



ANNUAL STATEMENT

For the Year Ended December 31, 2008
of the Condition and Affairs of the

Anthem Health Plans of Maine, Inc.

NAIC Group Code.....0671, 0671 (Current Period) (Prior Period)	NAIC Company Code..... 52618	Employer's ID Number..... 31-1705652
Organized under the Laws of Maine	State of Domicile or Port of Entry Maine	Country of Domicile US
Licensed as Business Type.....Other	Is HMO Federally Qualified? Yes [] No [X]	
Incorporated/Organized..... March 10, 2000	Commenced Business..... June 5, 2000	
Statutory Home Office	2 Gannett Drive..... South Portland ME 04106-6911 <i>(Street and Number) (City or Town, State and Zip Code)</i>	
Main Administrative Office	2 Gannett Drive..... South Portland ME 04106-6911 <i>(Street and Number) (City or Town, State and Zip Code)</i>	207-822-7000 <i>(Area Code) (Telephone Number)</i>
Mail Address	2 Gannett Drive..... South Portland ME 04106-6911 <i>(Street and Number or P. O. Box) (City or Town, State and Zip Code)</i>	
Primary Location of Books and Records	2 Gannett Drive..... South Portland ME 04106-6911 <i>(Street and Number) (City or Town, State and Zip Code)</i>	207-822-7000 <i>(Area Code) (Telephone Number)</i>
Internet Web Site Address	www.anthem.com	
Statutory Statement Contact	Joanne Lauterbach <i>(Name)</i> joanne.lauterbach@anthem.com <i>(E-Mail Address)</i>	207-822-7794 <i>(Area Code) (Telephone Number) (Extension)</i> 207-822-8999 <i>(Fax Number)</i>

OFFICERS

Name	Title	Name	Title
Daniel Patrick Corcoran #	President	Nancy Louise Purcell	Secretary
Robert David Kretschmer	Treasurer	Chrystal Leroice Veazey-Watson	Assistant Secretary
		Lendall Libby Smith, Esq.	Clerk

OTHER

Cheryl Gladieux Allari #	Valuation Actuary
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BOARD OF DIRECTORS

Daniel Patrick Corcoran, Chairperson #	Carter Allen Beck
Nancy Louise Purcell	Wayne Scott DeVeydt
Robert David Kretschmer	John Edward Gallina #
	Catherine Irene Kelaghan #

State of..... Maine
County of..... Cumberland

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.

_____ (Signature) Daniel Patrick Corcoran	_____ (Signature) Nancy Louise Purcell	_____ (Signature) Robert David Kretschmer
_____ (Printed Name) President	_____ (Printed Name) Secretary	_____ (Printed Name) Treasurer
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
This _____ day of _____ 2009

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	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	164,989,784		164,989,784	150,108,611
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....	8,343,932	7,828,551	515,381	556,355
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).....	10,381,984		10,381,984	10,829,579
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....15,300,498, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....32,650,972, Sch. DA).....	47,951,470		47,951,470	53,879,101
6. Contract loans (including \$.....0 premium notes).....			0	
7. Other invested assets (Schedule BA).....			0	
8. Receivables for securities.....	7,204		7,204	5,469
9. Aggregate write-ins for invested assets.....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	231,674,374	7,828,551	223,845,823	215,379,115
11. Title plants less \$.....0 charged off (for Title insurers only).....			0	
12. Investment income due and accrued.....	1,788,367		1,788,367	1,506,391
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in course of collection.....	18,703,404	939,672	17,763,732	27,926,587
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....17,402,080 earned but unbilled premiums).....	17,402,080		17,402,080	13,345,752
13.3 Accrued retrospective premiums.....			0	
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers.....			0	
14.2 Funds held by or deposited with reinsured companies.....			0	
14.3 Other amounts receivable under reinsurance contracts.....			0	
15. Amounts receivable relating to uninsured plans.....	28,968,299	81,685	28,886,614	27,982,186
16.1 Current federal and foreign income tax recoverable and interest thereon.....			0	3,246,693
16.2 Net deferred tax asset.....	12,769,599	5,255,681	7,513,918	5,313,073
17. Guaranty funds receivable or on deposit.....			0	
18. Electronic data processing equipment and software.....	1,695,432	82,151	1,613,281	1,878,136
19. Furniture and equipment, including health care delivery assets (\$.....0).....	585,348	585,348	0	
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
21. Receivables from parent, subsidiaries and affiliates.....	1,252,470		1,252,470	3,819,428
22. Health care (\$.....124,785,634) and other amounts receivable.....	126,663,735	1,878,101	124,785,634	135,685,191
23. Aggregate write-ins for other than invested assets.....	27,107,243	826,050	26,281,193	21,714,499
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23).....	468,610,351	17,477,239	451,133,112	457,797,051
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
26. TOTALS (Lines 24 and 25).....	468,610,351	17,477,239	451,133,112	457,797,051

DETAILS OF WRITE-INS

0901.....			0	
0902.....			0	
0903.....			0	
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0
2301. Federal Employee Program Assets Held by Agent.....	25,853,220		25,853,220	21,482,462
2302. Miscellaneous Receivables.....	746,513	318,540	427,973	232,037
2303. Prepaid Expenses.....	507,510	507,510	0	
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).....	27,107,243	826,050	26,281,193	21,714,499

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	80,496,273	417,513	80,913,786	88,208,434
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	3,010,043		3,010,043	3,056,105
4. Aggregate health policy reserves.....	47,950,468		47,950,468	41,381,155
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	18,914,598		18,914,598	13,571,773
9. General expenses due or accrued.....	7,779,186		7,779,186	9,629,987
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	1,645,696		1,645,696	189,200
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....	334,595		334,595	607,319
13. Remittances and items not allocated.....	5,114,532		5,114,532	10,369,251
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	33,196,348		33,196,348	26,467,541
16. Payable for securities.....			0	
17. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
18. Reinsurance in unauthorized companies.....			0	
19. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
20. Liability for amounts held under uninsured plans.....	5,401,419		5,401,419	7,973,523
21. Aggregate write-ins for other liabilities (including \$.....5,209,570 current).....	18,899,879	0	18,899,879	4,284,185
22. Total liabilities (Lines 1 to 21).....	222,743,037	417,513	223,160,550	205,738,473
23. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
24. Common capital stock.....	XXX	XXX	2,500,000	2,500,000
25. Preferred capital stock.....	XXX	XXX		
26. Gross paid in and contributed surplus.....	XXX	XXX	120,652,900	120,652,900
27. Surplus notes.....	XXX	XXX		
28. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
29. Unassigned funds (surplus).....	XXX	XXX	104,819,662	128,905,678
30. Less treasury stock at cost:				
30.1 .....0.000 shares common (value included in Line 24 \$.....0).....	XXX	XXX		
30.2 .....0.000 shares preferred (value included in Line 25 \$.....0).....	XXX	XXX		
31. Total capital and surplus (Lines 23 to 29 minus Line 30).....	XXX	XXX	227,972,562	252,058,578
32. Total liabilities, capital and surplus (Lines 22 and 31).....	XXX	XXX	451,133,112	457,797,051

DETAILS OF WRITE-INS

2101. FEP Special Advance.....	13,558,427		13,558,427	
2102. Other Liabilities.....	2,703,994		2,703,994	4,101,926
2103. Accounts Payable - ITS.....	2,637,458		2,637,458	182,259
2198. Summary of remaining write-ins for Line 21 from overflow page.....	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above).....	18,899,879	0	18,899,879	4,284,185
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page.....	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	3,363,574	3,703,104
2. Net premium income (including \$.....0 non-health premium income).....	XXX	1,020,411,223	1,047,524,318
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	(23,121,902)	28,377,183
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	(8,148)	(1,570)
8. Total revenues (Lines 2 to 7).....	XXX	997,281,173	1,075,899,931
Hospital and Medical:			
9. Hospital/medical benefits.....	3,590,156	695,770,711	740,572,836
10. Other professional services.....	32,260	6,251,919	5,721,918
11. Outside referrals.....			
12. Emergency room and out-of-area.....	154,959	30,031,007	31,528,727
13. Prescription drugs.....	677,625	131,323,376	141,849,421
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).....	4,455,000	863,377,013	919,672,902
Less:			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....	4,455,000	863,377,013	919,672,902
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....11,604,469 cost containment expenses.....		28,384,143	29,927,039
21. General administrative expenses.....		40,359,726	42,296,114
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....		(20,126)	
23. Total underwriting deductions (Lines 18 through 22).....	4,455,000	932,100,756	991,896,055
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	65,180,417	84,003,876
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		11,607,267	15,648,322
26. Net realized capital gains or (losses) less capital gains tax of \$.....(25,184).....		(2,076,216)	1,248,430
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	9,531,051	16,896,752
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	.0	.0
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	74,711,468	100,900,628
31. Federal and foreign income taxes incurred.....	XXX	26,984,801	25,182,196
32. Net income (loss) (Lines 30 minus 31).....	XXX	47,726,667	75,718,432

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. Loss on sale of fixed assets.....	XXX	(8,148)	(1,570)
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	(8,148)	(1,570)
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)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	252,058,578	215,295,519
34. Net income or (loss) from Line 32.....	47,726,667	75,718,432
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....	28,890	350,259
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	441,632	(11,837,823)
39. Change in nonadmitted assets.....	3,416,795	12,932,191
40. Change in unauthorized reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....	(75,700,000)	(40,400,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(24,086,016)	36,763,059
49. Capital and surplus end of reporting period (Line 33 plus 48).....	227,972,562	252,058,578

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 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	1,033,525,394	1,053,731,695
2. Net investment income.....	12,821,746	16,281,190
3. Miscellaneous income.....	(8,148)	(1,570)
4. Total (Lines 1 through 3).....	1,046,338,992	1,070,011,315
5. Benefit and loss related payments.....	870,671,661	924,987,598
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	59,460,301	106,301,379
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....(25,184) tax on capital gains (losses).....	22,256,428	26,507,673
10. Total (Lines 5 through 9).....	952,388,390	1,057,796,650
11. Net cash from operations (Line 4 minus Line 10).....	93,950,602	12,214,665
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	23,635,490	183,783,896
12.2 Stocks.....	219,837	324,340
12.3 Mortgage loans.....		
12.4 Real estate.....		7,585,885
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		20,783
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	23,855,327	191,714,904
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	41,234,158	53,241,467
13.2 Stocks.....	223,536	352,467
13.3 Mortgage loans.....		
13.4 Real estate.....	387,230	523,149
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....	1,735	
13.7 Total investments acquired (Lines 13.1 to 13.6).....	41,846,659	54,117,083
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(17,991,332)	137,597,821
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....	75,700,000	40,400,000
16.6 Other cash provided (applied).....	(6,186,901)	(62,695,877)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(81,886,901)	(103,095,877)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(5,927,631)	46,716,609
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	53,879,101	7,162,492
19.2 End of year (Line 18 plus Line 19.1).....	47,951,470	53,879,101

