



ANNUAL STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2010
 OF THE CONDITION AND AFFAIRS OF THE

Humana Health Plan, Inc.

NAIC Group Code 0119 , 0119 NAIC Company Code 95885 Employer's ID Number 61-1013183
(Current Period) (Prior Period)

Organized under the Laws of Kentucky , State of Domicile or Port of Entry Kentucky

Country of Domicile United States

Licensed as business type: Life, Accident & Health [] Property/Casualty [] Hospital, Medical & Dental Service or Indemnity []
 Dental Service Corporation [] Vision Service Corporation [] Health Maintenance Organization [X]
 Other [] Is HMO, Federally Qualified? Yes [X] No []

Incorporated/Organized 08/23/1982 Commenced Business 09/23/1983

Statutory Home Office 321 West Main Street - 12th Floor , Louisville, KY 40202
(Street and Number) (City, State and Zip Code)

Main Administrative Office 321 West Main Street - 12th Floor
(Street and Number)
Louisville, KY 40202 502-580-1000
(City, State and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 740036 , Louisville, KY 40201-7436
(Street and Number or P.O. Box) (City, State and Zip Code)

Primary Location of Books and Records 321 West Main Street - 12th Floor
(Street and Number)
Louisville, KY 40202 502-580-1000
(City, State and Zip Code) (Area Code) (Telephone Number) (Extension)

Internet Web Site Address www.humana.com

Statutory Statement Contact Abby Goodloe , 502-580-1632
(Name) (Area Code) (Telephone Number) (Extension)
DOIINQUIRIES@humana.com 502-580-2099
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
<u>Michael Benedict McCallister</u>	<u>President & CEO</u>	<u>Joan Olliges Lenahan</u>	<u>VP & Corporate Secretary</u>
<u>James Harry Bloem</u>	<u>Sr. VP, CFO & Treasurer</u>	<u>Frank Murray Amrine</u>	<u>Appointed Actuary</u>

OTHER OFFICERS

<u>Randa Lynn Anderson-Stice</u>	<u>Reg.Pres. - Sr. Prod/Central Reg.</u>	<u>George Grant Bauernfeind</u>	<u>Vice President</u>
<u>Jeffrey Bergin Bringardner</u>	<u>Market President - Kentucky</u>	<u>John Ellis Brown</u>	<u>VP - Medicare Service Operations</u>
<u>John Gregory Catron</u>	<u>Vice President</u>	<u>Denise Louise Christy</u>	<u>Market President - MI/IN</u>
<u>Peter James Edwards</u>	<u>VP & Div. Leader - Eastern Div.</u>	<u>Mark Sobhi El-Tawil</u>	<u>Reg. CEO/West Region</u>
<u>Mark Jason Fehring</u>	<u>Regional VP - Finance</u>	<u>Roy Goldman Ph.D</u>	<u>VP & Chief Actuary</u>
<u>Gary Edward Goldstein M.D.</u>	<u>VP & Div. Leader - Central Div.</u>	<u>Deborah Ann Gracey</u>	<u>Reg.Pres.-Sr.Prod.-North Region</u>
<u>Robert Todd Hitchcock</u>	<u>VP & Div. Leader - Western Div.</u>	<u>Morris Curt Howell</u>	<u>Market President-NV/AZ/UT</u>
<u>Paul Francis Kraemer</u>	<u>Regional CEO - East Region</u>	<u>Charles Frederic Lambert III</u>	<u>Vice President</u>
<u>Thomas Joseph Liston</u>	<u>Sr. Vice President - Sr. Prod.</u>	<u>Clarence Evans Looney</u>	<u>Market President - Tennessee</u>
<u>Kenneth Scott Malcolmson</u>	<u>Regional CEO</u>	<u>Heidi Suzanne Margulis</u>	<u>Sr. Vice President</u>
<u>Kevin Ross Meriwether</u>	<u>Reg. President - Sr. Prod/East</u>	<u>Khalid Nazir</u>	<u>Vice President</u>
<u>Daniel Joseph Oftedahl</u>	<u>Market President - Colorado</u>	<u>George Renaudin</u>	<u>VP & Div. Leader - Southern Div.</u>
<u>David Thomas Reynolds #</u>	<u>Market President - Illinois</u>	<u>Oraida Maria Roman</u>	<u>RegPresSrProd/IntermountainReg</u>
<u>Larry Dale Savage</u>	<u>Regional CEO</u>	<u>Debra Anne Smith</u>	<u>Reg.Pres.-Sr.Prod/West Coast Reg.</u>
<u>William Joseph Tait</u>	<u>Vice President</u>	<u>Joseph Christopher Ventura</u>	<u>Assistant Secretary</u>
<u>Melissa Louise Weaver M.D.</u>	<u>Vice President</u>	<u>Timothy Alan Wheatley</u>	<u>VP - Sr. Products/Finance</u>
<u>Ralph Martin Wilson</u>	<u>Vice President</u>		

DIRECTORS OR TRUSTEES

<u>Michael Benedict McCallister</u>	<u>James Elmer Murray</u>	<u>Melissa Louise Weaver M.D.</u>
-------------------------------------	---------------------------	-----------------------------------

State ofKentucky.....

ss

County ofJefferson.....

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.

Michael Benedict McCallister
President & CEO

Joan Olliges Lenahan
VP & Corporate Secretary

James Harry Bloem
Sr. VP, CFO & Treasurer

Subscribed and sworn to before me this
23rd day of February, 2011

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

Myra Carpenter Notary Public
August 9, 2013

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	344,415,993	0	344,415,993	156,905,495
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	27,886,723	0	27,886,723	26,798,974
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	27,600,000	0	27,600,000	27,600,000
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$0 encumbrances).....	0	0	0	0
4.2 Properties held for the production of income (less \$0 encumbrances)	17,264	0	17,264	121,387
4.3 Properties held for sale (less \$0 encumbrances)	0	0	0	0
5. Cash (\$(15,820,249) , Schedule E-Part 1), cash equivalents (\$14,999,980 , Schedule E-Part 2) and short-term investments (\$9,584,640 , Schedule DA).....	8,764,371	0	8,764,371	134,666,358
6. Contract loans (including \$premium notes)	0	0	0	0
7. Derivatives	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets.....	884,486	0	884,486	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	409,568,837	0	409,568,837	346,092,214
13. Title plants less \$charged off (for Title insurers only).....	0	0	0	0
14. Investment income due and accrued	3,078,853	0	3,078,853	1,620,053
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	42,584,064	778,008	41,806,056	11,689,341
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums).....	0	0	0	0
15.3 Accrued retrospective premiums.....	13,979,793	0	13,979,793	12,584,048
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	15,868,149	211,639	15,656,510	8,105,406
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset.....	59,542,536	48,611,650	10,930,886	11,740,306
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software.....	360,336	28,427	331,909	489,166
21. Furniture and equipment, including health care delivery assets (\$0)	1,935,963	1,935,963	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	3,724,408	0	3,724,408	7,512,841
24. Health care (\$6,145,560) and other amounts receivable.....	10,830,735	0	10,830,735	5,594,208
25. Aggregate write-ins for other than invested assets	138,670,219	138,670,219	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	700,143,893	190,235,906	509,907,987	405,427,583
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0	0
28. Total (Lines 26 and 27)	700,143,893	190,235,906	509,907,987	405,427,583
DETAILS OF WRITE-INS				
1101.	0	0	0	0
1102.	0	0	0	0
1103.	0	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Intangible Asset Related to Acquired Membership.....	135,799,566	135,799,566	0	0
2502. Prepaid Commissions.....	2,343,695	2,343,695	0	0
2503. Prepaid Expenses.....	483,252	483,252	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	43,706	43,706	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	138,670,219	138,670,219	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$570 reinsurance ceded)	150,521,219	8,222,567	158,743,786	152,850,096
2. Accrued medical incentive pool and bonus amounts	1,156,141		1,156,141	1,987,544
3. Unpaid claims adjustment expenses	1,960,387		1,960,387	2,827,095
4. Aggregate health policy reserves	17,170,692		17,170,692	27,960,947
5. Aggregate life policy reserves	0		0	0
6. Property/casualty unearned premium reserves	0		0	0
7. Aggregate health claim reserves	205,760	11,240	217,000	627,000
8. Premiums received in advance	13,024,706		13,024,706	17,888,474
9. General expenses due or accrued	12,618,275		12,618,275	10,098,459
10.1 Current federal and foreign income tax payable and interest thereon (including \$(53,677) on realized capital gains (losses))	14,981,855		14,981,855	0
10.2 Net deferred tax liability	0		0	0
11. Ceded reinsurance premiums payable	158,032		158,032	0
12. Amounts withheld or retained for the account of others	0		0	0
13. Remittances and items not allocated	0		0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	0		0	0
15. Amounts due to parent, subsidiaries and affiliates	0		0	0
16. Derivatives	0		0	0
17. Payable for securities	0		0	0
18. Payable for securities lending	1,499,754		1,499,754	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)	0		0	0
20. Reinsurance in unauthorized companies	0		0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0		0	0
22. Liability for amounts held under uninsured plans	7,495,184	0	7,495,184	8,999,147
23. Aggregate write-ins for other liabilities (including \$ current)	331	0	331	6,573,807
24. Total liabilities (Lines 1 to 23)	220,792,336	8,233,807	229,026,143	229,812,569
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	2,248,000	2,248,000
27. Preferred capital stock	XXX	XXX	0	0
28. Gross paid in and contributed surplus	XXX	XXX	416,255,377	414,118,594
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(137,621,533)	(240,751,580)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX	0	0
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	280,881,844	175,615,014
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	509,907,987	405,427,583
DETAILS OF WRITE-INS				
2301. Medicare Risk Adjustment Payable	331		331	2,885,590
2302. Miscellaneous Liability	0		0	3,688,217
2303.			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	331	0	331	6,573,807
2501.	XXX	XXX	0	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	4,661,923	4,688,908
2. Net premium income (including \$0 non-health premium income).....	XXX	1,966,534,552	1,767,233,548
3. Change in unearned premium reserves and reserve for rate credits	XXX	(9,090)	(19,089)
4. Fee-for-service (net of \$ medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	1,966,525,462	1,767,214,459
Hospital and Medical:			
9. Hospital/medical benefits	78,870,949	1,434,718,024	1,336,079,607
10. Other professional services		16,894,332	30,723,282
11. Outside referrals		0	0
12. Emergency room and out-of-area	4,394,211	46,797,308	41,973,734
13. Prescription drugs		208,381,522	185,191,073
14. Aggregate write-ins for other hospital and medical	0	4,162	0
15. Incentive pool, withhold adjustments and bonus amounts.....		270,980	1,768,284
16. Subtotal (Lines 9 to 15)	83,265,160	1,707,066,328	1,595,735,980
Less:			
17. Net reinsurance recoveries		85,210,536	81,515,627
18. Total hospital and medical (Lines 16 minus 17)	83,265,160	1,621,855,792	1,514,220,353
19. Non-health claims (net).....		0	0
20. Claims adjustment expenses, including \$50,206,865 cost containment expenses.....		62,755,032	36,956,531
21. General administrative expenses.....		251,823,102	219,225,645
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only).....		(14,426,329)	(3,404,454)
23. Total underwriting deductions (Lines 18 through 22)	83,265,160	1,922,007,597	1,766,998,075
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	44,517,865	216,384
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		10,398,490	10,411,095
26. Net realized capital gains (losses) less capital gains tax of \$(53,677)		(99,685)	(806,402)
27. Net investment gains (losses) (Lines 25 plus 26)	0	10,298,805	9,604,693
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		0	0
29. Aggregate write-ins for other income or expenses	0	12,712	(18,287,474)
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	54,829,382	(8,466,397)
31. Federal and foreign income taxes incurred	XXX	24,407,585	435,589
32. Net income (loss) (Lines 30 minus 31)	XXX	30,421,797	(8,901,986)
DETAILS OF WRITE-INS			
0601.	XXX	0	0
0602.	XXX	0	0
0603.	XXX	0	0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX	0	0
0702.	XXX	0	0
0703.	XXX	0	0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Other Medical Expense.....		4,162	0
1402.		0	0
1403.		0	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)	0	4,162	0
2901. Miscellaneous Income.....		12,712	234,331
2902. Amortization Expense.....		0	(18,521,805)
2903.		0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	12,712	(18,287,474)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	175,615,014	177,268,531
34. Net income or (loss) from Line 32	30,421,797	(8,901,986)
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ 1,021,426	2,222,446	1,717,339
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	(25,964,407)	(33,560,812)
39. Change in nonadmitted assets	44,353,367	51,466,812
40. Change in unauthorized reinsurance	0	0
41. Change in treasury stock	0	0
42. Change in surplus notes	0	0
43. Cumulative effect of changes in accounting principles	0	0
44. Capital Changes:		
44.1 Paid in	0	0
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus	0	0
45. Surplus adjustments:		
45.1 Paid in	2,136,783	0
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	52,096,844	(12,374,870)
48. Net change in capital & surplus (Lines 34 to 47)	105,266,830	(1,653,517)
49. Capital and surplus end of reporting year (Line 33 plus 48)	280,881,844	175,615,014
DETAILS OF WRITE-INS		
4701. Correction of prior period error.....	52,064,088	(12,374,870)
4702. Valuation Allowance for Securities Lending.....	20,756	0
4703.	0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	52,084,844	(12,374,870)

