

ANNUAL STATEMENT

of the

**HMO Maine, a Line of Business of
Anthem Health Plans of Maine, Inc.**

of

South Portland

in the state of ME

to the

Bureau of Insurance

of the State of

Maine

For the Year Ended

December 31, 2008

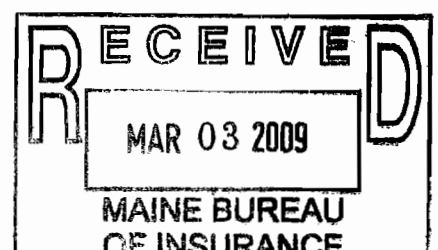
2008

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|--|----------------|--------------|-------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member months..... | XXX | 1,062,134 | 1,163,667 |
| 2. Net premium income (including \$.....0 non-health premium income)..... | XXX | 400,287,880 | 422,103,930 |
| 3. Change in unearned premium reserves and reserve for rate credits..... | XXX | (22,688,630) | |
| 4. Fee-for-service (net of \$.....0 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 | 377,599,250 | 422,103,930 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits..... | | 283,955,297 | 291,074,022 |
| 10. Other professional services..... | | | 2,378 |
| 11. Outside referrals..... | | | |
| 12. Emergency room and out-of-area..... | | 16,800,404 | 16,646,341 |
| 13. Prescription drugs..... | | 48,596,605 | 50,908,333 |
| 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 | 349,352,306 | 358,631,074 |
| Less: | | | |
| 17. Net reinsurance recoveries..... | | | |
| 18. Total hospital and medical (Lines 16 minus 17)..... | 0 | 349,352,306 | 358,631,074 |
| 19. Non-health claims (net)..... | | | |
| 20. Claims adjustment expenses, including \$.....1,453,044 cost containment expenses..... | | 3,554,097 | 9,287,181 |
| 21. General administrative expenses..... | | 5,053,548 | 13,123,969 |
| 22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only)..... | | | |
| 23. Total underwriting deductions (Lines 18 through 22)..... | 0 | 357,959,951 | 381,042,224 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23)..... | XXX | 19,639,299 | 41,061,706 |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17)..... | | 4,394,511 | 6,138,837 |
| 26. Net realized capital gains or (losses) less capital gains tax of \$.....0..... | | (786,055) | 489,759 |
| 27. Net investment gains or (losses) (Lines 25 plus 26)..... | 0 | 3,608,456 | 6,628,596 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]..... | | | |
| 29. Aggregate write-ins for other income or expenses..... | 0 | 4,598 | 25,601 |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)..... | XXX | 23,252,353 | 47,715,903 |
| 31. Federal and foreign income taxes incurred..... | XXX | 8,138,324 | 16,700,566 |
| 32. Net income (loss) (Lines 30 minus 31)..... | XXX | 15,114,029 | 31,015,337 |

DETAILS OF WRITE-INS

| | | | |
|--|-----|-------|--------|
| 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. Miscellaneous income..... | | 4,598 | 25,601 |
| 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 | 4,598 | 25,601 |



ANALYSIS OF OPERATION BY LINES OF BUSINESS

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------|--------------------------------------|---------------------|-------------|-------------|--|----------------------|--------------------|--------------|------------------|
| | Total | Comprehensive (Hospital and Medical) | Medicare Supplement | Dental Only | Vision Only | Federal Employees Health Benefit Plans | Title XVIII Medicare | Title XIX Medicaid | Other Health | Other Non-Health |
| 1. Net premium income..... | 400,287,880 | 399,152,379 | | | | | | | 1,135,501 | |
| 2. Change in unearned premium reserves and reserve for rate credit..... | (22,688,630) | (22,688,630) | | | | | | | | |
| 3. Fee-for-service (net of \$.....0 medical expenses)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 4. Risk revenue..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 5. Aggregate write-ins for other health care related revenues..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 6. Aggregate write-ins for other non-health care related revenues..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Total revenues (Lines 1 to 6)..... | 377,599,250 | 376,463,749 | 0 | 0 | 0 | 0 | 0 | 0 | 1,135,501 | 0 |
| 8. Hospital/medical benefits..... | 283,955,297 | 282,366,622 | | | | | | | 1,588,675 | |
| 9. Other professional services..... | 0 | 0 | | | | | | | | |
| 10. Outside referrals..... | 0 | 0 | | | | | | | | |
| 11. Emergency room and out-of-area..... | 16,800,404 | 16,800,404 | | | | | | | | |
| 12. Prescription drugs..... | 48,596,605 | 48,596,605 | | | | | | | | |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 15. Subtotal (Lines 8 to 14)..... | 349,352,306 | 347,763,631 | 0 | 0 | 0 | 0 | 0 | 0 | 1,588,675 | 0 |
| 16. Net reinsurance recoveries..... | 0 | 0 | | | | | | | | XXX |
| 17. Total hospital and medical (Lines 15 minus 16)..... | 349,352,306 | 347,763,631 | 0 | 0 | 0 | 0 | 0 | 0 | 1,588,675 | 0 |
| 18. Non-health claims (net)..... | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 19. Claims adjustment expenses including \$.....1,453,044 cost containment expenses..... | 3,554,097 | 3,537,935 | | | | | | | 16,162 | |
| 20. General administrative expenses..... | 5,053,548 | 5,030,567 | | | | | | | 22,981 | |
| 21. Increase in reserves for accident and health contracts..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 22. Increase in reserve for life contracts..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 23. Total underwriting deductions (Lines 17 to 22)..... | 357,959,951 | 356,332,133 | 0 | 0 | 0 | 0 | 0 | 0 | 1,627,818 | 0 |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23)..... | 19,639,299 | 20,131,616 | 0 | 0 | 0 | 0 | 0 | 0 | (492,317) | 0 |

