



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2016  
OF THE CONDITION AND AFFAIRS OF THE

## AMERIGROUP Ohio, Inc. dba AMERIGROUP Community Care

|                                       |   |                 |                   |   |                      |            |
|---------------------------------------|---|-----------------|-------------------|---|----------------------|------------|
| NAIC Group Code                       | 0671<br>(Current)   | 0671<br>(Prior) | NAIC Company Code | 10767   | Employer's ID Number | 13-4212818 |
| Organized under the Laws of           | Ohio  |                 |                   | State of Domicile or Port of Entry  |                      | OH         |
| Country of Domicile                   | United States of America  |                 |                   |   |                      |            |
| Licensed as business type:            | Health Maintenance Organization   |                 |                   |   |                      |            |
| Is HMO Federally Qualified?           | Yes [ ] No [ X ]  |                 |                   |   |                      |            |
| Incorporated/Organized                | 03/08/2002  |                 |                   | Commenced Business 09/01/2005   |                      |            |
| Statutory Home Office                 | 4361 Irwin Simpson Road, C/O Community Ins. Co.<br>(Street and Number)      |                 |                   | Mason, OH, US 45040<br>(City or Town, State, Country and Zip Code)        |                      |            |
| Main Administrative Office            | 4425 Corporation Lane<br>(Street and Number)                                |                 |                   | 757-490-6900<br>(Area Code) (Telephone Number)                            |                      |            |
|                                       | Virginia Beach, VA, US 23462<br>(City or Town, State, Country and Zip Code) |                 |                   |   |                      |            |
| Mail Address                          | 120 Monument Circle<br>(Street and Number or P.O. Box)                      |                 |                   | Indianapolis, IN, US 46204<br>(City or Town, State, Country and Zip Code) |                      |            |
| Primary Location of Books and Records | 120 Monument Circle<br>(Street and Number)                                  |                 |                   | 317-488-6716<br>(Area Code) (Telephone Number)                            |                      |            |
|                                       | Indianapolis, IN, US 46204<br>(City or Town, State, Country and Zip Code)   |                 |                   |   |                      |            |
| Internet Website Address              | www.amerigroup.com  |                 |                   |   |                      |            |
| Statutory Statement Contact           | Tim Niccum<br>(Name)  |                 |                   | 317-488-6716<br>(Area Code) (Telephone Number)                            |                      |            |
|                                       | tim.niccum@anthem.com<br>(E-mail Address)                                   |                 |                   | 317-488-6302<br>(FAX Number)  |                      |            |

### OFFICERS

|                       |                       |                                    |                         |
|-----------------------|-----------------------|------------------------------------|-------------------------|
| President/Chairperson | Tunde Solayo Solunde  | Treasurer                          | Robert David Kretschmer |
| Secretary             | Kathleen Susan Kiefer | Vice President/Assistant Secretary | Jack Louis Young        |

### OTHER

|  |  |
|--|--|
| Eric (Rick) Kenneth Noble, Assistant Treasurer | Mark Anthony Blessinger Jr., Valuation Actuary |
|--|--|

### DIRECTORS OR TRUSTEES

|                   |                      |                          |
|-------------------|----------------------|--------------------------|
| Carter Allen Beck | Tunde Solayo Solunde | Catherine Irene Kelaghan |
|-------------------|----------------------|--------------------------|

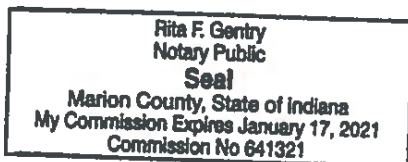
State of Virginia  
County of Virginia Beach SS:

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of 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.

|   |                                    |                                      |
|---|------------------------------------|--------------------------------------|
|   |                                    |                                      |
| Tunde Solayo Solunde<br>President/Chairperson | Kathleen Susan Kiefer<br>Secretary | Robert David Kretschmer<br>Treasurer |

Subscribed and sworn to before me this  
Sixth Day of February 2017

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



ASSETS

|  | Current Year |                         |   | Prior Year                  |
|--|--------------|-------------------------|---|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted Assets | 3<br>Net Admitted Assets<br>(Cols. 1 - 2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....  | 9,614,722    |                         | 9,614,722                                 | 3,725,537                   |
| 2. Stocks (Schedule D):  |              |                         |   |                             |
| 2.1 Preferred stocks .....   |              |                         | 0   |                             |
| 2.2 Common stocks .....  |              |                         | 0   |                             |
| 3. Mortgage loans on real estate (Schedule B):                                     |              |                         |   |                             |
| 3.1 First liens .....  |              |                         | 0   |                             |
| 3.2 Other than first liens .....   |              |                         | 0   |                             |
| 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 (\$ .....435,747 , Schedule E - Part 1), cash equivalents                  |              |                         |   |                             |
| (\$ ....., Schedule E - Part 2) and short-term                                     |              |                         |   |                             |
| investments (\$ .....1,212,009 , Schedule DA) .....                                | 1,647,756    |                         | 1,647,756                                 | 7,047,389                   |
| 6. Contract loans, (including \$ ..... premium notes) .....                        |              |                         | 0   |                             |
| 7. Derivatives (Schedule DB) .....   |              |                         | 0   |                             |
| 8. Other invested assets (Schedule BA) .....                                       |              |                         | 0   |                             |
| 9. Receivables for securities .....  |              |                         | 0   |                             |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....            | 202,250      |                         | 202,250                                   | 0                           |
| 11. Aggregate write-ins for invested assets .....                                  | 0            | 0                       | 0   | 0                           |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....                      | 11,464,728   | 0                       | 11,464,728                                | 10,772,926                  |
| 13. Title plants less \$ ..... charged off (for Title insurers                     |              |                         |   |                             |
| only) .....  |              |                         | 0   |                             |
| 14. Investment income due and accrued .....  | 52,693       | 0                       | 52,693                                    | 45,867                      |
| 15. Premiums and considerations:   |              |                         |   |                             |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....   |              |                         | 0   | 0                           |
| 15.2 Deferred premiums and agents' balances and installments booked but            |              |                         |   |                             |
| deferred and not yet due (including \$ .....                                       |              |                         |   |                             |
| earned but unbilled premiums) .....  |              |                         | 0   |                             |
| 15.3 Accrued retrospective premiums (\$ ..... ) and                                |              |                         |   |                             |
| contracts subject to redetermination (\$ ..... ) .....                             |              |                         | 0   |                             |
| 16. Reinsurance:   |              |                         |   |                             |
| 16.1 Amounts recoverable from reinsurers .....                                     |              |                         | 0   |                             |
| 16.2 Funds held by or deposited with reinsured companies .....                     |              |                         | 0   |                             |
| 16.3 Other amounts receivable under reinsurance contracts .....                    |              |                         | 0   |                             |
| 17. Amounts receivable relating to uninsured plans .....                           |              |                         | 0   |                             |
| 18.1 Current federal and foreign income tax recoverable and interest thereon ..... | 32,294       | 0                       | 32,294                                    | 0                           |
| 18.2 Net deferred tax asset .....  | 1,294        | 0                       | 1,294                                     | 152,009                     |
| 19. Guaranty funds receivable or on deposit .....                                  |              |                         | 0   |                             |
| 20. Electronic data processing equipment and software .....                        |              |                         | 0   |                             |
| 21. Furniture and equipment, including health care delivery assets                 |              |                         |   |                             |
| (\$ ..... ) .....  |              |                         | 0   |                             |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....   |              |                         | 0   |                             |
| 23. Receivables from parent, subsidiaries and affiliates .....                     | 3,138        | 0                       | 3,138                                     | 10,703                      |
| 24. Health care (\$ ..... ) and other amounts receivable .....                     |              |                         | 0   | 0                           |
| 25. Aggregate write-ins for other than invested assets .....                       | 0            | 0                       | 0   | 10,154                      |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and              |              |                         |   |                             |
| Protected Cell Accounts (Lines 12 to 25) .....                                     | 11,554,147   | 0                       | 11,554,147                                | 10,991,659                  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell                 |              |                         |   |                             |
| Accounts .....   |              |                         | 0   |                             |
| 28. Total (Lines 26 and 27) .....  | 11,554,147   | 0                       | 11,554,147                                | 10,991,659                  |
| DETAILS OF WRITE-INS   |              |                         |   |                             |
| 1101. ....   |              |                         |   |                             |
| 1102. ....   |              |                         |   |                             |
| 1103. ....   |              |                         |   |                             |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....          | 0            | 0                       | 0   | 0                           |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....                 | 0            | 0                       | 0   | 0                           |
| 2501. Miscellaneous receivables .....  | 0            | 0                       | 0   | 10,154                      |
| 2502. ....   |              |                         |   |                             |
| 2503. ....   |              |                         |   |                             |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....          | 0            | 0                       | 0   | 0                           |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....                 | 0            | 0                       | 0   | 10,154                      |

LIABILITIES, CAPITAL AND SURPLUS

|   | Current Year |           |            | Prior Year |
|---|--------------|-----------|------------|------------|
|   | 1            | 2         | 3          | 4          |
|   | Covered      | Uncovered | Total      | Total      |
| 1. Claims unpaid (less \$ ..... reinsurance ceded) .....  |              |           | 0          |            |
| 2. Accrued medical incentive pool and bonus amounts .....   |              |           | 0          |            |
| 3. Unpaid claims adjustment expenses .....  |              |           | 0          | 0          |
| 4. Aggregate health policy reserves, including the liability of<br>\$ .....0 for medical loss ratio rebate per the Public<br>Health Service Act .....             |              |           | 0          |            |
| 5. Aggregate life policy reserves .....   |              |           | 0          |            |
| 6. Property/casualty unearned premium reserves .....  |              |           | 0          |            |
| 7. Aggregate health claim reserves .....  |              |           | 0          |            |
| 8. Premiums received in advance .....   |              |           | 0          |            |
| 9. General expenses due or accrued .....  | 10,697       |           | 10,697     | 5,540      |
| 10.1 Current federal and foreign income tax payable and interest thereon<br>(including \$ ..... on realized capital gains (losses)) .....                         |              |           | 0          | 260,209    |
| 10.2 Net deferred tax liability .....   |              |           | 0          |            |
| 11. Ceded reinsurance premiums payable .....  |              |           | 0          |            |
| 12. Amounts withheld or retained for the account of others .....  |              |           | 0          |            |
| 13. Remittances and items not allocated .....   |              |           | 0          | 0          |
| 14. Borrowed money (including \$ ..... current) and<br>interest thereon \$ ..... (including<br>\$ ..... current) .....  |              |           | 0          |            |
| 15. Amounts due to parent, subsidiaries and affiliates .....  | 7,303        |           | 7,303      | 1,112      |
| 16. Derivatives .....   |              |           | 0          |            |
| 17. Payable for securities .....  |              |           | 0          | 0          |
| 18. Payable for securities lending .....  | 202,250      |           | 202,250    | 0          |
| 19. Funds held under reinsurance treaties (with \$ .....<br>authorized reinsurers, \$ .....0 unauthorized<br>reinsurers and \$ .....0 certified reinsurers) ..... |              |           | 0          |            |
| 20. Reinsurance in unauthorized and certified (\$ ..... )<br>companies .....  |              |           | 0          |            |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates .....   |              |           | 0          |            |
| 22. Liability for amounts held under uninsured plans .....  |              |           | 0          |            |
| 23. Aggregate write-ins for other liabilities (including \$ .....<br>current) .....   | 20,285       | 0         | 20,285     | 15,673     |
| 24. Total liabilities (Lines 1 to 23) .....   | 240,535      | 0         | 240,535    | 282,534    |
| 25. Aggregate write-ins for special surplus funds .....   | XXX          | XXX       | 0          | 0          |
| 26. Common capital stock .....  | XXX          | XXX       | 1,000      | 10         |
| 27. Preferred capital stock .....   | XXX          | XXX       |            |            |
| 28. Gross paid in and contributed surplus .....   | XXX          | XXX       | 10,395,914 | 10,396,904 |
| 29. Surplus notes .....   | XXX          | XXX       | 0          |            |
| 30. Aggregate write-ins for other than special surplus funds .....  | XXX          | XXX       | 0          | 0          |
| 31. Unassigned funds (surplus) .....  | XXX          | XXX       | 916,698    | 312,210    |
| 32. Less treasury stock, at cost:   |              |           |            |            |
| 32.1 ..... shares common (value included in Line 26<br>\$ ..... ) .....   | XXX          | XXX       |            |            |
| 32.2 ..... shares preferred (value included in Line 27<br>\$ ..... ) .....  | XXX          | XXX       |            |            |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....  | XXX          | XXX       | 11,313,612 | 10,709,124 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) .....  | XXX          | XXX       | 11,554,147 | 10,991,659 |
| DETAILS OF WRITE-INS  |              |           |            |            |
| 2301. Escheat liabilities .....   | 20,285       |           | 20,285     | 15,673     |
| 2302. ....  |              |           |            |            |
| 2303. ....  |              |           |            |            |
| 2398. Summary of remaining write-ins for Line 23 from overflow page .....   | 0            | 0         | 0          | 0          |
| 2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) .....  | 20,285       | 0         | 20,285     | 15,673     |
| 2501. ....  | XXX          | XXX       |            |            |
| 2502. ....  | XXX          | XXX       |            |            |
| 2503. ....  | XXX          | XXX       |            |            |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   | XXX          | XXX       | 0          | 0          |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....  | XXX          | XXX       | 0          | 0          |
| 3001. ....  | XXX          | XXX       |            |            |
| 3002. ....  | XXX          | XXX       |            |            |
| 3003. ....  | XXX          | XXX       |            |            |
| 3098. Summary of remaining write-ins for Line 30 from overflow page .....   | XXX          | XXX       | 0          | 0          |
| 3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above) .....  | XXX          | XXX       | 0          | 0          |

STATEMENT OF REVENUE AND EXPENSES

|   | Current Year   |            | Prior Year |
|---|----------------|------------|------------|
|   | 1<br>Uncovered | 2<br>Total | 3<br>Total |
| 1. Member Months.....   | XXX            |            |            |
| 2. Net premium income ( including \$ ..... non-health premium income) .....   | XXX            | 0          | 81,374     |
| 3. Change in unearned premium reserves and reserve for rate credits .....   | XXX            |            | 0          |
| 4. Fee-for-service (net of \$ ..... medical expenses) .....   | XXX            |            |            |
| 5. Risk revenue .....   | XXX            |            |            |
| 6. Aggregate write-ins for other health care related revenues .....   | XXX            | 0          | 0          |
| 7. Aggregate write-ins for other non-health revenues .....  | XXX            | 0          | 0          |
| 8. Total revenues (Lines 2 to 7) .....  | XXX            | 0          | 81,374     |
| <b>Hospital and Medical:</b>  |                |            |            |
| 9. Hospital/medical benefits .....  |                | (468,869)  | (596,942)  |
| 10. Other professional services .....   |                |            | 0          |
| 11. Outside referrals .....   |                |            |            |
| 12. Emergency room and out-of-area .....  |                |            |            |
| 13. Prescription drugs .....  |                | (4,195)    | (67,131)   |
| 14. Aggregate write-ins for other hospital and medical .....  | 0              | 0          | 0          |
| 15. Incentive pool, withhold adjustments and bonus amounts .....  |                |            |            |
| 16. Subtotal (Lines 9 to 15) .....  | 0              | (473,064)  | (664,074)  |
| <b>Less:</b>  |                |            |            |
| 17. Net reinsurance recoveries .....  |                |            | 0          |
| 18. Total hospital and medical (Lines 16 minus 17) .....  | 0              | (473,064)  | (664,074)  |
| 19. Non-health claims (net) .....   |                |            |            |
| 20. Claims adjustment expenses, including \$ .....0 cost containment expenses .....   |                | 10,181     | 29,475     |
| 21. General administrative expenses .....   |                | 28,923     | 148,049    |
| 22. Increase in reserves for life and accident and health contracts (including \$ .....<br>increase in reserves for life only) .....        |                | 0          |            |
| 23. Total underwriting deductions (Lines 18 through 22) .....   | 0              | (433,960)  | (486,550)  |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) .....  | XXX            | 433,960    | 567,924    |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....  |                | 76,668     | 245,703    |
| 26. Net realized capital gains (losses) less capital gains tax of \$ .....62 .....  |                | (62)       | 154,473    |
| 27. Net investment gains (losses) (Lines 25 plus 26) .....  | 0              | 76,606     | 400,176    |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered<br>\$ ..... ) (amount charged off \$ .....0 )] ..... |                |            |            |
| 29. Aggregate write-ins for other income or expenses .....  | 0              | 0          | 0          |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus<br>27 plus 28 plus 29) .....      | XXX            | 510,566    | 968,100    |
| 31. Federal and foreign income taxes incurred .....   | XXX            | 178,771    | 219,131    |
| 32. Net income (loss) (Lines 30 minus 31) .....   | XXX            | 331,795    | 748,969    |
| <b>DETAILS OF WRITE-INS</b>   |                |            |            |
| 0601. ....  | XXX            |            |            |
| 0602. ....  | XXX            |            |            |
| 0603. ....  | XXX            |            |            |
| 0698. Summary of remaining write-ins for Line 6 from overflow page .....  | XXX            | 0          | 0          |
| 0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....   | XXX            | 0          | 0          |
| 0701. ....  | XXX            |            |            |
| 0702. ....  | XXX            |            |            |
| 0703. ....  | XXX            |            |            |
| 0798. Summary of remaining write-ins for Line 7 from overflow page .....  | XXX            | 0          | 0          |
| 0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....   | XXX            | 0          | 0          |
| 1401. ....  |                |            |            |
| 1402. ....  |                |            |            |
| 1403. ....  |                |            |            |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....   | 0              | 0          | 0          |
| 1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....  | 0              | 0          | 0          |
| 2901. ....  |                |            |            |
| 2902. ....  |                |            |            |
| 2903. ....  |                |            |            |
| 2998. Summary of remaining write-ins for Line 29 from overflow page .....   | 0              | 0          | 0          |
| 2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....  | 0              | 0          | 0          |



STATEMENT OF REVENUE AND EXPENSES (Continued)

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| CAPITAL AND SURPLUS ACCOUNT  |                   |                 |
| 33. Capital and surplus prior reporting year.....  | 10,709,124        | 10,090,290      |
| 34. Net income or (loss) from Line 32 .....  | 331,795           | 748,969         |
| 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 .....  | (151,654)         | 148,638         |
| 39. Change in nonadmitted assets .....   | 424,347           | (278,773)       |
| 40. Change in unauthorized and certified reinsurance .....                                     | 0                 | 0               |
| 41. Change in treasury stock .....   | 0                 | 0               |
| 42. Change in surplus notes .....  | 0                 | 0               |
| 43. Cumulative effect of changes in accounting principles.....                                 |                   |                 |
| 44. Capital Changes:   |                   |                 |
| 44.1 Paid in .....   | 990               | 0               |
| 44.2 Transferred from surplus (Stock Dividend).....  | 0                 | 0               |
| 44.3 Transferred to surplus.....   |                   |                 |
| 45. Surplus adjustments:   |                   |                 |
| 45.1 Paid in .....   | (990)             | 0               |
| 45.2 Transferred to capital (Stock Dividend) .....   |                   |                 |
| 45.3 Transferred from capital .....  |                   |                 |
| 46. Dividends to stockholders .....  |                   |                 |
| 47. Aggregate write-ins for gains or (losses) in surplus .....                                 | 0                 | 0               |
| 48. Net change in capital and surplus (Lines 34 to 47) .....                                   | 604,488           | 618,834         |
| 49. Capital and surplus end of reporting period (Line 33 plus 48)                              | 11,313,612        | 10,709,124      |
| DETAILS OF WRITE-INS   |                   |                 |
| 4701. ....   |                   |                 |
| 4702. ....   |                   |                 |
| 4703. ....   |                   |                 |
| 4798. Summary of remaining write-ins for Line 47 from overflow page .....                      | 0                 | 0               |
| 4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)                                   | 0                 | 0               |