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance.....	1,915,947,612	1,772,069,395
2. Net investment income.....	11,935,073	12,246,776
3. Miscellaneous income.....	0	0
4. Total (Lines 1 through 3).....	1,927,882,685	1,784,316,171
5. Benefit and loss related payments.....	1,666,398,916	1,541,756,529
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions.....	258,339,368	229,254,312
8. Dividends paid to policyholders.....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ (53,677) tax on capital gains (losses)	9,372,053	1,373
10. Total (Lines 5 through 9).....	1,934,110,337	1,771,012,214
11. Net cash from operations (Line 4 minus Line 10).....	(6,227,652)	13,303,957
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	88,777,562	149,369,935
12.2 Stocks.....	0	13,166,644
12.3 Mortgage loans.....	0	0
12.4 Real estate.....	0	0
12.5 Other invested assets.....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....	(4,604)	(969)
12.7 Miscellaneous proceeds.....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	88,772,958	162,535,610
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	279,214,806	75,340,812
13.2 Stocks.....	0	0
13.3 Mortgage loans.....	0	0
13.4 Real estate.....	0	0
13.5 Other invested assets.....	0	0
13.6 Miscellaneous applications.....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6).....	279,214,806	75,340,812
14. Net increase (decrease) in contract loans and premium notes.....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14).....	(190,441,848)	87,194,798
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds.....	2,136,783	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....	0	0
16.5 Dividends to stockholders.....	0	12,374,870
16.6 Other cash provided (applied).....	68,630,730	27,538,136
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	70,767,513	15,163,266
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(125,901,987)	115,662,021
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	134,666,358	19,004,337
19.2 End of year (Line 18 plus Line 19.1).....	8,764,371	134,666,358

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,966,534,552	727,113,050	0	1,635,379	303,088	126,463,031	1,111,020,004	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	(9,090)	(9,090)								
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	1,966,525,462	727,103,960	0	1,635,379	303,088	126,463,031	1,111,020,004	0	0	0
8. Hospital/medical benefits	1,434,718,024	516,328,756	6,100	848,846	248,599	89,856,291	827,429,432	0	0	XXX
9. Other professional services	16,894,332	9,400,102				851,975	6,642,255			XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	46,797,308	35,079,029					11,718,279		0	XXX
12. Prescription drugs	208,381,522	111,492,836				15,734,527	81,154,159		0	XXX
13. Aggregate write-ins for other hospital and medical	4,162	4,162	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	270,980	151					270,829			XXX
15. Subtotal (Lines 8 to 14)	1,707,066,328	672,305,036	6,100	848,846	248,599	106,442,793	927,214,954	0	0	XXX
16. Net reinsurance recoveries	85,210,536	82,551,917	6,100			2,652,519				XXX
17. Total hospital and medical (Lines 15 minus 16)	1,621,855,792	589,753,119	0	848,846	248,599	103,790,274	927,214,954	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 50,206,865 cost containment expenses	62,755,032	29,488,822		42,142	7,728	3,412,588	29,803,752			
20. General administrative expenses	251,823,102	118,631,587		456,648	79,864	18,624,809	96,754,596		17,275,598	
21. Increase in reserves for accident and health contracts	(14,426,329)	(14,066,329)					(360,000)			XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	1,922,007,597	723,807,199	0	1,347,636	336,191	125,827,671	1,053,413,302	0	17,275,598	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	44,517,865	3,296,761	0	287,743	(33,103)	635,360	57,606,702	0	(17,275,598)	0
DETAILS OF WRITE-INS										
0501.	0									XXX
0502.	0									XXX
0503.	0									XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. Virgin Life Care Health Miles	4,162	4,162								XXX
1302.	0									XXX
1303.	0									XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	4,162	4,162	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical)	834,807,492		107,694,442	727,113,050
2. Medicare Supplement	8,088		8,088	.0
3. Dental only.....	1,635,379			1,635,379
4. Vision only.....	303,088			303,088
5. Federal Employees Health Benefits Plan	129,454,188		2,991,157	126,463,031
6. Title XVIII - Medicare	1,111,020,004			1,111,020,004
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8)	2,077,228,239	.0	110,693,687	1,966,534,552
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	2,077,228,239	0	110,693,687	1,966,534,552

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & 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	1,710,808,717	680,269,383	6,098	802,082	248,599	106,408,483	923,074,072			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	94,707,594	91,748,390	6,098			2,953,106				
1.4 Net	1,616,101,123	588,520,993	0	802,082	248,599	103,455,377	923,074,072	0	0	0
2. Paid medical incentive pools and bonuses	1,102,383	33,450					1,068,933			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	158,744,356	65,569,841	570	46,764	0	10,003,071	83,124,110	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	570	0	570	0	0	0	0	0	0	0
3.4 Net	158,743,786	65,569,841	0	46,764	0	10,003,071	83,124,110	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	217,000	180,000				37,000				
4.2 Reinsurance assumed	0	0								
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	217,000	180,000	0	0	0	37,000	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	1,156,141	906					1,155,235			
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	162,251,724	73,303,440	568	0	0	9,956,160	78,991,556	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	9,401,628	9,103,511	568	0	0	297,549	0	0	0	0
8.4 Net	152,850,096	64,199,929	0	0	0	9,658,611	78,991,556	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	723,000	410,899	0	0	0	49,601	262,500	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	96,000	92,962	0	0	0	3,038	0	0	0	0
9.4 Net	627,000	317,937	0	0	0	46,563	262,500	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	1,987,544	34,205	0	0	0	0	1,953,339	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	1,706,795,349	672,304,885	6,100	848,846	248,599	106,442,793	926,944,126	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	85,210,536	82,551,917	6,100	0	0	2,652,519	0	0	0	0
12.4 Net	1,621,584,813	589,752,968	0	848,846	248,599	103,790,274	926,944,126	0	0	0
13. Incurred medical incentive pools and bonuses	270,980	151	0	0	0	0	270,829	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (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. Reported in Process of Adjustment:										
1.1. Direct	44,565,056	24,105,567		2,239		1,933,428	18,523,822			
1.2. Reinsurance assumed	0									
1.3. Reinsurance ceded	0									
1.4. Net	44,565,056	24,105,567	0	2,239	0	1,933,428	18,523,822	0	0	0
2. Incurred but Unreported:										
2.1. Direct	81,638,169	39,945,507	570	44,525		7,967,720	33,679,847			
2.2. Reinsurance assumed	0									
2.3. Reinsurance ceded	570		570							
2.4. Net	81,637,599	39,945,507	0	44,525	0	7,967,720	33,679,847	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct	32,541,131	1,518,767				101,923	30,920,441			
3.2. Reinsurance assumed	0									
3.3. Reinsurance ceded	0									
3.4. Net	32,541,131	1,518,767	0	0	0	101,923	30,920,441	0	0	0
4. TOTALS:										
4.1. Direct	158,744,356	65,569,841	570	46,764	0	10,003,071	83,124,110	0	0	0
4.2. Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded	570	0	570	0	0	0	0	0	0	0
4.4. Net	158,743,786	65,569,841	0	46,764	0	10,003,071	83,124,110	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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 Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	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		
1. Comprehensive (hospital and medical)	56,643,750	531,877,243	1,024,855	64,724,985	57,668,605	64,517,865
2. Medicare Supplement					0	0
3. Dental Only.....		802,082		46,764	0	0
4. Vision Only.....		248,599			0	0
5. Federal Employees Health Benefits Plan	9,151,951	94,303,426	237,840	9,802,231	9,389,791	9,705,174
6. Title XVIII - Medicare	70,408,577	852,665,495	1,127,182	81,996,929	71,535,759	79,254,057
7. Title XIX - Medicaid.....					0	0
8. Other health					0	0
9. Health subtotal (Lines 1 to 8).....	136,204,278	1,479,896,845	2,389,877	156,570,909	138,594,155	153,477,096
10. Healthcare receivables (a).....					0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts	1,056,623	45,760		1,156,141	1,056,623	1,987,544
13. Totals (Lines 9-10+11+12)	137,260,901	1,479,942,605	2,389,877	157,727,050	139,650,778	155,464,640

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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

Section A – Paid Health Claims - Hospital and Medical

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior .....	.62,596	.61,199	.61,199	.61,199	.61,199
2. 2006	565,407	619,413	618,302	618,302	618,302
3. 2007	XXX	543,518	599,691	598,540	598,540
4. 2008	XXX	XXX	603,394	669,564	668,710
5. 2009	XXX	XXX	XXX	563,654	521,515
6. 2010	XXX	XXX	XXX	XXX	531,879

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 2006	2 2007	3 2008	4 2009	5 2010
1. Prior .....	.67,098	.61,601	.61,199	.61,199	.61,199
2. 2006	639,239	622,219	618,477	618,302	618,302
3. 2007	XXX	612,722	602,141	598,661	598,540
4. 2008	XXX	XXX	1,316,449	671,402	668,765
5. 2009	XXX	XXX	XXX	1,371,869	622,122
6. 2010	XXX	XXX	XXX	XXX	1,479,943

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Hospital and Medical

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006.....	735,338	618,302	19,724	3.2	638,026	86.8			638,026	86.8
2. 2007.....	695,750	598,540	19,093	3.2	617,633	88.8			617,633	88.8
3. 2008.....	761,356	668,710	21,332	3.2	690,042	90.6	55	2	690,099	90.6
4. 2009.....	708,857	521,515	16,636	3.2	538,151	75.9	100,607	3,209	641,967	90.6
5. 2010.....	727,113	531,879	16,967	3.2	548,846	75.5	(35,181)	(4,392)	509,273	70.0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

Section A – Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior .....	.0	.0	.0	.0	
2. 2006 .....	.0	.0	.0	.0	
3. 2007	XXX	.0	.0	.0	
4. 2008	XXX	XXX	.0	.0	
5. 2009	XXX	XXX	XXX	.0	
6. 2010	XXX	XXX	XXX	XXX	802

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 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007	XXX				
4. 2008	XXX	XXX			
5. 2009	XXX	XXX	XXX		
6. 2010	XXX	XXX	XXX	XXX	849

Section C – Incurred Year Health Claims and Claims 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 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006.....	.0	.0		.0	.0	.0			.0	.0
2. 2007.....	.0	.0		.0	.0	.0			.0	.0
3. 2008.....	.0	.0		.0	.0	.0			.0	.0
4. 2009.....	.0	.0		.0	.0	.0			.0	.0
5. 2010.....	1,635	802	26	3.2	828	50.6	47	2	877	53.6

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

Section A – Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior .....	.0	.0	.0	.0	
2. 2006 .....	.0	.0	.0	.0	
3. 2007	XXX	.0	.0	.0	
4. 2008	XXX	XXX	.0	.0	
5. 2009	XXX	XXX	XXX	.0	
6. 2010	XXX	XXX	XXX	XXX	249

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 2006	2 2007	3 2008	4 2009	5 2010
1. Prior					
2. 2006					
3. 2007	XXX				
4. 2008	XXX	XXX			
5. 2009	XXX	XXX	XXX		
6. 2010	XXX	XXX	XXX	XXX	249

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006.....	.0	.0		.0	.0	.0			.0	.0
2. 2007.....	.0	.0		.0	.0	.0			.0	.0
3. 2008.....	.0	.0		.0	.0	.0			.0	.0
4. 2009.....	.0	.0		.0	.0	.0			.0	.0
5. 2010.....	303	249	8	3.2	257	84.8			257	84.8

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	8,015	8,229	8,229	8,229	8,229
2. 2006	94,494	105,603	106,468	106,468	106,468
3. 2007	XXX	78,893	84,582	84,582	84,852
4. 2008	XXX	XXX	85,815	92,237	92,368
5. 2009	XXX	XXX	XXX	88,360	97,381
6. 2010	XXX	XXX	XXX	XXX	94,303

