  
 13.3 Have there been any changes made to any of the trust indentures during the year?  
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X] 0  
 13.5 If answer to (13.3) is yes, provide explanation Yes [ ] No [ ] N/A [X] 0

14.1 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.

14.11 If the response to 14.1 is no, please explain: Yes [ ] No [X] 0

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X] 0  
 14.21 If the response to 14.2 is yes, provide information related to amendment(s). Yes [ ] No [X] 0

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X] 0  
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s). Yes [ ] No [X] 0

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [X] 0  
 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered. Yes [ ] No [X] 0

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001	.....	.....	.....	.....

### BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X] 0

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.11 To directors or other officers \$ 0  
 20.12 To stockholders not officers \$ 0  
 20.13 Trustees, supreme or grand (Fraternal only) \$ 0

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
 20.21 To directors or other officers \$ 0  
 20.22 To stockholders not officers \$ 0  
 20.23 Trustees, supreme or grand (Fraternal only) \$ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X] 0

21.2 If yes, state the amount thereof at December 31 of the current year:  
 21.21 Rented from others \$ 0  
 21.22 Borrowed from others \$ 0  
 21.23 Leased from others \$ 0  
 21.24 Other \$ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X] 0

22.2 If answer is yes:  
 22.21 Amount paid as losses or risk adjustment \$ 0  
 22.22 Amount paid as expenses \$ 0  
 22.23 Other amounts paid \$ 0

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

### INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [X] No [ ]

24.2 If no, give full and complete information, relating thereto:

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet, (an alternative is to reference Note 17 where this information is also provided)

24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.

24.6 If answer to 24.4 is no, report amount of collateral for other programs.

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X] 0

## GENERAL INTERROGATORIES (Continued)

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3).

Yes[X] No[ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements	\$ .....	0
25.22 Subject to reverse repurchase agreements	\$ .....	0
25.23 Subject to dollar repurchase agreements	\$ .....	0
25.24 Subject to reverse dollar repurchase agreements	\$ .....	0
25.25 Pledged as collateral	\$ .....	0
25.26 Placed under option agreements	\$ .....	0
25.27 Letter stock or securities restricted as to sale	\$ .....	0
25.28 On deposit with state or other regulatory body	\$ .....	0
25.29 Other	\$ .....	0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[ ] No[X]

26.2 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]

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[ ] No[X]

27.2 If yes, state the amount thereof at December 31 of the current year.

\$ ..... 0

28. 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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]

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

1 Name of Custodian(s)	2 Custodian's Address
U.S. Bank, N.A. ....	1025 Connecticut Ave Suite 517, Washington DC 20036 .....

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[ ] No[X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
77784 .....	Deutsche Investment Management Americas, Inc. ....	345 Park Ave. New York, New York, 10154 .....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[ ] No[X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total .....	.....	.....

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

## GENERAL INTERROGATORIES (Continued)

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	46,443,931	46,901,424	457,493
30.2 Preferred stocks .....			
30.3 Totals .....	46,443,931	46,901,424	457,493

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

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]  
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[ ] N/A[ ]  
31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

## OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 27,950  
33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Ohio Association of Health Plans .....	27,950

34.1 Amount of payments for legal expenses, if any? \$ ..... 0  
34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 70,500  
35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	.....
Public Policy Group, LLC .....	43,500
Albers & Company .....	19,000

## GENERAL INTERROGATORIES (Continued)

## PART 2 - HEALTH INTERROGATORIES

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

## 2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	148,035,378	154,029,351
2.2 Premium Denominator	148,035,378	154,029,351
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	16,213,035	13,025,103
2.5 Reserve Denominator	17,614,582	13,487,139
2.6 Reserve Ratio (2.4 / 2.5)	0.920	0.966

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No[ ]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes[ ] No[ ] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No[ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical	\$..... 345,000
5.32 Medical Only	\$..... 0
5.33 Medicare Supplement	\$..... 0
5.34 Dental & Vision	\$..... 0
5.35 Other Limited Benefit Plan	\$..... 0
5.36 Other	\$..... 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