CASH FLOW

|   | 1            | 2            |
|---|--------------|--------------|
|   | Current Year | Prior Year   |
| Cash from Operations  |              |              |
| 1. Premiums collected net of reinsurance .....  | 0            | 171,839      |
| 2. Net investment income .....  | 153,470      | 659,455      |
| 3. Miscellaneous income .....   | 0            | 0            |
| 4. Total (Lines 1 through 3) .....  | 153,470      | 831,294      |
| 5. Benefit and loss related payments .....  | (473,064)    | (664,074)    |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                    |              |              |
| 7. Commissions, expenses paid and aggregate write-ins for deductions .....                                      | 33,947       | 193,078      |
| 8. Dividends paid to policyholders .....  |              |              |
| 9. Federal and foreign income taxes paid (recovered) net of \$ .....62 tax on capital gains (losses) .....      | 471,336      | (157,533)    |
| 10. Total (Lines 5 through 9) .....   | 32,220       | (628,529)    |
| 11. Net cash from operations (Line 4 minus Line 10) .....   | 121,250      | 1,459,823    |
| Cash from Investments   |              |              |
| 12. Proceeds from investments sold, matured or repaid:  |              |              |
| 12.1 Bonds .....  | 0            | 23,351,513   |
| 12.2 Stocks .....   | 0            | 0            |
| 12.3 Mortgage loans .....   | 0            | 0            |
| 12.4 Real estate .....  | 0            | 0            |
| 12.5 Other invested assets .....  | 0            | 0            |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....                           | 0            | 0            |
| 12.7 Miscellaneous proceeds .....   | 0            | 682,833      |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) .....   | 0            | 24,034,346   |
| 13. Cost of investments acquired (long-term only):  |              |              |
| 13.1 Bonds .....  | 5,972,813    | 2,201,159    |
| 13.2 Stocks .....   | 0            | 0            |
| 13.3 Mortgage loans .....   | 0            | 0            |
| 13.4 Real estate .....  | 0            | 0            |
| 13.5 Other invested assets .....  | 0            | 0            |
| 13.6 Miscellaneous applications .....   | 202,250      | 284,595      |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) .....  | 6,175,063    | 2,485,754    |
| 14. Net increase (decrease) in contract loans and premium notes .....   | 0            | 0            |
| 15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....                                   | (6,175,063)  | 21,548,592   |
| Cash from Financing and Miscellaneous Sources   |              |              |
| 16. Cash provided (applied):  |              |              |
| 16.1 Surplus notes, capital notes .....   | 0            | 0            |
| 16.2 Capital and paid in surplus, less treasury stock .....   | 0            | 0            |
| 16.3 Borrowed funds .....   | 0            | 0            |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities .....                               | 0            | 0            |
| 16.5 Dividends to stockholders .....  | 0            | 0            |
| 16.6 Other cash provided (applied) .....  | 654,181      | (4,667,070)  |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | 654,180      | (4,667,069)  |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS   |              |              |
| 18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....       | (5,399,633)  | 18,341,345   |
| 19. Cash, cash equivalents and short-term investments:  |              |              |
| 19.1 Beginning of year .....  | 7,047,389    | (11,293,957) |
| 19.2 End of year (Line 18 plus Line 19.1) .....   | 1,647,756    | 7,047,389    |

Note: Supplemental disclosures of cash flow information for non-cash transactions:

|               |  |  |
|---------------|--|--|
| 20.0001. .... |  |  |
|---------------|--|--|

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

|   | 1         | 2                                     | 3                      | 4              | 5              | 6   | 7                          | 8                        | 9            | 10                  |
|---|-----------|---------------------------------------|------------------------|----------------|----------------|---|----------------------------|--------------------------|--------------|---------------------|
|   | Total     | Comprehensive<br>(Hospital & Medical) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other Health | Other<br>Non-Health |
| 1. Net premium income .....   | 0         |                                       |                        |                |                |   |                            |                          |              |                     |
| 2. Change in unearned premium reserves and reserve for<br>rate credit .....           | 0         |                                       |                        |                |                |   |                            |                          |              |                     |
| 3. Fee-for-service (net of \$ .....0<br>medical expenses) .....                       | 0         |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 4. Risk revenue .....   | 0         |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 5. Aggregate write-ins for other health care related<br>revenues .....                | 0         | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 6. Aggregate write-ins for other non-health care related<br>revenues .....            | 0         | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          | 0                   |
| 7. Total revenues (Lines 1 to 6) .....  | 0         | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | 0                   |
| 8. Hospital/medical benefits .....  | (468,869) |                                       |                        |                |                |   |                            | (468,869)                |              | XXX                 |
| 9. Other professional services .....  | 0         |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 10. Outside referrals .....   | 0         |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 11. Emergency room and out-of-area .....  | 0         |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 12. Prescription drugs .....  | (4,195)   |                                       |                        |                |                |   |                            | (4,195)                  |              | XXX                 |
| 13. Aggregate write-ins for other hospital and medical .....                          | 0         | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 14. Incentive pool, withhold adjustments and bonus amounts .....                      | 0         |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 15. Subtotal (Lines 8 to 14) .....  | (473,064) | 0                                     | 0                      | 0              | 0              | 0   | 0                          | (473,064)                | 0            | XXX                 |
| 16. Net reinsurance recoveries .....  | 0         |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 17. Total medical and hospital (Lines 15 minus 16) .....                              | (473,064) | 0                                     | 0                      | 0              | 0              | 0   | 0                          | (473,064)                | 0            | XXX                 |
| 18. Non-health claims (net) .....   | 0         | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          |                     |
| 19. Claims adjustment expenses including<br>\$ .....0 cost containment expenses ..... | 10,181    |                                       |                        |                |                |   |                            | 10,181                   |              |                     |
| 20. General administrative expenses .....   | 28,923    |                                       |                        |                |                |   |                            | 28,923                   |              |                     |
| 21. Increase in reserves for accident and health contracts .....                      | 0         |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 22. Increase in reserves for life contracts .....                                     | 0         | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          |                     |
| 23. Total underwriting deductions (Lines 17 to 22) .....                              | (433,960) | 0                                     | 0                      | 0              | 0              | 0   | 0                          | (433,960)                | 0            | 0                   |
| 24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....                    | 433,960   | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 433,960                  | 0            | 0                   |
| DETAILS OF WRITE-INS .....  |           |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 0501. ....  |           |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 0502. ....  |           |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 0503. ....  |           |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 0598. Summary of remaining write-ins for Line 5 from overflow<br>page .....           | 0         | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....                    | 0         | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | 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<br>page .....           | 0         | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          | 0                   |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....                    | 0         | XXX                                   | XXX                    | XXX            | XXX            | XXX   | XXX                        | XXX                      | XXX          | 0                   |
| 1301. ....  |           |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 1302. ....  |           |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 1303. ....  |           |                                       |                        |                |                |   |                            |                          |              | XXX                 |
| 1398. Summary of remaining write-ins for Line 13 from<br>overflow page .....          | 0         | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |
| 1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....                   | 0         | 0                                     | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0            | XXX                 |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

|   | 1               | 2                   | 3                 | 4                                    |
|---|-----------------|---------------------|-------------------|--------------------------------------|
| Line of Business                                | Direct Business | Reinsurance Assumed | Reinsurance Ceded | Net Premium Income (Cols. 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 .....                   |                 |                     |                   |                                      |
| 8. Other health .....                           |                 |                     |                   |                                      |
| 9. Health subtotal (Lines 1 through 8) .....    |                 |                     |                   |                                      |
| 10. Life .....                                  |                 |                     |                   |                                      |
| 11. Property/casualty .....                     |                 |                     |                   |                                      |
| 12. Totals (Lines 9 to 11)                      |                 |                     |                   |                                      |

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

|  | 1         | 2                                     | 3                      | 4           | 5           | 6   | 7                          | 8                        | 9            | 10                  |
|--|-----------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|--------------|---------------------|
|  | Total     | Comprehensive<br>(Hospital & Medical) | Medicare<br>Supplement | Dental Only | Vision Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other Health | Other<br>Non-Health |
| 1. Payments during the year:                                     |           |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.1 Direct   | (473,064) |                                       |                        |             |             |   |                            | (473,064)                |              |                     |
| 1.2 Reinsurance assumed  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.3 Reinsurance ceded  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.4 Net  | (473,064) | .0                                    | .0                     | .0          | .0          | .0  | .0                         | (473,064)                | .0           | .0                  |
| 2. Paid medical incentive pools and bonuses                      | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 3. Claim liability December 31, current year from Part 2A:       |           |                                       |                        |             |             |   |                            |                          |              |                     |
| 3.1 Direct   | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 3.2 Reinsurance assumed  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 3.3 Reinsurance ceded  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 3.4 Net  | .0        | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 4. Claim reserve December 31, current year from Part 2D:         |           |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.1 Direct   | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.2 Reinsurance assumed  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.3 Reinsurance ceded  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.4 Net  | .0        | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 5. Accrued medical incentive pools and bonuses, current year     | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 6. Net healthcare receivables (a)                                | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 7. Amounts recoverable from reinsurers December 31, current year | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 8. Claim liability December 31, prior year from Part 2A:         |           |                                       |                        |             |             |   |                            |                          |              |                     |
| 8.1 Direct   | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 8.2 Reinsurance assumed  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 8.3 Reinsurance ceded  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 8.4 Net  | .0        | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 9. Claim reserve December 31, prior year from Part 2D:           |           |                                       |                        |             |             |   |                            |                          |              |                     |
| 9.1 Direct   | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 9.2 Reinsurance assumed  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 9.3 Reinsurance ceded  | .0        |                                       |                        |             |             |   |                            |                          |              |                     |
| 9.4 Net  | .0        | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 10. Accrued medical incentive pools and bonuses, prior year      | 0         |                                       |                        |             |             |   |                            |                          |              |                     |
| 11. Amounts recoverable from reinsurers December 31, prior year  | 0         |                                       |                        |             |             |   |                            |                          |              |                     |
| 12. Incurred Benefits:   |           |                                       |                        |             |             |   |                            |                          |              |                     |
| 12.1 Direct  | (473,064) | .0                                    | .0                     | .0          | .0          | .0  | .0                         | (473,064)                | .0           | .0                  |
| 12.2 Reinsurance assumed   | .0        | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 12.3 Reinsurance ceded   | .0        | .0                                    | .0                     | .0          | .0          | .0  | .0                         | .0                       | .0           | .0                  |
| 12.4 Net   | (473,064) | 0                                     | 0                      | 0           | 0           | 0   | 0                          | (473,064)                | 0            | 0                   |
| 13. Incurred medical incentive pools and bonuses                 | 0         | 0                                     | 0                      | 0           | 0           | 0   | 0                          | 0                        | 0            | 0                   |

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

|   | 1     | 2                                     | 3                      | 4           | 5           | 6   | 7                          | 8                        | 9            | 10                  |
|---|-------|---------------------------------------|------------------------|-------------|-------------|---|----------------------------|--------------------------|--------------|---------------------|
|   | Total | Comprehensive<br>(Hospital & Medical) | Medicare<br>Supplement | Dental Only | Vision Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other Health | Other<br>Non-Health |
| 1. Reported in Process of Adjustment:                 |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.1 Direct .....                                      |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.2 Reinsurance assumed .....                         |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.3 Reinsurance ceded .....                           |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 1.4 Net .....   |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 2. Incurred but Unreported:                           |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 2.1 Direct .....                                      |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 2.2 Reinsurance assumed .....                         |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 2.3 Reinsurance ceded .....                           |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 2.4 Net .....   |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 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 .....                                      |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.2 Reinsurance assumed .....                         |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.3 Reinsurance ceded .....                           |       |                                       |                        |             |             |   |                            |                          |              |                     |
| 4.4 Net .....   |       |                                       |                        |             |             |   |                            |                          |              |                     |

NONE

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<br>December 31 of Current Year |                                       | 5  | 6   |
|---|---|---------------------------------------|--|---------------------------------------|--|---|
|   | 1   | 2                                     | 3  | 4                                     |  |   |
|   | On Claims Incurred<br>Prior to January 1<br>of Current Year | On Claims Incurred<br>During the Year | On Claims Unpaid<br>December 31 of<br>Prior Year                 | On Claims Incurred<br>During the Year | Claims Incurred<br>In Prior Years<br>(Columns 1 + 3) | Estimated Claim<br>Reserve and Claim<br>Liability<br>December 31 of<br>Prior Year |
| 1. Comprehensive (hospital and medical) .....       |   |                                       |  |                                       | 0  | 0   |
| 2. Medicare Supplement .....                        |   |                                       |  |                                       | 0  | 0   |
| 3. Dental Only .....                                |   |                                       |  |                                       | 0  | 0   |
| 4. Vision Only .....                                |   |                                       |  |                                       | 0  | 0   |
| 5. Federal Employees Health Benefits Plan .....     |   |                                       |  |                                       | 0  | 0   |
| 6. Title XVIII - Medicare .....                     |   |                                       |  |                                       | 0  | 0   |
| 7. Title XIX - Medicaid .....                       | (473,064)   |                                       |  |                                       | (473,064)  | 0   |
| 8. Other health .....                               |   |                                       |  |                                       | 0  | 0   |
| 9. Health subtotal (Lines 1 to 8) .....             | (473,064)   | 0                                     | 0  | 0                                     | (473,064)  | 0   |
| 10. Healthcare receivables (a) .....                |   |                                       |  |                                       | 0  | 0   |
| 11. Other non-health .....                          |   |                                       |  |                                       | 0  | 0   |
| 12. Medical incentive pools and bonus amounts ..... |   |                                       |  |                                       | 0  | 0   |
| 13. Totals (Lines 9 - 10 + 11 + 12)                 | (473,064)   | 0                                     | 0  | 0                                     | (473,064)  | 0   |

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE                        |           |           |           |           |
| 2.                                 | 2012 .....  |                             |           |           |           |           |
| 3.                                 | 2013 .....  |                             |           |           |           |           |
| 4.                                 | 2014 .....  |                             |           |           |           |           |
| 5.                                 | 2015 .....  |                             |           |           |           |           |
| 6.                                 | 2016 .....  |                             |           |           |           |           |

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE   |           |           |           |           |
| 2.                                 | 2012 .....  |  |           |           |           |           |
| 3.                                 | 2013 .....  |  |           |           |           |           |
| 4.                                 | 2014 .....  |  |           |           |           |           |
| 5.                                 | 2015 .....  |  |           |           |           |           |
| 6.                                 | 2016 .....  |  |           |           |           |           |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payment | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012 .....  |                          |                         | NONE   |                                |  |                                |                        |  |  |                                 |
| 2. 2013 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 3. 2014 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 4. 2015 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 5. 2016 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |



UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Medicare Supplement

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE                        |           |           |           |           |
| 2.                                 | 2012 .....  |                             |           |           |           |           |
| 3.                                 | 2013 .....  |                             | XXX       |           |           |           |
| 4.                                 | 2014 .....  |                             | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |                             | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |                             | XXX       | XXX       | XXX       | XXX       |

Section B - Incurred Health Claims - Medicare Supplement

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE   |           |           |           |           |
| 2.                                 | 2012 .....  |  |           |           |           |           |
| 3.                                 | 2013 .....  |  | XXX       |           |           |           |
| 4.                                 | 2014 .....  |  | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |  | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |  | XXX       | XXX       | XXX       | XXX       |

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

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payment | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012 .....  |                          |                         | NONE   |                                |  |                                |                        |  |  |                                 |
| 2. 2013 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 3. 2014 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 4. 2015 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 5. 2016 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Dental Only

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE                        |           |           |           |           |
| 2.                                 | 2012 .....  |                             |           |           |           |           |
| 3.                                 | 2013 .....  |                             | XXX       |           |           |           |
| 4.                                 | 2014 .....  |                             | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |                             | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |                             | XXX       | XXX       | XXX       | XXX       |

Section B - Incurred Health Claims - Dental Only

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE   |           |           |           |           |
| 2.                                 | 2012 .....  |  |           |           |           |           |
| 3.                                 | 2013 .....  |  | XXX       |           |           |           |
| 4.                                 | 2014 .....  |  | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |  | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |  | XXX       | XXX       | XXX       | XXX       |

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

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payment | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012 .....  |                          |                         | NONE   |                                |  |                                |                        |  |  |                                 |
| 2. 2013 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 3. 2014 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 4. 2015 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 5. 2016 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Vision Only

| Year in Which Losses Were Incurred |       | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |       | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior | NONE                        |           |           |           |           |
| 2.                                 | 2012  |                             |           |           |           |           |
| 3.                                 | 2013  |                             | XXX       |           |           |           |
| 4.                                 | 2014  |                             | XXX       | XXX       |           |           |
| 5.                                 | 2015  |                             | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016  |                             | XXX       | XXX       | XXX       | XXX       |

Section B - Incurred Health Claims - Vision Only

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior | NONE   |           |           |           |           |
| 2.                                 | 2012  |  |           |           |           |           |
| 3.                                 | 2013  |  | XXX       |           |           |           |
| 4.                                 | 2014  |  | XXX       | XXX       |           |           |
| 5.                                 | 2015  |  | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016  |  | XXX       | XXX       | XXX       | XXX       |

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

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payment | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012  |                          |                         | NONE   |                                |  |                                |                        |  |  |                                 |
| 2. 2013  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 3. 2014  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 4. 2015  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 5. 2016  |                          |                         |  |                                |  |                                |                        |  |  |                                 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE                        |           |           |           |           |
| 2.                                 | 2012 .....  |                             |           |           |           |           |
| 3.                                 | 2013 .....  |                             | XXX       |           |           |           |
| 4.                                 | 2014 .....  |                             | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |                             | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |                             | XXX       | XXX       | XXX       | XXX       |

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE   |           |           |           |           |
| 2.                                 | 2012 .....  |  |           |           |           |           |
| 3.                                 | 2013 .....  |  | XXX       |           |           |           |
| 4.                                 | 2014 .....  |  | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |  | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |  | XXX       | XXX       | XXX       | XXX       |

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payment | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012 .....  |                          |                         | NONE   |                                |  |                                |                        |  |  |                                 |
| 2. 2013 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 3. 2014 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 4. 2015 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 5. 2016 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XVIII

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE                        |           |           |           |           |
| 2.                                 | 2012 .....  |                             |           |           |           |           |
| 3.                                 | 2013 .....  |                             | XXX       |           |           |           |
| 4.                                 | 2014 .....  |                             | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |                             | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |                             | XXX       | XXX       | XXX       | XXX       |

Section B - Incurred Health Claims - Title XVIII

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE   |           |           |           |           |
| 2.                                 | 2012 .....  |  |           |           |           |           |
| 3.                                 | 2013 .....  |  | XXX       |           |           |           |
| 4.                                 | 2014 .....  |  | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |  | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |  | XXX       | XXX       | XXX       | XXX       |

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

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payment | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012 .....  |                          |                         | NONE   |                                |  |                                |                        |  |  |                                 |
| 2. 2013 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 3. 2014 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 4. 2015 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 5. 2016 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XIX

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | 7,216                       | 7,605     | 7,543     | 7,543     | 7,543     |
| 2.                                 | 2012 .....  | 110,982                     | 118,868   | 118,757   | 118,757   | 118,757   |
| 3.                                 | 2013 .....  | XXX                         | 51,299    | 54,977    | 54,977    | 54,977    |
| 4.                                 | 2014 .....  | XXX                         | XXX       |           | (664)     | (664)     |
| 5.                                 | 2015 .....  | XXX                         | XXX       | XXX       |           | (473)     |
| 6.                                 | 2016 .....  | XXX                         | XXX       | XXX       | XXX       | 0         |