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

20.0001		
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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).....	799,002,934			799,002,934
2. Medicare supplement.....	62,582,590			62,582,590
3. Dental only.....	2,910,057			2,910,057
4. Vision only.....	1,042,289			1,042,289
5. Federal employees health benefits plan.....	152,509,566			152,509,566
6. Title XVIII - Medicare.....				0
7. Title XIX - Medicaid.....				0
8. Other health.....	2,363,787			2,363,787
9. Health subtotal (Lines 1 through 8).....	1,020,411,223	0	0	1,020,411,223
10. Life.....				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11).....	1,020,411,223	0	0	1,020,411,223

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	870,671,661	679,469,198	50,861,964	2,169,874	487,377	135,596,364			2,086,884	
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	870,671,661	679,469,198	50,861,964	2,169,874	487,377	135,596,364	0	0	2,086,884	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	80,913,786	55,308,705	7,844,593	199,149	44,617	16,884,900			631,822	
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	80,913,786	55,308,705	7,844,593	199,149	44,617	16,884,900	0	0	631,822	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.....	88,208,434	64,258,844	8,453,462	248,861	49,156	12,894,554			2,303,557	
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	88,208,434	64,258,844	8,453,462	248,861	49,156	12,894,554	0	0	2,303,557	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.....	863,377,013	670,519,059	50,253,095	2,120,162	482,838	139,586,710	0	0	415,149	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.....	863,377,013	670,519,059	50,253,095	2,120,162	482,838	139,586,710	0	0	415,149	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	16,958,137	13,556,338	1,113,944	99,575	22,308	2,088,302			77,670	
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	16,958,137	13,556,338	1,113,944	99,575	22,308	2,088,302	0	0	77,670	0
2. Incurred but unreported:										
2.1 Direct.....	63,910,894	41,707,612	6,730,649	99,574	22,309	14,796,598			554,152	
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	63,910,894	41,707,612	6,730,649	99,574	22,309	14,796,598	0	0	554,152	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	44,755	44,755								
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	44,755	44,755	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	80,913,786	55,308,705	7,844,593	199,149	44,617	16,884,900	0	0	631,822	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	80,913,786	55,308,705	7,844,593	199,149	44,617	16,884,900	0	0	631,822	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical).....	60,123,949	619,345,249	(485,207)	55,793,912	59,638,742	64,258,843
2. Medicare supplement.....	7,343,054	43,518,910	190,955	7,653,638	7,534,009	8,453,463
3. Dental only.....	184,281	1,985,593	3,385	195,764	187,666	248,861
4. Vision only.....	36,210	451,167	92	44,525	36,302	49,156
5. Federal employees health benefits plan.....	11,011,332	124,585,032	223,170	16,661,730	11,234,502	12,894,554
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....	570,782	1,516,102		631,822	570,782	2,303,557
9. Health subtotal (Lines 1 to 8).....	79,269,608	791,402,053	(67,605)	80,981,391	79,202,003	88,208,434
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	79,269,608	791,402,053	(67,605)	80,981,391	79,202,003	88,208,434

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

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

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	759,464	759,464	759,464	759,464	759,464
2. 2004.....	667,107	753,222	753,222	753,222	753,222
3. 2005.....	.XXX	779,277	872,355	872,355	872,108
4. 2006.....	.XXX	.XXX	847,619	925,765	926,591
5. 2007.....	.XXX	.XXX	.XXX	846,842	925,533
6. 2008.....	.XXX	.XXX	.XXX	.XXX	791,402

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	757,924	757,924	757,924	757,924	757,924
2. 2004.....	771,416	756,863	756,863	756,863	756,863
3. 2005.....	.XXX	877,279	864,020	864,020	863,769
4. 2006.....	.XXX	.XXX	944,414	929,037	929,839
5. 2007.....	.XXX	.XXX	.XXX	935,050	925,560
6. 2008.....	.XXX	.XXX	.XXX	.XXX	872,316

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	828,696	753,222	45,053	6.0	798,275	96.3			798,275	96.3
2. 2005.....	1,034,419	872,108	44,064	5.1	916,172	88.6	535	21	916,728	88.6
3. 2006.....	1,073,744	926,591	39,371	4.2	965,962	90.0	(25)	(1)	965,936	90.0
4. 2007.....	1,075,902	925,533	32,378	3.5	957,911	89.0	827	31	958,769	89.1
5. 2008.....	994,189	791,402	29,335	3.7	820,737	82.6	79,577	2,959	903,273	90.9

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

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	624,102	624,102	624,102	624,102	624,102
2. 2004.....	537,996	601,532	601,532	601,532	601,532
3. 2005.....	.XXX	627,876	699,313	699,313	699,095
4. 2006.....	.XXX	.XXX	688,271	745,552	746,146
5. 2007.....	.XXX	.XXX	.XXX	680,400	740,148
6. 2008.....	.XXX	.XXX	.XXX	.XXX	619,345

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND 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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	623,073	623,073	623,073	623,073	623,073
2. 2004.....	612,160	607,144	607,144	607,144	607,144
3. 2005.....	.XXX	695,331	691,943	691,943	691,723
4. 2006.....	.XXX	.XXX	760,550	748,972	749,537
5. 2007.....	.XXX	.XXX	.XXX	742,578	737,681
6. 2008.....	.XXX	.XXX	.XXX	.XXX	675,071

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	738,773	601,532	36,691	6.1	638,223	86.4			638,223	86.4
2. 2005.....	835,760	699,095	36,126	5.2	735,221	88.0	537	21	735,779	88.0
3. 2006.....	868,849	746,146	31,742	4.3	777,888	89.5	(30)	(1)	777,857	89.5
4. 2007.....	870,721	740,148	25,906	3.5	766,054	88.0	241	9	766,304	88.0
5. 2008.....	781,609	619,345	22,893	3.7	642,238	82.2	53,481	2,069	697,788	89.3

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

SECTION A - PAID HEALTH CLAIMS - MEDICARE SUPPLEMENT

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	50,496	50,496	50,496	50,496	50,496
2. 2004.....	45,674	54,206	54,206	54,206	54,206
3. 2005.....	.XXX	47,230	56,580	56,580	56,576
4. 2006.....	.XXX	.XXX	46,280	55,160	55,417
5. 2007.....	.XXX	.XXX	.XXX	46,241	53,331
6. 2008.....	.XXX	.XXX	.XXX	.XXX	43,519

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	49,840	49,840	49,840	49,840	49,840
2. 2004.....	55,090	54,361	54,361	54,361	54,361
3. 2005.....	.XXX	57,394	56,501	56,501	56,493
4. 2006.....	.XXX	.XXX	55,153	55,114	55,373
5. 2007.....	.XXX	.XXX	.XXX	56,776	55,605
6. 2008.....	.XXX	.XXX	.XXX	.XXX	51,173

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - MEDICARE SUPPLEMENT

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	67,050	54,206	2,958	5.5	57,164	85.3			57,164	85.3
2. 2005.....	65,928	56,576	4,899	8.7	61,475	93.2	(3)		61,472	93.2
3. 2006.....	65,772	55,417	4,358	7.9	59,775	90.9	1		59,776	90.9
4. 2007.....	63,832	53,331	1,891	3.5	55,222	86.5	363	14	55,599	87.1
5. 2008.....	62,585	43,519	1,713	3.9	45,232	72.3	8,563	331	54,126	86.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	189	189	189	189	189
2. 2004.....	1,043	1,229	1,229	1,229	1,229
3. 2005.....	.XXX	2,386	2,576	2,576	2,576
4. 2006.....	.XXX	.XXX	2,361	2,595	2,603
5. 2007.....	.XXX	.XXX	.XXX	2,026	2,202
6. 2008.....	.XXX	.XXX	.XXX	.XXX	1,986

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	191	191	191	191	191
2. 2004.....	1,147	1,136	1,136	1,136	1,136
3. 2005.....	.XXX	2,616	2,585	2,585	2,585
4. 2006.....	.XXX	.XXX	2,657	2,643	2,651
5. 2007.....	.XXX	.XXX	.XXX	2,272	2,203
6. 2008.....	.XXX	.XXX	.XXX	.XXX	2,181

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	1,567	1,229	68	5.5	1,297	82.8			1,297	82.8
2. 2005.....	3,231	2,576	86	3.3	2,662	82.4			2,662	82.4
3. 2006.....	3,346	2,603	215	8.3	2,818	84.2			2,818	84.2
4. 2007.....	2,965	2,202	78	3.5	2,280	76.9	3		2,283	77.0
5. 2008.....	2,910	1,986	73	3.7	2,059	70.8	196	8	2,263	77.8

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

SECTION A - PAID HEALTH CLAIMS - VISION ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	.7	.7	.7	.7	.7
2. 2004.....	.37	.54	.54	.54	.54
3. 2005.....	.XXX	.239	.262	.262	.262
4. 2006.....	.XXX	.XXX	.256	.280	.280
5. 2007.....	.XXX	.XXX	.XXX	.517	.553
6. 2008.....	.XXX	.XXX	.XXX	.XXX	.451

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	.7	.7	.7	.7	.7
2. 2004.....	.67	.55	.55	.55	.55
3. 2005.....	.XXX	.380	.261	.261	.261
4. 2006.....	.XXX	.XXX	.281	.225	.225
5. 2007.....	.XXX	.XXX	.XXX	.565	.552
6. 2008.....	.XXX	.XXX	.XXX	.XXX	.496

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - VISION ONLY

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	.94	.54	.2	.3.7	.56	.59.6			.56	.59.6
2. 2005.....	.499	.262	.17	.6.5	.279	.55.9			.279	.55.9
3. 2006.....	.623	.280	.41	.14.6	.321	.51.5			.321	.51.5
4. 2007.....	.936	.553	.19	.3.4	.572	.61.1			.572	.61.1
5. 2008.....	.1,042	.451	.18	.4.0	.469	.45.0	.45	.2	.516	.49.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED 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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	83,899	83,899	83,899	83,899	83,899
2. 2004.....	80,987	94,831	94,831	94,831	94,831
3. 2005.....	.XXX	100,051	111,981	111,981	111,956
4. 2006.....	.XXX	.XXX	108,471	119,606	119,573
5. 2007.....	.XXX	.XXX	.XXX	116,235	127,305
6. 2008.....	.XXX	.XXX	.XXX	.XXX	124,585

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	83,789	83,789	83,789	83,789	83,789
2. 2004.....	100,951	93,713	93,713	93,713	93,713
3. 2005.....	.XXX	117,868	111,093	111,093	111,070
4. 2006.....	.XXX	.XXX	121,098	119,505	119,475
5. 2007.....	.XXX	.XXX	.XXX	129,132	127,525
6. 2008.....	.XXX	.XXX	.XXX	.XXX	141,247

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - FEDERAL EMPLOYEES HEALTH BENEFITS PLAN PREMIUM

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	18,467	94,831	5,245	5.5	100,076	541.9			100,076	541.9
2. 2005.....	125,942	111,956	2,968	2.7	114,924	91.3	1		114,925	91.3
3. 2006.....	133,777	119,573	2,976	2.5	122,549	91.6	4		122,553	91.6
4. 2007.....	135,289	127,305	4,416	3.5	131,721	97.4	220	.8	131,949	97.5
5. 2008.....	145,039	124,585	4,568	3.7	129,153	89.0	16,660	.525	146,338	100.9