A new contract was signed with RGA Reinsurance Company effective July 1, 2011, with the attachment points of \$300,000 per member. The Company during this reporting period had no Unsecured Reinsurance Recoverable, Reinsurance Recoverable in Dispute, Uncollectible Reinsurance, and Commutation of Reinsurance or Retroactive Reinsurance. The contract continues to be in force directly with RGA Reinsurance Company until contract renewal.\*

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No[ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year	..... 5,396
8.2 Number of providers at end of reporting year	..... 4,832

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes[ ] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months	..... 0
9.22 Business with rate guarantees over 36 months	..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[ ] No[X]

10.2 If yes:

10.21 Maximum amount payable bonuses	\$..... 0
10.22 Amount actually paid for year bonuses	\$..... 0
10.23 Maximum amount payable withholds	\$..... 0
10.24 Amount actually paid for year withholds	\$..... 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,	Yes[ ] No[X]
11.13 An Individual Practice Association (IPA), or,	Yes[ ] No[X]
11.14 A Mixed Model (combination of above)?	Yes[X] No[ ]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

11.3 If yes, show the name of the state requiring such net worth.

Ohio Department of Insurance	\$..... 11,241,937
11.4 If yes, show the amount required.	Yes[ ] No[X]

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

11.6 If the amount is calculated, show the calculation.

Calculation: Contract stated PMPM \$203 \* 55,379 Current membership

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

1 Name of Service Area
Hamilton County .....
Butler County .....
Montgomery County .....
Clemont County .....
Clinton County .....
Drake County .....

**GENERAL INTERROGATORIES (Continued)**

1	Name of Service Area
Champaign County .....	
Clarke County .....	
Greene County .....	
Adams County .....	
Highland County .....	
Miami County .....	
Preble County .....	
Shelby County .....	
Warren County .....	
Brown County .....	

13.1 Do you act as a custodian for health savings accounts?

Yes[ ] No[X] 0

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ .....

13.3 Do you act as an administrator for health savings accounts?

Yes[ ] No[X] 0

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

\$ .....

## FIVE-YEAR HISTORICAL DATA

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	55,962,712	53,377,402	80,939,729	67,025,333	72,335,839
2. TOTAL Liabilities (Page 3, Line 24) .....	23,294,444	17,632,591	45,096,082	34,229,470	47,976,131
3. Statutory surplus .....	11,241,937	18,190,880	18,275,204	16,898,056	13,816,676
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	32,668,268	35,744,811	35,843,647	32,795,863	24,359,708
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	148,035,378	154,029,351	264,840,656	233,328,352	194,106,174
6. TOTAL Medical and Hospital Expenses (Line 18) .....	107,360,028	112,443,300	222,044,899	205,930,458	164,750,337
7. Claims adjustment expenses (Line 20) .....	5,671,259	5,241,664	7,028,863	5,490,991	3,892,882
8. TOTAL Administrative Expenses (Line 21) .....	24,817,515	24,643,957	29,865,249	29,146,481	24,521,025
9. Net underwriting gain (loss) (Line 24) .....	10,186,576	11,700,430	5,901,645	(7,239,578)	941,930
10. Net investment gain (loss) (Line 27) .....	391,628	754,029	1,055,987	1,949,818	2,377,160
11. TOTAL Other Income (Lines 28 plus 29) .....					
12. Net income or (loss) (Line 32) .....	6,806,787	9,237,266	3,200,443	(2,266,080)	1,413,394
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	14,526,186	(15,341,900)	11,790,782	(14,530,222)	20,555,225
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	32,668,268	35,744,811	35,843,647	32,795,863	24,359,708
15. Authorized control level risk-based capital .....	4,608,158	4,810,729	9,137,602	8,449,028	6,908,338
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	55,379	55,460	59,648	57,659	54,193
17. TOTAL Members Months (Column 6, Line 7) .....	669,569	684,848	720,670	678,175	615,081
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	72.5	73.0	83.8	88.3	84.9
20. Cost containment expenses .....	3.0	2.3	1.9	1.6	1.6
21. Other claims adjustment expenses .....	0.8	1.1	0.8	0.8	0.4
22. TOTAL Underwriting Deductions (Line 23) .....	93.1	92.4	97.8	103.1	99.5
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	6.9	7.6	2.2	(3.1)	0.5
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	4,239,929	16,466,294	21,129,414	22,004,894	10,494,589
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	10,786,815	20,465,034	27,988,854	25,013,843	15,377,609
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....					