Section B - Incurred Health Claims - Title XIX

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | 7,748  | 7,612     | 7,543     | 7,543     | 7,543     |
| 2.                                 | 2012 .....  | 121,571  | 118,917   | 118,757   | 118,757   | 118,757   |
| 3.                                 | 2013 .....  | XXX  | 54,459    | 54,977    | 54,977    | 54,977    |
| 4.                                 | 2014 .....  | XXX  | XXX       |           | (664)     | (664)     |
| 5.                                 | 2015 .....  | XXX  | XXX       | XXX       |           | (473)     |
| 6.                                 | 2016 .....  | XXX  | XXX       | XXX       | XXX       | 0         |

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

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payments | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments<br>(Col. 2 + 3) | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|---|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012 .....  | 169,589                  | 118,757                 | 5,201   | 4.4                            | 123,958  | 73.1                           |                        |  | 123,958  | 73.1                            |
| 2. 2013 .....  | 80,042                   | 54,977                  | 5,932   | 10.8                           | 60,909   | 76.1                           |                        |  | 60,909   | 76.1                            |
| 3. 2014 .....  | 338                      | (664)                   | 7,307   | (1,100.5)                      | 6,643  | 1,965.4                        |                        |  | 6,643  | 1,965.4                         |
| 4. 2015 .....  | 81                       | (473)                   | 5,523   | (1,167.7)                      | 5,050  | 6,234.6                        |                        |  | 5,050  | 6,234.6                         |
| 5. 2016 .....  |                          | 0                       | 0   | 0.0                            | 0  | 0.0                            |                        |  | 0  | 0.0                             |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Other

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE                        |           |           |           |           |
| 2.                                 | 2012 .....  |                             |           |           |           |           |
| 3.                                 | 2013 .....  |                             | XXX       |           |           |           |
| 4.                                 | 2014 .....  |                             | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |                             | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |                             | XXX       | XXX       | XXX       | XXX       |

Section B - Incurred Health Claims - Other

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | NONE   |           |           |           |           |
| 2.                                 | 2012 .....  |  |           |           |           |           |
| 3.                                 | 2013 .....  |  | XXX       |           |           |           |
| 4.                                 | 2014 .....  |  | XXX       | XXX       |           |           |
| 5.                                 | 2015 .....  |  | XXX       | XXX       | XXX       |           |
| 6.                                 | 2016 .....  |  | XXX       | XXX       | XXX       | XXX       |

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

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payment | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|--|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012 .....  |                          |                         | NONE   |                                |  |                                |                        |  |  |                                 |
| 2. 2013 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 3. 2014 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 4. 2015 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |
| 5. 2016 .....  |                          |                         |  |                                |  |                                |                        |  |  |                                 |

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Grand Total

| Year in Which Losses Were Incurred |             | Cumulative Net Amounts Paid |           |           |           |           |
|------------------------------------|-------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                    |             | 1<br>2012                   | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | 7,216                       | 7,605     | 7,543     | 7,543     | 7,543     |
| 2.                                 | 2012 .....  | 110,982                     | 118,868   | 118,757   | 118,757   | 118,757   |
| 3.                                 | 2013 .....  | XXX                         | 51,299    | 54,977    | 54,977    | 54,977    |
| 4.                                 | 2014 .....  | XXX                         | XXX       | 0         | (664)     | (664)     |
| 5.                                 | 2015 .....  | XXX                         | XXX       | XXX       | 0         | (473)     |
| 6.                                 | 2016 .....  | XXX                         | XXX       | XXX       | XXX       | 0         |

Section B - Incurred Health Claims - Grand Total

| 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<br>2012  | 2<br>2013 | 3<br>2014 | 4<br>2015 | 5<br>2016 |
| 1.                                 | Prior ..... | 7,748  | 7,612     | 7,543     | 7,543     | 7,543     |
| 2.                                 | 2012 .....  | 121,571  | 118,917   | 118,757   | 118,757   | 118,757   |
| 3.                                 | 2013 .....  | XXX  | 54,459    | 54,977    | 54,977    | 54,977    |
| 4.                                 | 2014 .....  | XXX  | XXX       | 0         | (664)     | (664)     |
| 5.                                 | 2015 .....  | XXX  | XXX       | XXX       | 0         | (473)     |
| 6.                                 | 2016 .....  | XXX  | XXX       | XXX       | XXX       | 0         |

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

| Years in which<br>Premiums were Earned and Claims<br>were Incurred | 1<br><br>Premiums Earned | 2<br><br>Claims Payment | 3<br><br>Claim Adjustment<br>Expense Payments | 4<br><br>(Col. 3/2)<br>Percent | 5<br><br>Claim and Claim<br>Adjustment Expense<br>Payments<br>(Col. 2 + 3) | 6<br><br>(Col. 5/1)<br>Percent | 7<br><br>Claims Unpaid | 8<br><br>Unpaid Claims<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5+7+8) | 10<br><br>(Col. 9/1)<br>Percent |
|--|--------------------------|-------------------------|---|--------------------------------|--|--------------------------------|------------------------|--|--|---------------------------------|
| 1. 2012 .....  | 169,589                  | 118,757                 | 5,201   | 4.4                            | 123,958  | 73.1                           | 0                      | 0  | 123,958  | 73.1                            |
| 2. 2013 .....  | 80,042                   | 54,977                  | 5,932   | 10.8                           | 60,909   | 76.1                           | 0                      | 0  | 60,909   | 76.1                            |
| 3. 2014 .....  | 338                      | (664)                   | 7,307   | (1,100.5)                      | 6,643  | 1,965.4                        | 0                      | 0  | 6,643  | 1,965.4                         |
| 4. 2015 .....  | 81                       | (473)                   | 5,523   | (1,167.7)                      | 5,050  | 6,234.6                        | 0                      | 0  | 5,050  | 6,234.6                         |
| 5. 2016 .....  | 0                        | 0                       | 0   | 0.0                            | 0  | 0.0                            | 0                      | 0  | 0  | 0.0                             |



UNDERWRITING AND INVESTMENT EXHIBIT

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

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

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

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

| PART 3 - ANALYSIS OF EXPENSES   |                                      |  |                                       |                        |            |
|---|--------------------------------------|--|---------------------------------------|------------------------|------------|
|   | Claim Adjustment Expenses            |  | 3                                     | 4                      | 5          |
|   | 1<br>Cost<br>Containment<br>Expenses | 2<br>Other Claim<br>Adjustment<br>Expenses |                                       |                        |            |
|   |                                      |  | General<br>Administrative<br>Expenses | Investment<br>Expenses | Total      |
| 1. Rent (\$ ..... for occupancy of<br>own building) .....                     |                                      |  |                                       |                        | 0          |
| 2. Salary, wages and other benefits .....                                     |                                      |  |                                       |                        | 0          |
| 3. Commissions (less \$ .....<br>ceded plus \$ ..... assumed) .....           |                                      |  |                                       |                        | 0          |
| 4. Legal fees and expenses .....  |                                      |  |                                       |                        | 0          |
| 5. Certifications and accreditation fees .....                                |                                      |  |                                       |                        | 0          |
| 6. Auditing, actuarial and other consulting services .....                    |                                      |  |                                       |                        | 0          |
| 7. Traveling expenses .....   |                                      |  |                                       |                        | 0          |
| 8. Marketing and advertising .....  |                                      |  |                                       |                        | 0          |
| 9. Postage, express and telephone .....                                       |                                      |  |                                       |                        | 0          |
| 10. Printing and office supplies .....  |                                      |  |                                       |                        | 0          |
| 11. Occupancy, depreciation and amortization .....                            |                                      |  |                                       |                        | 0          |
| 12. Equipment .....   |                                      |  |                                       |                        | 0          |
| 13. Cost or depreciation of EDP equipment and<br>software .....               |                                      |  |                                       |                        | 0          |
| 14. Outsourced services including EDP, claims, and<br>other services .....    |                                      | 10,181                                     |                                       |                        | 10,181     |
| 15. Boards, bureaus and association fees .....                                |                                      |  |                                       |                        | 0          |
| 16. Insurance, except on real estate .....                                    |                                      |  |                                       |                        | 0          |
| 17. Collection and bank service charges .....                                 |                                      |  |                                       |                        | 0          |
| 18. Group service and administration fees .....                               |                                      |  |                                       |                        | 0          |
| 19. Reimbursements by uninsured plans .....                                   |                                      |  |                                       |                        | 0          |
| 20. Reimbursements from fiscal intermediaries .....                           |                                      |  |                                       |                        | 0          |
| 21. Real estate expenses .....  |                                      |  |                                       |                        | 0          |
| 22. Real estate taxes .....   |                                      |  |                                       |                        | 0          |
| 23. Taxes, licenses and fees:   |                                      |  |                                       |                        |            |
| 23.1 State and local insurance taxes .....                                    | 0                                    | 0  | 17,287                                | 0                      | 17,287     |
| 23.2 State premium taxes .....  | 0                                    | 0  | 11,636                                | 0                      | 11,636     |
| 23.3 Regulatory authority licenses and fees .....                             | 0                                    | 0  | 0                                     | 0                      | 0          |
| 23.4 Payroll taxes .....  | 0                                    | 0  | 0                                     | 0                      | 0          |
| 23.5 Other (excluding federal income and real<br>estate taxes) .....          | 0                                    | 0  | 0                                     | 0                      | 0          |
| 24. Investment expenses not included elsewhere .....                          | 0                                    | 0  | 0                                     | 16,920                 | 16,920     |
| 25. Aggregate write-ins for expenses .....                                    | 0                                    | 0  | 0                                     | 0                      | 0          |
| 26. Total expenses incurred (Lines 1 to 25) .....                             | 0                                    | 10,181                                     | 28,923                                | 16,920                 | (a) 56,024 |
| 27. Less expenses unpaid December 31, current year .....                      |                                      | 0  | 10,697                                |                        | 10,697     |
| 28. Add expenses unpaid December 31, prior year .....                         |                                      |  | 5,540                                 |                        | 5,540      |
| 29. Amounts receivable relating to uninsured plans,<br>prior year .....       |                                      |  |                                       |                        | 0          |
| 30. Amounts receivable relating to uninsured plans,<br>current year .....     |                                      |  | 0                                     |                        | 0          |
| 31. Total expenses paid (Lines 26 minus 27 plus 28<br>minus 29 plus 30) ..... | 0                                    | 10,181                                     | 23,766                                | 16,920                 | 50,867     |
| DETAILS OF WRITE-INS  |                                      |  |                                       |                        |            |
| 2501. ....  |                                      |  |                                       |                        |            |
| 2502. ....  |                                      |  |                                       |                        |            |
| 2503. ....  |                                      |  |                                       |                        |            |
| 2598. Summary of remaining write-ins for Line 25 from<br>overflow page .....  | 0                                    | 0  | 0                                     | 0                      | 0          |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25<br>above) .....         | 0                                    | 0  | 0                                     | 0                      | 0          |

(a) Includes management fees of \$ ..... (1,403) to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

EXHIBIT OF NET INVESTMENT INCOME

|                      |   | 1                     | 2                  |
|----------------------|---|-----------------------|--------------------|
|                      |   | Collected During Year | Earned During Year |
| 1.                   | U.S. government bonds .....   | (a) .....28,957       | .....35,773        |
| 1.1                  | Bonds exempt from U.S. tax .....  | (a) .....             | .....              |
| 1.2                  | Other bonds (unaffiliated) .....  | (a) .....48,697       | .....48,697        |
| 1.3                  | Bonds of affiliates .....   | (a) .....0            | .....0             |
| 2.1                  | Preferred stocks (unaffiliated) .....                                     | (b) .....0            | .....0             |
| 2.11                 | Preferred stocks of affiliates .....                                      | (b) .....0            | .....0             |
| 2.2                  | Common stocks (unaffiliated) .....  | .....0                | .....0             |
| 2.21                 | Common stocks of affiliates .....   | .....0                | .....0             |
| 3.                   | Mortgage loans .....  | (c) .....0            | .....0             |
| 4.                   | Real estate .....   | (d) .....0            | .....0             |
| 5                    | Contract Loans .....  | .....0                | .....0             |
| 6                    | Cash, cash equivalents and short-term investments .....                   | (e) .....9,061        | .....9,061         |
| 7                    | Derivative instruments .....  | (f) .....0            | .....0             |
| 8.                   | Other invested assets .....   | .....0                | .....0             |
| 9.                   | Aggregate write-ins for investment income .....                           | .....47               | .....57            |
| 10.                  | Total gross investment income .....                                       | 86,762                | 93,588             |
| 11.                  | Investment expenses .....   |                       | (g) .....16,920    |
| 12.                  | Investment taxes, licenses and fees, excluding federal income taxes ..... |                       | (g) .....0         |
| 13.                  | Interest expense .....  |                       | (h) .....          |
| 14.                  | Depreciation on real estate and other invested assets .....               |                       | (i) .....          |
| 15.                  | Aggregate write-ins for deductions from investment income .....           |                       | .....0             |
| 16.                  | Total deductions (Lines 11 through 15) .....                              |                       | .....16,920        |
| 17.                  | Net investment income (Line 10 minus Line 16) .....                       |                       | 76,668             |
| DETAILS OF WRITE-INS |   |                       |                    |
| 0901.                | Securities Lending .....  | .....47               | .....57            |
| 0902.                | .....   |                       |                    |
| 0903.                | .....   |                       |                    |
| 0998.                | Summary of remaining write-ins for Line 9 from overflow page .....        | .....0                | .....0             |
| 0999.                | Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....             | 47                    | 57                 |
| 1501.                | .....   |                       |                    |
| 1502.                | .....   |                       |                    |
| 1503.                | .....   |                       |                    |
| 1598.                | Summary of remaining write-ins for Line 15 from overflow page .....       |                       | .....0             |
| 1599.                | Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....            |                       | 0                  |

- (a) Includes \$ .....5,275 accrual of discount less \$ .....88,903 amortization of premium and less \$ .....2,568 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$. ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

|                      |   | 1  | 2                             | 3  | 4  | 5   |
|----------------------|---|--|-------------------------------|--|--|---|
|                      |   | Realized Gain (Loss)<br>On Sales or Maturity | Other Realized<br>Adjustments | Total Realized Capital<br>Gain (Loss)<br>(Columns 1 + 2) | Change in<br>Unrealized Capital<br>Gain (Loss) | Change in Unrealized<br>Foreign Exchange<br>Capital Gain (Loss) |
| 1.                   | U.S. Government bonds .....   |  |                               |  |  |   |
| 1.1                  | Bonds exempt from U.S. tax .....                                      |  |                               |  |  |   |
| 1.2                  | Other bonds (unaffiliated) .....                                      |  |                               |  |  |   |
| 1.3                  | Bonds of affiliates .....   |  |                               |  |  |   |
| 2.1                  | Preferred stocks (unaffiliated) .....                                 |  |                               |  |  |   |
| 2.11                 | Preferred stocks of affiliates .....                                  |  |                               |  |  |   |
| 2.2                  | Common stocks (unaffiliated) .....                                    |  |                               |  |  |   |
| 2.21                 | Common stocks of affiliates .....                                     |  |                               |  |  |   |
| 3.                   | Mortgage loans .....  |  |                               |  |  |   |
| 4.                   | Real estate .....   |  |                               |  |  |   |
| 5.                   | Contract loans .....  |  |                               |  |  |   |
| 6.                   | Cash, cash equivalents and short-term investments .....               |  |                               |  |  |   |
| 7.                   | Derivative instruments .....  |  |                               |  |  |   |
| 8.                   | Other invested assets .....   |  |                               |  |  |   |
| 9.                   | Aggregate write-ins for capital gains (losses) .....                  |  |                               |  |  |   |
| 10.                  | Total capital gains (losses) .....                                    |  |                               |  |  |   |
| DETAILS OF WRITE-INS |   |  |                               |  |  |   |
| 0901.                | .....   |  |                               |  |  |   |
| 0902.                | .....   |  |                               |  |  |   |
| 0903.                | .....   |  |                               |  |  |   |
| 0998.                | Summary of remaining write-ins for Line 9 from<br>overflow page ..... |  |                               |  |  |   |
| 0999.                | Totals (Lines 0901 thru 0903 plus 0998) (Line 9,<br>above) .....      |  |                               |  |  |   |

EXHIBIT OF NON-ADMITTED ASSETS

|   | 1  | 2                                      | 3  |
|---|--|--|--|
|   | Current Year Total<br>Nonadmitted Assets | Prior Year Total<br>Nonadmitted Assets | Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
| 1. Bonds (Schedule D) .....   |  |  | 0  |
| 2. Stocks (Schedule D):   |  |  |  |
| 2.1 Preferred stocks .....  |  |  | 0  |
| 2.2 Common stocks .....   |  |  | 0  |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |  |
| 3.1 First liens .....   |  |  | 0  |
| 3.2 Other than first liens.....   |  |  | 0  |
| 4. Real estate (Schedule A):  |  |  |  |
| 4.1 Properties occupied by the company .....  |  |  | 0  |
| 4.2 Properties held for the production of income.....   |  |  | 0  |
| 4.3 Properties held for sale .....  |  |  | 0  |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments<br>(Schedule DA) ..... |  |  | 0  |
| 6. Contract loans .....   |  |  | 0  |
| 7. Derivatives (Schedule DB) .....  |  |  | 0  |
| 8. Other invested assets (Schedule BA) .....  |  |  | 0  |
| 9. Receivables for securities .....   |  |  | 0  |
| 10. Securities lending reinvested collateral assets (Schedule DL) .....   |  |  | 0  |
| 11. Aggregate write-ins for invested assets .....   | 0  | 0                                      | 0  |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) .....   | 0  | 0                                      | 0  |
| 13. Title plants (for Title insurers only) .....  |  |  | 0  |
| 14. Investment income due and accrued .....   | 0  |  | 0  |
| 15. Premiums and considerations:  |  |  |  |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....  |  |  | 0  |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                     |  |  | 0  |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination .....                                      |  |  | 0  |
| 16. Reinsurance:  |  |  |  |
| 16.1 Amounts recoverable from reinsurers .....  |  |  | 0  |
| 16.2 Funds held by or deposited with reinsured companies .....  |  |  | 0  |
| 16.3 Other amounts receivable under reinsurance contracts .....   |  |  | 0  |
| 17. Amounts receivable relating to uninsured plans .....  |  |  | 0  |
| 18.1 Current federal and foreign income tax recoverable and interest thereon .....                                      | 0  |  | 0  |
| 18.2 Net deferred tax asset .....   | 0  | 939                                    | 939  |
| 19. Guaranty funds receivable or on deposit .....   |  |  | 0  |
| 20. Electronic data processing equipment and software .....   |  |  | 0  |
| 21. Furniture and equipment, including health care delivery assets .....  |  |  | 0  |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....  |  |  | 0  |
| 23. Receivable from parent, subsidiaries and affiliates .....   | 0  |  | 0  |
| 24. Health care and other amounts receivable .....  |  | 423,408                                | 423,408  |
| 25. Aggregate write-ins for other than invested assets .....  | 0  | 0                                      | 0  |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts<br>(Lines 12 to 25) ..... | 0  | 424,347                                | 424,347  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                       |  |  | 0  |
| 28. Total (Lines 26 and 27) .....   | 0  | 424,347                                | 424,347  |
| DETAILS OF WRITE-INS  |  |  |  |
| 1101. ....  |  |  |  |
| 1102. ....  |  |  |  |
| 1103. ....  |  |  |  |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....   | 0  | 0                                      | 0  |
| 1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....  | 0  | 0                                      | 0  |
| 2501. ....  |  |  |  |
| 2502. ....  |  |  |  |
| 2503. ....  |  |  |  |
| 2598. Summary of remaining write-ins for Line 25 from overflow page .....   | 0  | 0                                      | 0  |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....  | 0  | 0                                      | 0  |

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment   | Total Members at End of |                    |                     |                    |                   | 6<br>Current Year<br>Member Months |
|--|-------------------------|--------------------|---------------------|--------------------|-------------------|------------------------------------|
|  | 1<br>Prior Year         | 2<br>First Quarter | 3<br>Second Quarter | 4<br>Third Quarter | 5<br>Current Year |                                    |
| 1. Health Maintenance Organizations .....                                |                         |                    |                     |                    |                   |                                    |
| 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   |                         |                    |                     |                    |                   |                                    |
| DETAILS OF WRITE-INS   |                         |                    |                     |                    |                   |                                    |
| 0601. ....   |                         |                    |                     |                    |                   |                                    |
| 0602. ....   |                         |                    |                     |                    |                   |                                    |
| 0603. ....   |                         |                    |                     |                    |                   |                                    |
| 0698. Summary of remaining write-ins for Line 6 from overflow page ..... |                         |                    |                     |                    |                   |                                    |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)             |                         |                    |                     |                    |                   |                                    |

NONE

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of AMERIGROUP Ohio, Inc. (the “Company”) have been prepared in conformity with the National Association of Insurance Commissioners’ (“NAIC”) *Annual Statement Instructions* and in accordance with accounting practices prescribed by the NAIC *Accounting Practices and Procedures Manual* (“NAIC SAP”), subject to any deviations prescribed or permitted by the Ohio Department of Insurance (“ODI”).