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**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicaid
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicaid
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicaid
NONE**

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

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	771	771	771	771	771
2. 2004.....	1,370	1,370	1,370	1,370	1,370
3. 2005.....	.XXX	1,495	1,643	1,643	1,643
4. 2006.....	.XXX	.XXX	1,980	2,572	2,572
5. 2007.....	.XXX	.XXX	.XXX	1,423	1,994
6. 2008.....	.XXX	.XXX	.XXX	.XXX	1,516

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 2004	2 2005	3 2006	4 2007	5 2008
1. Prior.....	1,024	1,024	1,024	1,024	1,024
2. 2004.....	2,001	454	454	454	454
3. 2005.....	.XXX	3,690	1,637	1,637	1,637
4. 2006.....	.XXX	.XXX	4,675	2,578	2,578
5. 2007.....	.XXX	.XXX	.XXX	3,727	1,994
6. 2008.....	.XXX	.XXX	.XXX	.XXX	2,148

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2004.....	2,745	1,370	.89	6.5	1,459	53.2			1,459	53.2
2. 2005.....	3,059	1,643	(.32)	(1.9)	1,611	52.7			1,611	52.7
3. 2006.....	1,377	2,572	.39	1.5	2,611	189.6			2,611	189.6
4. 2007.....	2,159	1,994	.68	3.4	2,062	95.5			2,062	95.5
5. 2008.....	1,004	1,516	.70	4.6	1,586	158.0	.632	.24	2,242	223.3

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 (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves.....	155,826	138,530	17,302		(6)				
2. Additional policy reserves (a).....	0								
3. Reserve for future contingent benefits.....	71,997	71,997							
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income.....)	47,722,645	21,869,425				25,853,220			
5. Aggregate write-ins for other policy reserves.....	0	0	0	0	0	0	0	0	0
6. Totals (gross).....	47,950,468	22,079,952	17,302	0	(6)	25,853,220	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	47,950,468	22,079,952	17,302	0	(6)	25,853,220	0	0	0
CLAIM RESERVE									
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.	0								
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	0	0	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....3,700,000 for occupancy of own building).....	1,269,136	2,469,798	3,221,357		6,960,291
2. Salaries, wages and other benefits.....	7,119,453	14,123,638	21,335,472		42,578,563
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			12,711,702		12,711,702
4. Legal fees and expenses.....	392	5,616	852,207		858,215
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....	468,491	509,620	5,396,766		6,374,877
7. Traveling expenses.....	124,235	72,896	583,031		780,162
8. Marketing and advertising.....			2,038,467		2,038,467
9. Postage, express and telephone.....	201,578	637,742	2,547,377		3,386,697
10. Printing and office supplies.....	47,715	63,272	628,658		739,645
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....	7,589	26,930	134,778		169,297
13. Cost or depreciation of EDP equipment and software.....	1,145,058	304,291	296,004		1,745,353
14. Outsourced services including EDP, claims, and other services.....	8,188,685	4,790,365	3,005,987		15,985,037
15. Boards, bureaus and association fees.....	1,114	16,145	599,095		616,354
16. Insurance, except on real estate.....			283,293		283,293
17. Collection and bank service charges.....	28	427	263,620		264,075
18. Group service and administration fees.....	5,170	2,470,446	1,655,761		4,131,377
19. Reimbursements by uninsured plans.....	(7,484,269)	(9,578,083)	(27,486,872)		(44,549,224)
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....	1,846	7,660	53,639		63,145
22. Real estate taxes.....	12,985	50,399	340,203		403,587
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			2,002,835		2,002,835
23.2 State premium taxes.....			8,722,178		8,722,178
23.3 Regulator authority licenses and fees.....			86,741		86,741
23.4 Payroll taxes.....	539,311	1,066,497	1,406,052		3,011,860
23.5 Other (excluding federal income and real estate taxes).....			27,412		27,412
24. Investment expenses not included elsewhere.....			25,421	258,190	283,611
25. Aggregate write-ins for expenses.....	(44,048)	(257,985)	(371,458)	0	(673,491)
26. Total expenses incurred (Lines 1 to 25).....	11,604,469	16,779,674	40,359,726	258,190	(a) 69,002,059
27. Less expenses unpaid December 31, current year.....	1,018,653	1,991,391	7,779,186		10,789,230
28. Add expenses unpaid December 31, prior year.....	1,268,651	1,787,453	9,629,987		12,686,091
29. Amounts receivable relating to uninsured plans, prior year.....	4,784,954	8,447,822	14,749,410		27,982,186
30. Amounts receivable relating to uninsured plans, current year.....	3,293,074	6,759,468	18,834,072		28,886,614
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	10,362,587	14,887,382	46,295,189	258,190	71,803,348

DETAILS OF WRITE-INS

2501. Miscellaneous.....	(44,048)	(257,985)	(371,458)		(673,491)
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	(44,048)	(257,985)	(371,458)	0	(673,491)

(a) Includes management fees of \$.....80,519,658 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....214,133	.....131,084
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....7,427,609	.....7,792,635
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....2,536	.....2,536
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....3,700,000
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....887,888	.....887,888
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....157,783	.....157,783
10. Total gross investment income.....	.....8,689,949	.....12,671,926
11. Investment expenses.....	.....	(g).....258,190
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i).....806,469
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....1,064,659
17. Net investment income (Line 10 minus Line 16).....	.....	.....11,607,267

DETAILS OF WRITE-INS

0901. Miscellaneous income.....	.....157,783	.....157,783
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).....	.....157,783	.....157,783
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 \$.....135,328 accrual of discount less \$.....825,314 amortization of premium and less \$....416,518 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....3,700,000 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....6,000 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....258,190 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....806,469 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....	.....	.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....(6,821)	.....(2,017,566)	.....(2,024,387)	.....(3,125)	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....(67,880)	.....(9,133)	.....(77,013)	.....32,015	.....
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....	.....	.....0	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....(74,701)	.....(2,026,699)	.....(2,101,400)	.....28,890	.....0

DETAILS OF WRITE-INS

0901. ....	.....0	.....	.....0	.....	.....
0902. ....	.....0	.....	.....0	.....	.....
0903. ....	.....0	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....	7,828,551	7,886,833	58,282
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 (Schedule DA).....			.0
6. Contract loans.....			.0
7. Other invested assets (Schedule BA).....			.0
8. Receivables for securities.....			.0
9. Aggregate write-ins for invested assets.....	.0	.0	.0
10. Subtotals, cash and invested assets (Lines 1 to 9).....	7,828,551	7,886,833	58,282
11. Title plants (for Title insurers only).....			.0
12. Investment income due and accrued.....			.0
13. Premiums and considerations:			
13.1 Uncollected premiums and agents' balances in the course of collection.....	939,672	2,179,216	1,239,544
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....		248,800	248,800
13.3 Accrued retrospective premiums.....			.0
14. Reinsurance:			
14.1 Amounts recoverable from reinsurers.....			.0
14.2 Funds held by or deposited with reinsured companies.....			.0
14.3 Other amounts receivable under reinsurance contracts.....			.0
15. Amounts receivable relating to uninsured plans.....	81,685	122,954	41,269
16.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
16.2 Net deferred tax asset.....	5,255,681	7,014,894	1,759,213
17. Guaranty funds receivable or on deposit.....			.0
18. Electronic data processing equipment and software.....	82,151	166,089	83,938
19. Furniture and equipment, including health care delivery assets.....	585,348	873,352	288,004
20. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0
21. Receivables from parent, subsidiaries and affiliates.....			.0
22. Health care and other amounts receivable.....	1,878,101	1,928,734	50,633
23. Aggregate write-ins for other than invested assets.....	826,050	473,162	(352,888)
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 through 23).....	17,477,239	20,894,034	3,416,795
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
26. TOTALS (Lines 24 and 25).....	17,477,239	20,894,034	3,416,795

DETAILS OF WRITE-INS

0901.....			.0
0902.....			.0
0903.....			.0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.0	.0	.0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	.0	.0	.0
2301. Prepaid Expenses.....	507,510	453,487	(54,023)
2302. Miscellaneous receivables.....	318,540		(318,540)
2303. Leasehold improvements.....		19,675	19,675
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.0	.0	.0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	826,050	473,162	(352,888)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	44,154	41,319	39,964	37,778	35,883	471,118
2. Provider service organizations.....						
3. Preferred provider organizations.....	77,452	63,050	63,141	64,638	63,945	764,631
4. Point of service.....	50,098	49,184	48,933	49,503	49,302	591,016
5. Indemnity only.....	31,218	29,314	28,359	27,782	27,106	341,286
6. Aggregate write-ins for other lines of business.....	97,174	97,936	96,868	96,036	95,236	1,195,523
7. Total.....	300,096	280,803	277,265	275,737	271,472	3,363,574

DETAILS OF WRITE-INS

0601. Medicare Supplement.....	33,766	32,510	31,707	31,207	30,675	414,793
0602. Federal Employees Program (FEP).....	35,098	35,157	35,161	35,277	35,214	422,607
0603. Dental.....	8,248	8,892	8,500	8,117	8,093	101,033
0698. Summary of remaining write-ins for Line 6 from overflow page.....	20,062	21,377	21,500	21,435	21,254	257,090
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	97,174	97,936	96,868	96,036	95,236	1,195,523

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Anthem Health Plans of Maine, 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 or permitted by the Maine Bureau of Insurance (the "Bureau"). The NAIC *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed practices by the Bureau.

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. 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 business are subject to approval by the Bureau. 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) Common stocks of unaffiliated companies are stated at fair value as determined by various third-party pricing sources.
- (4) The Company does not hold investments in preferred stocks of unaffiliated companies.
- (5) The Company does not hold investments in mortgage loans.
- (6) Loan-backed securities are stated at amortized cost. Pre-payment 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 owns 100% of the common stock of its direct subsidiary. The Company nonadmits its investment in its non-insurance subsidiary, Machigonne, Inc., since an audit of the subsidiary's financial statements was not performed. The Company reports the net change in the equity of its subsidiary as a change in net unrealized capital gains and losses.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no derivative instruments.
- (10) The Company has no premium deficiency reserves.
- (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.
- (13) Pharmacy rebate receivables are recorded when earned based on actual rebate receivables billed and an estimate of receivables based on current utilization of specific pharmaceuticals and provider contract terms.
- (14) Service fees earned from providing administrative services to self-insured customers are deducted from operating expenses, and related claim payments and subsequent reimbursements of those claim payments are excluded from net income.

2. Accounting Changes and Corrections of Errors

A. Correction of Errors

There were no corrections of errors during the years ended December 31, 2008 and 2007.

3. Business Combinations and Goodwill

- A. **Statutory Purchase Method:** Not applicable
- B. **Statutory Merger:** Not applicable
- C. **Assumption Reinsurance:** Not applicable
- D. **Impairment Loss:** Not applicable

NOTES TO FINANCIAL STATEMENTS

4. Discontinued Operations

The Company had no operations that were discontinued during 2008 or 2007.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company did not have investments in mortgage loans at December 31, 2008 or 2007.