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 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	8,734	8,280	8,229	8,229	8,229
2. 2006	105,631	106,291	106,519	106,468	106,468
3. 2007	XXX	89,653	85,129	84,622	84,582
4. 2008	XXX	XXX	96,626	92,799	92,374
5. 2009	XXX	XXX	XXX	100,111	97,613
6. 2010	XXX	XXX	XXX	XXX	104,106

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006.....	120,485	106,468	3,396	3.2	109,864	91.2			109,864	91.2
2. 2007.....	107,307	84,852	2,707	3.2	87,559	81.6			87,559	81.6
3. 2008.....	110,046	92,368	2,947	3.2	95,315	86.6	6	0	95,321	86.6
4. 2009.....	103,900	97,381	3,106	3.2	100,487	96.7	232	7	100,726	96.9
5. 2010.....	126,463	94,303	3,008	3.2	97,311	76.9	10,072	339	107,722	85.2

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

Section A - Paid Health Claims - Medicare

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior .....	.34,475	.34,623	.34,623	.34,623	.34,623
2. 2006	467,295	499,389	499,185	499,185	499,185
3. 2007	XXX	449,258	479,944	479,845	479,845
4. 2008	XXX	XXX	627,021	668,543	667,184
5. 2009	XXX	XXX	XXX	742,993	814,761
6. 2010	XXX	XXX	XXX	XXX	852,710

Section B - Incurred Health Claims - Medicare

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 2006	2 2007	3 2008	4 2009	5 2010
1. Prior .....	.36,638	.34,924	.34,623	.34,623	.34,623
2. 2006	510,344	501,354	499,486	499,185	499,185
3. 2007	XXX	493,051	481,882	480,014	479,845
4. 2008	XXX	XXX	662,933	670,248	667,310
5. 2009	XXX	XXX	XXX	822,224	815,762
6. 2010	XXX	XXX	XXX	XXX	935,862

Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Medicare

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006.....	634,783	499,185	15,924	3.2	515,109	81.1			515,109	81.1
2. 2007.....	610,110	479,845	15,307	3.2	495,152	81.2			495,152	81.2
3. 2008.....	792,191	667,184	21,283	3.2	688,467	86.9	126	4	688,597	86.9
4. 2009.....	954,477	814,761	25,991	3.2	840,752	88.1	1,001	32	841,785	88.2
5. 2010.....	1,111,020	852,710	27,201	3.2	879,911	79.2	83,152	2,757	965,820	86.9

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

Section A - Paid Health Claims - Title XIX Medicaid

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	416	369	369	369	369
2. 2006	693	693	693	693	693
3. 2007	XXX	99	99	99	99
4. 2008	XXX	XXX	.0	.0	.0
5. 2009	XXX	XXX	XXX	.0	.0
6. 2010	XXX	XXX	XXX	XXX	XXX

Section B – Incurred Health Claims - Title XIX Medicaid

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 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	467	369	369	369	369
2. 2006	693	693	693	693	693
3. 2007	XXX	99	99	99	99
4. 2008	XXX	XXX	XXX	XXX	XXX
5. 2009	XXX	XXX	XXX	XXX	XXX
6. 2010	XXX	XXX	XXX	XXX	XXX

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006.....	67	693	22	3.2	715	1,067.2			715	1,067.2
2. 2007.....	.0	99	3	3.0	102	.0			102	.0
3. 2008.....	.0	.0		0.0	.0	.0			.0	.0
4. 2009.....	.0	.0		0.0	.0	.0			.0	.0
5. 2010.....		0		0.0	0	0.0			0	0.0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	105,502	104,420	104,420	104,420	104,420
2. 2006	1,127,889	1,225,098	1,224,648	1,224,648	1,224,648
3. 2007	XXX	1,071,768	1,164,316	1,163,066	1,163,336
4. 2008	XXX	XXX	1,316,230	1,430,344	1,428,262
5. 2009	XXX	XXX	XXX	1,395,007	1,433,657
6. 2010	XXX	XXX	XXX	XXX	1,479,943

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 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	112,937	105,174	104,420	104,420	104,420
2. 2006	1,255,907	1,230,557	1,225,175	1,224,648	1,224,648
3. 2007	XXX	1,195,525	1,169,251	1,163,396	1,163,066
4. 2008	XXX	XXX	2,076,008	1,434,449	1,428,449
5. 2009	XXX	XXX	XXX	2,294,204	1,535,497
6. 2010	XXX	XXX	XXX	XXX	2,521,009

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006	1,490,673	1,224,648	39,066	3.2	1,263,714	84.8	0	0	1,263,714	84.8
2. 2007	1,413,167	1,163,336	37,110	3.2	1,200,446	84.9	0	0	1,200,446	84.9
3. 2008	1,663,594	1,428,262	45,562	3.2	1,473,824	88.6	187	6	1,474,017	88.6
4. 2009	1,767,234	1,433,657	45,733	3.2	1,479,390	83.7	101,840	3,248	1,584,478	89.7
5. 2010	1,966,534	1,479,943	47,210	3.2	1,527,153	77.7	58,090	(1,294)	1,583,949	80.5

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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 & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	242,773	242,753	20						
2. Additional policy reserves (a).....	7,994,314	7,994,315	(1)						
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$0 for investment income).....	8,933,624						8,933,624		
5. Aggregate write-ins for other policy reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross).....	17,170,711	8,237,068	19	.0	.0	.0	8,933,624	.0	.0
7. Reinsurance ceded.....	19		19						
8. Totals (Net) (Page 3, Line 4)	17,170,692	8,237,068	0	0	0	0	8,933,624	0	0
9. Present value of amounts not yet due on claims.....	.0								
10. Reserve for future contingent benefits.....	217,000	180,000				37,000			
11. Aggregate write-ins for other claim reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross).....	217,000	180,000	.0	.0	.0	37,000	.0	.0	.0
13. Reinsurance ceded.....	.0								
14. Totals (Net) (Page 3, Line 7)	217,000	180,000	0	0	0	37,000	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 through 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 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$6,900,000 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 (\$for occupancy of own building).....	2,206,592	551,492	8,610,469	2,441	11,370,994
2. Salaries, wages and other benefits.....	26,824,523	6,704,235	76,016,883	29,680	109,575,321
3. Commissions (less \$ceded plus \$assumed).....			52,335,696		52,335,696
4. Legal fees and expenses.....			799,014		799,014
5. Certifications and accreditation fees.....	68,783	17,191	143,120	76	229,170
6. Auditing, actuarial and other consulting services.....					0
7. Traveling expenses.....	320,320	80,057	773,949	354	1,174,680
8. Marketing and advertising.....			26,071,602		26,071,602
9. Postage, express and telephone.....	3,028,980	757,031	6,148,111	3,351	9,937,473
10. Printing and office supplies.....	1,205,969	301,407	2,417,964	1,334	3,926,674
11. Occupancy, depreciation and amortization.....	5,430,877	1,357,335	27,330,752	6,009	34,124,973
12. Equipment.....			508,390		508,390
13. Cost or depreciation of EDP equipment and software.....	1,710,548	427,516	3,346,424	1,893	5,486,381
14. Outsourced services including EDP, claims, and other services.....	9,410,273	2,351,903	131,092,062	10,411	142,864,649
15. Boards, bureaus and association fees.....			393,076		393,076
16. Insurance, except on real estate.....			2,116,418		2,116,418
17. Collection and bank service charges.....					0
18. Group service and administration fees.....			5,446,646		5,446,646
19. Reimbursements by uninsured plans.....			(99,444,422)		(99,444,422)
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....			702,740		702,740
22. Real estate taxes.....				638,631	638,631
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			1,976,393		1,976,393
23.2 State premium taxes.....			2,998,143		2,998,143
23.3 Regulatory authority licenses and fees.....			2,495,386		2,495,386
23.4 Payroll taxes.....			61,778		61,778
23.5 Other (excluding federal income and real estate taxes).....			(524,111)		(524,111)
24. Investment expenses not included elsewhere.....			6,620		6,620
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	50,206,865	12,548,167	251,823,103	694,180	315,272,315
27. Less expenses unpaid December 31, current year.....	811,121	1,149,265	12,618,275		14,578,661
28. Add expenses unpaid December 31, prior year.....	0	2,827,094	10,098,459	0	12,925,553
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	8,105,405	0	8,105,405
30. Amounts receivable relating to uninsured plans, current year.....			15,808,268		15,808,268
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	49,395,744	14,225,996	257,006,150	694,180	321,322,070
DETAILS OF WRITE-INS					
2501. Miscellaneous Administrative Expenses.....			0		0
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	0	0	0	0	0

(a) Includes management fees of \$277,342,207 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) 1,086,609	1,084,046
1.1 Bonds exempt from U.S. tax	(a) 891,978	1,381,492
1.2 Other bonds (unaffiliated)	(a) 6,649,202	7,632,075
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c) 469,660	469,660
4. Real estate	(d) 401,728	401,728
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 193,477	193,494
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	34,298	34,298
10. Total gross investment income	9,726,952	11,196,793
11. Investment expenses		(g) 55,549
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 638,631
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 104,123
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		798,303
17. Net investment income (Line 10 minus Line 16)		10,398,490
DETAILS OF WRITE-INS		
0901. Securities Lending Income	11,907	11,907
0902. Miscellaneous Investment Expense	22,391	22,391
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	34,298	34,298
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

- (a) Includes \$ 59,762 accrual of discount less \$ 2,951,022 amortization of premium and less \$ 779,178 paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ 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 \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ 116,669 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ 55,549 investment expenses and \$ 638,631 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 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	19,044		19,044	61,477	
1.2 Other bonds (unaffiliated)	(167,802)		(167,802)	51,796	
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	1,087,749	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	(4,669)		(4,669)	0	0
7. Derivative instruments	0		0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	65	0	65	0	0
10. Total capital gains (losses)	(153,362)	0	(153,362)	1,201,022	0
DETAILS OF WRITE-INS					
0901. Securities Lending Impairment	65		65		
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	65	0	65	0	0

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	.0	.0	.0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.0	.0	.0
2.2 Common stocks .....	.0	.0	.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.0	.0	.0
3.2 Other than first liens .....	.0	.0	.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.0	.0	.0
4.2 Properties held for the production of income.....	.0	.0	.0
4.3 Properties held for sale .....	.0	.0	.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	.0	.0	.0
6. Contract loans .....	.0	.0	.0
7. Derivatives .....	.0	.0	.0
8. Other invested assets (Schedule BA) .....	.0	.0	.0
9. Receivables for securities .....	.0	.0	.0
10. Securities lending reinvested collateral assets.....	.0	.0	.0
11. Aggregate write-ins for invested assets .....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.0	.0	.0
13. Title plants (for Title insurers only).....	.0	.0	.0
14. Investment income due and accrued .....	.0	.0	.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	778,008	251,900	(526,108)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	.0	.0	.0
15.3 Accrued retrospective premiums.....	.0	.0	.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.0	.0	.0
16.2 Funds held by or deposited with reinsured companies .....	.0	.0	.0
16.3 Other amounts receivable under reinsurance contracts .....	.0	.0	.0
17. Amounts receivable relating to uninsured plans	211,639	59,880	(151,759)
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.0	.0	.0
18.2 Net deferred tax asset.....	48,611,650	72,745,212	24,133,562
19. Guaranty funds receivable or on deposit .....	.0	.0	.0
20. Electronic data processing equipment and software.....	28,427	54,529	26,102
21. Furniture and equipment, including health care delivery assets	1,935,963	2,583,600	647,637
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.0	.0	.0
23. Receivables from parent, subsidiaries and affiliates .....	.0	.0	.0
24. Health care and other amounts receivable.....	.0	3,382,509	3,382,509
25. Aggregate write-ins for other than invested assets	138,670,219	155,511,643	16,841,424
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	190,235,906	234,589,273	44,353,367
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	190,235,906	234,589,273	44,353,367
DETAILS OF WRITE-INS			
1101. ....			.0
1102. ....			.0
1103. ....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Intangible Asset Related to Acquired Membership.....	135,799,566	154,321,370	18,521,804
2502. Prepaid Commissions.....	2,343,695	700,052	(1,643,643)
2503. Prepaid Expenses.....	483,252	446,515	(36,737)
2598. Summary of remaining write-ins for Line 25 from overflow page	43,706	43,706	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	138,670,219	155,511,643	16,841,424

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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.....	269,094	298,363	328,101	303,664	363,402	4,311,399
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	96,580	85,060	81,931	80,191	19,619	240,275
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	.0	.0	3,341	9,444	9,503	110,249
7. Total	365,674	383,423	413,373	393,299	392,524	4,661,923
DETAILS OF WRITE-INS						
0601. Dental.....			2,784	7,148	7,013	80,031
0602. Vision.....			557	2,296	2,490	30,218
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	0	3,341	9,444	9,503	110,249

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Kentucky Department of Insurance.