A reconciliation of the Company’s net income (loss) and capital and surplus between NAIC SAP and practices prescribed and permitted by the ODI is shown below:

|   | SSAP # | F/S<br>Page | F/S<br>Line # | 2016          | 2015          |
|---|--------|-------------|---------------|---------------|---------------|
| <b>Net Income</b>   |        |             |               |               |               |
| (1) INSERT NAME state basis (Page 4, Line 32, Columns 2 & 3)      | XXX    | XXX         | XXX           | \$ 331,795    | \$ 748,969    |
| (2) State Prescribed Practices that increase/(decrease) NAIC SAP: |        |             |               | —             | —             |
| (3) State Permitted Practices that increase/(decrease) NAIC SAP:  |        |             |               | —             | —             |
| (4) NAIC SAP (1-2-3=4)  | XXX    | XXX         | XXX           | \$ 331,795    | \$ 748,969    |
| <b>Surplus</b>  |        |             |               |               |               |
| (5) INSERT NAME state basis (Page 3, Line 33, Columns 3 & 4)      | XXX    | XXX         | XXX           | \$ 11,313,612 | \$ 10,709,124 |
| (6) State Prescribed Practices that increase/(decrease) NAIC SAP: |        |             |               | —             | —             |
| (7) State Permitted Practices that increase/(decrease) NAIC SAP:  |        |             |               | —             | —             |
| (8) NAIC SAP (5-6-7=8)  | XXX    | XXX         | XXX           | \$ 11,313,612 | \$ 10,709,124 |

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

Preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

C. Accounting Policies

Health premiums are earned over the term of the related insurance policies. Premiums written are reported net of experience rating refunds. Unearned premium reserves are established to cover the unexpired portion of premiums written, and are computed by pro rata methods for direct business. Premiums paid by subscribers prior to the effective date are recorded on the balance sheet as premiums received in advance and are subsequently credited to income as earned during the coverage period. Premium rates for certain lines of

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

business are subject to approval by the Ohio Department of Insurance (“ODI”). Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. All other costs, such as premium taxes and other underwriting expenses, are charged to operations as incurred.

In addition, the Company uses the following accounting policies:

1. Short-term investments include investments with maturities of less than one year at the date of acquisition and are reported at amortized cost, which approximates fair value. Non-investment grade short-term investments are stated at the lower of amortized cost or fair value.
2. Investment grade bonds not backed by other loans are stated at amortized cost, with amortization calculated based on the modified scientific method, using lower of yield to call or yield to maturity. Non-investment grade bonds are stated at the lower of amortized cost or fair value as determined by various third-party pricing sources.
3. The Company has no investments in common stocks of unaffiliated companies.
4. The Company has no investments in preferred stocks.
5. The Company has no mortgage loans - real estate.
6. Loan-backed securities are stated at amortized cost. Prepayment assumptions for loan-backed securities and structured securities were obtained from broker-dealer survey values or internal estimates. These assumptions are consistent with the current interest rate and economic environment. The retrospective adjustment method is used to value all loan-backed securities. Non-investment grade loan-backed securities are stated at the lower of amortized cost or fair value.
7. The Company has no investments in subsidiaries, controlled and affiliated companies.
8. The Company has no investments in joint ventures, partnerships or limited liability companies.
9. The Company has no derivative instruments.
10. The Company does not anticipate investment income as a factor in premium deficiency calculations.
11. Unpaid claims and claims adjustment expenses include management’s best estimate of amounts based on historical claim development patterns and certain individual case estimates. The established liability considers health benefit provisions, business practices, economic conditions and other factors that may materially affect the cost, frequency and severity of claims. Liabilities for unpaid claims and claim adjustment expenses are based on assumptions and estimates, and while management believes such estimates are reasonable, 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 changes in estimates are incorporated into current period estimates.
12. The Company has not modified its capitalization policy from the prior period.

**D. Going Concern**

Not applicable.

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

There were no accounting changes or corrections of errors during the years ended December 31, 2016 and 2015.

**3. Business Combinations and Goodwill**

|                                     |                 |
|-------------------------------------|-----------------|
| <b>A. Statutory Purchase Method</b> | Not applicable. |
| <b>B. Statutory Merger</b>          | Not applicable. |
| <b>C. Assumption Reinsurance</b>    | Not applicable. |
| <b>D. Impairment Loss</b>           | Not applicable. |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.  
NOTES TO FINANCIAL STATEMENTS

**4. Discontinued Operations**

- 1 - 4. The Company's contract with the Ohio Department of Job and Family Services terminated effective June 30, 2013. The Company is expected to perform certain operations to close out the contract.

5. Not applicable.

**5. Investments**

**A. Mortgage Loans, including Mezzanine Real Estate Loans**

The Company did not have investments in mortgage loans at December 31, 2016 or 2015.

**B. Debt Restructuring**

The Company did not have invested assets that were restructured debt at December 31, 2016 or 2015.

**C. Reverse Mortgages**

The Company did not have investments in reverse mortgages at December 31, 2016 or 2015.

**D. Loan-Backed Securities**

1. Prepayment assumptions for single-class and multi-class mortgage-backed and asset-backed securities were obtained from broker-dealer survey values or internal estimates. The Company used various third-party pricing sources in determining the market value of its loan-backed securities.
2. The Company did not recognize other-than-temporary impairments on its loan-backed securities during the years ended December 31, 2016 and 2015.
3. The Company did not recognize other-than-temporary impairments on its loan-backed securities at December 31, 2016 and 2015.
4. The Company had no impaired securities for which an other-than-temporary impairment had not been recognized in earnings as a realized loss at December 31, 2016 and 2015.
5. The Company had no impaired loan-backed securities at December 31, 2016 and 2015.

**E. Repurchase Agreements and/or Securities Lending Transactions**

1. The Company did not enter into repurchase agreements or securities lending transactions at December 31, 2016 or 2015.
2. The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers based on, among other things, their creditworthiness in exchange for collateral initially equal to at least 102% of the market value of the loaned securities. The Company receives the collateral in cash or securities, and if cash is received the cash collateral is thereafter invested according to guidelines of the Company's Investment Policy.



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

3. Collateral Received

a. Aggregate amount collateral received

1. Repurchase agreement - Not applicable.

|                               | Fair Value               |
|-------------------------------|--------------------------|
| 2. Securities Lending         |                          |
| (a) Open                      | \$ 202,250               |
| (b) 30 days or less           | —                        |
| (c) 31 to 60 days             | —                        |
| (d) 61 to 90 days             | —                        |
| (e) Greater than 90 days      | —                        |
| (f) Sub-total                 | <u>202,250</u>           |
| (g) Securities received       | <u>—</u>                 |
| (h) Total collateral received | <u><u>\$ 202,250</u></u> |

3. Dollar repurchase agreement - Not applicable.

|   |                          |
|---|--------------------------|
| b. The fair value of that collateral and of the portion of that collateral that it has sold or replighted | <u><u>\$ 202,250</u></u> |
|---|--------------------------|

c. The Company receives cash collateral in an amount in excess of fair value of the securities lent. The Company reinvests the cash collateral according to guidelines of the Company's Investment Policy.

4. Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

5. Collateral Reinvestment

- a. Aggregate amount collateral reinvested
  - 1. Repurchase agreement - Not applicable.

|                                 | <u>Amortized<br/>Cost</u> | <u>Fair Value</u>        |
|---------------------------------|---------------------------|--------------------------|
| 2. Securities Lending           |                           |                          |
| (a) Open                        | \$ —                      | \$ —                     |
| (b) 30 days or less             | 202,250                   | 202,250                  |
| (c) 31 to 60 days               | —                         | —                        |
| (d) 61 to 90 days               | —                         | —                        |
| (e) 91 to 120 days              | —                         | —                        |
| (f) 121 to 180 days             | —                         | —                        |
| (g) 181 to 365 days             | —                         | —                        |
| (h) 1 to 2 years                | —                         | —                        |
| (i) 2 to 3 years                | —                         | —                        |
| (j) Greater than 3 years        | —                         | —                        |
| (k) Sub-total                   | <u>\$ 202,250</u>         | <u>\$ 202,250</u>        |
| (l) Securities received         | <u>—</u>                  | <u>—</u>                 |
| (m) Total collateral reinvested | <u><u>\$ 202,250</u></u>  | <u><u>\$ 202,250</u></u> |

- 3. Dollar repurchase agreement - Not applicable.

- b. Not applicable.

- 6. Not applicable.
- 7. Not applicable.

F. Real Estate

The Company did not have investments in real estate and did not engage in retail land sales operations during 2016 or 2015.

G. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during 2016 or 2015.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

H. Restricted Assets

1. Restricted assets (including pledged)

| Restricted Asset Category  | 1   | 2   | 3                                | 4   | 5  | 6   | 7  |
|--|---|---|----------------------------------|---|--|---|--|
|  | Total Gross (Admitted & Nonadmitted) Restricted from Current Year | Total Gross (Admitted & Nonadmitted) Restricted from Prior Year | Increase/ (Decrease) (1 minus 2) | Total Current Year Nonadmitted Restricted | Total Current Year Admitted Restricted (1 minus 4) | Gross Admitted and Nonadmitted Restricted to Total Assets (a) | Admitted Restricted to Total Admitted Assets (b) |
| a. Subject to contractual obligation for which liability is not shown            | \$ —  | \$ —  | \$ —                             | \$ —                                      | \$ —   | 0.00%   | 0.00%  |
| b. Collateral held under security lending agreements                             | 202,250   | —   | 202,250                          | —   | 202,250  | 1.75%   | 1.75%  |
| c. Subject to repurchase agreements  | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| d. Subject to reverse repurchase agreements                                      | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| e. Subject to dollar repurchase agreements                                       | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| f. Subject to dollar reverse repurchase agreements                               | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| g. Placed under option contracts   | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| h. Letter stock or securities restricted as to sale-excluding FHLB capital stock | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| i. FHLB capital stock  | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| j. On deposit with states  | 3,705,480   | 3,725,537   | (20,057)                         | —   | 3,705,480  | 32.07%  | 32.07%   |
| k. On deposit with other regulatory bodies                                       | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)   | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| m. Pledged as collateral not captured in other categories                        | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| n. Other restricted assets   | —   | —   | —                                | —   | —  | 0.00%   | 0.00%  |
| o. Total Restricted Assets   | \$ 3,907,730  | \$ 3,725,537  | \$ 182,193                       | \$ —                                      | \$ 3,907,730                                       | 33.82%  | 33.82%   |

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 3, Line 28

2. Not applicable.

3. Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

4. Collateral Received and Reflected as Assets Within the Reporting Entity's Financial Statements

| Collateral Assets                              | 1                                   | 2          | 3   | 4                                     |
|--|-------------------------------------|------------|---|---------------------------------------|
|  | Book/Adjusted Carrying Value (BACV) | Fair Value | % of BACV to Total Assets (Admitted and Nonadmitted*) | % of BACV to Total Admitted Assets ** |
| a. Cash  | \$ —                                | \$ —       | —%  | —%                                    |
| b. Schedule D, Part 1                          | —                                   | —          | —   | —                                     |
| c. Schedule D, Part 2 Section 1                | —                                   | —          | —   | —                                     |
| d. Schedule D, Part 2 Section 2                | —                                   | —          | —   | —                                     |
| e. Schedule B                                  | —                                   | —          | —   | —                                     |
| f. Schedule A                                  | —                                   | —          | —   | —                                     |
| g. Schedule BA, Part 1                         | —                                   | —          | —   | —                                     |
| h. Schedule DL, Part 1                         | 202,250                             | 202,250    | 1.75%   | 1.75%                                 |
| i. Other                                       | —                                   | —          | —   | —                                     |
| j. Total Collateral Assets (a+b+c+d+e+f+g+h+i) | \$ 202,250                          | \$ 202,250 | 1.75%   | 1.75%                                 |

\* Column 1 divided by Asset Page, Line 26 (Column 1)

\*\* Column 1 divided by Asset Page, Line 26 (Column 3)

|   | <u>1</u>      | <u>2</u>                                     |
|---|---------------|--|
|   | <u>Amount</u> | <u>% of Liability to Total Liabilities *</u> |
| k. Recognized Obligation to Return Collateral Asset | \$ 202,250    | 84.1%  |

\* Column 1 divided by Liability Page, Line 24 (Column 3)

I. Working Capital Finance Investments

The Company did not have any working capital finance investments at December 31, 2016 and 2015.

J. Offsetting and Netting of Assets and Liabilities

The Company did not have any offsetting or netting of assets and liabilities at December 31, 2016 and 2015.

K. Structured Notes

The Company did not have any structured notes at December 31, 2016 and 2015.

L. 5\* Securities

The Company has no 5\* Securities as of December 31, 2016 and 2015.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets at December 31, 2016 or 2015.

B. Not applicable.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

7. Investment Income

- A. All investment income due and accrued with amounts that are over 90 days past due is non-admitted.
- B. At December 31, 2016 and 2015 there was no nonadmitted accrued investment interest income.

8. Derivative Instruments

The Company has no derivative instruments.

9. Income Taxes

- A. The components of net deferred tax assets (liabilities):

1. The components of net deferred tax asset (liabilities) at December 31 are as follows:

| 12/31/2016   |          |                    |          |
|--|----------|--------------------|----------|
| (1)  | (2)      | (3)                |          |
| Ordinary   | Capital  | (Col 1+2)<br>Total |          |
| (a) Gross Deferred Tax Assets  | \$ 3,861 | \$ —               | \$ 3,861 |
| (b) Statutory Valuation Allowance Adjustments                              | —        | —                  | —        |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b)                           | 3,861    | —                  | 3,861    |
| (d) Deferred Tax Assets Nonadmitted  | —        | —                  | —        |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)                     | 3,861    | —                  | 3,861    |
| (f) Deferred Tax Liabilities   | 1        | 2,566              | 2,567    |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | \$ 3,860 | \$ (2,566)         | \$ 1,294 |

| 12/31/2015   |            |                    |            |
|--|------------|--------------------|------------|
| (4)  | (5)        | (6)                |            |
| Ordinary   | Capital    | (Col 4+5)<br>Total |            |
| (a) Gross Deferred Tax Assets  | \$ 153,703 | \$ —               | \$ 153,703 |
| (b) Statutory Valuation Allowance Adjustments                              | —          | —                  | —          |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b)                           | 153,703    | —                  | 153,703    |
| (d) Deferred Tax Assets Nonadmitted  | 939        | —                  | 939        |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)                     | 152,764    | —                  | 152,764    |
| (f) Deferred Tax Liabilities   | 32         | 723                | 755        |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | \$ 152,732 | \$ (723)           | \$ 152,009 |

| Change   |                      |                    |              |
|--|----------------------|--------------------|--------------|
| (7)  | (8)                  | (9)                |              |
| (Col 1-4)<br>Ordinary  | (Col 2-5)<br>Capital | (Col 7+8)<br>Total |              |
| (a) Gross Deferred Tax Assets  | \$ (149,842)         | \$ —               | \$ (149,842) |
| (b) Statutory Valuation Allowance Adjustments                              | —                    | —                  | —            |
| (c) Adjusted Gross Deferred Tax Assets (1a - 1b)                           | (149,842)            | —                  | (149,842)    |
| (d) Deferred Tax Assets Nonadmitted  | (939)                | —                  | (939)        |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)                     | (148,903)            | —                  | (148,903)    |
| (f) Deferred Tax Liabilities   | (31)                 | 1,843              | 1,812        |
| (g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f) | \$ (148,872)         | \$ (1,843)         | \$ (150,715) |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.  
NOTES TO FINANCIAL STATEMENTS

2. The amount of admitted adjusted gross deferred tax assets under each component of SSAP No. 101, *Income Taxes* ("SSAP No. 101") as of December 31 is as follows:

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

| 12/31/2016  |          |                    |           |
|---|----------|--------------------|-----------|
| (1)   | (2)      | (3)                |           |
| Ordinary  | Capital  | (Col 1+2)<br>Total |           |
| Admission Calculation Components SSAP No. 101   |          |                    |           |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.   | \$ 2,167 | \$ —               | \$ 2,167  |
| (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below) | 1,084    | —                  | 1,084     |
| 1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.   | 1,084    | —                  | 1,084     |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.   | XXX      | XXX                | 1,696,848 |
| (c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.   | 610      | —                  | 610       |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))   | \$ 3,861 | \$ —               | \$ 3,861  |

| 12/31/2015  |            |                    |            |
|---|------------|--------------------|------------|
| (4)   | (5)        | (6)                |            |
| Ordinary  | Capital    | (Col 4+5)<br>Total |            |
| Admission Calculation Components SSAP No. 101   |            |                    |            |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.   | \$ 116,774 | \$ —               | \$ 116,774 |
| (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below) | 35,235     | —                  | 35,235     |
| 1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.   | 35,235     | —                  | 35,235     |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.   | XXX        | XXX                | 1,583,567  |
| (c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.   | 755        | —                  | 755        |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))   | \$ 152,764 | \$ —               | \$ 152,764 |

| Change  |                      |                    |              |
|---|----------------------|--------------------|--------------|
| (7)   | (8)                  | (9)                |              |
| (Col 1-4)<br>Ordinary   | (Col 2-5)<br>Capital | (Col 7+8)<br>Total |              |
| Admission Calculation Components SSAP No. 101   |                      |                    |              |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks.   | \$ (114,607)         | \$ —               | \$ (114,607) |
| (b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below) | (34,151)             | —                  | (34,151)     |
| 1. Adjusted Gross Deferred Tax Assets Expected To Be Realized Following the Balance Sheet Date.   | (34,151)             | —                  | (34,151)     |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.   | XXX                  | XXX                | 113,281      |
| (c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.   | (145)                | —                  | (145)        |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))   | \$ (148,903)         | \$ —               | \$ (148,903) |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.  
NOTES TO FINANCIAL STATEMENTS

|  | 2016          | 2015          |
|--|---------------|---------------|
| (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.                                | 45,495.00%    | 1,371.83%     |
| (b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2 (b)2 Above. | \$ 11,312,318 | \$ 10,557,115 |

| (4) | 12/31/2016 |         | 12/31/2015 |         | Change                |                      |
|-----|------------|---------|------------|---------|-----------------------|----------------------|
|     | (1)        | (2)     | (3)        | (4)     | (5)                   | (6)                  |
|     | Ordinary   | Capital | Ordinary   | Capital | (Col 1-3)<br>Ordinary | (Col 2-4)<br>Capital |