B. Debt Restructuring

The Company did not have invested assets that were restructured debt at December 31, 2008 or 2007.

C. Reverse Mortgages

The Company did not have investments in reverse mortgages at December 31, 2008 or 2007.

D. Loan-Backed Securities

- (1) The Company uses the acquisition date for applying the retrospective adjustment method to securities.
- (2) 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.
- (3) The Company did not have negative yield circumstances requiring a change from the retrospective to prospective methodology during 2008 or 2007.

E. Repurchase Agreements

The Company did not enter into repurchase agreements at December 31, 2008 or 2007.

F. Real Estate

1. The Company did not recognize any impairment losses on its investment real estate for the year ended December 31, 2008 or 2007. On June 22, 2007, the Company sold two parcels of commercial real estate located in Portland, Maine to an unrelated third party. The properties sold included land, an office building and a parking garage. A gain on sale of \$3,733,310 was included in Line 26 of the Statement of Revenue and Expenses for the year ended December 31, 2007.
2. The Company did not engage in retail land sales operations during 2008 or 2007.

G. Investments in Low-Income Housing Tax Credits

The Company did not invest in properties generating low-income housing tax credits during 2008 or 2007.

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, 2008 or 2007.
- B. Not applicable

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, 2008 and 2007 there was no non-admitted accrued investment interest income.

8. Derivative Instruments

The Company has no derivative instruments.

NOTES TO FINANCIAL STATEMENTS**9. Income Taxes****A.** The components of deferred tax assets (liabilities) at December 31 are as follows:

	2008	2007
Total of gross deferred tax assets	\$15,144,503	\$14,788,770
Total of deferred tax liabilities	2,374,904	2,460,803
Net deferred tax asset	12,769,599	12,327,967
Deferred tax asset non-admitted	(5,255,681)	(7,014,894)
Net admitted deferred tax asset	\$7,513,918	\$5,313,073
Decrease in non-admitted asset	\$1,759,213	

B. The Company has no unrecognized deferred tax liabilities at December 31, 2008 and 2007.**C.** Current income taxes incurred consist of the following major components:

	2008	2007
Federal income tax	26,984,801	25,182,196
Federal income tax (benefit) on net capital gains (losses)	(25,184)	672,232
Federal and foreign income taxes incurred	\$26,959,617	\$25,854,428

The main components of the deferred tax amounts at December 31 are as follows:

	2008	2007
Deferred tax assets:		
Discounting of unpaid losses	\$614,747	\$740,840
Accrued Future Expenses	2,759,433	1,708,623
Goodwill & Intangibles	6,021,800	6,971,550
Net Operating Loss carryforwards	1,294,818	1,646,526
Unearned Premium Adjustment	1,335,424	981,742
Bad debt reserves & non-admitted accounts receivable	1,595,517	2,148,603
Other	1,522,764	590,886
Total deferred tax assets	15,144,503	14,788,770
Non-admitted deferred tax assets	(5,255,681)	(7,014,894)
Admitted deferred tax assets	9,888,822	7,773,876
Deferred tax liabilities:		
Depreciation	2,199,102	2,117,892
Returned Premium Reserve	-	73,774
Accrual of bond discount	-	46,708
COB Receivable discounting	-	72,635
Other	175,802	149,794
Total deferred tax liabilities	2,374,904	2,460,803
Net admitted deferred tax asset	\$7,513,918	\$5,313,073

The changes in main components of deferred tax assets and deferred tax liabilities at December 31 are as follows:

	2008	2007	Change
Total deferred tax assets	\$15,144,503	\$14,788,770	\$ 355,733
Total deferred tax liabilities	2,374,904	2,460,803	85,899
Net deferred tax asset	\$12,769,599	\$12,327,967	441,632
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			\$ 441,632

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

	2008	2007
Provision computed at statutory rate	\$26,140,199	\$35,550,501
Tax exempt income	(513,621)	(886,370)
Deferred tax adjustments	559,755	3,016,738
Other	331,652	11,382
Total current and deferred tax	\$26,517,985	\$37,692,251
Federal and foreign income taxes incurred	\$26,959,617	\$25,854,428
Change in net deferred income taxes	(441,632)	11,837,823
Total statutory income taxes	\$26,517,985	\$37,692,251

E. The Company has \$3.7 million net operating loss carryforwards and no tax credit carryforwards as of December 31, 2008. The amounts of federal income taxes incurred in the current and preceding year, which are available for recoupment in the event of future losses are \$25.6 million and \$24.6 million, respectively.

The Company has no deposits reported as admitted assets under section 6603 of the Internal Revenue Service Code as of December 31, 2008 and December 31, 2007.

NOTES TO FINANCIAL STATEMENTS

- F. (1) The Company and the following entities are included in the consolidated federal income tax return of WellPoint, Inc. (EIN 35-2145715):
- | | |
|---|---|
| Affiliated Healthcare, Inc. | HMO Colorado, Inc. |
| Affiliated Provider Systems, Inc. | HMO Missouri, Inc. |
| AHI Healthcare Corporation | Imaging Management Holdings, LLC |
| American Imaging Management, Inc. | Imaging Providers of Texas |
| American Managing Company | Insurance4 Agency, Inc. |
| Anthem Blue Cross Blue Shield Partnership Plan, Inc. | Lease Partners, Inc. |
| Anthem Blue Cross Life and Health Insurance Company | Machigonne, Inc. |
| Anthem Credentialing Services, Inc. | Matthew Thornton Health Plan, Inc. |
| Anthem Financial, Inc. | Monticello Service Agency, Inc. |
| Anthem Health Insurance Company of Nevada | National Capital Health Plan, Inc. |
| Anthem Health Plans of Kentucky, Inc. | National Capital Preferred Providers Organization, Inc. |
| Anthem Health Plans of Maine, Inc. | National Government Services, Inc. |
| Anthem Health Plans of New Hampshire, Inc. | NextRx, Inc. |
| Anthem Health Plans of Virginia, Inc. | NextRx Services, Inc. |
| Anthem Health Plans, Inc. | OneNation Benefit Administrators, Inc. |
| Anthem HMO of Nevada | OneNation Insurance Company, Inc. |
| Anthem Holding Corp. | Park Square Holdings |
| Anthem Insurance Companies, Inc. | Park Square I |
| Anthem Life & Disability Insurance Company | Park Square II |
| Anthem Southeast, Inc. | Peninsula Health Care, Inc. |
| Anthem UM Services, Inc. | Preferred Health Plans of Missouri, Inc. |
| Arcus Enterprises, Inc. | Priority Health Care, Inc. |
| Arcus Financial Bank | Priority Insurance Agency, Inc. |
| Arcus Financial Holding Corp. | Priority, Inc. |
| Arcus Financial Services, Inc. | R&P Realty, Inc. |
| Arcus Healthyliving Services, Inc. | Reliance Safeguard Solutions, Inc. |
| Arison Insurance Services, Inc. | Resolution Health, Inc. |
| Associated Group, Inc. | RightCHOICE Insurance Company, Inc. |
| BCC Holding Corporation | RightCHOICE Managed Care, Inc. |
| Behavioral Health Network, Inc. | Rocky Mountain Health Care Corporation |
| Blue Cross and Blue Shield of Georgia, Inc. | Rocky Mountain Hospital and Medical Service, Inc. |
| Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. | Southeast Services, Inc. |
| Blue Cross Blue Shield of Wisconsin, Inc. | SellCore, Inc. |
| Blue Cross of California | Texas Managed Care Administrative Services, Inc. |
| Blue Cross of California Partnership Plan, Inc. | The WellPoint Companies, Inc. |
| Cerulean Companies, Inc. | TrustSolutions, LLC |
| CIMS Agency, Inc. | UNICARE Health Benefit Services of Texas, Inc. |
| Claim Management Services, Inc. | UNICARE Health Insurance Company of Texas |
| Community Insurance Company | UNICARE Health Insurance Company of the Midwest, Inc. |
| Compcare Health Services Insurance Corporation | UNICARE Health Plan of West Virginia, Inc. |
| Comprehensive Integrated Marketing Services, Inc. | UNICARE Health Plans of Georgia, Inc. |
| Crossroads Acquisition Corp. | UNICARE Health Plan of Kansas, Inc. |
| CSRA Healthcare Partners, Inc. | UNICARE Health Plan of South Carolina, Inc. |
| Designated Agency Company, Inc. | UNICARE Health Plans of Texas, Inc. |
| EHC Benefits Agency, Inc. | UNICARE Health Plans of the Midwest, Inc. |
| Empire HealthChoice Assurance, Inc. | UNICARE Illinois Services, Inc. |
| Empire HealthChoice HMO, Inc. | UNICARE Life & Health Insurance Company |
| Empire Medicare Services, Inc. | UNICARE National Services, Inc. |
| Forty-Four Forty-Four Forest Park Redevelopment Corporation | UNICARE of Texas Health Plans, Inc. |
| Golden West Health Plan, Inc. | UNICARE Specialty Services, Inc. |
| Group Benefits of Georgia, Inc. | United Government Services, LLC |
| Group Benefits Plus, Inc. | UtiliMed IPA, Inc. |
| Health Core, Inc. | WellChoice Holdings of New York, Inc. |
| Health Initiatives, Inc. | WellChoice Insurance of New Jersey, Inc. |
| Health Management Corporation | WellPoint Behavioral Health, Inc. |
| HealthKeepers, Inc. | WellPoint California Services, Inc. |
| HealthLink HMO, Inc. | WellPoint Dental Services, Inc. |
| HealthLink, Inc. | WellPoint Development Company, Inc. |
| HealthReach Services, Inc. | WellPoint Holding Corp. |
| Healthy Alliance Life Insurance Company | WellPoint Insurance Services, Inc. |
| Healthy Homecomings, Inc. | WellPoint Pharmacy IPA, Inc. |

(2) The tax sharing agreements provide that federal income tax is allocated between the companies based on the Company's separate income tax return calculations with credit for net losses that can be used on a consolidated basis. Intercompany income tax balances are settled based on the Internal Revenue Service due dates.

NOTES TO FINANCIAL STATEMENTS**10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties****A. Nature of the relationship**

The Company is a Maine-domiciled stock insurance company and is a wholly-owned subsidiary of ATH Holding Company, LLC ("ATH Holding"), which is a wholly-owned subsidiary of WellPoint, Inc. ("WellPoint"), a publicly traded company.

B. Significant transactions for each of the periods

The Company paid ordinary dividends to its parent, ATH Holding, of \$75,700,000 on May 30, 2008 and \$40,400,000 on July 16, 2007.

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 2008 and 2007. The amounts of transactions under such agreements are presented in Schedule Y, Part 2.

D. Amounts Due from or to Related Parties

At December 31, 2008 and 2007, the Company reported \$1,252,470 and \$3,819,428 due from affiliates and \$33,196,348 and \$26,467,541 due to affiliates, respectively. The December 31, 2008 receivable and payable balances represent intercompany transactions that will be settled in accordance with the settlement terms of the intercompany agreements.