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

If no, please explain:

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

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 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) .....	L .....			151,548,179				151,548,179	
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) .....	N .....								
44. Texas (TX) .....	N .....								
45. Utah (UT) .....	N .....								
46. Vermont (VT) .....	N .....								
47. Virginia (VA) .....	N .....								
48. Washington (WA) .....	N .....								
49. West Virginia (WV) .....	N .....								
50. Wisconsin (WI) .....	N .....								
51. Wyoming (WY) .....	N .....								
52. American Samoa (AS) .....	N .....								
53. Guam (GU) .....	N .....								
54. Puerto Rico (PR) .....	N .....								
55. U.S. Virgin Islands (VI) .....	N .....								
56. Northern Marianas Islands (MP) .....	N .....								
57. Canada (CN) .....	N .....								
58. Aggregate other alien (OT) .....	XXX .....								
59. Subtotal .....	XXX .....			151,548,179				151,548,179	
60. Reporting entity contributions for Employee Benefit Plans .....	XXX .....								
61. TOTAL (Direct Business) .....	(a) 1			151,548,179				151,548,179	

**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								

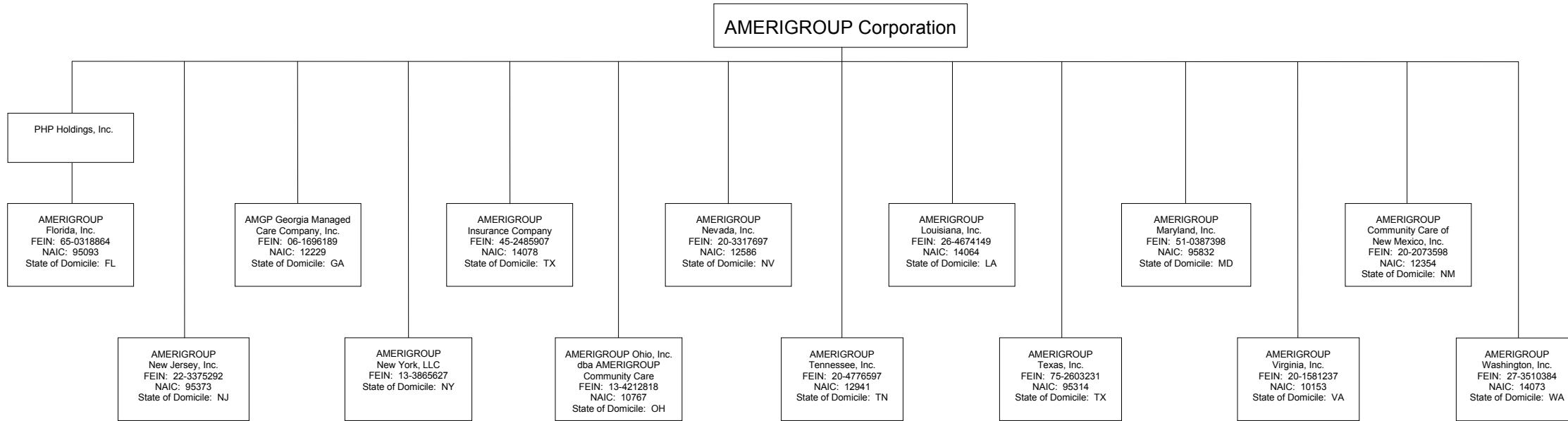
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.: Specific Identification, no allocation.

## SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

### MEMBERS OF A HOLDING COMPANY GROUP

#### PART 1 - ORGANIZATIONAL CHART



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