## Impact of Tax-Planning

|   |  |    |       |    |       |    |         |    |       |     |           |    |       |
|---|--|----|-------|----|-------|----|---------|----|-------|-----|-----------|----|-------|
| (a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage. |  |    |       |    |       |    |         |    |       |     |           |    |       |
| 1.  | Adjusted Gross DTAs Amount From Note 9A1(c)  | \$ | 3,861 | \$ | —     | \$ | 153,703 | \$ | —     | \$  | (149,842) | \$ | —     |
| 2.  | Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies |    | 0.00% |    | 0.00% |    | 0.00%   |    | 0.00% |     | 0.00%     |    | 0.00% |
| 3.  | Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)   | \$ | 3,862 | \$ | —     | \$ | 152,764 | \$ | —     | \$  | (148,902) | \$ | —     |
| 4.  | Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The                  |    | 0.00% |    | 0.00% |    | 0.00%   |    | 0.00% |     | 0.00%     |    | 0.00% |
| (b) Does the Company's tax-planning strategies include the use of reinsurance?  |  |    |       |    |       |    |         |    |       |     |           |    |       |
|   |  |    |       |    |       |    |         |    |       | Yes | No        | X  |       |

**B.** The Company has no unrecognized deferred tax liabilities at December 31, 2016 and 2015.

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

|   | (1)        | (2)        | (3)                 |
|---|------------|------------|---------------------|
|   | 12/31/2016 | 12/31/2015 | (Col 1-2)<br>Change |
| (1) Current Income Tax                              |            |            |                     |
| (a) Federal   | \$ 178,771 | \$ 219,131 | \$ (40,360)         |
| (b) Foreign   | —          | —          | —                   |
| (c) Subtotal  | 178,771    | 219,131    | (40,360)            |
| (d) Federal income tax expense on net capital gains | 62         | 85,238     | (85,176)            |
| (e) Utilization of capital loss carry-forwards      | —          | —          | —                   |
| (f) Other   | —          | —          | —                   |
| (g) Federal and foreign income taxes incurred       | \$ 178,833 | \$ 304,369 | \$ (125,536)        |

(2) **Deferred Tax Assets:**



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

|   |          |            |              |
|---|----------|------------|--------------|
| (a) Ordinary  |          |            |              |
| (1) Discounting of unpaid losses                              | \$       | —          | \$ 31 (31)   |
| (2) Unearned premium reserve                                  |          | —          | —            |
| (3) Policyholder reserves                                     |          | —          | —            |
| (4) Investments   |          | —          | —            |
| (5) Deferred acquisition costs                                |          | —          | —            |
| (6) Policyholder dividends accrual                            |          | —          | —            |
| (7) Fixed assets  |          | —          | —            |
| (8) Compensation and benefits accrual                         |          | —          | —            |
| (9) Pension accrual   |          | —          | —            |
| (10) Receivables - nonadmitted                                |          | 148,727    | (148,727)    |
| (11) Net operating loss carry-forward                         |          | —          | —            |
| (12) Tax credit carry-forward                                 |          | —          | —            |
| (13) Other (including items <5% of total ordinary tax assets) | 3,861    | 4,945      | (1,084)      |
| (14) Accrued future expenses                                  | —        | —          | —            |
| (15) Premium deficiency reserves                              | —        | —          | —            |
| (16) State tax liability                                      |          |            |              |
| (99) Subtotal   | 3,861    | 153,703    | (149,842)    |
| (b) Statutory valuation allowance adjustment                  | —        | —          | —            |
| (c) Nonadmitted   | —        | 939        | (939)        |
| (d) Admitted ordinary deferred tax assets (2a99 - 2b)         | 3,861    | 152,764    | (148,903)    |
| (e) Capital:  |          |            |              |
| (1) Investments   | —        | —          | —            |
| (2) Net capital loss carry-forward                            | —        | —          | —            |
| (3) Real estate   | —        | —          | —            |
| (4) Other (including items <5% of total capital tax assets)   | —        | —          | —            |
| (5) Section 166 partial worthlessness                         | —        | —          | —            |
| (6) Mark to market and impairments                            | —        | —          | —            |
| (99) Subtotal   | —        | —          | —            |
| (f) Statutory valuation allowance adjustment                  | —        | —          | —            |
| (g) Nonadmitted   | —        | —          | —            |
| (h) Admitted capital deferred tax assets (2e99 - 2f -         | —        | —          | —            |
| (i) Admitted deferred tax assets (2d + 2h)                    | \$ 3,861 | \$ 152,764 | \$ (148,903) |

| (1)        | (2)        | (3)                 |
|------------|------------|---------------------|
| 12/31/2016 | 12/31/2015 | (Col 1-2)<br>Change |

|   |          |            |              |
|---|----------|------------|--------------|
| (3) Deferred Tax Liabilities:                                     |          |            |              |
| (a) Ordinary  |          |            |              |
| (1) Investments   | \$       | —          | \$ —         |
| (2) Fixed assets  |          | —          | —            |
| (3) Deferred and uncollected premium                              |          | —          | —            |
| (4) Policyholder reserves   |          | —          | —            |
| (5) Other (including items <5% of total ordinary tax liabilities) | 1        | —          | 1            |
| (6) Discount of coordination of benefits                          | —        | 32         | (32)         |
| (7) Section 807 insurance reserves                                | —        | —          | —            |
| (99) Subtotal   | 1        | 32         | (31)         |
| (b) Capital:  |          |            |              |
| (1) Investments   | 2,566    | 723        | 1,843        |
| (2) Real estate   | —        | —          | —            |
| (3) Other (including items <5% of total capital tax liabilities)  | —        | —          | —            |
| (4) Investment partnership income                                 | —        | —          | —            |
| (5) Mark to market and impairments                                | —        | —          | —            |
| (6) Section 166 partial worthlessness                             | —        | —          | —            |
| (99) Subtotal   | 2,566    | 723        | 1,843        |
| (c) Deferred tax liabilities (3a99 + 3b99)                        | \$ 2,567 | \$ 755     | \$ 1,812     |
| (4) Net deferred tax assets/liabilities (2i - 3c)                 | \$ 1,294 | \$ 152,009 | \$ (150,715) |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.  
**NOTES TO FINANCIAL STATEMENTS**

**D.** The Company’s income tax expense and change in deferred income taxes differs from the amount obtained by applying the federal statutory income rate of 35% for the year ended December 31 as follows:

|  | <u>2016</u>       | <u>2015</u>       |
|--|-------------------|-------------------|
| Tax expense computed using federal statutory rate                  | \$ 178,720        | \$ 368,669        |
| ACA health insurer fee   | —                 | —                 |
| Change in nonadmitted assets                                       | 148,193           | (148,193)         |
| Tax exempt income and dividend received deduction net of proration | (14,438)          | (51,624)          |
| Intercompany dividends   | —                 | —                 |
| Prior year true-up and adjustments                                 | (3,119)           | (37,370)          |
| Interest (federal and state income tax)                            | —                 | —                 |
| Tax settlements and contingencies                                  | —                 | —                 |
| IMR/AVR tax  | —                 | —                 |
| Intercompany dividends   | —                 | —                 |
| Sale of subsidiary   | —                 | —                 |
| Dividend received deduction, Anthem stock                          | —                 | —                 |
| Valuation allowance  | —                 | —                 |
| Contributions  | —                 | —                 |
| Partnership tax credits  | —                 | —                 |
| ACA health insurer fee   | —                 | —                 |
| Other, net   | 21,131            | 24,249            |
| Total  | <u>\$ 330,487</u> | <u>\$ 155,731</u> |
|  |                   |                   |
| Federal income taxes incurred                                      | \$ 178,833        | \$ 304,369        |
| Change in net deferred income taxes                                | 151,654           | (148,638)         |
| Total statutory income taxes                                       | <u>\$ 330,487</u> | <u>\$ 155,731</u> |

**E.** Operating loss carryforwards:

1. The Company has no operating loss carryforwards and no tax credit carryforwards as of December 31, 2016 or 2015.
2. The following are income taxes incurred in the current and prior year(s) that will be available for recoupment in the event of future net losses:

|             | <u>Ordinary</u> | <u>Capital</u> | <u>Total</u> |
|-------------|-----------------|----------------|--------------|
| <b>2016</b> | \$ 182,424      | \$ 62          | \$ 182,486   |
| <b>2015</b> | 252,849         | 85,238         | 338,087      |
| <b>2014</b> | N/A             | 8,166          | 8,166        |

3. The Company has no protective tax deposits reported as admitted assets under Section 6603 of the Internal Revenue Service Code as of December 31, 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

- F. The following companies will be included in the consolidated federal income tax return with their parent Anthem, Inc. as of December 31, 2016 and either are current members of the consolidated tax sharing agreement or are in the process of being added to the consolidated tax sharing agreement. Allocation of federal income taxes with affiliates subject to the tax sharing agreement is based upon separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Pursuant to this agreement, the Company has the enforceable right to recoup federal income taxes paid in prior years in the event of future losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal income taxes. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

|   |  |
|---|--|
| American Imaging Management, Inc.                       | DeCare Dental Health International, LLC              |
| AMERIGROUP Community Care of New Mexico, Inc.           | DeCare Dental Networks, LLC                          |
| AMERIGROUP Corporation                                  | DeCare Dental, LLC                                   |
| AMERIGROUP District of Columbia, Inc.                   | Designated Agent Company, Inc.                       |
| AMERIGROUP Florida, Inc.                                | EHC Benefits Agency, Inc.                            |
| Amerigroup Insurance Company                            | Empire HealthChoice Assurance, Inc.                  |
| AMERIGROUP Iowa, Inc.                                   | Empire HealthChoice HMO, Inc.                        |
| Amerigroup Kansas, Inc.                                 | Federal Government Solutions, LLC (fka               |
| AMERIGROUP Maryland, Inc.                               | Government Health Services, LLC)                     |
| AMERIGROUP Mississippi Inc.                             | Forty-Four Forty-Four Forest Park Redevelopment Corp |
| AMERIGROUP Nevada, Inc.                                 | Golden West Health Plan, Inc.                        |
| AMERIGROUP New Jersey, Inc.                             | Greater Georgia Life Insurance Company               |
| AMERIGROUP Ohio, Inc.                                   | Health Core, Inc.                                    |
| AMERIGROUP Oklahoma, Inc.                               | Health Management Corporation                        |
| Amerigroup Services, Inc.                               | HealthKeepers, Inc.                                  |
| AMERIGROUP Tennessee, Inc.                              | HealthLink HMO, Inc.                                 |
| AMERIGROUP Texas, Inc.                                  | HealthLink, Inc.                                     |
| AMERIGROUP Washington, Inc.                             | HealthPlus HP, LLC                                   |
| AMGP Georgia Managed Care Company, Inc.                 | Healthy Alliance Life Insurance Company              |
| Anthem Blue Cross Life and Health Insurance Company     | HMO Colorado, Inc.                                   |
| Anthem Financial, Inc.                                  | HMO Missouri, Inc.                                   |
| Anthem Health Insurance Company of Nevada               | Imaging Management Holdings, LLC                     |
| Anthem Health Plans of Kentucky, Inc.                   | Imaging Providers of Texas                           |
| Anthem Health Plans of Maine, Inc.                      | Living Complete Technologies, Inc. (fka              |
| Anthem Health Plans of New Hampshire, Inc.              | Tidgewell Associates, Inc.)                          |
| Anthem Health Plans of Virginia, Inc.                   | Matthew Thornton Health Plan, Inc.                   |
| Anthem Health Plans, Inc.                               | National Government Services, Inc.                   |
| Anthem Holding Corp.                                    | Park Square Holdings, Inc.                           |
| Anthem Insurance Companies, Inc.                        | Park Square I, Inc.                                  |
| Anthem Kentucky Managed Care Plan, Inc.                 | Park Square II, Inc.                                 |
| Anthem Life & Disability Insurance Company              | PHP Holdings, Inc.                                   |
| Anthem Southeast, Inc.                                  | R&P Realty, Inc.                                     |
| Anthem UM Services, Inc.                                | Resolution Health, Inc.                              |
| Anthem, Inc.  | RightCHOICE Managed Care, Inc.                       |
| Arcus Enterprises, Inc.                                 | Rocky Mountain Hospital and Medical Service, Inc.    |
| ARCUS HealthyLiving Services, Inc.                      | SellCore, Inc.                                       |
| Associated Group, Inc.                                  | Simply Healthcare Holdings, Inc.                     |
| Better Health, Inc.                                     | Simply Healthcare Plans, Inc.                        |
| Blue Cross and Blue Shield of Georgia, Inc.             | Southeast Services, Inc.                             |
| Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. | State Sponsored Business UM Services, Inc.           |
| Blue Cross Blue Shield of Wisconsin                     | The Anthem Companies of California, Inc.             |
| Blue Cross of California                                | The Anthem Companies, Inc.                           |
| Blue Cross of California Partnership Plan, Inc.         | TrustSolutions, LLC                                  |
| CareMore Health Group, Inc.                             | UNICARE Health Plan of West Virginia, Inc.           |
| CareMore Health Plan                                    | UNICARE Health Plans of Texas, Inc.                  |
| CareMore Health Plan of Arizona, Inc.                   | UNICARE Illinois Services, Inc.                      |
| CareMore Health Plan of Georgia, Inc.                   | UNICARE Life & Health Insurance Company              |
| CareMore Health Plan of Nevada                          | UNICARE National Services, Inc.                      |
| CareMore Health Plan of Texas, Inc.                     | UNICARE Specialty Services, Inc.                     |
| CareMore Health System                                  | UtiliMed IPA, Inc.                                   |
| CareMore Holdings, Inc.                                 | WellPoint Behavioral Health, Inc.                    |
| Cerulean Companies, Inc.                                | WellPoint California Services, Inc.                  |
| Claim Management Services, Inc.                         | WellPoint Dental Services, Inc.                      |
| Community Care Health Plan of Louisiana, Inc. (fka      | WellPoint Health Solutions, Inc.                     |
| AMERIGROUP Louisiana, Inc.)                             | WellPoint Holding Corporation                        |
| Community Insurance Company                             | WellPoint Information Technology Services, Inc.      |
| Compcare Health Services Insurance Corporation          | WellPoint Insurance Services, Inc.                   |
| Crossroads Acquisition Corp                             | WellPoint Military Care Corporation                  |
| DeCare Analytics, LLC                                   |  |

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.  
NOTES TO FINANCIAL STATEMENTS

G. Not applicable.

**10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

**A. Nature of the Relationship**

The Company is a an Ohio domiciled stock insurance company and is a wholly-owned subsidiary of AMERIGROUP Corporation (“AGP”), which is an indirect wholly-owned subsidiary of Anthem, Inc. (“Anthem”), a publicly traded company.

On July 24, 2015, the Company’s ultimate parent company, Anthem, and Cigna Corporation (“Cigna”) entered into an Agreement and Plan of Merger dated as of July 23, 2015, by and among Anthem, Cigna and Anthem Merger Sub Corp., a Delaware corporation and a direct wholly-owned subsidiary of Anthem, pursuant to which Anthem will acquire all outstanding shares of Cigna, or the Acquisition. On July 21, 2016, the U.S. Department of Justice, or DOJ, along with certain state attorneys general, filed a civil antitrust lawsuit in the U.S. District Court for the District of Columbia seeking to block the Acquisition. On January 18, 2017, Anthem provided notice to Cigna that Anthem had elected to extend the termination date under the Merger Agreement from January 31, 2017 until April 30, 2017. Following the conclusion of the trial, the Court ruled in favor of the DOJ, on February 8, 2017, and Anthem promptly filed notice that Anthem would appeal the Court’s ruling. On February 14, 2017, Cigna purported to terminate the Merger Agreement and commenced litigation against Anthem in the Delaware Court of Chancery, or Delaware Court, seeking damages and a declaratory judgment that its purported termination of the Merger Agreement was lawful, among other claims. Anthem believes Cigna’s allegations are without merit. Also on February 14, 2017, Anthem initiated its own litigation against Cigna in the Delaware Court seeking a temporary restraining order to enjoin Cigna from terminating the Merger Agreement, specific performance compelling Cigna to comply with the Merger Agreement and damages. On February 15, 2017, the Delaware Court granted Anthem’s motion for a temporary restraining order and issued an order enjoining Cigna from terminating the Merger Agreement. The temporary restraining order became effective immediately and will remain in place pending any further order from the Delaware Court. Anthem intends to vigorously defend the Acquisition in both the Circuit Court and the Delaware Court and remains committed to completing the Acquisition as soon as practicable.

**B. Significant Transactions for Each Period**

There were no significant transactions that took place between the Company and its affiliates during 2016 or 2015.

**C. Intercompany Management and Service Arrangements**

There were no changes to the intercompany management and service arrangements, and there were no additional arrangements entered into during 2016 or 2015. The amounts of transactions under such agreements are presented in Schedule Y, Part 2.

**D. Amounts Due to or from Related Parties**

At December 31, 2016 and 2015, the Company reported \$3,138 and \$10,703 due from affiliates and \$7,303 and \$1,112 due to affiliates, respectively. The receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreement.

**E. Guarantees or Contingencies for Related Parties**

The Company did not enter into guarantees or undertakings for the benefit of an affiliate which would result in a material contingent exposure of the Company’s or any affiliated insurer’s assets or liabilities.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.  
NOTES TO FINANCIAL STATEMENTS

**F. Management and Service Contracts and Cost Sharing Arrangements**

The Company has entered into administrative services agreements with its affiliated companies. Pursuant to these agreements, various administrative, management and support services are provided to or provided by the Company. The costs and expenses related to these administrative management and support services are allocated to or allocated by the Company in an amount equal to the direct and indirect costs and expenses incurred in providing these services. Costs include expenses such as salaries, employee benefits, communications, advertising, consulting services, rent, utilities, billing, accounting, underwriting, and product development, which support the Company's operations. These costs are allocated based on various utilization statistics.

**G. Nature of Control Relationships that Could Affect Operations or Financial Position**

AGP owns all outstanding shares of the Company. The Company's ultimate parent is Anthem, Inc.

**H. Amount Deducted for Investment in Upstream Company**

The Company does not own shares of upstream intermediate entities or Anthem.

**I. Detail of Investments in Affiliates Greater than 10% of Admitted Assets**

The Company does not have investments in affiliates greater than 10% of admitted assets.

**J. Write-down for Impairments of Investments in Subsidiaries, Controlled or Affiliated Companies**

Not applicable.

**K. Investment in a Foreign Insurance Subsidiary**

The Company does not have investments in foreign insurance subsidiaries.

**L. Investment in Downstream Non-insurance Holding Companies**

The Company does not have investments in downstream non-insurance holding companies.

**M. All SCA Investments**

The Company has no SCA Investments.

**N. Investment in Insurance SCAs**

The Company does not have investments in Insurance SCAs.

**11. Debt**

**A. Capital Notes**

The Company had no capital notes outstanding at December 31, 2016 and 2015.

**B. All Other Debt**

The Company had no other debt outstanding at December 31, 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

**12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

**A. Defined Benefit Plan**

Not applicable.

**B.** Not applicable.

**C.** Not applicable.

**D.** Not applicable.

**E. Defined Contribution Plans**

Not applicable.

**F. Multiemployer Plans**

The Company does not participate in a multiemployer plan.

**G. Consolidated/Holding Company Plans**

Not applicable.

**H. Post Employment Benefits and Compensated Absences**

Not applicable.

**I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)**

Not applicable.

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

**(1) Outstanding Shares**

As of December 31, 2016, the Company has 1,000 shares of \$1 par value common stock authorized, issued and outstanding. The number of shares issued and outstanding is 1,000.

**(2) Preferred Stock**

The Company has no preferred stock outstanding.