Following is a summary of transactions between the Company and various affiliates during the years:

	<u>2008</u>	<u>2007</u>
The WellPoint Companies, Inc.		
Payroll and Employee Administrative Services	\$ 48,016,550	\$ 48,634,043
WellPoint, Inc.		
Federal Income Tax Payments	21,702,819	27,040,650
Corporate Services	4,988,787	3,539,919
Stock Options	(1,108,428)	(1,643,346)
Anthem Insurance Companies, Inc.		
Information Technology Services	5,160,061	8,962,203
Corporate/Shared Services	4,281,075	3,262,541
Employee Services	133,942	312,467
Health Management Corporation		
Disease Management	5,364,103	827,805
Blue Cross of California		
Corporate Services	2,501,491	2,546,604
Information Technology Services	1,925,434	4,052,001
Employee Services	101,534	115,493
Anthem Health Plans, Inc.		
Corporate Services	1,774,003	2,738,230
Medical Management	992,047	5,115,319
Claims	853,096	1,044,932
NextRx, LLC		
Administrative Fees	1,308,403	1,411,605
WellPoint Holding Corporation		
Corporate Services	441,217	324,530
Marketing	377,240	42,097
Information Technology Services	198,127	158,707
Community Insurance Company		
Information Technology Services	487,696	50,716
Marketing	258,427	228,262
Other	159,044	1,308,022
Blue Cross and Blue Shield of Georgia		
Corporate Services	348,118	338,738
Information Technology Services	199,180	243,645
Anthem UM Services, Inc.		
Utilization Management Services	422,925	911,165
Cost allocated from ATH Holding affiliates not listed above	537,721	936,054
Other costs allocated from various entities under the Master Service Agreement (not listed above)	<u>797,865</u>	<u>628,054</u>
Total Net Activity Between Company and Affiliates	<u>\$ 102,222,477</u>	<u>\$ 113,130,456</u>
Total Schedule Y, Part 2, Column 8	<u>\$ 102,222,477</u>	<u>\$ 113,130,456</u>

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.

NOTES TO FINANCIAL STATEMENTS

F. Management and Service Agreements 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. Direct costs include expenses such as salaries, employee benefits, communications, advertising, consulting services, maintenance, rent, utilities and supplies which are directly attributable to the Company's operations. Allocated costs include expenses such as salaries, benefit claims and enrollment processing, billing, accounting, underwriting, product development and budgeting, 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

ATH Holding owns all outstanding shares of the Company. The Company's ultimate parent is WellPoint.

H. Amount Deducted for Investment in Upstream Company

The Company and its subsidiary do not own shares of upstream intermediate entities or WellPoint.

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

At December 31, 2008 and 2007, the Company did not have investments in affiliates that exceeded 10% of the Company's admitted assets.

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

The Company did not record impairments on its investment in subsidiaries, controlled or affiliated companies during the years ended December 31, 2008 and 2007.

K. Investment in a Foreign Insurance Subsidiary

The Company does not have investments in foreign insurance subsidiaries.

L. Investments in Downstream Non-insurance Holding Companies.

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

11. Debt

A. Capital Notes

The Company had no capital notes outstanding at December 31, 2008 and 2007.

B. All Other Debt

The Company had no other debt outstanding at December 31, 2008 and 2007.

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

A. Defined Benefit Plan

Not applicable - See Note 12.D.

B. Defined Contribution Plan

Not applicable - See Note 12.D.

C. Multiemployer Plans

The Company does not participate in a multiemployer plan.

D. Consolidated/Holding Company Plans

The Company participates in the WellPoint Cash Balance Pension Plan (the "Plan"), a frozen non-contributory defined benefit pension plan sponsored by ATH Holding covering most employees of WellPoint and its subsidiaries. ATH Holding allocates a share of the total accumulated costs of the Plan to the Company based on the number of allocated employees. During 2008 and 2007, these costs totaled \$(429,795) and \$(52,646), respectively. The Company has no legal obligation for the benefits under this plan. Prior to December 31, 2007, Anthem Insurance Companies, Inc., an affiliated company, sponsored the Plan.

The Company participates in a postretirement medical benefit plan, sponsored by ATH Holding, providing certain health, life, vision and dental benefits to eligible retirees. ATH Holding allocates a share of the total accumulated costs of this benefit plan to the Company based on the number of allocated employees. During 2008 and 2007, these costs totaled \$410,289 and \$660,433, respectively. The Company has no legal obligation for the benefits under this plan.

NOTES TO FINANCIAL STATEMENTS

The Company participates in various deferred compensation plans sponsored by WellPoint which cover certain employees. The deferred amounts are payable according to the terms and subject to the conditions of said deferred compensation agreements. WellPoint allocates a share of the total accumulated costs of this plan to the Company based on the number of allocated employees. During 2008 and 2007, these costs totaled \$8,391 and \$45,258, respectively. The Company has no legal obligation for benefits under this plan.

The Company participates in the WellPoint 401(k) Retirement Savings Plan, sponsored by ATH Holding and covering substantially all employees. Voluntary employee contributions are matched by ATH Holding subject to certain limitations. ATH Holding allocates a share of the total accumulated costs of the plan to the Company based on the number of allocated employees. During 2008 and 2007, these costs totaled \$1,493,654 and \$1,484,993, respectively. The Company has no legal obligation for benefits under this plan.

E. Postemployment Benefits and Compensated Absences

Liabilities for earned not yet taken vacation and severance benefits have been accrued as of December 31, 2008 and 2007.

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

Not applicable

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

- (1) As of December 31, 2008, the Company has 2,500 shares of Class A, \$1,000 par value, common stock authorized. The number of shares issued and outstanding is 2,500.
- (2) The Company has no preferred stock outstanding.
- (3) Under Maine law, the Company is limited in the amount of dividends that can be declared without regulatory approval. The Superintendent of Insurance must approve any dividend that, together with all dividends declared during the preceding twelve months, exceeds the greater of the net gain from operations for the twelve-month period ending December 31 of the preceding year or 10% of the Company's surplus to policy holders as of December 31 of the preceding year as long as unassigned surplus is positive. Also, any dividend paid from other than unassigned funds will need the approval of the Superintendent of Insurance.
- (4) See footnote 10B for dividends paid.
- (5) Within the limitations of (3) above, the Company may pay \$47,726,667 in dividends during 2009 without prior approval.
- (6) Unassigned surplus funds are not restricted at December 31, 2008.
- (7) There have been no advances to surplus at December 31, 2008.
- (8) There are no shares of stock held for special purposes at December 31, 2008.
- (9) There are no special surplus funds at December 31, 2008.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was \$(321,369) at December 31, 2008.
- (11) The Company has not issued any surplus notes or debentures or similar obligations.
- (12) The Company had no restatements due to prior quasi-reorganizations.
- (13) The Company has not been involved in any quasi-reorganizations during the past 10 years.

14. Contingencies

A. Contingent Commitments

The Company has no contingent commitments at December 31, 2008.

B. Assessments

The Company is subject to guaranty fund and other assessments by the state in which it writes business. Guaranty fund assessments are accrued at the time of insolvency. Other assessments are accrued at the time of the assessment or at the time the losses are incurred.

The State of Maine has not issued a guaranty fund assessment, and the Company has not recorded a liability for an assessment as of December 31, 2008.

C. Gain Contingencies

The Company has no gain contingencies at December 31, 2008.

D. Claims-Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits

Not applicable

E. All Other Contingencies

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 and administrative proceedings. These investigations, audits and reviews include routine and special investigations by state insurance departments, state attorneys general, the U.S. Attorney General and federal agencies. Such investigations could result in the imposition of civil or criminal fines, penalties and other sanctions. The Company believes that any liability that may result from any one of these actions is unlikely to have a material adverse effect on the Company's financial position or results of operations. In addition, the Company maintains direct professional liability coverage.

NOTES TO FINANCIAL STATEMENTS**15. Leases****A. Lessee Leasing Arrangements**

- The Company leases office space, computer hardware and software products, and miscellaneous equipment under various noncancelable operating leases. Related lease expense for 2008 and 2007 was \$149,813 and \$300,171, respectively.
- At December 31, 2008, future lease payments for operating leases with initial or remaining noncancelable terms of one year or more consisted of the following:

Year	Amount
2009	\$ 48,961
2010	29,205
2011	9,823

- The Company has not entered into any material sales-leaseback transactions.

B. Lessor Leasing Arrangements

- The Company has not entered into any operating leases.
- 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 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, 2008, 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, 2008 and 2007.

B. Transfer and Servicing of Financial Assets

Not applicable at December 31, 2008 and 2007.

C. Wash Sales

- 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.
- At December 31, 2008 and 2007, there were no wash sales involving securities with a NAIC designation of 3 or below or unrated.

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**

The gain from operations from ASO uninsured plans and the uninsured portion of partially insured plans during 2008 was:

	ASO Uninsured Plans	Uninsured Portion of Partially-Insured ASO Plans	Total ASO Plans
	-----	-----	-----
Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 1,701,504	---	\$ 1,701,504
Total net other income or expense (including interest paid to or received from plans)	----	---	----
Net gain from operations	\$ 1,701,504	---	\$ 1,701,504
Total claim payment volume	\$ 86,629,016	---	\$ 86,629,016

NOTES TO FINANCIAL STATEMENTS**B. Administrative Services Contract ("ASC") Plans**

The gain from operations from ASC uninsured plans and the uninsured portion of partially insured plans during 2008 was:

	ASC Uninsured Plans	Uninsured Portion of Partially-Insured ASC Plans	Total ASC Plans
	-----	-----	-----
Gross reimbursement for medical cost incurred	\$466,498,860	---	\$466,498,860
Gross administrative fees accrued	37,886,319	---	37,886,319
Other income or expense (including interest paid to or received from plans)	---	---	---
Gross expenses incurred (claims and administrative)	<u>\$495,222,551</u>	---	<u>\$495,222,551</u>
Total net gain from operations	\$ 9,162,628	---	\$ 9,162,628

C. Medicare or Similarly Structured Cost-Based Reimbursement Contract

In 2007, the Company novated its Medicare business to an affiliate, National Government Services, Inc.

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, 2008 and 2007.

20. Other Items**A. Extraordinary Items**

Not applicable at December 31, 2008 and 2007.

B. Troubled Debt Restructuring: Debtors

Not applicable at December 31, 2008 and 2007.

C. Other Disclosures

Land is recorded at cost and other real estate is recorded at cost less accumulated depreciation. Depreciation is computed primarily using the straight-line method over the estimated useful lives of the assets. Real estate was not adjusted to market value at the date of purchase.

Bonds with an amortized cost of \$732,855 and \$907,305 were on deposit with a regulatory authority at December 31, 2008 and 2007, respectively.

D. Uncollectible Premiums Receivable

At December 31, 2008 and 2007, the Company reported admitted assets of \$64,052,426 and \$69,254,525, respectively, in premium receivables due from policyholders and agents and receivables due from uninsured plans. Based upon Company experience, any uncollectible premiums receivable are not expected to exceed the \$1,021,357 that was non-admitted at December 31, 2008; therefore, no additional provision for uncollectible amounts has been recorded. The potential for any additional loss is not believed to be material to the Company's financial condition.