The Kentucky Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Kentucky for determining and reporting the financial condition and results of operations of an insurance Company, for determining its solvency under the Kentucky Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Kentucky. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. Specifically, in 2009 the Commissioner permitted the Company to admit its investment in CHA Service Company, without having an audited financial statement prepared for CHA HMO, Inc. ("CHA"), which is not in accordance with the Codification. No deviation existed in 2010 as a dual year audit was performed for CHA in 2010.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Kentucky is shown below:

	State of Domicile	2010	2009
Net Income			
1. Humana Health Plan, Inc. Kentucky basis	KY	\$ 30,421,797	\$ (8,901,986)
2. State Prescribed Practices that increase/(decrease) NAIC SAP	KY	-	-
3. State Permitted Practices that increase/(decrease) NAIC SAP	KY	-	-
4. NAIC SAP	KY	\$ 30,421,797	\$ (8,901,986)
Surplus			
5. Humana Health Plan, Inc. Kentucky basis	KY	\$ 280,881,844	\$ 175,615,014
6. State Prescribed Practices that increase/(decrease) NAIC SAP	KY	-	-
7. State Permitted Practices that increase/(decrease) NAIC SAP:	KY		
a. Nonadmitted Investment in Subsidiary	KY	-	(26,798,974)
8. NAIC SAP	KY	\$ 252,995,121	\$ 148,816,040

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are based on knowledge of current events and anticipated future events, and accordingly, actual results could differ from those estimates.

C. Accounting Policy

Premiums are reported as earned in the period in which members are entitled to receive services, and are net of retroactive membership adjustments. Retroactive membership adjustments result from enrollment changes not yet processed, or not yet reported by an employer group or the government. Premiums received prior to such period are recorded as advance premiums.

Benefits incurred and loss adjustment expenses include claim payments, capitation payments, pharmacy costs net of rebates, allocations of certain centralized expenses, legal and administrative costs to settle claims, and various other costs incurred to provide health insurance coverage to members, as well as estimates of future payments to hospitals and others for medical care provided prior to the date of the statements of admitted assets, liabilities and surplus. Capitation payments represent monthly contractual fees disbursed to participating primary care physicians, and other providers who are responsible for providing medical care to members. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments include investments mainly in U.S. Government obligations with a maturity of twelve months or less from the date of purchase. Short-term investments are recorded at amortized cost. The carrying value of short-term investments approximates fair value due to the short-term maturities of the investments.
- (2)-(4) Investments are valued and classified in accordance with methods prescribed by the NAIC. Bonds with an NAIC rating of 1 or 2 are carried at amortized cost, with all other bonds being recorded at the lower of amortized cost or fair value; redeemable preferred stocks are carried at amortized cost; and non-redeemable preferred stocks are carried at fair value.

The Company regularly evaluates investment securities for impairment. The Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value, the near term prospects for recovery to carrying value, and the Company's intent and ability to hold the investment until maturity or market recovery is realized. If and when a determination is made that a decline in fair value below the cost basis is other-than-temporary, the related investment is written down to its estimated fair value through earnings.

Amortization of bond premium or discount is computed using the scientific interest method.

Income from investments is recorded on an accrual basis. For the purpose of determining realized gains and losses, the cost of securities sold is based upon specific identification. Investment income due and accrued over 90 days past due is nonadmitted.

- (5) The Company estimates the fair value of its investments in mortgage loans on real estate using a discounted cash flow method based on rating, maturity and future income when compared to the expected yield for mortgages having similar characteristics. The rating for mortgages in good standing is based on property type, location, market conditions, occupancy, debt service coverage, loan to value, caliber of tenancy, borrower and payment record. Problem mortgages are priced to reflect their

NOTES TO FINANCIAL STATEMENTS

monetary value to the Company, considering such things as the degree of default, whether or not the payments are still being made, interest rate, maturity and operating performance of the underlying collateral.

- (6) For loan backed and structured securities where the securities fair value is less than the amortized cost, the Company considers several factors to determine if the security's impairment is other-than-temporary. If the Company has the intent to sell the security or if the Company does not have the intent and ability to retain the security until recovery of its fair value, the related investment is written down to its estimated fair value through earnings. If, however, the Company has the intent and ability to retain the security until recovery of its fair value, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value and the near term prospects for recovery to carrying value. If the determination is made, based on these factors, that the Company does expect to recover the entire amortized cost of the security, then an other-than-temporary impairment has not occurred. If, however, the determination is made that the Company does not expect to recover the entire amortized cost of the security based on the factors noted above, the Company recognizes a realized loss in earnings for the non-interest related decline. No loss is recognized for the interest impairment.
- (7) The Company accounts for its investments in subsidiaries using the audited statutory equity method of accounting.
- (8) The Company accounts for its investments in joint ventures, partnerships and LLC's using the audited statutory equity method of accounting.
- (9) The Company participates in a securities leading program to maximize investment income. The Company loans certain investment securities for short periods of time in exchange for collateral initially equal to at least 102 percent of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment securities fluctuates. The collateral, which may be in the form of cash or U.S. Government securities, is deposited by the borrower with an independent lending agent.
- (10)-(11) The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.

The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.

Management believes the Company's benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events and, therefore, the actual liability could differ from the amounts provided.

- (12) Real estate held for production of income is carried at depreciated cost.

Equipment is stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives generally ranging from three to five years. Improvements to leased facilities are depreciated over the shorter of the remaining lease term or the anticipated life of the improvement.

The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.

- (13) The Company estimates anticipated Pharmacy Rebate Receivables using the analysis of historical recovery patterns.

2. Accounting Changes and Corrections of Errors

In 2009, the Company determined it failed to properly account for restricted stock expense at the legal entity level in 2008, 2007, and 2006. Under SSAP No. 13, Stock Options and Stock Purchase Plans, Humana Inc.'s restricted stock plan is considered compensatory. Therefore, the value of the award should be expensed at the date of the grant. Consistent with SSAP 3, the prior period expense was recorded as an adjustment to surplus in first quarter 2010 as an aggregate write-in on line 47 of the capital and surplus account rollforward.

This prior period error has zero impact on surplus as the negative impact on earnings is directly offset by a reduction in the paid in surplus line. There is no tax impact of this adjustment. The adjustment is 0.1 percent of earned premium and 3.9 percent of pretax earnings.

In 2009, the Company also determined that required accounting for pharmacy charges on certain ASO contracts resulted in an overstatement of medical expense during 2008 and 2007. Consistent with SSAP 3, the prior period expense was recorded as an adjustment to surplus in first quarter 2010 as an aggregate write-in on line 47 of the capital and surplus account rollforward.

This prior period error has a positive impact on surplus of 20.2 percent. The adjustment is 2.9 percent of earned premium and 103.4 percent of pretax earnings.

In 2010, the Company determined that certain claims reserves for one of the Company's subsidiaries had been inappropriately adjusted between legal entities in 2008. This resulted in a \$2.5 million understatement of both the intercompany payable and the 2008 claims expense for the Company. Consistent with SSAP 3, the prior period expense was recorded as an adjustment to surplus in second quarter 2010 as an aggregate write-in on line 47 of the capital and surplus account rollforward. The subsidiary, the investment in which is reported as common stock in the statement of admitted assets, liabilities and surplus, had overstated its intercompany payable and claims expense in 2008. Accordingly, common stock and the change in unrealized gains have also been adjusted by the \$2.5 million, net of a \$0.3 million change in the net deferred tax asset from the subsidiary. There was no change in the net admitted deferred tax asset for the Company for this restatement.

NOTES TO FINANCIAL STATEMENTS

3. Business Combinations and Goodwill

A. Statutory Purchase Method

On April 30, 2008, the Company acquired UnitedHealth Group's Las Vegas, Nevada individual SecureHorizons Medicare Advantage HMO customer and provider contracts, or SecureHorizons, for cash consideration of approximately \$185.3 million. In accordance with SSAP No. 20, Nonadmitted Assets, the \$185.3 million of intangible assets were recorded as nonadmitted assets. Goodwill amortization relating to the purchase of SecureHorizons was \$18.5 million for the year ended December 31, 2010.

B. Statutory Merger

Not Applicable.

C. Assumption Reinsurance

Not Applicable.

D. Impairment Loss

Not Applicable.

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for the mortgage loan in 2010 were 1.9 percent and 1.56 percent.
- (2) During 2010, the Company did not reduce interest rates of the mortgage loan.
- (3) The maximum percentage of the loan to the value of the security at any time of the loan, exclusive of insured or guaranteed or purchase-money mortgages was 100 percent.

	<u>Current Year</u>	<u>Prior Year</u>
(4) As of year end, the Company held mortgages with interest more than 180 days past due with a recorded investment, excluding accrued interest	\$ -	\$ -
a. Total interest due on mortgages with interest more than 180 days past due	\$ -	\$ -
(5) Taxes, assessments and any amounts advanced and not included in the mortgage loan total	\$ -	\$ -
(6) Current year impaired loans with a related allowance for credit	\$ -	\$ -
a. Related allowance for credit losses	\$ -	\$ -
(7) Impaired mortgage loans without an allowance for credit losses	\$ -	\$ -
(8) Average recorded investment in impaired loans	\$ -	\$ -
(9) Interest income recognized during the period the loans were impaired	\$ -	\$ -
(10) Amount of interest income recognized on a cash basis during the period the loans were impaired	\$ -	\$ -
(11) Allowance for credit losses:		
a. Balance at beginning of period	\$ -	\$ -
b. Additions charged to operations	\$ -	\$ -
c. Direct write-downs charged against the allowances	\$ -	\$ -
d. Recoveries of amounts previously charged off	\$ -	\$ -
e. Balance at end of period	\$ -	\$ -
(12) Not Applicable.		

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

- (1) Not Applicable.
- (2) Not Applicable.
- (3) Not Applicable.
- (4) The Company does not have any investments in an other-than-temporary impairment position at year-end.

NOTES TO FINANCIAL STATEMENTS

Gross unrealized losses and fair value aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position were as follows at December 31, 2010 and 2009:

	2010					
	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government loan-backed securities	\$ 79,332,199	\$ (732,911)	\$ -	\$ -	\$ 79,332,199	\$ (732,911)
Other loan-backed securities	-	-	1,672,543	(6,408)	1,672,543	(6,408)
Total loan backed securities	<u>\$ 79,332,197</u>	<u>\$ (732,911)</u>	<u>\$ 1,672,543</u>	<u>\$ (6,408)</u>	<u>\$ 81,004,742</u>	<u>\$ (739,319)</u>

	2009					
	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government loan-backed securities	\$ 29,929,253	\$ (323,585)	\$ -	\$ -	\$ 29,929,253	\$ (323,585)
Other loan-backed securities	-	-	7,435,503	(221,119)	7,435,503	(221,119)
Total loan backed securities	<u>\$ 29,929,253</u>	<u>\$ (323,585)</u>	<u>\$ 7,435,503</u>	<u>\$ (221,119)</u>	<u>\$ 37,364,756</u>	<u>\$ (544,704)</u>

The unrealized losses at December 31, 2010 and 2009 were primarily due to increases in market interest rates and tighter liquidity conditions in the current markets than when the securities were purchased. All issuers of securities trading at an unrealized loss remain current on all contractual payments and the Company believes it is probable that all amounts due according to the contractual terms of the debt securities are collectible. After taking into account these and other factors, including the severity of the decline and the Company's ability and intent to hold these securities until recovery or maturity, the Company determined the unrealized losses on these investment securities were temporary and, as such, no impairment was required.

(5) Not Applicable.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) The Company has no repurchase agreements.

Collateral from Securities Lending Transactions: The Company loans certain investment securities for short periods of time in exchange for collateral initially equal to at least 102 percent of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment securities fluctuates. The collateral, which may be in the form of cash or U.S. Government securities, is deposited by the borrower with an independent lending agent.

(2) The Company has not pledged any of its assets as collateral.

(3) a. The aggregate amount of contractually obligated open collateral positions (aggregate amount of securities at current fair value or cash received for which the borrower may request the return on demand) at December 31, 2010 was \$884,486.