DETAILS OF WRITE-INS

| | | | | | | | | | | |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 0501. | 0 | | | | | | | | | XXX |
| 0502. | 0 | | | | | | | | | XXX |
| 0503. | 0 | | | | | | | | | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 0601. | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 0602. | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 0603. | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX |
| 0698. Summary of remaining write-ins for Line 6 from overflow page..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0699. Total (Lines 0601 thru 0603 plus 0698) (Line 6 above)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1301. | 0 | | | | | | | | | XXX |
| 1302. | 0 | | | | | | | | | XXX |
| 1303. | 0 | | | | | | | | | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 1399. Total (Lines 1301 thru 1303 plus 1398) (Line 13 above)..... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION.....HMO Maine, a Line of Business of Anthem Health Plans of Maine, Inc.

2. South Portland, ME

BUSINESS IN THE STATE OF MAINE DURING THE YEAR

(Location)

NAIC Group Code.....0671

NAIC Company Code.....52618

| | 1 | | 2 | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|-------------|------------|-------------|------------------------------------|---|---|---|---|---|---|---|-----------|
| | Total | Individual | Group | Comprehensive (Hospital & Medical) | | | | | | | | |
| Total Members at end of: | | | | | | | | | | | | |
| 1. Prior year..... | 94,252 | 27 | 94,225 | | | | | | | | | |
| 2. First quarter..... | 90,503 | 27 | 90,476 | | | | | | | | | |
| 3. Second quarter..... | 88,897 | 27 | 88,870 | | | | | | | | | |
| 4. Third quarter..... | 87,281 | 26 | 87,255 | | | | | | | | | |
| 5. Current year..... | 85,185 | 24 | 85,161 | | | | | | | | | |
| 6. Current year member months..... | 1,062,134 | 226 | 1,061,908 | | | | | | | | | |
| Total Member Ambulatory Encounters for Year: | | | | | | | | | | | | |
| 7. Physician..... | 640,807 | 293 | 640,514 | | | | | | | | | |
| 8. Non-physician..... | 412,906 | 257 | 412,649 | | | | | | | | | |
| 9. Totals..... | 1,053,713 | 550 | 1,053,163 | | | | | | | | | 0 |
| 10. Hospital patient days incurred..... | 24,123 | 47 | 24,076 | | | | | | | | | 0 |
| 11. Number of inpatient admissions..... | 5,499 | 6 | 5,493 | | | | | | | | | |
| 12. Health premiums written (b)..... | 0 | | | | | | | | | | | |
| 13. Life premiums direct..... | 0 | | | | | | | | | | | |
| 14. Property/casualty premiums written..... | 0 | | | | | | | | | | | |
| 15. Health premiums earned..... | 400,287,880 | 344,532 | 398,807,847 | | | | | | | | | 1,135,501 |
| 16. Property/casualty premiums earned..... | 0 | | | | | | | | | | | |
| 17. Amount paid for provision of health care services..... | 0 | | | | | | | | | | | |
| 18. Amount incurred for provision of health care services..... | 349,352,306 | 327,740 | 347,435,891 | | | | | | | | | 1,588,675 |

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

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0.