E. Business Interruption Insurance Recoveries

The Company has reported no recoveries for business interruption for the years ended December 31, 2008 and 2007.

F. State Transferable Tax Credits

The Company did not have state transferable tax credits at December 31, 2008 and 2007.

G. Hybrid Securities

The Company did not carry hybrid securities in its investment portfolio at December 31, 2008 or 2007.

H. Subprime Mortgage-Related Risk Exposure

a. The Company consults with its external investment managers to assess its subprime mortgage-related risk exposure. The general categories of information considered in determining exposure are collateral and the structure of the security. Other categories considered in determining the exposure include loan purpose, loan documentation, occupancy, geographical location, loan size and loan type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans.

NOTES TO FINANCIAL STATEMENTS

- b. At December 31, 2008, the Company did not carry investments in subprime mortgage loans in its portfolio.
- c. At December 31, 2008, the Company's subprime mortgage-related risk exposure is detailed below:

Investment Type	Actual Cost	Book/Adjusted Carrying Value	Fair Value	Other-Than-Temporary Impairment Losses Recognized During 2008
Structured Securities	\$ 21,852	\$ 21,824	\$ 20,417	\$ -

- d. The Company did not underwrite Mortgage Guaranty or Financial Guaranty insurance coverage at December 31, 2008.

21. Events Subsequent

Effective January 1, 2009, the Company's subsidiary, Machigonne, Inc., was merged with and into the Company.

22. Reinsurance**A. Ceded Reinsurance Report****Section 1 - General Interrogatories**

- 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)
- 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

- 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)
- 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)

Section 3 - Ceded Reinsurance Report - Part B

- 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.
None.
- 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, 2008 and 2007.

C. Commutation of Ceded Reinsurance

The Company has not commuted ceded reinsurance during 2008 and 2007.

NOTES TO FINANCIAL STATEMENTS**23. Retrospectively Rated Contracts and Contracts Subject to Redetermination**

- A. The Company sells group accident and health policies for which the premiums vary based on loss experience. The Company estimates accrued retrospective premium adjustments by comparing the actual policy year-to-date loss development with that anticipated in the policy issued.
- B. The amount of net premiums written by the Company in 2008 and 2007 that were subject to retrospective rating features was \$496,051,059 and \$459,148,291, respectively, which represented 48.35% and 43.83%, respectively, of the total net premiums written. These amounts included premiums of \$152,509,566 and \$129,999,748 for 2008 and 2007, respectively, from the Company's Federal Employee Program ("FEP") No other net premiums written by the Company were subject to retrospective rating or contract redetermination features.

24. Change in Incurred Claims and Claim Adjustment Expenses

The estimated cost of claims and claims adjustment expenses attributable to insured events of the prior year decreased by \$9,330,663 during 2008. This is approximately 10% of unpaid claims and unpaid claims adjustment expenses of \$91,264,539 as of December 31, 2007. The redundancy reflects the decreases in estimated claims and claims adjustment expenses as a result of claims payments during the year, and as additional information is received regarding claims incurred prior to 2008. Recent claim development trends are also taken into account in evaluating the overall adequacy of unpaid claims and unpaid claims adjustment expenses.

25. Intercompany Pooling Arrangements

Not applicable at December 31, 2008 and 2007.

26. Structured Settlements

Not applicable at December 31, 2008 and 2007.

27. Health Care Receivables**A. Pharmaceutical Rebate Receivables**

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2008	\$ 5,305,683	\$ -	\$ -	\$ -	\$ -
9/30/2008	4,909,275	4,918,700	-	-	-
6/30/2008	4,648,660	4,895,087	-	4,891,106	-
3/31/2008	4,659,472	4,853,892	-	4,853,720	-
12/31/2007	5,542,473	6,068,840	-	6,066,618	-
9/30/2007	5,138,013	5,829,800	-	5,827,366	-
6/30/2007	5,046,028	5,378,722	-	5,378,927	-
3/31/2007	4,775,254	5,223,022	-	5,223,103	-
12/31/2006	5,065,226	5,269,521	-	5,281,009	-
9/30/2006	4,475,977	5,387,196	-	5,442,634	-
6/30/2006	4,684,874	4,991,264	-	4,991,264	-
3/31/2006	4,748,981	5,159,147	-	5,138,310	-

B. Risk Sharing Receivables

Not applicable at December 31, 2008 and 2007.

28. Participating Policies

Not applicable at December 31, 2008 and 2007.

29. Premium Deficiency Reserves

The Company did not record premium deficiency reserves at December 31, 2008 and 2007.

30. Anticipated Salvage and Subrogation

The Company took into account estimated anticipated subrogation and other recoveries in its determination of the liability for unpaid claims and reduced such liability by \$1,556,000 and \$2,559,000 at December 31, 2008 and 2007, respectively.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State regulating? Maine
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change: N/A
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2006
- 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. 12/31/2006
- 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). 02/15/2008
- 3.4 By what department or departments? State of Maine Bureau 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 [X] No [] N/A []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No [X]
- 4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No [X]
- 4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Co. Code | 3
State of Domicile |
|---------------------|--------------------|------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
-
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
-
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No []
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
OTS | 6
FDIC | 7
SEC |
|----------------------|-----------------------------|----------|----------|----------|-----------|----------|
| ARCUS Financial Bank | Salt Lake City, Utah | | | | YES | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP, 225 Asylum Street, Hartford, Connecticut 06103
-
10. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Cheryl Gladieux Allari, FSA, MAAA, Vice President and Valuation Actuary for WellPoint, Inc., 4361 Irwin Simpson Road, Mason, Ohio 45040, officer/employee
-
- 11.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 11.11 Name of real estate holding company
-
- 11.12 Number of parcels involved
- 11.13 Total book/adjusted carrying value
- 11.2 If yes, provide explanation.
-

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

12. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 12.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
General Interrogatory 12 is not applicable.
-
- 12.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 12.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 12.4 If answer to (12.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
-
- 13.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 13.11 If the response to 13.1 is No, please explain:

-
- 13.2 Has the code of ethics for senior managers been amended? Yes [X] No []
- 13.21 If the response to 13.2 is Yes, provide information related to amendment(s).
All WellPoint, Inc. (the Company's ultimate parent) associates, including senior management, are bound by the WellPoint Standards of Ethical Business Conduct (the "Code"). Annually, the Ethics and Compliance Department reviews the Code for new topics, changes in policies and/or new policies. Any changes that are ultimately made to the Code during the annual review process must be approved by senior management, the Audit Committee and the WellPoint Board of Directors. The Code was revised in March of 2008 to include the following major enhancements: 1) Letter from President and CEO updated, 2) "Foreign Corrupt Practices Act" section added, and 3) Human resources policies section "Our Work Environment" updated to match language in Human Resources policy revisions.
-
- 13.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 13.31 If the response to 13.3 is yes, provide the nature of any waiver(s).

BOARD OF DIRECTORS

14. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []
15. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []
16. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

17. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 18.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.11 To directors or other officers \$.....0
 - 18.12 To stockholders not officers \$.....0
 - 18.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 18.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 18.21 To directors or other officers \$.....0
 - 18.22 To stockholders not officers \$.....0
 - 18.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 19.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 19.2 If yes, state the amount thereof at December 31 of the current year:
- 19.21 Rented from others
 - 19.22 Borrowed from others
 - 19.23 Leased from others
 - 19.24 Other
- 20.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []
- 20.2 If answer is yes:
- 20.21 Amount paid as losses or risk adjustment \$.....0
 - 20.22 Amount paid as expenses \$.....0
 - 20.23 Other amounts paid \$.....14,695,886
- 21.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 21.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....0

INVESTMENT

- 22.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 22.3)? Yes [] No [X]
- 22.2 If no, give full and complete information relating thereto.
The Company has securities on deposit with the Maine Bureau of Insurance.
-
- 22.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 16 where this information is also provided).
Not applicable.
-
- 22.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No []
- 22.5 If answer to 22.4 is yes, report amount of collateral.
- 22.6 If answer to 22.4 is no, report amount of collateral.
-
- 23.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 19.1 and 22.3) Yes [X] No []

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

- 23.2 If yes, state the amount thereof at December 31 of the current year:
- | | |
|--|----------------|
| 23.21 Subject to repurchase agreements | \$.....0 |
| 23.22 Subject to reverse repurchase agreements | \$.....0 |
| 23.23 Subject to dollar repurchase agreements | \$.....0 |
| 23.24 Subject to reverse dollar repurchase agreements | \$.....0 |
| 23.25 Pledged as collateral | \$.....0 |
| 23.26 Placed under option agreements | \$.....0 |
| 23.27 Letter stock or securities restricted as to sale | \$.....0 |
| 23.28 On deposit with state or other regulatory body | \$.....732,855 |
| 23.29 Other | \$.....0 |

23.3 For category (23.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 24.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 24.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

- 25.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 25.2 If yes, state the amount thereof at December 31 of the current year:

26. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon Corporation	New York, NY

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

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

26.03 Have there been any changes, including name changes, in the custodian(s) identified in 26.01 during the current year? Yes [] No [X]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
105958	Vanguard Group	Malvern, PA
107423	Conning Asset Management Company	Hartford, CT

27.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [X] No []

27.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj. Carrying Value
922020 10 2	Vanguard Asset Allocation Fund	19,010
27.2999. TOTAL		19,010

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

1 Name of Mutual Fund (from the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	4 Date of Valuation
Vanguard Asset Allocation Fund	Exxon Mobil Corporation	601	12/31/2008
Vanguard Asset Allocation Fund	General Electric Company	378	12/31/2008
Vanguard Asset Allocation Fund	Procter & Gamble Company	315	12/31/2008
Vanguard Asset Allocation Fund	Microsoft Corporation	312	12/31/2008
Vanguard Asset Allocation Fund	Johnson & Johnson	288	12/31/2008

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
28.1 Bonds.....	197,640,756	194,576,133	(3,064,623)
28.2 Preferred stocks.....			0
28.3 Totals.....	197,640,756	194,576,133	(3,064,623)

28.4 Describe the sources or methods utilized in determining the fair values:

Fair values were obtained from various third-party pricing sources. If a security was not priced by a third-party pricing source, internal analytical systems or broker quotes were utilized.