The aggregate amount of contractually obligated collateral positions (cash collateral received) by term length is:

Under 30-days	\$884,486
30-60 days	-
60-90 days	-
Greater than 90 days	-
Total securities received	<u>\$884,486</u>

b. The aggregate fair value of all securities acquired from the sale, trade or use of the accepted collateral is not applicable.

c. The Company receives cash collateral in its securities lending transactions. The cash received is maintained in a money market fund.

d. All securities lending transactions are reported using the one-line reporting method since cash collateral received is received through an unaffiliated agent.

(5) a. The aggregate amount of the reinvested cash collateral by maturity date of the invested asset is as follows:

	Amortized Cost	Fair Value
Under 30-days	\$884,486	\$884,486
30-60 days	-	-
60-90 days	-	-
90-120 days	-	-
120-180 days	-	-
< 1 year	-	-
1-2 years	-	-
2-3 years	-	-
> 3 years	-	-
Total collateral reinvested	<u>\$884,486</u>	<u>\$884,486</u>

b. To the extent the maturity dates of the liability (collateral to be returned) does not match the invested assets, the Company uses cash from operations or other invested assets to manage those mismatches.

F. Real Estate

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default.

- B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

9. Income Taxes

- A. The components of the net admitted deferred tax asset in the Company's statements of Assets, Liabilities, and Surplus by tax character are as follows:

	2010			2009		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	60,315,960	40,152,199	100,468,159	84,511,543	40,576,755	125,088,298
Statutory valuation allowance adjustment	-	(40,152,199)	(40,152,199)	-	(40,576,755)	(40,576,755)
Adjusted gross deferred tax assets	60,315,960	-	60,315,960	84,511,543	-	84,511,543
Gross deferred tax liabilities	(773,424)	-	(773,424)	(26,025)	-	(26,025)
Net deferred tax asset/(liability) before admissibility test	59,542,536	-	59,542,536	84,485,518	-	84,485,518
Deferred tax assets nonadmitted	(48,611,650)	-	(48,611,650)	(72,745,212)	-	(72,745,212)
Net admitted deferred tax asset/(liability)	10,930,886	-	10,930,886	11,740,306	-	11,740,306

The Company has not elected to admit deferred tax assets pursuant to SSAP 10(R). The current period election does not differ from the prior reporting period.

The impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs was as follows:

	2010			2009		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted gross DTAs - Amount	-	-	-	N/A	N/A	N/A
Adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	N/A	N/A	N/A
Net admitted DTAs - Amount	-	-	-	N/A	N/A	N/A
Net admitted DTAs - Percentage	0.00%	0.00%	0.00%	N/A	N/A	N/A

- B. There are no temporary differences for which a DTL has not been established.

C. Current tax and change in deferred tax

- (1) Current income taxes incurred consist of the following major components:

	2010	2009
Current federal income tax expense	23,421,077	428,137
Foreign taxes	-	-
Subtotal	23,421,077	428,137
Tax on capital gains/(losses)	(53,677)	(434,216)
Utilization of capital loss carryforwards	-	-
Other, including prior year under accrual (over accrual)	986,508	7,452
Federal and foreign income taxes incurred	24,353,908	1,373

NOTES TO FINANCIAL STATEMENTS

- (2)-(3) The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31, 2010	December 31, 2009	Change
DTAs resulting from Book/Tax Differences in:			
(a) Ordinary			
Discounting of unpaid losses and LAE	5,496,133	20,470,094	(14,973,961)
Unearned premiums	885,108	1,227,009	(341,901)
Policyholder reserves	-	-	-
Investments	-	-	-
Deferred acquisition costs	1,915,425	1,076,628	838,797
Policyholder dividends accrual	-	-	-
Fixed assets	1,735,524	1,830,345	(94,821)
Compensation and benefit accruals	-	-	-
Pension accruals	-	-	-
Nonadmitted assets	-	-	-
Net operating loss carryforwards	-	-	-
Tax credit carryforward	-	-	-
Other	50,283,770	59,907,467	(9,623,697)
Gross ordinary DTAs	60,315,960	84,511,543	(24,195,583)
(b) Statutory valuation adjustment	-	-	-
(c) Nonadmitted ordinary DTAs	(48,611,650)	(72,745,212)	24,133,562
(d) Admitted ordinary DTAs	11,704,310	11,766,331	(62,021)
(e) Capital			
Investments	226,808	226,808	-
Net capital loss carryforwards	-	-	-
Real estate	-	-	-
Other	-	-	-
Unrealized capital losses	39,925,390	40,349,947	(424,557)
Gross capital DTAs	40,152,198	40,576,755	(424,557)
(f) Statutory valuation adjustment	(40,152,198)	(40,576,755)	424,557
(g) Nonadmitted capital DTAs	-	-	-
(h) Admitted capital DTAs	-	-	-
(i) Admitted DTAs	11,704,310	11,766,331	(62,021)
DTLs resulting from Book/Tax Differences in:			
(a) Ordinary			
Investments	-	-	-
Fixed assets	-	-	-
Deferred and uncollected premiums	-	-	-
Policyholder reserves/salvage and subrogation	-	-	-
Other	(773,424)	(26,025)	(747,399)
Ordinary DTLs	(773,424)	(26,025)	(747,399)
(b) Capital			
Investments	-	-	-
Real estate	-	-	-
Other	-	-	-
Unrealized capital gains	-	-	-
Capital DTLs	-	-	-
(c) DTLs	(773,424)	(26,025)	(747,399)
Net deferred tax assets/liabilities	10,930,886	11,740,306	(809,420)

- (4) The change in net deferred income taxes is comprised of the following the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the annual statement):

	December 31, 2010	December 31, 2009	Change
Total deferred tax assets	100,468,159	125,088,298	(24,620,139)
Total deferred tax liabilities	(773,424)	(26,025)	(747,399)
Net deferred tax assets/liabilities	99,694,735	125,062,273	(25,367,538)
Statutory valuation allowance adjustment	(40,152,199)	(40,576,755)	424,556
Net deferred tax assets/liabilities after SVA	59,542,536	84,485,518	(24,942,982)
Tax effect of unrealized gains/(losses)	(39,925,390)	(40,349,947)	424,557
Statutory valuation allowance adjustment allocated to unrealized	39,925,390	40,349,947	(424,557)
Change in net deferred income tax [(charge)/benefit]	59,542,536	84,485,518	(24,942,982)

NOTES TO FINANCIAL STATEMENTS

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

	Amount	Tax Effect	Effective Tax Rate
Income before Taxes	54,774,351	19,171,023	35.00%
Tax-exempt Interest	(1,381,311)	(483,459)	(0.88)%
Dividends Received Deduction	-	-	0.00%
Proration	207,197	72,519	0.13%
Meals & Entertainment	-	-	0.00%
Statutory Valuation Allowance Adjustment	1	-	0.00%
Other, Including Prior Year True-Up	87,248,017	30,536,806	55.75%
Total	140,848,255	49,296,889	90.00%
Federal income taxes incurred [expense/(benefit)]		24,407,585	44.56%
Tax on capital gains/(losses)		(53,677)	(0.10)%
Change in net deferred income tax [charge/(benefit)]		24,942,981	45.54%
Total statutory income taxes		49,296,889	90.00%

E. At December 31, 2010, the Company had net operating loss carryforwards expiring through the year 2030 of \$0.

At December 31, 2010, the Company had capital loss carryforwards expiring through the year 2015 of \$0.

At December 31, 2010, the Company had an AMT credit carryforward, which does not expire, in the amount of \$0.

The following table demonstrates the income tax expense for 2008, 2009, and 2010 that is available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2008	-	-	-
2009	1,414,645	(434,216)	980,429
2010	23,421,077	(53,677)	23,367,400
Total	24,835,722	(487,893)	24,347,829

There are no deposits admitted under IRC § 6603.

F. The Company is included in a consolidated federal income tax return with its parent Company, Humana Inc. The Company has a written agreement, approved by the Company’s Board of Directors, which sets forth the manner in which the total combined federal income tax is allocated to each entity which is a party to the consolidation. Pursuant to this agreement, the Company has the enforceable right to be paid for any future net losses it may incur. The Company has no contingent income tax liabilities. The Company has not adjusted gross deferred tax assets due to changes in judgment about the realizability of the related deferred tax asset. The Company has no deposits under Section 6603 of the Internal Revenue Code.

AFFILIATIONS SCHEDULE

CORPORATE NAME AND EMPLOYER IDENTIFICATION NUMBER
 THE ADDRESS OF EACH COMPANY IS: P. O. BOX 740026, LOUISVILLE, KY 40201

CORP. NO.	CORPORATION NAME	EMPLOYER IDENTIFICATION NUMBER
1	HUMANA INC.	61-0647538
2	516-526 WEST MAIN STREET CONDOMINIUM COUNCIL OF CO-OWNERS, INC.	20-5309363
3	AMERICAN DENTAL PLAN OF NORTH CAROLINA, INC.	56-1796975
4	AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.	58-2302163
5	CAC-FLORIDA MEDICAL CENTERS, LLC	26-0010657
6	CARENETWORK, INC.	39-1514846
7	CAREPLUS HEALTH PLANS, INC.	59-2598550
8	CARITEN HEALTH PLAN, INC.	62-1579044
9	CARITEN INSURANCE COMPANY	62-0729865
10	CHA HMO, INC.	61-1279717
11	CHA SERVICE COMPANY, INC.	61-1279716
12	COMPBENEFITS COMPANY	59-2531815
13	COMPBENEFITS CORPORATION	04-3185995
14	COMPBENEFITS DENTAL, INC.	36-3686002
15	COMPBENEFITS DIRECT, INC.	58-2228851
16	COMPBENEFITS INSURANCE COMPANY	74-2552026
17	COMPBENEFITS OF ALABAMA, INC.	63-1063101
18	COMPBENEFITS OF GEORGIA, INC.	58-2198538
19	COMPETITIVE HEALTH ANALYTICS, INC (fka INFOCUS TECHNOLOGY,INC)	42-1575099
20	CORPHEALTH PROVIDER LINK, INC.	20-8236655
21	CORPHEALTH, INC.	75-2043865

NOTES TO FINANCIAL STATEMENTS

22	CPHP HOLDINGS, INC.	30-0117876	
23	DEFENSEWEB TECHNOLOGIES, INC.	33-0916248	
24	DENTAL CARE PLUS MANAGEMENT, CORP.	36-3512545	
25	DENTICARE, INC.	76-0039628	
26	EMPHEYSYS INSURANCE COMPANY	31-0935772	
27	EMPHEYSYS, INC.	61-1237697	
28	HEALTH VALUE MANAGEMENT, INC.	61-1223418	
29	HUMANA ACTIVE OUTLOOK, INC.	20-4835394	
30	HUMANA ADVANTAGECARE PLAN, INC.	65-1137990	
31	HUMANA BENEFIT PLAN OF ILLINOIS, INC.	37-1326199	
32	HUMANA DENTAL COMPANY (fka HUMANA/COMPBENEFITS, INC)	59-1843760	
33	HUMANA EMPLOYERS HEALTH PLAN OF GEORGIA, CIN.	58-2209549	
34	HUMANA GOVERNMENT NETWORK SERVICES, INC.	20-1717441	
35	HUMANA HEALTH BENEFIT PLAN OF LOUISIANA, INC.	72-1279235	
36	HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.	61-1041514	
37	HUMANA HEALTH PLAN INTERESTS, INC.	71-0732385	
38	HUMANA HEALTH PLAN OF CALIFORNIA, INC.	26-3473328	
39	HUMANA HEALTH PLAN OF OHIO, INC.	31-1154200	
40	HUMANA HEALTH PLAN OF TEXAS, INC.	61-0994632	
41	HUMANA HEALTH PLAN, INC.	61-1013183	
42	HUMANA INNOVATION ENTERPRISES, INC.	61-1343791	
43	HUMANA INSURANCE COMPANY	39-1263473	
44	HUMANA INSURANCE COMPANY OF KENTUCKY	61-1311685	
45	HUMANA INSURANCE COMPANY OF NEW YORK	20-2888723	
46	HUMANA MARKETPOINT, INC.	61-1343508	
47	HUMANA MEDICAL PLAN OF MICHIGAN, INC.	27-3991410	
48	HUMANA MEDICAL PLAN OF PENNSYLVANIA, INC.	27-4460531	
49	HUMANA MEDICAL PLAN OF UTAH, INC.	20-8411422	
50	HUMANA MEDICAL PLAN, INC.	61-1103898	
51	HUMANA MILITARY DENTAL SERVICES, INC.	27-1323221	
52	HUMANA MILITARY HEALTHCARE SERVICES, INC.	61-1241225	
53	HUMANA PHARMACY, INC.	61-1316926	
54	HUMANA VETERANS HEALTHCARE SERVICES, INC.	20-8418853	
55	HUMANA WISCONSIN HEALTH ORGANIZATION INSURANCE CO.	39-1525003	
56	HUMANACARES, INC.	65-0274594	
57	HUMANADENTAL INSURANCE COMPANY	39-0714280	
58	HUMANADENTAL, INC.	61-1364005	
59	HUMCO, INC.	61-1239538	
60	HUM-e-FL, INC.	61-1383567	
61	HUM-HOLDINGS INTERNATIONAL, INC.	26-3583438	
62	HUMMS, INC.	27-3908194	2
63	KMG AMERICA CORPORATION	20-1377270	
64	MANAGED CARE INDEMNITY, INC.	61-1232669	
65	PHP COMPANIES, INC.	62-1552091	
66	PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.	62-1546662	
67	PREFERRED HEALTH PARTNERSHIP, INC.	62-1250945	
68	PRESERVATION ON MAIN, INC.	20-1724127	
69	SENSEI, INC.	20-3355580	1
70	TEXAS DENTAL PLANS, INC.	74-2352809	
71	THE DENTAL CONCERN, INC.	52-1157181	
72	THE DENTAL CONCERN, LTD	36-3654697	