**(3) Dividend Restrictions**

The maximum amount of dividends which can be paid by State of Ohio insurance companies to shareholders without prior approval of the Insurance Commissioner is subject to restrictions relating to statutory surplus and net income. Within any 12 month period, cumulative dividends may not exceed the greater of 10% of statutory surplus at the prior December 31, or net income for the 12 month period ending at the prior December 31. Also, any dividend paid from other than earned surplus shall be considered an extraordinary dividend.

**(4) Dividends Paid**

See Footnote 10B.

**(5) Maximum Ordinary Dividend During**



ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.  
NOTES TO FINANCIAL STATEMENTS

Within the limitations of (3) above, the Company may pay \$916,698 in dividends during 2017 without prior approval.

**(6) Unassigned Surplus Restrictions**

Unassigned surplus funds are not restricted at December 31, 2016.

**(7) Mutual Surplus Advances**

Not applicable.

**(8) Company Stock Held for Special Purpose**

There are no shares of stock held for special purposes at December 31, 2016.

**(9) Changes in Special Surplus Funds**

There are no special surplus funds at December 31, 2016.

**(10) Changes in Unassigned Funds**

There was no portion of unassigned funds represented by cumulative unrealized gains and losses at December 31, 2016.

**(11) Surplus Notes**

The Company has not issued any surplus notes or debentures or similar obligations.

**(12) Restatement due to Prior Quasi-reorganizations**

The Company had no restatements due to prior quasi-reorganizations.

**(13) Quasi-reorganizations over Prior 10 Years**

The Company has not been involved in a quasi-reorganization during the past 10 years.

**14. Liabilities, Contingencies and Assessments**

**A. Contingent Commitments**

The Company had no contingent commitments at December 31, 2016.

**B. Assessments**

Not applicable.

**C. Gain Contingencies**

The Company has no gain contingencies at December 31, 2016.

**D. Claims-Related Extra Contractual Obligation and the Bad Faith Losses Stemming From Lawsuits**

Not applicable.

**E. Joint and Several Liabilities**

Not applicable.



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NOTES TO FINANCIAL STATEMENTS

**F. All Other Contingencies**

In February 2015, Anthem reported that it was the target of a sophisticated external cyber-attack. The attackers gained unauthorized access to certain of Anthem's information technology systems and obtained personal information related to many individuals and employees, such as names, birthdays, health care identification/social security numbers, street addresses, email addresses, phone numbers and employment information, including income data. To date, there is no evidence that credit card or medical information, such as claims, test results or diagnostic codes, were targeted, accessed or obtained, although no assurance can be given that Anthem will not identify additional information that was accessed or obtained.

Upon discovery of the cyber-attack, Anthem took immediate action to remediate the security vulnerability and retained a cybersecurity firm to evaluate its systems and identify solutions based on the evolving landscape. Anthem is providing credit monitoring and identity protection services to those who have been affected by this cyber-attack. Anthem has continued to implement security enhancements since this incident. Anthem has incurred expenses subsequent to the cyber-attack to investigate and remediate this matter and expects to continue to incur expenses of this nature in the foreseeable future. Anthem will recognize these expenses in the periods in which they are incurred.

Actions have been filed in various federal and state courts and other claims have been or may be asserted against Anthem on behalf of current or former members, current or former employees, other individuals, shareholders or others seeking damages or other related relief, allegedly arising out of the cyber-attack. Federal and state agencies, including state insurance regulators, state attorneys general, the Health and Human Services Office of Civil Rights and the Federal Bureau of Investigation, are investigating events related to the cyber-attack, including how it occurred, its consequences and Anthem's responses. The NAIC's multistate targeted market conduct and financial exam was concluded in December 2016. As part of the resolution, the NAIC asked and Anthem has agreed to provide a customized credit protection program functionally equivalent to a credit freeze for minors who were under the age of 18 on January 27, 2015. No fines or penalties were issued. Although Anthem is cooperating in these investigations, Anthem may be subject to fines or other obligations, which may have an adverse effect on how Anthem operates its business and on its results of operations. With respect to the civil actions, a motion to transfer was filed with the Judicial Panel on Multidistrict Litigation in February 2015 and was subsequently heard by the Panel in May 2015. In June 2015, the Panel entered its order transferring the consolidated matter to the U.S. District Court for the Northern District of California. The U.S. District Court entered its case management order in September 2015. Anthem filed a motion to dismiss ten of the counts that are before the U.S. District Court. In February 2016, the court issued an order granting in part and denying in part our motion, dismissing three counts with prejudice, four counts without prejudice and allowing three counts to proceed. Plaintiffs filed a second amended complaint in March 2016, and Anthem subsequently filed a second motion to dismiss. In May 2016, the court issued an order granting in part and denying in part our motion, dismissing one count with prejudice, dismissing certain counts asserted by specific named plaintiffs with or without prejudice depending on their individualized facts, and allowing the remaining counts to proceed. In July 2016, plaintiffs filed a third amended complaint, which Anthem answered in August 2016. Fact discovery was completed in December 2016. There remain two state court cases that are presently proceeding outside of the Multidistrict Litigation.

Anthem has contingency plans and insurance coverage for certain expenses and potential liabilities of this nature. While a loss from these matters is reasonably possible, Anthem cannot reasonably estimate a range of possible losses because the investigation into the matter is ongoing, the proceedings remain in the early stages, alleged damages have not been specified, there is uncertainty as to the likelihood of a class or classes being certified or the ultimate size of any class if certified, and there are significant factual and legal issues to be resolved.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.  
**NOTES TO FINANCIAL STATEMENTS**

The Company is involved in other pending and threatened litigation of the character incidental to the business transacted, arising out of its operations and is from time to time involved as a party in various governmental investigations, audits, reviews and administrative proceedings. These investigations, audits and reviews and administrative proceedings include routine and special investigations by state insurance departments, state attorneys general, the U.S. Attorney General and Federal Agencies. Such investigations, audits, reviews and administrative proceedings could result in the imposition of civil or criminal fines, penalties, other sanctions and additional rules, regulations or other restrictions on the Company's business operations. The Company believes that any liability that may result from any one of these actions, or in the aggregate, could have a material adverse effect on the Company's financial position or results of operations.

**15. Leases**

**A. Lessee Operating Lease**

The Company has no lessee leasing arrangements.

**B. Lessor Leases**

1. The Company has not entered into any operating leases.
2. The Company has not entered into any leveraged leases.

**16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

The Company has no significant financial instruments with off-balance sheet risk.

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of investment securities. All investment securities are managed by professional investment managers within policies authorized by the board of directors. Such policies limit the amounts that may be invested in any one issuer and prescribe certain investee company criteria. As of December 31, 2016, there were no significant concentrations.

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

**A. Transfers of Receivables Reported as Sales**

Not applicable at December 31, 2016 and 2015.

**B. Transfer and Servicing of Financial Assets**

- (1) The Company participates in a securities lending program whereby marketable securities in its investment portfolio are transferred to independent brokers or dealers. At December 31, 2016 the fair value of securities loaned was \$198,218 and the carrying value of securities loaned was \$199,270.

(2) - (7) Not applicable.

**C. Wash Sales**

1. In the course of the Company's asset management, securities may be sold and reacquired within 30 days of the sale date to enhance the yield on the investments.
2. At December 31, 2016 and 2015, there were no wash sales involving securities with an NAIC designation of 3 or below or unrated.

NOTES TO FINANCIAL STATEMENTS

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

**A. Administrative Services Only ("ASO") Plans**

Not applicable at December 31, 2016 and 2015

**B. Administrative Services Contract ("ASC") Plans**

Not applicable at December 31, 2016 and 2015.

**C. Medicare or Other Similarly Structured Cost-Based Reimbursement Contract**

Not applicable at December 31, 2016 and 2015.

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

No premiums were written by managing general agents or third party administrators during the years ended December 31, 2016 and 2015.

**20. Fair Value Measurements**

**A.**

(1) There are no assets or liabilities measured at fair value as of December 31, 2016 and 2015.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

There are no investments in Level 3 as of December 31, 2016 and 2015.

(3) The Company's policy is to recognize transfers between Levels, if any, as of the beginning of the reporting period.

(4) Fair values of fixed maturity securities are based on quoted market prices, where available. These fair values are obtained primarily from third party pricing services, which generally use Level 1 or Level 2 inputs, for the determination of fair value to facilitate fair value measurements and disclosures. United States government securities represent Level 1 securities, while Level 2 securities primarily include corporate securities, securities from states, municipalities and political subdivisions and residential mortgage-backed securities. For Securities not actively traded, the third party pricing services may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds.

Fair values of equity securities are generally designated as Level 1 and are based on quoted market prices. For certain equity securities, quoted market prices for the identical security are not always available and the fair value is estimated by reference to similar securities for which quoted prices are available. These securities are designated Level 2.

Certain financial assets are measured at fair value using Level 3 inputs, such as certain non-investment grade bonds and loan-backed securities or investments that are impaired during the year and recorded at fair value.

There have been no significant changes in the valuation techniques during the current period.

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

NOTES TO FINANCIAL STATEMENTS

**B. Fair Value Measurements Under Other Accounting Pronouncements**

Not applicable at December 31, 2016 and 2015.

**C. Financial Instruments**

| Type of Financial Instrument        | Aggregate Fair Value | Admitted Assets | (Level 1)    | (Level 2)    | (Level 3) | Not Practicable (Carrying Value) |
|-------------------------------------|----------------------|-----------------|--------------|--------------|-----------|----------------------------------|
| Bonds                               | \$ 9,574,807         | \$ 9,614,722    | \$ 5,942,580 | \$ 3,632,227 | \$ —      | \$ —                             |
| Short-term investments              | 1,212,009            | 1,212,009       | 1,212,009    |              |           |                                  |
| Securities lending collateral asset | 202,250              | 202,250         | 202,250      | —            | —         | —                                |

**D. Not Practicable to Estimate Fair Value**

There are no financial instruments that were not practicable to estimate fair value.

**21. Other Items**

**A. Unusual or Infrequent Items**

Not applicable at December 31, 2016 and 2015.

**B. Troubled Debt Restructuring: Debtors**

Not applicable at December 31, 2016 and 2015.

**C. Other Disclosures**

Not applicable at December 31, 2016 and 2015.

**D. Business Interruption Insurance Recoveries**

The Company has reported no recoveries for business interruption for the years ended December 31, 2016 and 2015.

**E. State Transferable and Non-Transferable Tax Credits**

The Company did not have state transferable tax credits at December 31, 2016 and 2015.

**F. Subprime Mortgage-Related Risk Exposure**

1. The Company’s investment strategy of providing safety and preservation of capital, sufficient liquidity to meet cash flow requirements and the attainment of a competitive after-tax investment return is supported by a well diversified portfolio consisting of many different types of investments. The portion of the Company’s investment portfolio with subprime mortgage-related risk exposure is relatively small in comparison to the overall investment portfolio, and consists mainly of investment grade securities with no exposure to collateralized debt obligations. All mortgage related investments are monitored closely as part of the quarterly investment review performed by the Anthem Investment Impairment Review Committee.
2. The Company did not carry investments in subprime mortgage loans in its portfolio at December 31, 2016 or 2015.

## NOTES TO FINANCIAL STATEMENTS

3. The Company did not have subprime mortgage-related risk exposure at December 31, 2016 or 2015.
4. The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2016.

### **G. Retained Assets**

The Company does not have retained assets at December 31, 2016 and 2015.

### **H. Insurance-Linked Securities (ILS) Contracts**

The Company does not have ILS Contracts at December 31, 2016 and 2015.

## **22. Events Subsequent**

The Company did not have any Affordable Care Act assessable premium in 2016 and 2015.

Subsequent events have been considered through February 23, 2017 for the statutory statement issued on February 23, 2017. There were no events occurring subsequent to December 31, 2016 requiring recognition or disclosure.

## **23. Reinsurance**

### **A. Ceded Reinsurance Report**

#### **Section 1 - General Interrogatories**

1. Are any of the reinsurers that are listed in Schedule S as non-affiliated owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

2. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled, directly or indirectly, by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

#### **Section 2 - Ceded Reinsurance Report - Part A**

1. Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits?

Yes ( ) No (X)

2. Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)



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NOTES TO FINANCIAL STATEMENTS

**Section 3 - Ceded Reinsurance Report - Part B**

1. What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

\$0

2. Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

**B. Uncollectible Reinsurance**

The Company has no uncollectible reinsurance at December 31, 2016 and 2015.

**C. Commutation of Ceded Reinsurance**

The Company has not commuted ceded reinsurance during 2016 and 2015.

**D. Certified Reinsurer Rating Downgraded or Status Subject Revocation**

The Company has no downgraded certified reinsurer ratings or status subject to revocations during 2016 and 2015.

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

A. Not applicable

B. Not applicable

C. Not applicable

D. Not applicable

**E. Risk-Sharing Provisions of the Affordable Care Act ("ACA")**

1. Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)? No

2. Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

Not applicable.

3. Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

Not applicable.

4. Roll-forward of Risk Corridors Asset and Liability Balances by Program Benefit Year.

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Not applicable.

5. ACA Risk Corridors Receivable as of Reporting Date.

Not applicable.

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

Not applicable.

**26. Intercompany Pooling Arrangements**

Not applicable at December 31, 2016 and 2015.

**27. Structured Settlements**

Not applicable at December 31, 2016 and 2015.

**28. Health Care Receivables**

**A. Pharmaceutical Rebate Receivables**

Not applicable at December 31, 2016 and 2015.

**B. Risk Sharing Receivables**

Not applicable at December 31, 2016 and 2015.

**29. Participating Policies**

Not applicable at December 31, 2016 and 2015.

**30. Premium Deficiency Reserves**

The Company had no liabilities related to premium deficiency reserves as of December 31, 2016 and 2015.

**31. Anticipated Salvage and Subrogation**

Not applicable at December 31, 2016 and 2015.

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?  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes ☒ 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 ☒ No ☐ N/A ☐

1.3

State Regulating?

Ohio

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 ☒

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.

12/31/2013

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.

12/31/2013

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).

05/21/2015

3.4

By what department or departments?  
Ohio Department of Insurance

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 ☐ No ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business?  
4.12 renewals?

Yes ☐ No ☒  
Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business?  
4.22 renewals?

Yes ☐ No ☒  
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

|                     |                        |                        |
|---------------------|------------------------|------------------------|
| 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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 ☒

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 ☒

7.2

If yes,  
7.21 State the percentage of foreign control;  
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 or government, manager or attorney in fact).

|                  |                     |
|------------------|---------------------|
| 1<br>Nationality | 2<br>Type of Entity |
|                  |                     |



GENERAL INTERROGATORIES

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]

8.4

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

|                |                        |     |     |      |     |
|----------------|------------------------|-----|-----|------|-----|
| 1              | 2                      | 3   | 4   | 5    | 6   |
| Affiliate Name | Location (City, State) | FRB | OCC | FDIC | SEC |
|                |                        |     |     |      |     |

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

The Company has received a waiver from preparing and filing the 2016 Audited Financial Statements from the Ohio Department of Insurance.

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 the response to 10.1 is yes, provide information related to this exemption:

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 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

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 response to 10.5 is no or n/a, please explain

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?

The Company has received a waiver from preparing and filing the 2016 Statement of Actuarial Opinion from the Ohio Department of Insurance.

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ] No [ X ]

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:

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?

Yes [ ] No [ ]

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ ]

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:

14.2

Has the code of ethics for senior managers been amended?

Yes [ X ] No [ ]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

The Anthem Standards of Ethical Business Conduct applies to all associates, management, officers and directors of Anthem. In June 2016 the code of conduct was revised for the following: a) updated Gift policy (offering) to address new Finance policy prohibiting offering gift cards, unless an approved wellness program; b) added a new section on Telephone Consumer Protection Act: c) added a new section on Non-discrimination under the Affordable Care Act (ACA) since we had a section on non-discrimination for government business. In July 2016 the code of conduct was revised for minor administrative changes regarding definitions of confidential information pertaining to associates' information as well as the certification at the end of the code.

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?
- 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 ]

| 1<br>American Bankers Association (ABA) Routing Number | 2<br><br>Issuing or Confirming Bank Name | 3<br><br>Circumstances That Can Trigger the Letter of Credit | 4<br><br>Amount |
|--|--|--|-----------------|
|  |  |  |                 |

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?
17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof?
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 with the official duties of such person?
- Yes [ X ] No [ ]
- Yes [ X ] No [ ]
- 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)?
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers
- 20.12 To stockholders not officers
- 20.13 Trustees, supreme or grand (Fraternal Only)
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers
- 20.22 To stockholders not officers
- 20.23 Trustees, supreme or grand (Fraternal Only)
- 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?
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others
- 21.22 Borrowed from others
- 21.23 Leased from others
- 21.24 Other
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment
- 22.22 Amount paid as expenses
- 22.23 Other amounts paid
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes [ ] No [ X ]
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- \$
- Yes [ ] No [ X ]
- Yes [ ] No [ X ]
- \$
- \$
- \$
- Yes [ X ] No [ ]
- \$
- \$
- 3,063

INVESTMENT

- 24.01 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 24.03)
- 24.02 If no, give full and complete information relating thereto
- 24.03 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) Please see Notes 5H and 17.
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?
- Yes [ X ] No [ ] N/A [ ]
- \$
- \$
- Yes [ X ] No [ ] N/A [ ]
- Yes [ X ] No [ ] N/A [ ]
- Yes [ X ] No [ ] N/A [ ]

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

|        |  |    |         |
|--------|--|----|---------|
| 24.101 | Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.                   | \$ | 202,250 |
| 24.102 | Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. | \$ | 202,250 |
| 24.103 | Total payable for securities lending reported on the liability page.                                       | \$ | 202,250 |

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 24.03).

Yes [ X ] No [ ]

|      |  |   |    |           |
|------|--|---|----|-----------|
| 25.2 | If yes, state the amount thereof at December 31 of the current year: | 25.21 Subject to repurchase agreements  | \$ |           |
|      |  | 25.22 Subject to reverse repurchase agreements  | \$ |           |
|      |  | 25.23 Subject to dollar repurchase agreements   | \$ |           |
|      |  | 25.24 Subject to reverse dollar repurchase agreements                                 | \$ |           |
|      |  | 25.25 Placed under option agreements  | \$ |           |
|      |  | 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | \$ |           |
|      |  | 25.27 FHLB Capital Stock  | \$ |           |
|      |  | 25.28 On deposit with states  | \$ | 3,705,480 |
|      |  | 25.29 On deposit with other regulatory bodies   | \$ |           |
|      |  | 25.30 Pledged as collateral - excluding collateral pledged to an FHLB                 | \$ |           |
|      |  | 25.31 Pledged as collateral to FHLB - including assets backing funding agreements     | \$ |           |
|      |  | 25.32 Other   | \$ |           |

25.3 For category (25.26) provide the following:

| 1                     | 2           | 3      |
|-----------------------|-------------|--------|
| Nature of Restriction | Description | 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? Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

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. \$

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 1, 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                                   | 2  |
|-------------------------------------|--|
| Name of Custodian(s)                | Custodian's Address                                      |
| Bank of New York Mellon Corporation | One BNY Mellon Center Room 151-1035 Pittsburgh, PA 15258 |
|                                     |  |

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       | 2           | 3                       |
|---------|-------------|-------------------------|
| Name(s) | Location(s) | 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             | 2             | 3              | 4      |
|---------------|---------------|----------------|--------|
| Old Custodian | New Custodian | Date of Change | Reason |
|               |               |                |        |
|               |               |                |        |

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

| 1<br>Name of Firm or Individual            | 2<br>Affiliation |
|--|------------------|
| McDonnell Investment Management, LLC ..... | U.....           |
| .....                                      | .....            |

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [ X ] No [ ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

| 1<br>Central Registration<br>Depository Number | 2<br>Name of Firm or Individual            | 3<br>Legal Entity Identifier (LEI) | 4<br>Registered With                 | 5<br>Investment<br>Management<br>Agreement<br>(IMA) Filed |
|--|--|------------------------------------|--------------------------------------|---|
| 113878 .....                                   | McDonnell Investment Management, LLC ..... | .....                              | Securities Exchange Commission ..... | NO.....   |
| .....  | .....                                      | .....                              | .....                                | .....   |

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<br>CUSIP #    | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted<br>Carrying Value |
|-----------------|--------------------------|--------------------------------------|
| .....           | .....                    | .....                                |
| 29.2999 - Total | .....                    | 0                                    |

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

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

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<br>Statement (Admitted)<br>Value | 2<br>Fair Value | 3<br>Excess of Statement<br>over Fair Value (-), or<br>Fair Value over<br>Statement (+) |
|-----------------------------|------------------------------------|-----------------|---|
| 30.1 Bonds .....            | 10,826,731                         | 10,786,815      | (39,916)  |
| 30.2 Preferred stocks ..... | 0                                  | .....           | 0   |
| 30.3 Totals                 | 10,826,731                         | 10,786,815      | (39,916)  |

30.4 Describe the sources or methods utilized in determining the fair values:  
Fair values were obtained from third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized. ....