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

29.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

OTHER

30.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....527,414

30.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Maine Health Data Organization	338,643
Blue Cross Blue Shield Association	171,370

31.1 Amount of payments for legal expenses, if any? \$.....861,453

31.2 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 Name	2 Amount Paid
Pierce Atwood	376,741

32.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....27,064

32.2 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 Name	2 Amount Paid
James F. Mitchell Co., LLC	21,000

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [X] No []
- 1.2 If yes, indicate earned on U.S. business only \$.....62,584,795
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$.....0
- 1.31 Reason for excluding

- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$.....0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$.....50,253,095
- 1.6 Individual policies:
 - Most current three years:
 - 1.61 Total premium earned \$.....6,109,831
 - 1.62 Total incurred claims \$.....4,326,799
 - 1.63 Number of covered lives3,806
 - All years prior to most current three years:
 - 1.64 Total premium earned \$.....53,412,199
 - 1.65 Total incurred claims \$.....43,563,917
 - 1.66 Number of covered lives24,972
- 1.7 Group policies:
 - Most current three years:
 - 1.71 Total premium earned \$.....575,905
 - 1.72 Total incurred claims \$.....381,432
 - 1.73 Number of covered lives440
 - All years prior to most current three years:
 - 1.74 Total premium earned \$.....2,486,860
 - 1.75 Total incurred claims \$.....1,980,947
 - 1.76 Number of covered lives1,457

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	1,020,411,223	1,047,524,318
2.2 Premium Denominator.....	1,020,411,223	1,047,524,318
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	128,864,254	129,589,589
2.5 Reserve Denominator.....	128,864,254	129,589,589
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

- 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, 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 [X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
- 5.2 If no, explain:
WellPoint, Inc. has financial reserves available to cover catastrophic losses. Also, see response to question 6, below.

- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive medical \$.....0
 - 5.32 Medical only \$.....0
 - 5.33 Medicare supplement \$.....0
 - 5.34 Dental and vision \$.....0
 - 5.35 Other limited benefit plan \$.....0
 - 5.36 Other \$.....0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
 Effective July 1, 2000, the Company entered into an Insolvency Reinsurance Agreement with Anthem Insurance Companies, Inc. ("AICI"), whereby AICI reinsures certain liabilities in the event of the Company's insolvency, in accordance with Condition 11 of the Decision and Order of the Maine Superintendent of Insurance dated May 25, 2000. The majority of provider and professional contracts include Hold Harmless provisions.

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date base? 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 year3,545
 - 8.2 Number of providers at end of reporting year3,635
- 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
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts? Yes [X] No []
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses \$.....0
 - 10.22 Amount actually paid for year bonuses \$.....0
 - 10.23 Maximum amount payable withholds \$.....44,755
 - 10.24 Amount actually paid for year withholds \$.....0

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

- 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 Minimum Net Worth Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such net worth. Maine
- 11.4 If yes, show the amount required. \$.....71,714,203
- 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:
250% of Health Risk-Based Capital Authorized Control Level (250% x \$28,685,681 = \$71,714,203)

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

1 Name of Service Area
State of Maine

FIVE-YEAR HISTORICAL DATA

	1 2008	2 2007	3 2006	4 2005	5 2004
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 26).....	451,133,112	457,797,051	541,694,600	458,858,590	417,167,203
2. Total liabilities (Page 3, Line 22).....	223,160,550	205,738,473	326,399,081	244,097,797	239,980,315
3. Statutory surplus.....	71,714,203	69,798,778	50,018,628	51,047,310	51,968,175
4. Total capital and surplus (Page 3, Line 31).....	227,972,562	252,058,578	215,295,519	214,760,793	177,186,888
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	997,281,173	1,075,899,931	1,066,876,525	1,003,446,098	901,944,887
6. Total medical and hospital expenses (Line 18).....	863,377,013	919,672,902	931,155,221	862,727,113	757,104,775
7. Claims adjustment expenses (Line 20).....	28,384,143	29,927,039	39,369,902	44,064,379	45,053,247
8. Total administrative expenses (Line 21).....	40,359,726	42,296,114	53,824,080	57,242,459	54,291,434
9. Net underwriting gain (loss) (Line 24).....	65,180,417	84,003,876	42,527,322	39,412,147	45,817,620
10. Net investment gain (loss) (Line 27).....	9,531,051	16,896,752	17,406,412	15,877,340	14,168,863
11. Total other income (Lines 28 plus 29).....			422,242	97,767	32,624
12. Net income or (loss) (Line 32).....	47,726,667	75,718,432	40,433,132	35,642,339	40,017,109
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	93,950,602	12,214,665	16,914,380	52,911,662	82,620,516
Risk-Based Capital Analysis					
14. Total adjusted capital.....	227,972,562	252,058,578	215,295,519	214,760,793	177,186,888
15. Authorized control level risk-based capital.....	28,685,681	27,919,511	22,933,421	20,418,924	20,787,270
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	271,472	300,096	320,618	323,540	309,409
17. Total member months (Column 6, Line 7).....	3,363,574	3,703,104	3,837,344	3,946,658	3,616,119
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	86.6	100.0	100.0	100.0	100.0
20. Cost containment expenses.....	1.2	1.2	0.9	1.6	1.4
21. Other claims adjustment expenses.....	1.7	1.6	2.8	2.8	3.6
22. Total underwriting deductions (Line 23).....	93.5	92.2	96.0	96.1	94.9
23. Total underwriting gain (loss) (Line 24).....	6.5	7.8	4.0	3.9	5.1
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	79,202,003	78,703,980	93,296,243	89,454,666	85,724,774
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	88,208,434	93,523,130	103,064,832	105,729,631	98,390,898
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 25, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 53, Col. 1).....	7,828,551	7,886,833	7,551,772	6,545,410	6,666,329
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	7,828,551	7,886,833	7,551,772	6,545,410	6,666,329

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1	Direct Business Only							8	9
		2	3	4	5	6	7	Total Columns 2 Through 7		
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Other Considerations	Property/Casualty Premiums		Deposit-Type Contracts	
1. Alabama.....	AL	.N						0		
2. Alaska.....	AK	.N						0		
3. Arizona.....	AZ	.N						0		
4. Arkansas.....	AR	.N						0		
5. California.....	CA	.N						0		
6. Colorado.....	CO	.N						0		
7. Connecticut.....	CT	.N						0		
8. Delaware.....	DE	.N						0		
9. District of Columbia.....	DC	.N						0		
10. Florida.....	FL	.N						0		
11. Georgia.....	GA	.N						0		
12. Hawaii.....	HI	.N						0		
13. Idaho.....	ID	.N						0		
14. Illinois.....	IL	.N						0		
15. Indiana.....	IN	.N						0		
16. Iowa.....	IA	.N						0		
17. Kansas.....	KS	.N						0		
18. Kentucky.....	KY	.N						0		
19. Louisiana.....	LA	.N						0		
20. Maine.....	ME	L	873,420,958		152,509,566			1,025,930,524		
21. Maryland.....	MD	.N						0		
22. Massachusetts.....	MA	.N						0		
23. Michigan.....	MI	.N						0		
24. Minnesota.....	MN	.N						0		
25. Mississippi.....	MS	.N						0		
26. Missouri.....	MO	.N						0		
27. Montana.....	MT	.N						0		
28. Nebraska.....	NE	.N						0		
29. Nevada.....	NV	.N						0		
30. New Hampshire.....	NH	.N						0		
31. New Jersey.....	NJ	.N						0		
32. New Mexico.....	NM	.N						0		
33. New York.....	NY	.N						0		
34. North Carolina.....	NC	.N						0		
35. North Dakota.....	ND	.N						0		
36. Ohio.....	OH	.N						0		
37. Oklahoma.....	OK	.N						0		
38. Oregon.....	OR	.N						0		
39. Pennsylvania.....	PA	.N						0		
40. Rhode Island.....	RI	.N						0		
41. South Carolina.....	SC	.N						0		
42. South Dakota.....	SD	.N						0		
43. Tennessee.....	TN	.N						0		
44. Texas.....	TX	.N						0		
45. Utah.....	UT	.N						0		
46. Vermont.....	VT	.N						0		
47. Virginia.....	VA	.N						0		
48. Washington.....	WA	.N						0		
49. West Virginia.....	WV	.N						0		
50. Wisconsin.....	WI	.N						0		
51. Wyoming.....	WY	.N						0		
52. American Samoa.....	AS	.N						0		
53. Guam.....	GU	.N						0		
54. Puerto Rico.....	PR	.N						0		
55. U.S. Virgin Islands.....	VI	.N						0		
56. Northern Mariana Islands.....	MP	.N						0		
57. Canada.....	CN	.N						0		
58. Aggregate Other alien.....	OT	.XXX	0	0	0	0	0	0	0	
59. Subtotal.....	.XXX		873,420,958	0	152,509,566	0	0	1,025,930,524	0	
60. Reporting entity contributions for Employee Benefit Plans.....	.XXX							0		
61. Total (Direct Business).....	(a)	1	873,420,958	0	152,509,566	0	0	1,025,930,524	0	

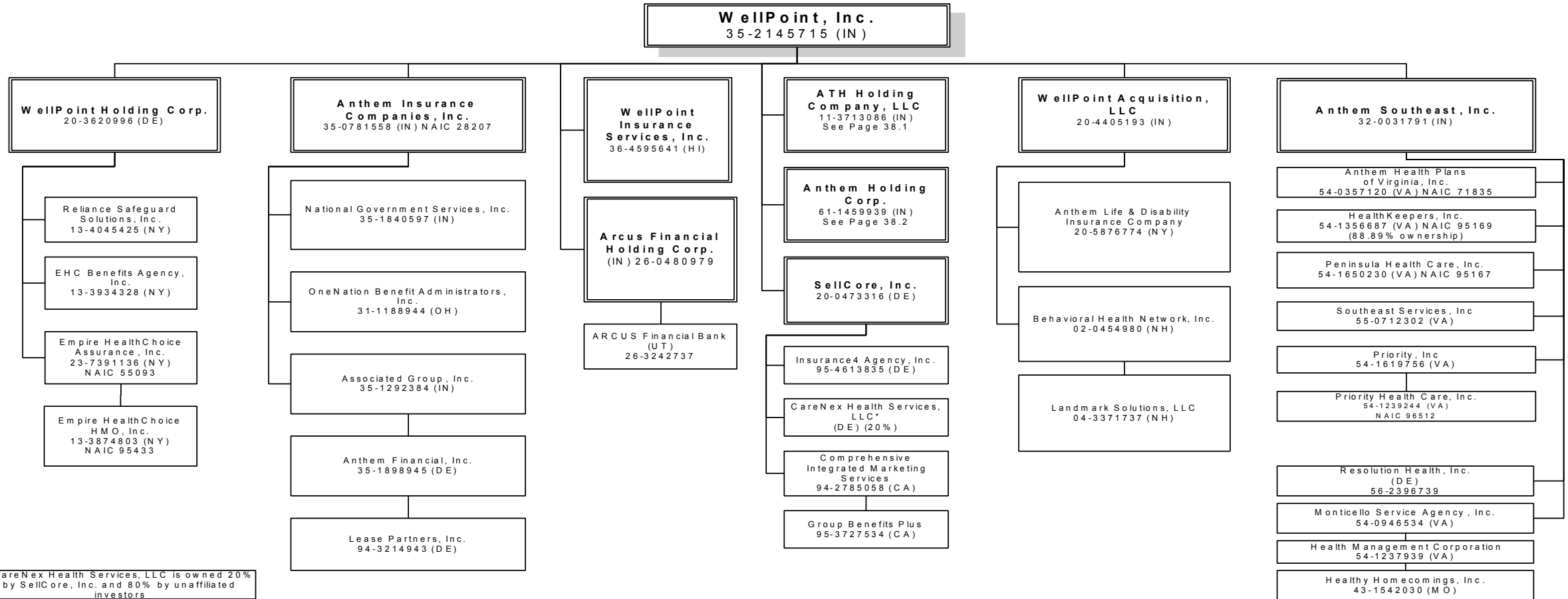
DETAILS OF WRITE-INS

5801.								0	
5802.								0	
5803.								0	
5898. Summary of remaining write-ins for line 58.....			0	0	0	0	0	0	0
5899. Total (Lines 5801 thru 5803 + 5898) (Line 58 above).....			0	0	0	0	0	0	0

Explanation of basis of allocation by states, premiums by state, etc.