FOOTNOTE:

BLANK = TAX PERIOD 1/1/10 THROUGH 12/31/10 OR DATE OF INCORPORATION THROUGH 12/31/10

1 = TAX PERIOD 1/1/10 TO 5/31/10

2= TAX PERIOD 11/9/10 to 12/21/10-DATE OF MERGER

NOTES TO FINANCIAL STATEMENTS

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

- A.-F. The Company has a management contract with Humana and other related parties whereby the Company is provided with medical and executive management, information systems, claims processing, billing and enrollment, and telemarketing and other services as required by the Company. Management fees charged to operations for the years ended December 31, 2010 and 2009 were approximately \$277.3 million and \$236.2 million respectively. As a part of this agreement, Humana makes cash disbursements on behalf of the Company which includes, but is not limited to, medical related items, general and administrative expenses, commissions and payroll. Humana is reimbursed by the Company weekly, based upon historical pattern of amounts and timing. Each month, these estimates are adjusted to ultimately settle upon actual disbursements made on behalf of the Company. As a result, any residual inter-Company balances are immediately settled in the following month. The Company continues to be primarily liable for any outstanding payments made on behalf of the Company, should Humana not be able to fulfill its obligations. No dividends were paid by the Company. The Department of Insurance was notified prior to the payment of this dividend. At December 31, 2010, the Company reported \$3.7 million amounts due from Humana Inc. Amounts due to or from parent are generally settled within 30 days.
- G. Not Applicable.
H. Not Applicable.
I. Not Applicable.
J. Not Applicable.
K. Not Applicable.
L. Not Applicable.

11. Debt

- A. Debt, including Capital Notes
- The Company has no debentures outstanding.
- The Company has no capital notes outstanding.
- The Company does not have any reverse repurchase agreements.
- B. Federal Home Loan Bank (FHLB) Agreements
- The Company does not have any FHLB agreements.

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

- A. Defined Benefit Plan
- Not Applicable.
- B. Defined Contribution Plan
- Not Applicable.
- C. Multiemployer Plans
- Not Applicable.
- D. Consolidated/Holding Company Plans
- The Company employees are eligible to participate in the Humana Retirement and Savings Plan ("the Plan"), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.
- Humana Inc.'s total contributions paid to the Savings and Retirement accounts of the Humana Retirement and Savings Plan were \$109.1 million and \$109.3 million for the years ended December 31, 2010 and 2009, respectively. As of December 31, 2010 and 2009 the fair market value of the Humana Retirement and Savings Plan's assets was \$1.6 billion and \$1.3 billion, respectively.
- F. Post Employment Benefits and Compensated Absences
- Not Applicable.
- G. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)
- Not Applicable.

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

- 1) The Company has \$1 par value common stock with 5,000,000 shares authorized and 2,248,000 shares issued and outstanding.
- 2) The Company has no preferred stock outstanding.
- 3-5) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution which, together with other dividends or distributions made within the preceding twelve months, exceeds the lesser of (a) 10 percent of the company's policyholder surplus as of December 31 of the prior year, or (b) the net income, for the twelve month period ending December 31 of the prior year.
- Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- No dividends were paid by the Company.
- 6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 7) Not Applicable.
8) Not Applicable.
9) Not Applicable.
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$2,222,447.
- 11) Not Applicable.
12) Not Applicable.

NOTES TO FINANCIAL STATEMENTS

13) Not Applicable.

14. Contingencies

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

C. Gain Contingencies

Not Applicable.

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits

Not Applicable.

E. All Other Contingencies

During the ordinary course of business, the Company is subject to pending and threatened legal actions. Management of the Plan does not believe that any of these actions will have a material adverse effect on the Company's surplus, results of operations or cash flows. However, the likelihood or outcome of current or future legal proceedings cannot be accurately predicted, and they could adversely affect the Company's surplus, results of operations and cash flows.

The Company is aware of no material contingent liabilities as of December 31, 2010.

15. Leases

A. Lessee Operating Lease

1) The Company has entered into operating leases for medical and administrative office space and equipment with lease terms ranging from one to ten years. Operating lease rental payments charged to expenses for the years ended December 31, 2010 and 2009 was approximately \$5.1 million and \$4.6 million, respectively.

2) Noncancelable Lease Terms:

a. At January 1, 2011, the minimum aggregate rental commitments are as follows:

Year ending December 31,

2011	\$		6,038,125
2012			6,061,111
2013			3,378,522
2014			832,413
2015			199,611
2016 and thereafter			10,241
Total Minimum Lease Payments	\$		16,520,023

b. Certain rental commitments have renewal options extending through the year 2022. Some of these renewals are subject to adjustments in future periods.

3) The Company is not involved in any sales-leaseback transactions.

B. Other Leases

1) Lessor Leases

a. The Company owns or leases numerous sites that are leased or subleased to unrelated parties. The typical lease period ranges from 1 to 3 years and some leases contain renewal options.

b. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2010 are as follows:

2011	\$		33,477
2012			-
2013			-
Net Minimum Future Lease Receipts	\$		33,477

2) Leveraged Leases

The Company is not involved in 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 investment in Financial Instruments with Off Balance Sheet Risk or with Concentrations of Credit Risk.

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

NOTES TO FINANCIAL STATEMENTS

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

C. Wash Sales

Not Applicable.

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

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2010:

	(1)	(2)	(3)
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ (18,898,099)	\$ -	\$ (18,898,099)
b. Total net other income or expenses (including interest paid to or received from plans)	\$ 1,622,501	\$ -	\$ 1,622,501
c. Net gain or (loss) from operations	\$ (17,275,598)	\$ -	\$ (17,275,298)
d. Total claim payment volume	\$ 239,251,908	\$ -	\$ 239,251,908

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

- The Company records no revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.
- As of December 31, 2010, the Company has recorded a receivable from CMS of \$0.7 million related to the cost share and reinsurance components of administered Medicare products. The Company does not have any additional receivables from payors whose account balance is greater than 10% of the Company's accounts receivable from uninsured A&H plans or \$10,000.
- As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare contracts, the Company has recorded no allowances and reserves for adjustment of recorded revenues or receivables.
- The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Not Applicable.

20. Fair Value Measurements

A. (1) The fair value of financial assets at December 31, 2010 were as follows:

	2010			
	Fair Value	Quoted Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets				
US treas and agency obligations	\$ 15,272,133	\$ -	\$ 15,272,133	\$ -
US govt residential mtg backed	162,180,818	-	162,180,818	-
Tax-exempt municipal bonds	64,230,650	-	64,230,650	-
Residential mortgage-backed	27,831	-	27,831	-
Commercial mortgage-backed	7,639,963	-	7,639,963	-
Asset-backed securities	10,508,293	-	10,508,293	-
Corporate debt securities	89,962,942	750,000	89,212,942	-
Total invested assets	\$ 349,822,630	\$ 750,000	\$ 349,072,630	\$ -

(2) There were no fair value measurements using significant unobservable inputs. The Company reports transfers between fair value hierarchy levels at the end of the reporting period. There were no transfers between the fair value hierarchy levels between December 31, 2009 and 2010.

NOTES TO FINANCIAL STATEMENTS

(3) Fair value of actively traded debt securities are based on quoted market prices. Fair value of other debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates generally using a market valuation approach, or, less frequently, an income valuation approach and are generally classified as Level 2. The Company generally obtains one quoted price for each security from a third party pricing service. These prices are generally derived from recently reported trades for identical or similar securities, including adjustments through the reporting date based upon observable market information. When quoted prices are not available, the third party pricing service may use quoted market prices of comparable securities or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include benchmark yields, reported trades, credit spreads, broker quotes, default rates and prepayment speeds. The Company is responsible for the determination of fair value and as such, the Company performs analysis on the prices received from the third party pricing service to determine whether the prices are reasonable estimates of fair value. The Company's analysis includes a review of monthly price fluctuations as well as a quarterly comparison of the prices received from the pricing service to prices reported by the Company's third party investment advisor. Based on the Company's internal price verification procedures and review of fair value methodology documentation provided by the third party pricing service, there were no material adjustments to the prices obtained from the third party pricing service during the year ended December 31, 2010.

B. No assets or liabilities were measured at fair value on a non-recurring basis.

C. Not Applicable.

D. Not Applicable.

21. Other Items

A. Extraordinary Items

Not Applicable.

B. Troubled Debt Restructuring: Debtors

Not Applicable.

C. Other Disclosures

Not Applicable.

D. Disclose the nature of any portion of the balance that is reasonably possible to be uncollectible for assets covered by SSAP No. 6, Uncollected Premium Balances, Bill Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

Not Applicable.

E. Business Interruption Insurance Recoveries

Not Applicable.

F. State Transferable Tax Credits

Not Applicable.

G. Subprime Mortgage Related Risk Exposure

The Company consults with its external investment managers to assess its subprime mortgage related risk exposure. Certain characteristics are utilized to determine if a mortgage-backed security has subprime exposure. The main characteristics reviewed when determining this are the collateral and structure of the security, the loan purpose, loan documentation, occupancy, geographical location, loan size and type. Subprime mortgage borrowers typically have lower credit scores, lower loan balances and higher loan-to-values than other conforming loans. Management's practices include reviewing quantitative and qualitative credit models that analyze loan-level collateral composition, historical underwriter performance trends, the impact of macroeconomic factors, and issuer risks; as well as reviewing the estimation of security cash flows and monthly model calibrations.

(1) Direct exposure through investments in sub-prime mortgage loans.

The Company has no direct exposure through investment to sub-prime mortgage loans.

(2) Indirect exposure to sub-prime mortgage risk through investments in the following securities:

- a. Residential mortgage backed securities – No substantial exposure noted.
- b. Collateralized debt obligations – No substantial exposure noted.
- c. Structured Securities (including principal protected notes) – No substantial exposure noted.
- d. Debt Securities of companies with significant sub-prime exposure – No substantial exposure noted.
- e. Equity securities of companies with significant sub-prime exposure – No substantial exposure noted.
- f. Other Assets – No substantial exposure noted.

(3) Underwriting exposure to sub-prime mortgage risk through Mortgage Guaranty coverage, Financial Guaranty coverage, Directors and Officers liability coverage, or Errors and Omissions liability coverage.

Not Applicable.

(4) Classification of mortgage related securities is primarily based on information from outside data services, including rating agency actions. When considering our exposure, the Company evaluated the percentage of full documentation loans, percent of owner occupied properties, FICO scores, average margin for ARM loans, percent of loans with prepayment penalties, the existence of non-traditional underwriting standards, among other factors.

22. Events Subsequent

NOTES TO FINANCIAL STATEMENTS

The Company is not aware of any events or transactions occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition. Subsequent events have been considered through February 23, 2011 for the statutory statement issued on February 23, 2011.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10.0 percent 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 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

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

Yes () No (X)

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

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0

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

Yes () No (X)

B. Uncollectible Reinsurance

Not Applicable.

C. Commutation of Ceded Reinsurance

Effective January 1, 2006 the Company and Humana Insurance Company, a wholly owned subsidiary of Humana, entered into a reinsurance agreement for the Company to cede 100% of all in-network risk associated with the jointly written (HMO and PPO) POS products, including the National POS products. This agreement was commuted effective October 1, 2010. As part of the commutation, assets were transferred to the Company equal to the statutory reserve value of applicable liabilities as of the effective date of the commutation. No gain or loss was recognized as a result of this transaction. The following information represents the amounts ceded under this contract for the years ended December 31, 2010 and 2009, respectively.