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 [ ]

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:  
N/A .....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:  
N/A .....

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....0

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<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           |                  |

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 payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           |                  |

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

35.2 List the name of the 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 departments of government during the period covered by this statement.

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
|           |                  |

GENERAL INTERROGATORIES

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. ....

\$ .....

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....

\$ .....

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 .....

\$ .....

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 .....0.....81,374

2.2 Premium Denominator .....0.....81,374

2.3 Premium Ratio (2.1/2.2) .....0.000.....1.000

2.4 Reserve Numerator .....0.....

2.5 Reserve Denominator .....0.....0

2.6 Reserve Ratio (2.4/2.5) .....0.000.....0.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? .....

Yes [ ] No [ X ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? .....

Yes [ X ] No [ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? .....

Yes [ ] No [ ]

5.1

Does the reporting entity have stop-loss reinsurance? .....

Yes [ ] No [ X ]

5.2

If no, explain:  
Anthem has the ability to cover costs for the entity as needed.

5.3

Maximum retained risk (see instructions)

5.31 Comprehensive Medical .....\$ .....

5.32 Medical Only .....\$ .....

5.33 Medicare Supplement .....\$ .....

5.34 Dental & Vision .....\$ .....

5.35 Other Limited Benefit Plan .....\$ .....

5.36 Other .....\$ .....

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:  
The Company's provider contracts include insolvency provisions, continuity of care provisions and hold harmless language. Benefit certificates include continuation language allowing subscribers and dependents to continue under certain circumstances. Anthem, Inc. will assume, pay and discharge the obligations in the event the Company is insolvent. ....

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 .....0

8.2 Number of providers at end of reporting year .....0

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..\$ .....

9.22 Business with rate guarantees over 36 months .....\$ .....

ANNUAL STATEMENT FOR THE YEAR 2016 OF THE AMERIGROUP Ohio, Inc.

GENERAL INTERROGATORIES

- 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\$

10.22 Amount actually paid for year bonuses\$

10.23 Maximum amount payable withholds\$

10.24 Amount actually paid for year withholds\$
- 11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes No X

11.13 An Individual Practice Association (IPA), or, Yes No X

11.14 A Mixed Model (combination of above)? Yes No X
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes X No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Ohio
- 11.4 If yes, show the amount required.\$2,500,000
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No X
- 11.6 If the amount is calculated, show the calculation

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

| 1<br>Name of Service Area |
|---------------------------|
| Hamilton County           |
| Butler County             |
| Montgomery County         |
| Clemont County            |
| Clinton County            |
| Drake County              |
| 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
- 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
- 13.4 If yes, please provide the balance of funds administered as of the reporting date.\$
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes No N/A X
- 14.2 If the answer to 14.1 is yes, please provide the following:

| 1<br><br>Company Name | 2<br>NAIC<br>Company<br>Code | 3<br>Domiciliary<br>Jurisdiction | 4<br>Reserve<br>Credit | Assets Supporting Reserve Credit |                          |            |
|-----------------------|------------------------------|----------------------------------|------------------------|----------------------------------|--------------------------|------------|
|                       |                              |                                  |                        | 5<br>Letters of<br>Credit        | 6<br>Trust<br>Agreements | 7<br>Other |
|                       |                              |                                  |                        |                                  |                          |            |

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- 15.1 Direct Premium Written\$0
- 15.2 Total Incurred Claims\$0
- 15.3 Number of Covered Lives0

| *Ordinary Life Insurance Includes   |
|---|
| Term(whether full underwriting, limited underwriting, jet issue, "short form app")        |
| Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app") |
| Variable Life (with or without secondary gurarantee)                                      |
| Universal Life (with or without secondary gurarantee)                                     |
| Variable Universal Life (with or without secondary gurarantee)                            |

FIVE-YEAR HISTORICAL DATA

|  | 1<br>2016  | 2<br>2015  | 3<br>2014   | 4<br>2013  | 5<br>2012   |
|--|------------|------------|-------------|------------|-------------|
| <b>Balance Sheet</b> (Pages 2 and 3)   |            |            |             |            |             |
| 1. Total admitted assets (Page 2, Line 28) .....   | 11,554,147 | 10,991,659 | 14,808,042  | 38,720,455 | 58,252,666  |
| 2. Total liabilities (Page 3, Line 24) .....   | 240,535    | 282,534    | 4,717,752   | 4,880,650  | 16,246,800  |
| 3. Statutory minimum capital and surplus requirement .....   | 2,500,000  | 2,500,000  | 2,500,000   | 2,500,000  | 14,547,156  |
| 4. Total capital and surplus (Page 3, Line 33) .....   | 11,313,612 | 10,709,124 | 10,090,290  | 33,839,805 | 42,005,866  |
| <b>Income Statement</b> (Page 4)   |            |            |             |            |             |
| 5. Total revenues (Line 8) .....   | 0          | 81,374     | 338,313     | 80,042,339 | 169,589,135 |
| 6. Total medical and hospital expenses (Line 18) .....   | (473,064)  | (664,074)  | 288,704     | 51,668,682 | 114,012,927 |
| 7. Claims adjustment expenses (Line 20) .....  | 10,181     | 29,475     | (108,558)   | 6,432,405  | 7,060,771   |
| 8. Total administrative expenses (Line 21) .....   | 28,923     | 148,049    | 272,632     | 10,043,750 | 28,217,291  |
| 9. Net underwriting gain (loss) (Line 24) .....  | 433,960    | 567,924    | (114,465)   | 11,897,502 | 20,298,146  |
| 10. Net investment gain (loss) (Line 27) .....   | 76,606     | 400,176    | 443,465     | 375,700    | 466,794     |
| 11. Total other income (Lines 28 plus 29) .....  | 0          | 0          | 0           | 0          | 0           |
| 12. Net income or (loss) (Line 32) .....   | 331,795    | 748,969    | 189,667     | 8,368,852  | 13,483,951  |
| <b>Cash Flow</b> (Page 6)  |            |            |             |            |             |
| 13. Net cash from operations (Line 11) .....   | 121,250    | 1,459,823  | (3,501,037) | 1,705,455  | 6,046,789   |
| <b>Risk-Based Capital Analysis</b>   |            |            |             |            |             |
| 14. Total adjusted capital .....   | 11,313,612 | 10,709,124 | 10,090,290  | 33,839,805 | 42,005,866  |
| 15. Authorized control level risk-based capital .....  | 24,865     | 769,563    | 791,825     | 2,440,280  | 4,849,083   |
| <b>Enrollment</b> (Exhibit 1)  |            |            |             |            |             |
| 16. Total members at end of period (Column 5, Line 7) .....  |            |            |             | 0          | 53,672      |
| 17. Total members months (Column 6, Line 7) .....  |            |            |             | 315,416    | 680,599     |
| <b>Operating Percentage</b> (Page 4)<br>(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) .....                           | 0.0        | (816.1)    | 85.3        | 64.6       | 67.2        |
| 20. Cost containment expenses .....  | 0.0        | 0.0        | 12.6        | 2.9        | 3.4         |
| 21. Other claims adjustment expenses .....   | 0.0        | 36.2       | (44.6)      | 5.2        | 0.8         |
| 22. Total underwriting deductions (Line 23) .....  | 0.0        | (597.9)    | 133.8       | 85.1       | 88.0        |
| 23. Total underwriting gain (loss) (Line 24) .....   | 0.0        | 697.9      | (33.8)      | 14.9       | 12.0        |
| <b>Unpaid Claims Analysis</b><br>(U&I Exhibit, Part 2B)  |            |            |             |            |             |
| 24. Total claims incurred for prior years (Line 13, Col. 5) .....  | (473,064)  | (664,074)  | 3,504,742   | 8,331,636  | 7,701,501   |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....                                | 0          | 0          | 3,216,038   | 11,121,478 | 15,127,305  |
| <b>Investments In Parent, Subsidiaries and Affiliates</b>  |            |            |             |            |             |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....   |            | 0          |             |            | 0           |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....                                      |            | 0          |             |            | 0           |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....   |            | 0          |             |            | 0           |
| 29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) ..... | 0          | 0          | 0           | 0          | 0           |
| 30. Affiliated mortgage loans on real estate .....   |            |            |             |            |             |
| 31. All other affiliated .....   |            |            |             |            |             |
| 32. Total of above Lines 26 to 31 .....  | 0          | 0          | 0           | 0          | 0           |
| 33. Total investment in parent included in Lines 26 to 31 above.   |            |            |             |            |             |

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 [        ]

If no, please explain: .....



SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

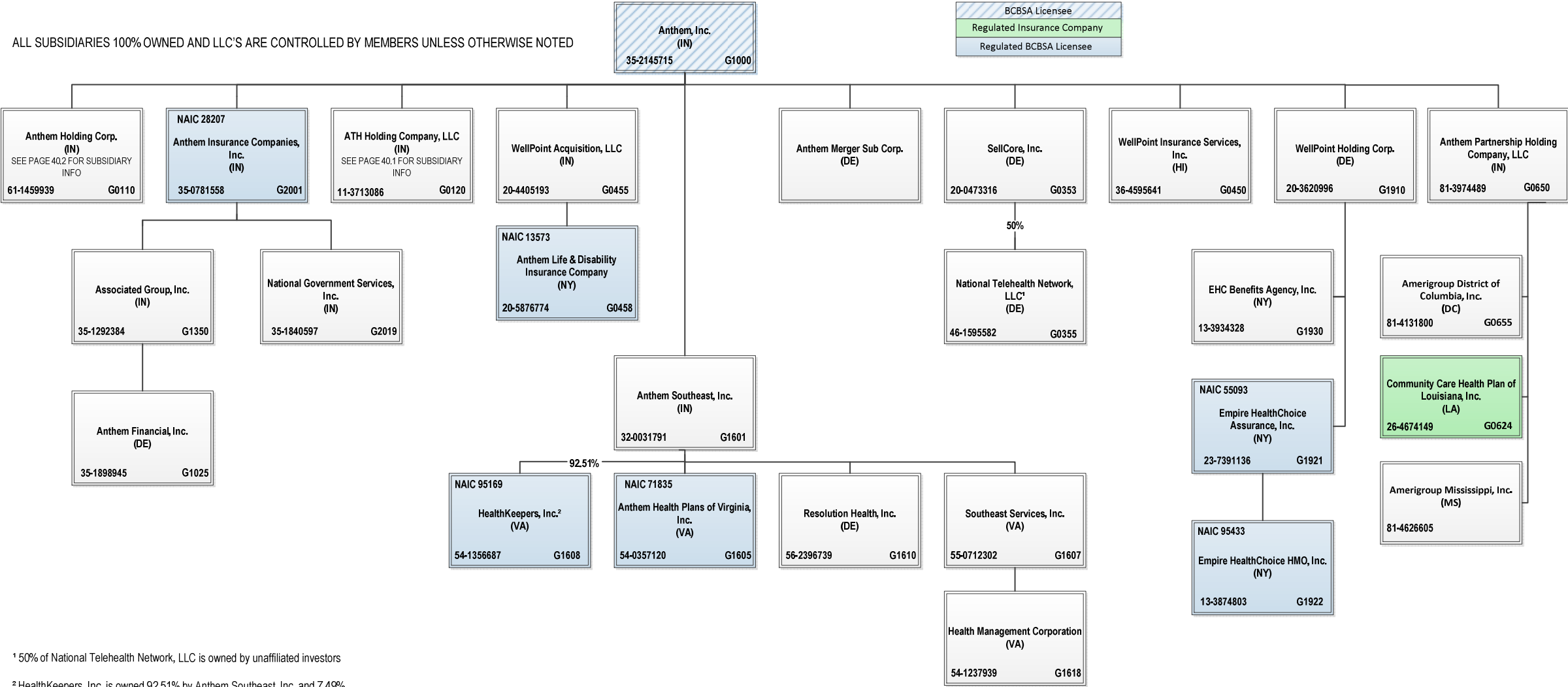
| Allocated by States and Territories  |               |                            |                      |                    |   |  |                             |                           |                        |
|--|---------------|----------------------------|----------------------|--------------------|---|--|-----------------------------|---------------------------|------------------------|
| States, etc.   | 1             | Direct Business Only       |                      |                    |   |  |                             |                           |                        |
|  |               | 2                          | 3                    | 4                  | 5   | 6  | 7                           | 8                         | 9                      |
|  | Active Status | Accident & Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Plan Premiums | Life & Annuity Premiums & Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |
| 1. Alabama .....   | AL            |                            |                      |                    |   |  |                             |                           |                        |
| 2. Alaska .....  | AK            |                            |                      |                    |   |  |                             |                           |                        |
| 3. Arizona .....   | AZ            |                            |                      |                    |   |  |                             |                           |                        |
| 4. Arkansas .....  | AR            |                            |                      |                    |   |  |                             |                           |                        |
| 5. California .....  | CA            |                            |                      |                    |   |  |                             |                           |                        |
| 6. Colorado .....  | CO            |                            |                      |                    |   |  |                             |                           |                        |
| 7. Connecticut .....   | CT            |                            |                      |                    |   |  |                             |                           |                        |
| 8. Delaware .....  | DE            |                            |                      |                    |   |  |                             |                           |                        |
| 9. District of Columbia .....  | DC            |                            |                      |                    |   |  |                             |                           |                        |
| 10. Florida .....  | FL            |                            |                      |                    |   |  |                             |                           |                        |
| 11. Georgia .....  | GA            |                            |                      |                    |   |  |                             |                           |                        |
| 12. Hawaii .....   | HI            |                            |                      |                    |   |  |                             |                           |                        |
| 13. Idaho .....  | ID            |                            |                      |                    |   |  |                             |                           |                        |
| 14. Illinois .....   | IL            |                            |                      |                    |   |  |                             |                           |                        |
| 15. Indiana .....  | IN            |                            |                      |                    |   |  |                             |                           |                        |
| 16. Iowa .....   | IA            |                            |                      |                    |   |  |                             |                           |                        |
| 17. Kansas .....   | KS            |                            |                      |                    |   |  |                             |                           |                        |
| 18. Kentucky .....   | KY            |                            |                      |                    |   |  |                             |                           |                        |
| 19. Louisiana .....  | LA            |                            |                      |                    |   |  |                             |                           |                        |
| 20. Maine .....  | ME            |                            |                      |                    |   |  |                             |                           |                        |
| 21. Maryland .....   | MD            |                            |                      |                    |   |  |                             |                           |                        |
| 22. Massachusetts .....  | MA            |                            |                      |                    |   |  |                             |                           |                        |
| 23. Michigan .....   | MI            |                            |                      |                    |   |  |                             |                           |                        |
| 24. Minnesota .....  | MN            |                            |                      |                    |   |  |                             |                           |                        |
| 25. Mississippi .....  | MS            |                            |                      |                    |   |  |                             |                           |                        |
| 26. Missouri .....   | MO            |                            |                      |                    |   |  |                             |                           |                        |
| 27. Montana .....  | MT            |                            |                      |                    |   |  |                             |                           |                        |
| 28. Nebraska .....   | NE            |                            |                      |                    |   |  |                             |                           |                        |
| 29. Nevada .....   | NV            |                            |                      |                    |   |  |                             |                           |                        |
| 30. New Hampshire .....  | NH            |                            |                      |                    |   |  |                             |                           |                        |
| 31. New Jersey .....   | NJ            |                            |                      |                    |   |  |                             |                           |                        |
| 32. New Mexico .....   | NM            |                            |                      |                    |   |  |                             |                           |                        |
| 33. New York .....   | NY            |                            |                      |                    |   |  |                             |                           |                        |
| 34. North Carolina .....   | NC            |                            |                      |                    |   |  |                             |                           |                        |
| 35. North Dakota .....   | ND            |                            |                      |                    |   |  |                             |                           |                        |
| 36. Ohio .....   | OH            |                            |                      |                    |   |  |                             |                           |                        |
| 37. Oklahoma .....   | OK            |                            |                      |                    |   |  |                             |                           |                        |
| 38. Oregon .....   | OR            |                            |                      |                    |   |  |                             |                           |                        |
| 39. Pennsylvania .....   | PA            |                            |                      |                    |   |  |                             |                           |                        |
| 40. Rhode Island .....   | RI            |                            |                      |                    |   |  |                             |                           |                        |
| 41. South Carolina .....   | SC            |                            |                      |                    |   |  |                             |                           |                        |
| 42. South Dakota .....   | SD            |                            |                      |                    |   |  |                             |                           |                        |
| 43. Tennessee .....  | TN            |                            |                      |                    |   |  |                             |                           |                        |
| 44. Texas .....  | TX            |                            |                      |                    |   |  |                             |                           |                        |
| 45. Utah .....   | UT            |                            |                      |                    |   |  |                             |                           |                        |
| 46. Vermont .....  | VT            |                            |                      |                    |   |  |                             |                           |                        |
| 47. Virginia .....   | VA            |                            |                      |                    |   |  |                             |                           |                        |
| 48. Washington .....   | WA            |                            |                      |                    |   |  |                             |                           |                        |
| 49. West Virginia .....  | WV            |                            |                      |                    |   |  |                             |                           |                        |
| 50. Wisconsin .....  | WI            |                            |                      |                    |   |  |                             |                           |                        |
| 51. Wyoming .....  | WY            |                            |                      |                    |   |  |                             |                           |                        |
| 52. American Samoa .....   | AS            |                            |                      |                    |   |  |                             |                           |                        |
| 53. Guam .....   | GU            |                            |                      |                    |   |  |                             |                           |                        |
| 54. Puerto Rico .....  | PR            |                            |                      |                    |   |  |                             |                           |                        |
| 55. U.S. Virgin Islands .....  | VI            |                            |                      |                    |   |  |                             |                           |                        |
| 56. Northern Mariana Islands .....   | MP            |                            |                      |                    |   |  |                             |                           |                        |
| 57. Canada .....   | CAN           |                            |                      |                    |   |  |                             |                           |                        |
| 58. Aggregate other alien .....  | OT            | XXX                        |                      |                    |   |  |                             |                           |                        |
| 59. Subtotal .....   | XXX           |                            |                      |                    |   |  |                             |                           |                        |
| 60. Reporting entity contributions for Employee Benefit Plans .....        | XXX           |                            |                      |                    |   |  |                             |                           |                        |
| 61. Total (Direct Business) .....  | (a)           |                            |                      |                    |   |  |                             |                           |                        |
| DETAILS OF WRITE-INS   |               |                            |                      |                    |   |  |                             |                           |                        |
| 58001. ....  | XXX           |                            |                      |                    |   |  |                             |                           |                        |
| 58002. ....  | XXX           |                            |                      |                    |   |  |                             |                           |                        |
| 58003. ....  | XXX           |                            |                      |                    |   |  |                             |                           |                        |
| 58998. Summary of remaining write-ins for Line 58 from overflow page ..... | XXX           |                            |                      |                    |   |  |                             |                           |                        |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(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.  
Explanation of basis of allocation by states, premiums by state, etc.