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

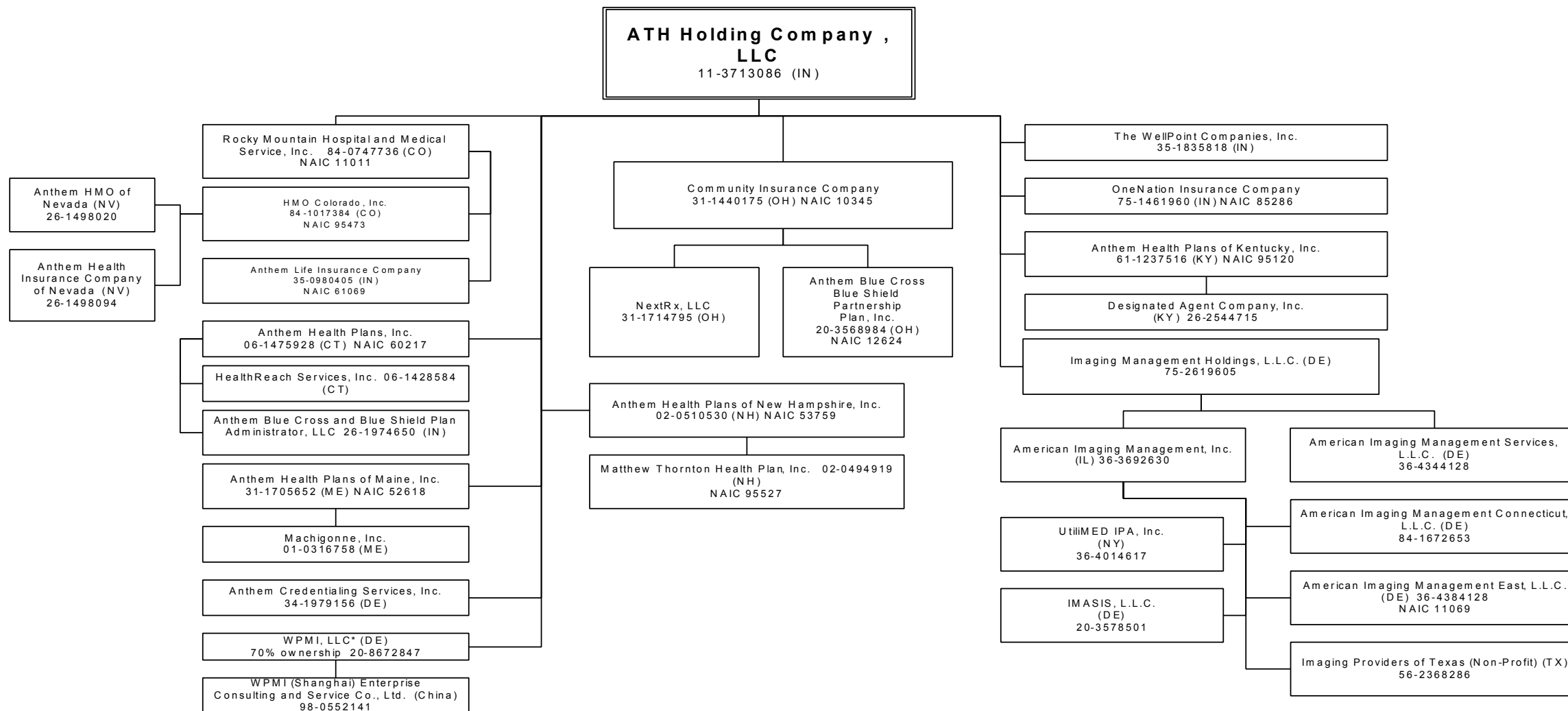
SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

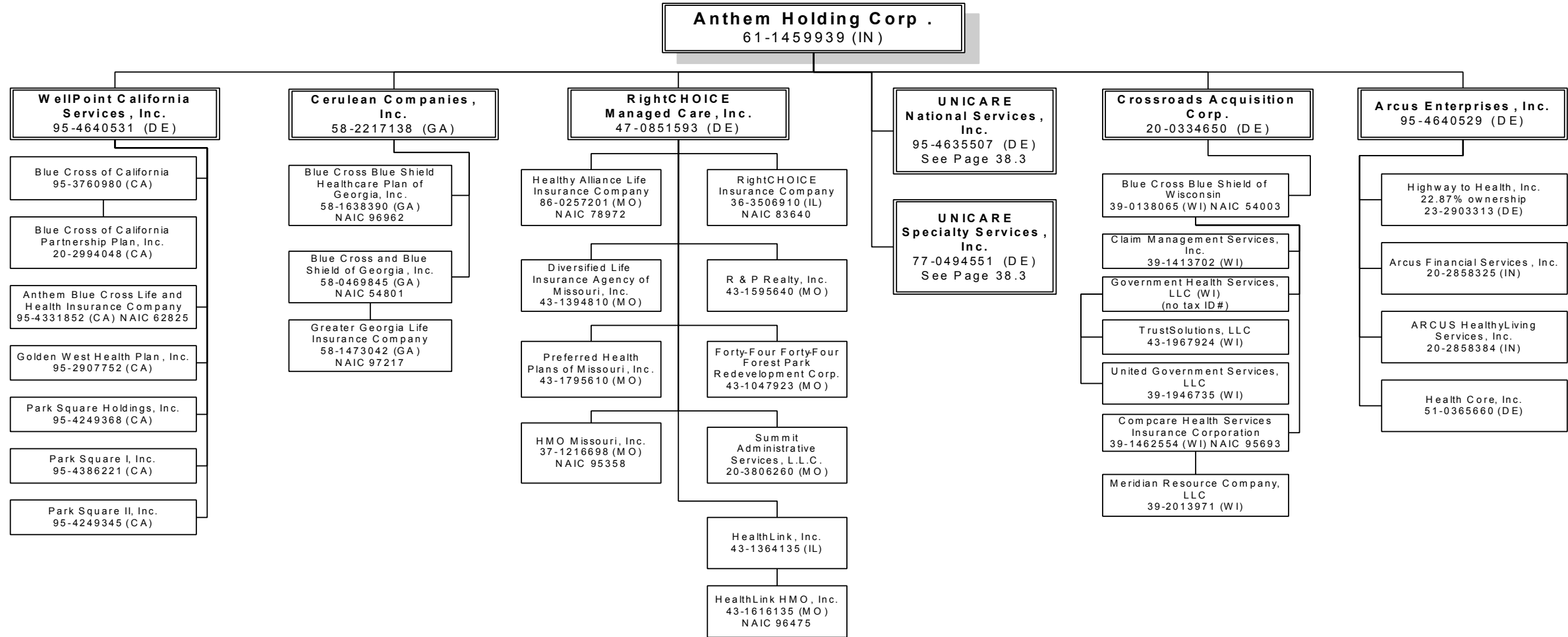
38.1



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

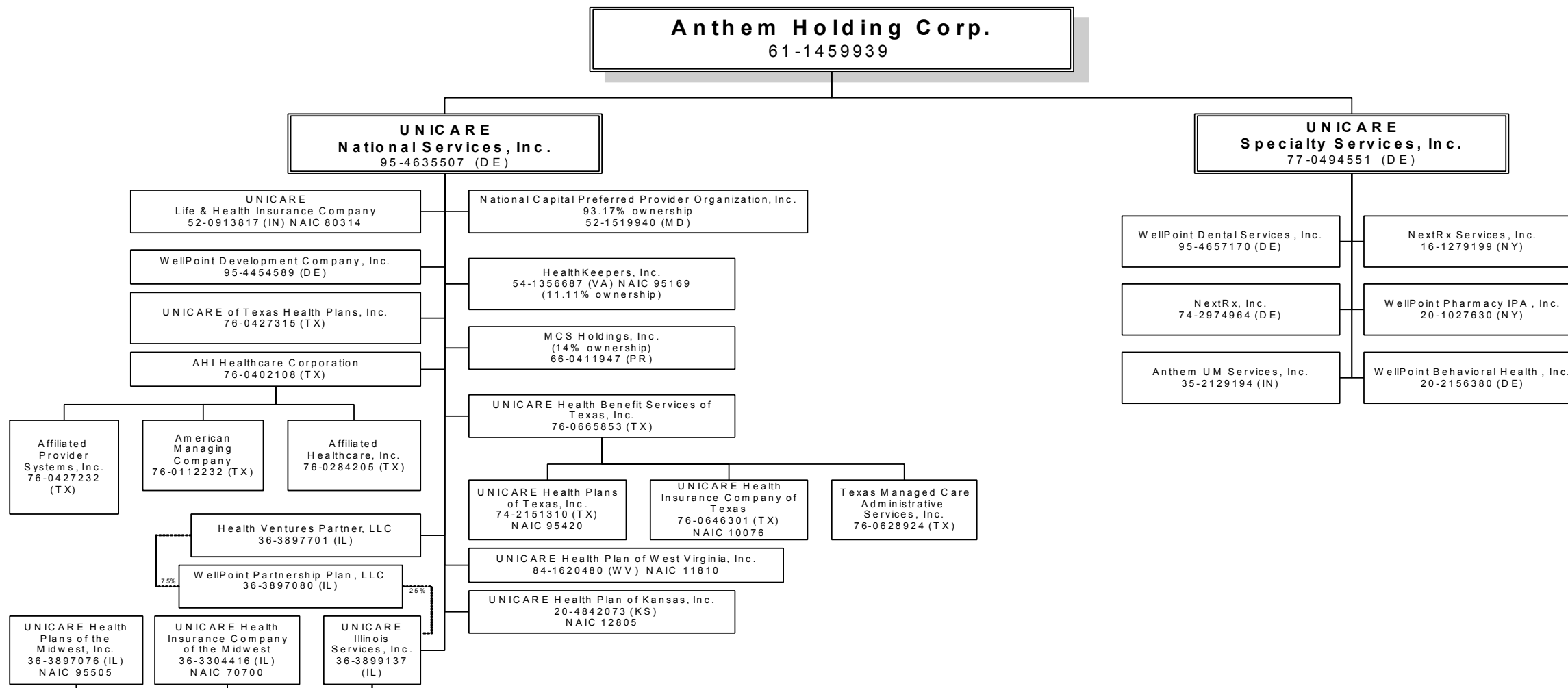
38.2



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

38.3



**2008 ALPHABETICAL INDEX
HEALTH ANNUAL STATEMENT BLANK**

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Certificate of Deposit		Schedule DB – Part A – Section 3	E19
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