	Year Ended December 31, 2010	Year Ended December 31, 2009
Claims incurred	85,204,437	81,416,115
Claims adjustment and administrative expenses	15,316,223	20,599,490
Premiums earned	110,426,988	136,149,966

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments for its Medicare business through a mathematical approach using an algorithm based upon settlement procedures defined by contracts with CMS.
- B. The Company records accrued retrospective premium as an adjustment to earned premiums.
- C. The amount of net premiums written by the Company at December 31, 2010 that are subject to retrospective rating features was \$13.9 million, that represented 0.71 percent of the total net premiums written for the group health. No other net premiums written by the Company are subject to retrospective rating features.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2009 were \$156.9 million. As of December 31, 2010, \$139.2 million has been paid for incurred claims and

NOTES TO FINANCIAL STATEMENTS

claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$2.4 million as a result of reestimation of unpaid claims and claim adjustment expenses principally on the commercial HMO and PPO books of business. Therefore, there has been a \$15.3 million favorable prior-year development since December 31, 2009. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies.

26. InterCompany Pooling Arrangements

A.-F. Not Applicable.

27. Structured Settlements

Not Applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimate 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 181 Days after Billing
12/31/2010	\$ 6,145,560	\$ 6,145,560	\$ -	\$ -	\$ -
9/30/2010	\$ 5,910,198	\$ 5,910,198	\$ 5,910,198	\$ -	\$ -
6/30/2010	\$ 7,414,654	\$ 7,414,654	\$ 7,414,654	\$ -	\$ -
3/31/2010	\$ 4,991,220	\$ 4,991,220	\$ 4,991,220	\$ -	\$ -
12/31/2009	\$ 5,322,832	\$ 5,322,832	\$ 5,322,832	\$ -	\$ -
9/30/2009	\$ 6,375,850	\$ 6,375,850	\$ 6,375,850	\$ -	\$ -
6/30/2009	\$ 6,514,874	\$ 6,514,874	\$ 6,514,874	\$ -	\$ -
3/31/2009	\$ 6,602,391	\$ 6,602,391	\$ 6,602,391	\$ -	\$ -
12/31/2008	\$ 7,261,000	\$ 7,261,000	\$ 7,261,000	\$ -	\$ -
9/30/2008	\$ 6,425,274	\$ 6,425,274	\$ 6,425,274	\$ -	\$ -
6/30/2008	\$ 6,333,928	\$ 6,333,928	\$ 6,333,928	\$ -	\$ -
3/31/2008	\$ 5,089,514	\$ 5,089,514	\$ 5,089,514	\$ -	\$ -
12/31/2007	\$ 3,900,954	\$ 3,900,954	\$ 3,900,954	\$ -	\$ -

B. Risk Sharing Receivables

Risk Sharing receivables include estimated recoveries on plan to plan and state to plan adjustments attributable to benefits paid for Medicare beneficiaries. These estimated recoveries from other Medicare carriers and state Medicaid plans are recorded based upon reported overpayments, adjusted for historical recovery patterns.

29. Participating Policies

Not Applicable.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$6,900,000
2. Date of the most recent evaluation of this liability December 31, 2010
3. Was anticipated investment income utilized in the calculation? Yes () No (X)

31. Anticipated Salvage and Subrogation

Not Applicable.

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 [] No []
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [] No [] N/A []
- 1.3 State Regulating?..... Kentucky.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No []
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.12/31/2008
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).12/20/2010
- 3.4 By what department or departments? Kentucky Department of Insurance.....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A []
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [] No [] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes [] No []
- 4.12 renewals? Yes [] No []
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes [] No []
- 4.22 renewals? Yes [] No []
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No []
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No []
- 6.2 If yes, give full information N/A
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No []
- 7.2 If yes,
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

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

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
N/A
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide the names and 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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers LLC, 500 West Main, Suite 1800, Louisville, Kentucky 40202-4271.....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:.....
N/A.....
- 10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:.....
N/A.....
- 10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.6 If the response to 10.5 is yes, provide information related to this exemption:.....
N/A.....
- 10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.8 If the response to 10.7 is no or n/a, please explain.....
N/A.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?.....
Frank Murray Amrine, Actuarial Director and Appointed Actuary, 500 West Main Street, Louisville, KY 40202.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?..... Yes [] No [X]
- 12.11 Name of real estate holding company0.....

12.12 Number of parcels involved.....0.....

12.13 Total book/adjusted carrying value..... \$0.....
- 12.2 If yes, provide explanation.....
N/A.....
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?.....
N/A.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:.....
N/A.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).....
N/A.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).....
N/A.....

GENERAL INTERROGATORIES

BOARD OF DIRECTORS

15. 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 [] No []
16. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [] No []
17. 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 [] No []

FINANCIAL

18. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No []
- 19.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | | | |
|--|---|---------|---|--|
| | 19.11 To directors or other officers .. | \$..... | 0 | |
| | 19.12 To stockholders not officers .. | \$..... | 0 | |
| | 19.13 Trustees, supreme or grand (Fraternal only) | \$..... | 0 | |
- 19.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | | | |
|--|---|---------|---|--|
| | 19.21 To directors or other officers .. | \$..... | 0 | |
| | 19.22 To stockholders not officers .. | \$..... | 0 | |
| | 19.23 Trustees, supreme or grand (Fraternal only) | \$..... | 0 | |
- 20.1 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 []
- 20.2 If yes, state the amount thereof at December 31 of the current year:
- | | | | | |
|--|----------------------------------|---------|--|--|
| | 20.21 Rented from others | \$..... | | |
| | 20.22 Borrowed from others | \$..... | | |
| | 20.23 Leased from others | \$..... | | |
| | 20.24 Other | \$..... | | |
- 21.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [] No []
- 21.2 If answer is yes:
- | | | | | |
|--|--|---------|-----------|--|
| | 21.21 Amount paid as losses or risk adjustment | \$..... | 0 | |
| | 21.22 Amount paid as expenses | \$..... | 1,156,968 | |
| | 21.23 Other amounts paid | \$..... | 0 | |
- 22.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No []
- 22.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:..... \$..... 3,724,408

INVESTMENT

- 23.1 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 23.3)..... Yes [] No []
- 23.2 If no, give full and complete information, relating thereto
N/A
- 23.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
See Note 5 in the Notes to the Financial Statements.
- 23.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?..... Yes [] No [] NA []
- 23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs. \$..... 1,449,845
- 23.6 If answer to 23.4 is no, report amount of collateral for other programs. \$.....
- 23.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?..... Yes [] No [] NA []
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?..... Yes [] No [] NA []
- 23.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?..... Yes [] No [] NA []

GENERAL INTERROGATORIES

24.1 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 20.1 and 23.3). Yes [] No [X]

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

24.21	Subject to repurchase agreements	\$	.....	0
24.22	Subject to reverse repurchase agreements	\$	.....	0
24.23	Subject to dollar repurchase agreements	\$	.....	0
24.24	Subject to reverse dollar repurchase agreements	\$	.....	0
24.25	Pledged as collateral	\$	.....	0
24.26	Placed under option agreements	\$	.....	0
24.27	Letter stock or securities restricted as to sale	\$	.....	0
24.28	On deposit with state or other regulatory body	\$	.....	0
24.29	Other	\$	.....	0

24.3 For category (24.27) provide the following:

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

25.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]

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

26.1 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]

26.2 If yes, state the amount thereof at December 31 of the current year. \$0

27. Excluding items in Schedule E – Part 3 – Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping agreements of the NAIC *Financial Condition Examiners Handbook*? Yes [X] No []

27.01 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
JP Morgan Chase.....	4 New York Plaza, 15th Floor, New York, NY. 10004-2413 Attn: Charles Tuzzolino.....

27.02 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)
.....
.....
.....

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? Yes [] No [X]

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

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

27.05 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
Central Registration Depository #: 107105.....	Blackrock, Inc.....	40 East 52nd Street, New York, NY 10022.....

GENERAL INTERROGATORIES

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

28.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....
.....
.....
28.2999 TOTAL		0

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

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

29. 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 (+)
29.1 Bonds.....	369,000,613	374,157,820	5,157,207
29.2 Preferred Stocks.....	0	0	0
29.3 Totals	369,000,613	374,157,820	5,157,207

29.4 Describe the sources or methods utilized in determining the fair values:.....
See Note 20 in the Notes to the Financial Statements.....

30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?..... Yes [] No [X]

30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?..... Yes [] No []

30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:.....
See Note 20 in the Notes to the Financial Statements.....

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

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

GENERAL INTERROGATORIES

OTHER

- 32.1 Amount of payments to Trade associations, service organizations and statistical or rating bureaus, if any? \$0
- 32.2 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
.....	\$.....
.....	\$.....
.....	\$.....

- 33.1 Amount of payments for legal expenses, if any? \$827,234
- 33.2 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
CHITTENDEN MURDAY & NOVOTNY LLC.....	\$.....222,663
GREENEBAUM DOLL & MCDONALD PLLC.....	\$.....503,332

- 34.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$0
- 34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total 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
.....	\$.....
.....	\$.....
.....	\$.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes No
- 1.2 If yes, indicate premium earned on U. S. business only \$8,088
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?0
- 1.31 Reason for excluding
Not excluded.
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$6,104
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$0
- 1.62 Total incurred claims \$0
- 1.63 Number of covered lives0
- All years prior to most current three years:
- 1.64 Total premium earned \$8,088
- 1.65 Total incurred claims \$6,104
- 1.66 Number of covered lives2
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$0
- 1.72 Total incurred claims \$0
- 1.73 Number of covered lives0
- All years prior to most current three years:
- 1.74 Total premium earned \$0
- 1.75 Total incurred claims \$0
- 1.76 Number of covered lives0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	\$1,966,534,552	\$1,767,233,548
2.2	Premium Denominator	\$1,966,534,552	\$1,767,233,548
2.3	Premium Ratio (2.1/2.2)	.....1.000	.....1.000
2.4	Reserve Numerator	\$177,287,619	\$183,425,587
2.5	Reserve Denominator	\$177,287,619	\$183,425,587
2.6	Reserve Ratio (2.4/2.5)	.....1.000	.....1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes No
- 3.2 If yes, give particulars:
N/A
- 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 No
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes No
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes No
- 5.2 If no, explain:
N/A
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$570,000
- 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:
Provider contracts include hold harmless and continuation of benefits provisions. HMO has an indemnity agreement with the parent company.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes No
- 7.2 If no, give details:
N/A
8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year4,251
- 8.2 Number of providers at end of reporting year4,591
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months31,212,376
- 9.22 Business with rate guarantees over 36 months0