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

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

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

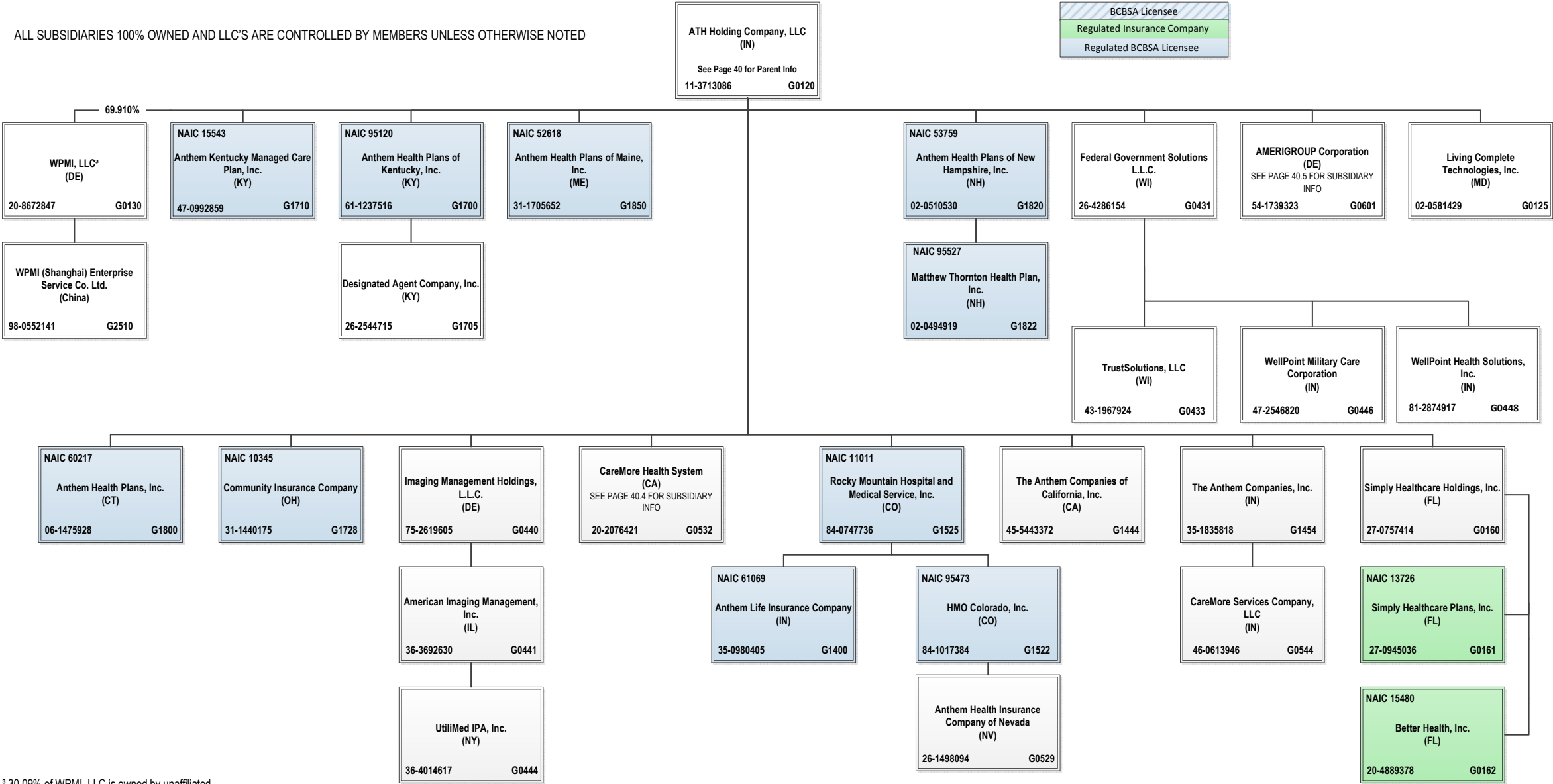


<sup>1</sup> 50% of National Telehealth Network, LLC is owned by unaffiliated investors

<sup>2</sup> HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc.

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

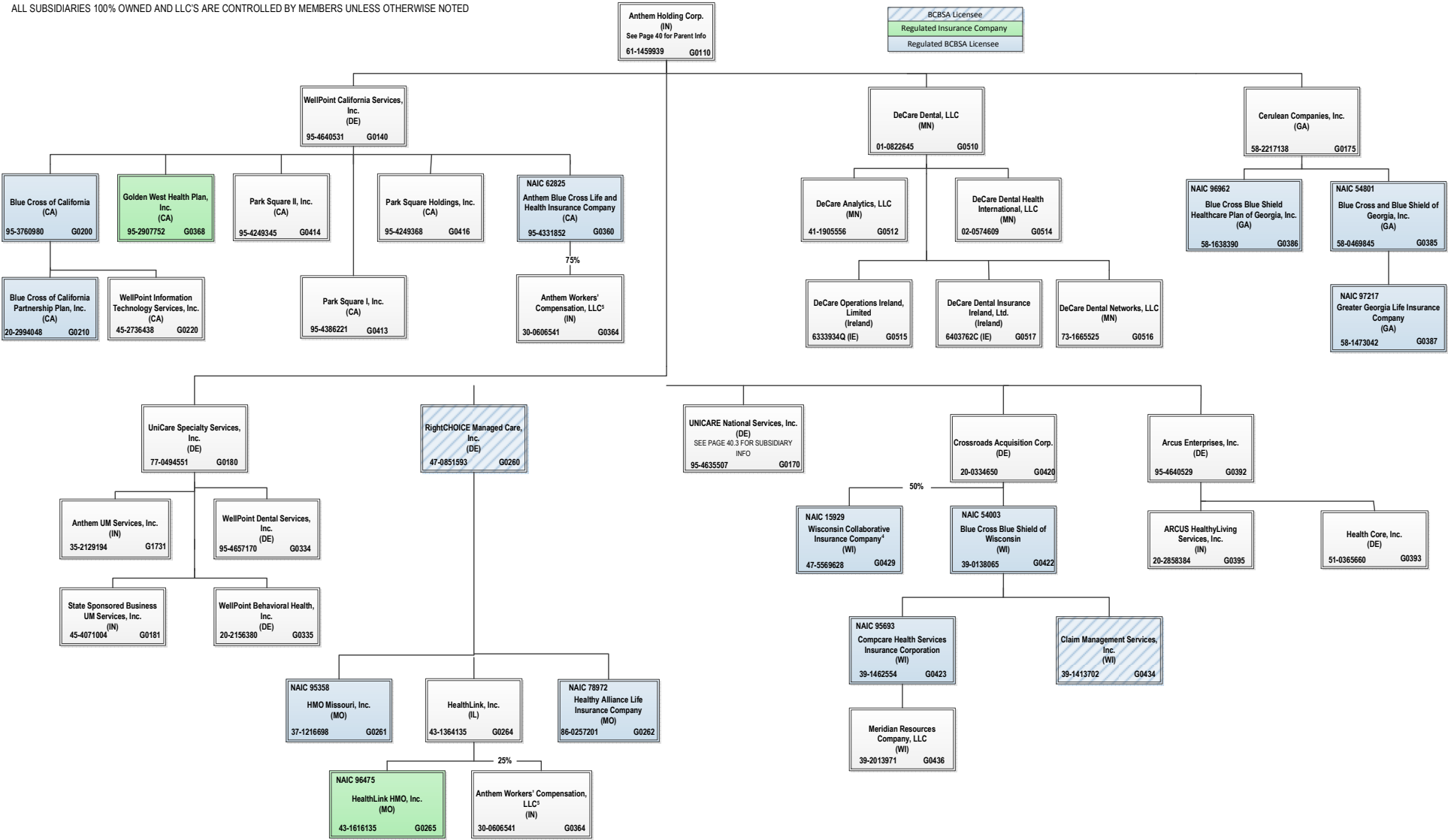
ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



<sup>3</sup> 30.09% of WPMI, LLC is owned by unaffiliated investors

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

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

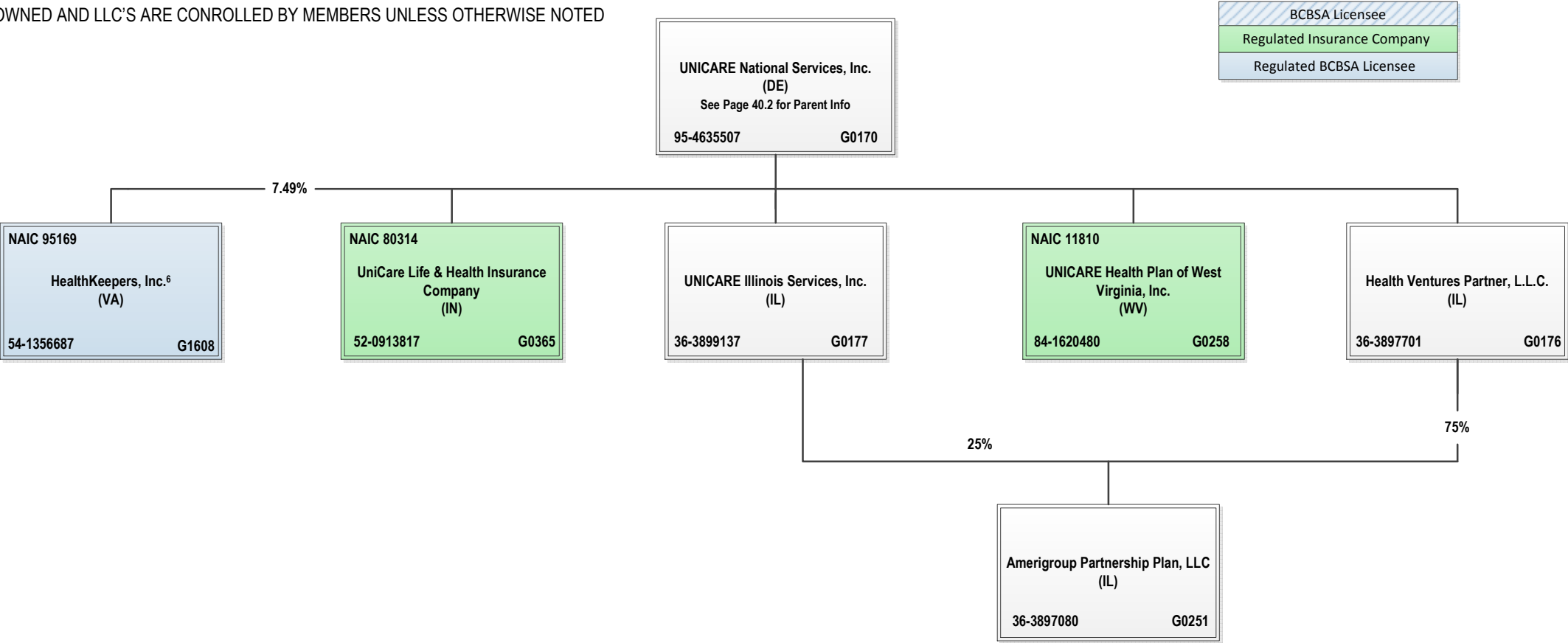


<sup>4</sup> 50% of WCIC is owned by an unaffiliated investor.

<sup>5</sup> Anthem Workers' Compensation LLC is owned 75% by Anthem Blue Cross Life and Health Insurance Company and 25% by HealthLink, Inc.

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

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

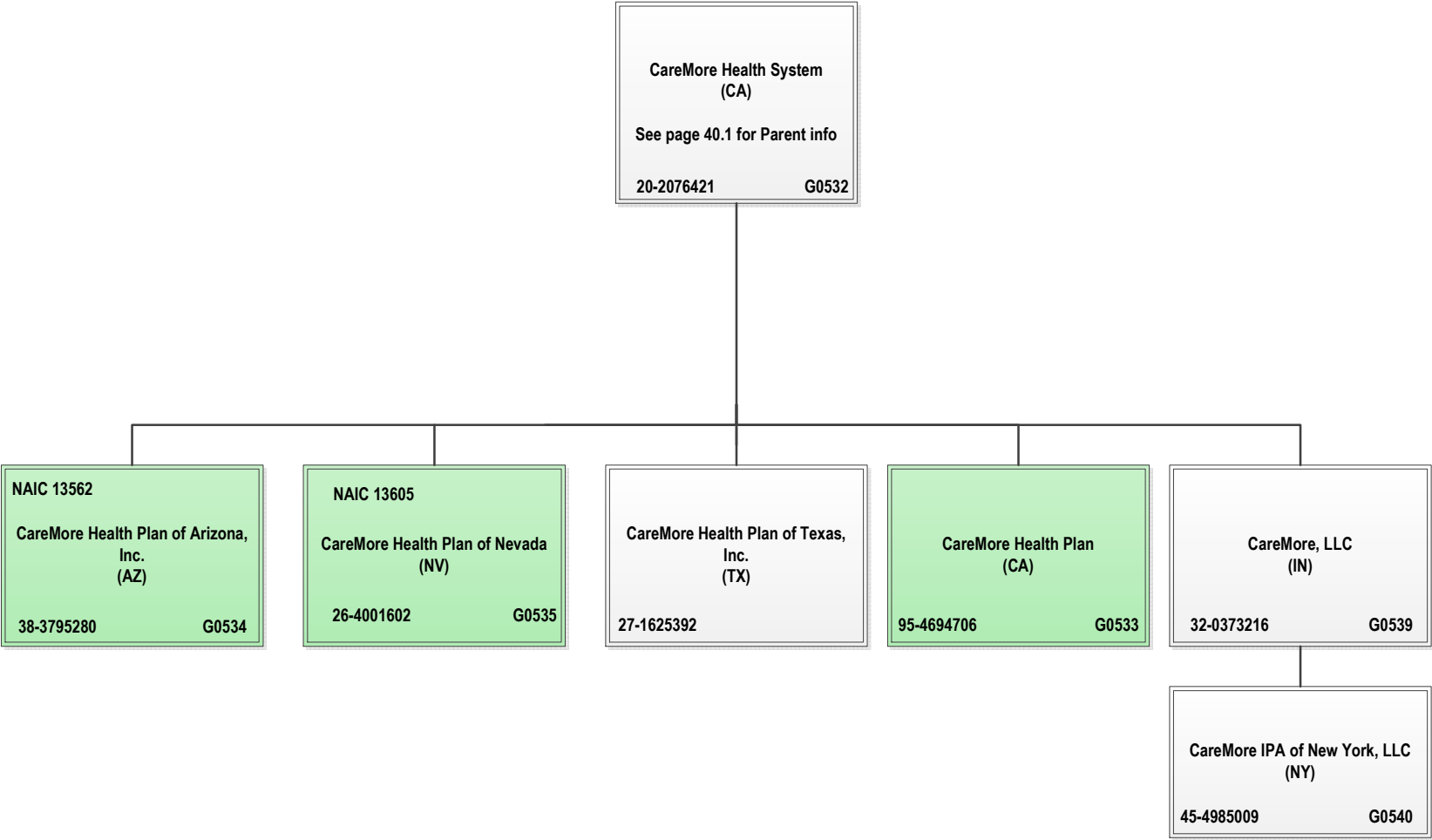


<sup>6</sup> HealthKeepers, Inc. is owned 92.51% by Anthem Southeast, Inc. and 7.49% by UNICARE National Services, Inc.

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

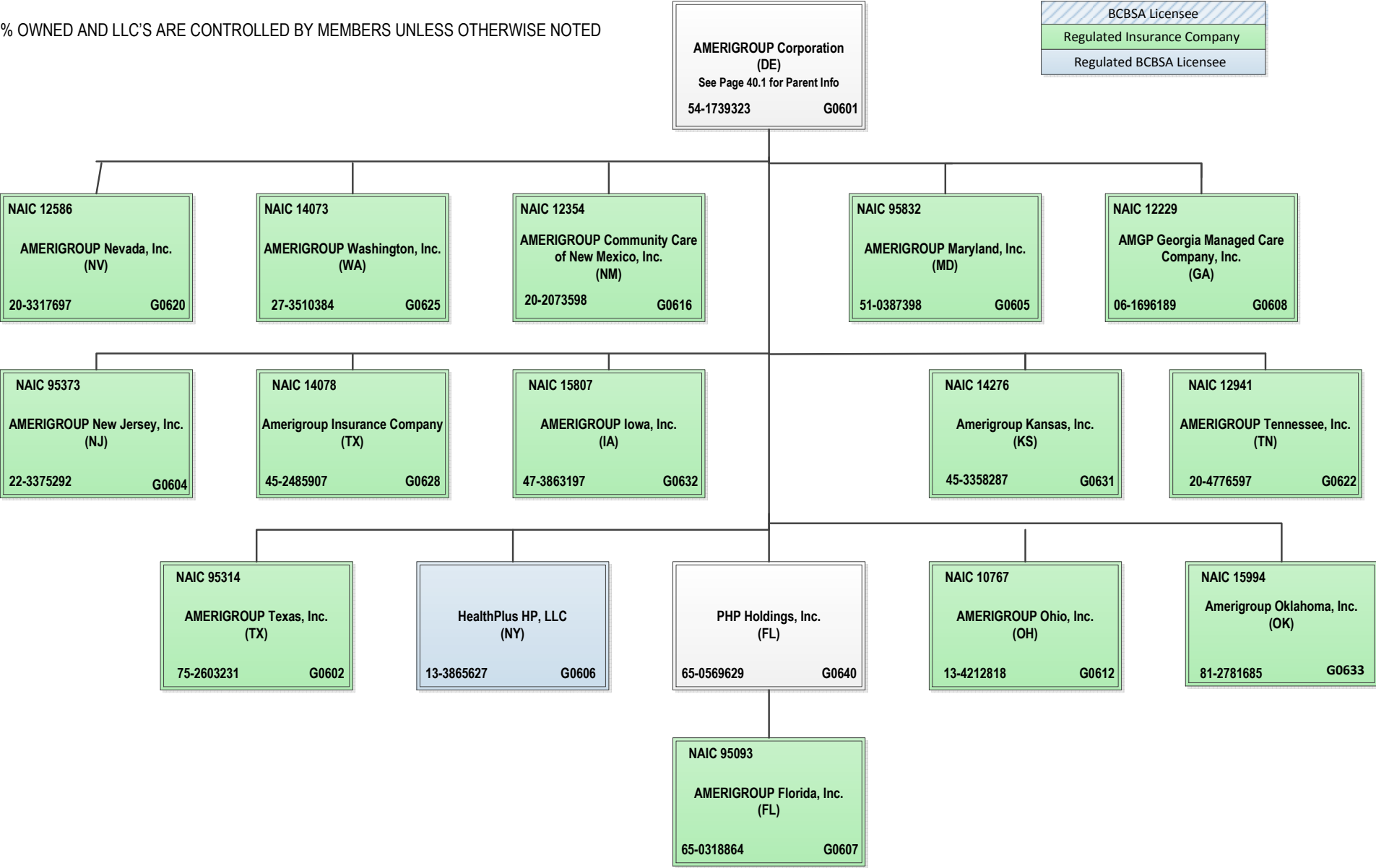
ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED

|                             |
|-----------------------------|
| BCBSA Licensee              |
| Regulated Insurance Company |
| Regulated BCBSA Licensee    |



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

ALL SUBSIDIARIES 100% OWNED AND LLC'S ARE CONTROLLED BY MEMBERS UNLESS OTHERWISE NOTED



**OVERFLOW PAGE FOR WRITE-INS**

**NONE**



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