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 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 | \$ | 1,987,540 |
| 10.22 Amount actually paid for year bonuses | \$ | 0 |
| 10.23 Maximum amount payable withholds | \$ | 0 |
| 10.24 Amount actually paid for year withholds | \$ | 0 |
- 11.1 Is the reporting entity organized as:
- | | | |
|---|---------|----------|
| 11.12 A Medical Group/Staff Model, | Yes [] | No [X] |
| 11.13 An Individual Practice Association (IPA), or, | Yes [] | No [X] |
| 11.14 A Mixed Model (combination of above) ? | Yes [] | 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. Kentucky.....
- 11.4 If yes, show the amount required. \$.....105,925,748
- 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.
200% of Authorized Control Level Risk-Based Capital
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Arizona: Apache, Cochise, Gila, Graham, Greenlee, LaPaz, Maricopa, Mohave, Navajo, Pima, Pinal, Santa Cruz, Yavapai, Yuma.....
Colorado: Adams, Arapahoe, Broomfield, Denver, Douglas, Jefferson, Boulder, Elbert, El Paso, Teller.....
Illinois: Cook, Dupage, Kane, Kankakee, Kendall, Lake, McHenry, Will, Boone, Brown, Bureau, Cass, DeKalb, Dewitt, Fulton, Grundy, Hancock, Henderson, Henry.....
Knox, LaSalle, Lee, Livingston, Marshall, McDonough, McLean, Mercer, Ogle, Peoria, Putman, Schuyler, Stark, Stephenson, Tazewell, Warren, Winnebago, Woodford.....
Indiana: Boone, Clark, Crawford, Dearborn, Dubois, Franklin, Floyd, Gibson, Hamilton, Hancock, Harrison, Hendricks, Howard, Jackson, Jennings, Johnson, Knox,....
Lake, LaPorte, Madison, Marion, Morgan, Ohio, Orange, Pike, Porter, Ripley, Scott, Shelby, Spencer, Tipton, Union, Vanderburgh, Warrick, Washington, Delaware, Jefferson, Posey.....
Kansas: Atchison, Jefferson, Johnson, Leavenworth, Linn, Miami, Wyandote.....
Kentucky: Adair, Allen, Anderson, Ballard, Barren, Bath, Bell, Boone, Bourbon, Boyd, Boyle, Bracken, Breathitt, Breckinridge, Bullitt, Butler, Caldwell, Calloway,.....
Campbell, Carlisle, Carroll, Carter (p), Casey, Christian, Clark, Clay, Clinton, Crittenden, Cumberland, Daviess, Edmonson, Elliott, Estill, Fayette, Fleming, Floyd.....
Franklin, Fulton, Gallatin, Garrard, Grant, Graves, Grayson, Greene, Greenup, Hancock, Hardin, Harlan, Harrison, Hart, Henderson, Henry, Hickman, Hopkins.....
Jackson, Jefferson, Jessamine, Johnson, Kenton, Knott, Knox, Larue, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, Livingston, Logan, Lyon, Madison,....
Magoffin, Marion, Marshall, Martin, Mason, McCracken, McCreary, McLean, Meade, Menifee, Mercer, Metcalf, Monroe, Montgomery, Morgan, Muhlenberg.....
Nelson, Nicholas, Ohio, Oldham, Owen, Owsley, Pendleton, Perry, Pike, Powell, Pulaskie, Robertson, Rockcastle, Rowan, Russell, Scott, Shelby, Simpson.....
Spencer, Taylor, Todd, Trigg, Trimble, Union, Warren, Washington, Wayne, Webster, Whitley, Wolfe, Woodford.....
Missouri: Bates, Buchanan, Caldwell, Carroll, Cass, Clay, Clinton, Henry, Jackson, Johnson, Lafayette, Platte, Ray.....
Nevada -- Carson City, Clark, Lyon(p), Douglas(p), Nye(p), Storey, Washoe(p).....
Tennessee -- Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Coker, Davidson, DeKalb, Fayette, Grainger, Greene, Hamblen, Hamilton,.....
Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Macon, Marshall, McMinn, Meigs, Morgan, Rhea, Roane, Scott, Sequatchie, Sevier, Shelby, Smith,.....
Sullivan, Tipton, Trousdale, Unicoi, Union, Washington, Wilson.....

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

FIVE - YEAR HISTORICAL DATA

	1 2010	2 2009	3 2008	4 2007	5 2006
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	509,907,987	405,427,583	382,870,007	336,191,587	410,078,474
2. Total liabilities (Page 3, Line 24)	229,026,143	229,812,569	205,601,476	189,906,025	202,409,785
3. Statutory surplus	105,925,748	108,234,224	94,472,130	88,906,342	102,000,318
4. Total capital and surplus (Page 3, Line 33)	280,881,844	175,615,014	177,268,531	146,285,563	207,668,689
Income Statement (Page 4)					
5. Total revenues (Line 8)	1,966,525,462	1,767,214,459	1,663,551,577	1,413,109,913	1,490,668,998
6. Total medical and hospital expenses (Line 18)	1,621,855,792	1,514,220,353	1,441,893,004	1,154,074,326	1,233,234,629
7. Claims adjustment expenses (Line 20)	62,755,032	36,956,531	36,887,095	42,126,926	37,911,784
8. Total administrative expenses (Line 21)	251,823,102	219,225,645	219,548,685	203,451,127	173,131,198
9. Net underwriting gain (loss) (Line 24)	44,517,865	216,384	(29,580,864)	(8,788,969)	57,653,467
10. Net investment gain (loss) (Line 27)	10,298,805	9,604,693	13,508,162	6,371,025	16,841,566
11. Total other income (Lines 28 plus 29)	12,712	(18,287,474)	191,616	111,109	(500,590)
12. Net income or (loss) (Line 32)	30,421,797	(8,901,986)	(14,076,328)	(16,118,226)	62,356,698
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(6,227,652)	13,303,957	(1,749,475)	(13,081,799)	68,899,704
Risk-Based Capital Analysis					
14. Total adjusted capital	280,881,844	175,615,014	177,268,531	146,285,563	207,668,689
15. Authorized control level risk-based capital	52,962,874	54,117,112	47,192,485	44,453,171	51,000,159
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	392,524	365,674	381,843	338,275	332,179
17. Total members months (Column 6, Line 7)	4,661,923	4,688,908	4,523,947	3,916,836	4,156,092
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 (Lines 18 plus Line 19)	82.5	85.7	86.7	81.7	82.7
20. Cost containment expenses	2.6	0.3	0.3	0.5	0.5
21. Other claims adjustment expenses	0.6	1.8	1.9	2.5	2.0
22. Total underwriting deductions (Line 23)	97.7	100.0	101.8	100.6	96.1
23. Total underwriting gain (loss) (Line 24)	2.3	0.0	(1.8)	(0.6)	3.9
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	139,650,778	140,538,331	103,182,830	109,931,400	122,142,740
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	155,464,640	149,374,018	122,012,480	135,821,290	145,182,010
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	27,886,723	26,798,974	25,585,978	27,473,313	0
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	27,886,723	26,798,974	25,585,978	27,473,313	0

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

If no, please explain:

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	L	5,802	13,117,458				13,123,260	0
2. Alaska	AK	N						0	0
3. Arizona	AZ	L	53,689,530	139,094,069		1,471,704		194,255,303	0
4. Arkansas	AR	L	77,281	28,239,825				28,317,106	0
5. California	CA	N						0	0
6. Colorado	CO	L	34,482,748	25,942,377				60,425,125	0
7. Connecticut	CT	N						0	0
8. Delaware	DE	N						0	0
9. District of Columbia	DC	N						0	0
10. Florida	FL	N						0	0
11. Georgia	GA	N						0	0
12. Hawaii	HI	N						0	0
13. Idaho	ID	L						0	0
14. Illinois	IL	L	201,463,790	292,735,331		93,132,494		587,331,615	0
15. Indiana	IN	L	7,797,838	6,289,437		0		14,087,275	0
16. Iowa	IA	N						0	0
17. Kansas	KS	L	10,265,954	86,198,989		1,150,342		97,615,285	0
18. Kentucky	KY	L	467,161,188	0		3,407,279		470,568,467	0
19. Louisiana	LA	N						0	0
20. Maine	ME	N						0	0
21. Maryland	MD	N						0	0
22. Massachusetts	MA	N						0	0
23. Michigan	MI	N						0	0
24. Minnesota	MN	N						0	0
25. Mississippi	MS	N						0	0
26. Missouri	MO	L	8,985,068	154,975,134		30,292,370		194,252,572	0
27. Montana	MT	N						0	0
28. Nebraska	NE	L						0	0
29. Nevada	NV	L	999,969	345,051,198				346,051,167	0
30. New Hampshire	NH	N						0	0
31. New Jersey	NJ	N						0	0
32. New Mexico	NM	L	12,605	8,565,798				8,578,403	0
33. New York	NY	N						0	0
34. North Carolina	NC	N						0	0
35. North Dakota	ND	N						0	0
36. Ohio	OH	N						0	0
37. Oklahoma	OK	N						0	0
38. Oregon	OR	N						0	0
39. Pennsylvania	PA	N						0	0
40. Rhode Island	RI	N						0	0
41. South Carolina	SC	L	2,060	5,407,368				5,409,428	0
42. South Dakota	SD	N						0	0
43. Tennessee	TN	L	51,810,217					51,810,217	0
44. Texas	TX	N						0	0
45. Utah	UT	N						0	0
46. Vermont	VT	N						0	0
47. Virginia	VA	L		5,403,020				5,403,020	0
48. Washington	WA	L						0	0
49. West Virginia	WV	L						0	0
50. Wisconsin	WI	N						0	0
51. Wyoming	WY	N						0	0
52. American Samoa	AS	N						0	0
53. Guam	GU	N						0	0
54. Puerto Rico	PR	N						0	0
55. U.S. Virgin Islands	VI	N						0	0
56. Northern Mariana Islands	MP	N						0	0
57. Canada	CN	N						0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX		836,754,050	1,111,020,004	0	129,454,189	0	2,077,228,243	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	0
61. Total (Direct Business)	(a)	18	836,754,050	1,111,020,004	0	129,454,189	0	2,077,228,243	0
DETAILS OF WRITE-INS									
5801.	XXX							0	0
5802.	XXX							0	0
5803.	XXX							0	0
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0	0

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

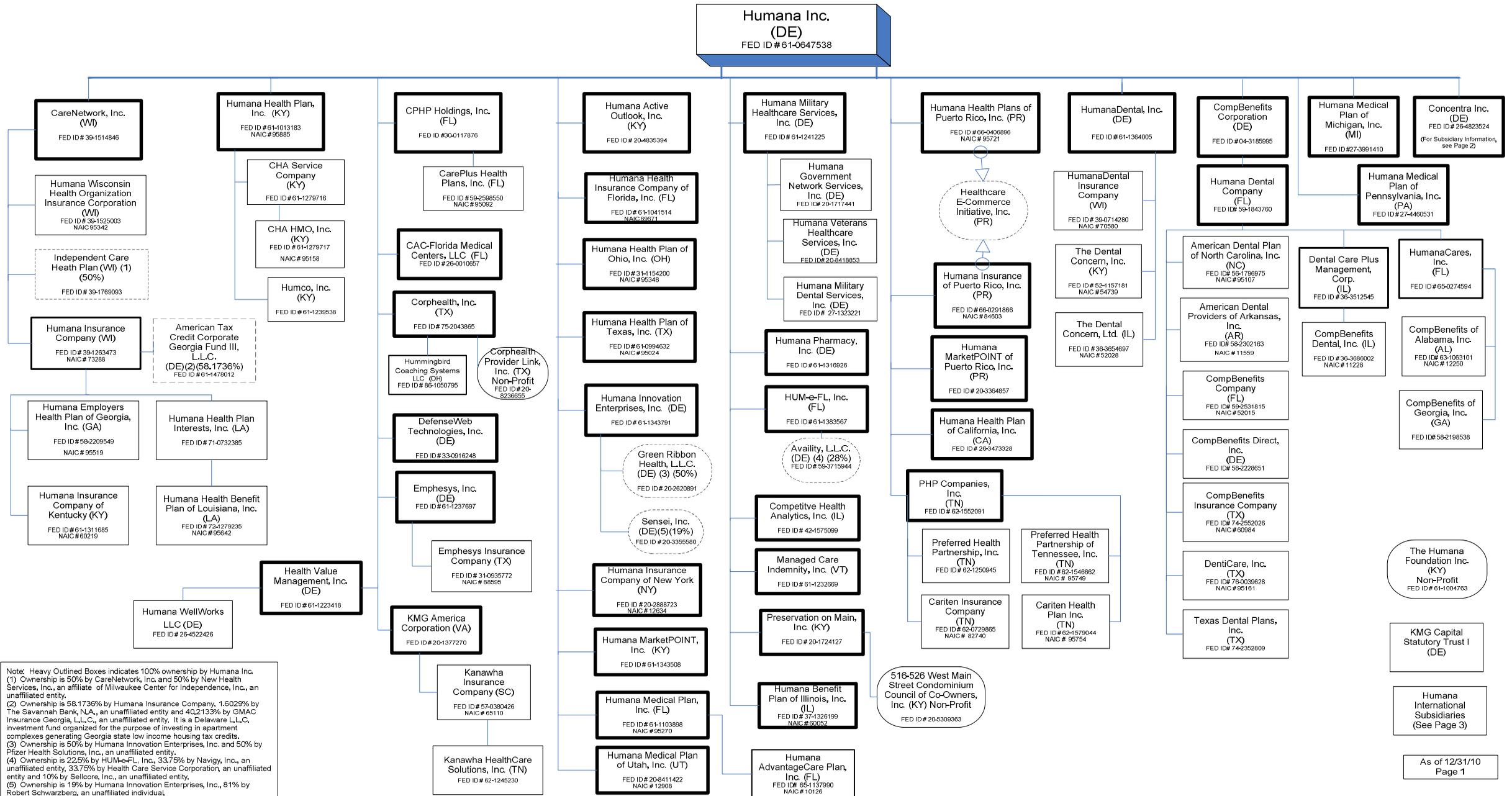
Explanation of basis of allocation by states, premiums by state, etc.: The Company allocates group premiums to the situs of the contract and individual premiums based on residence.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

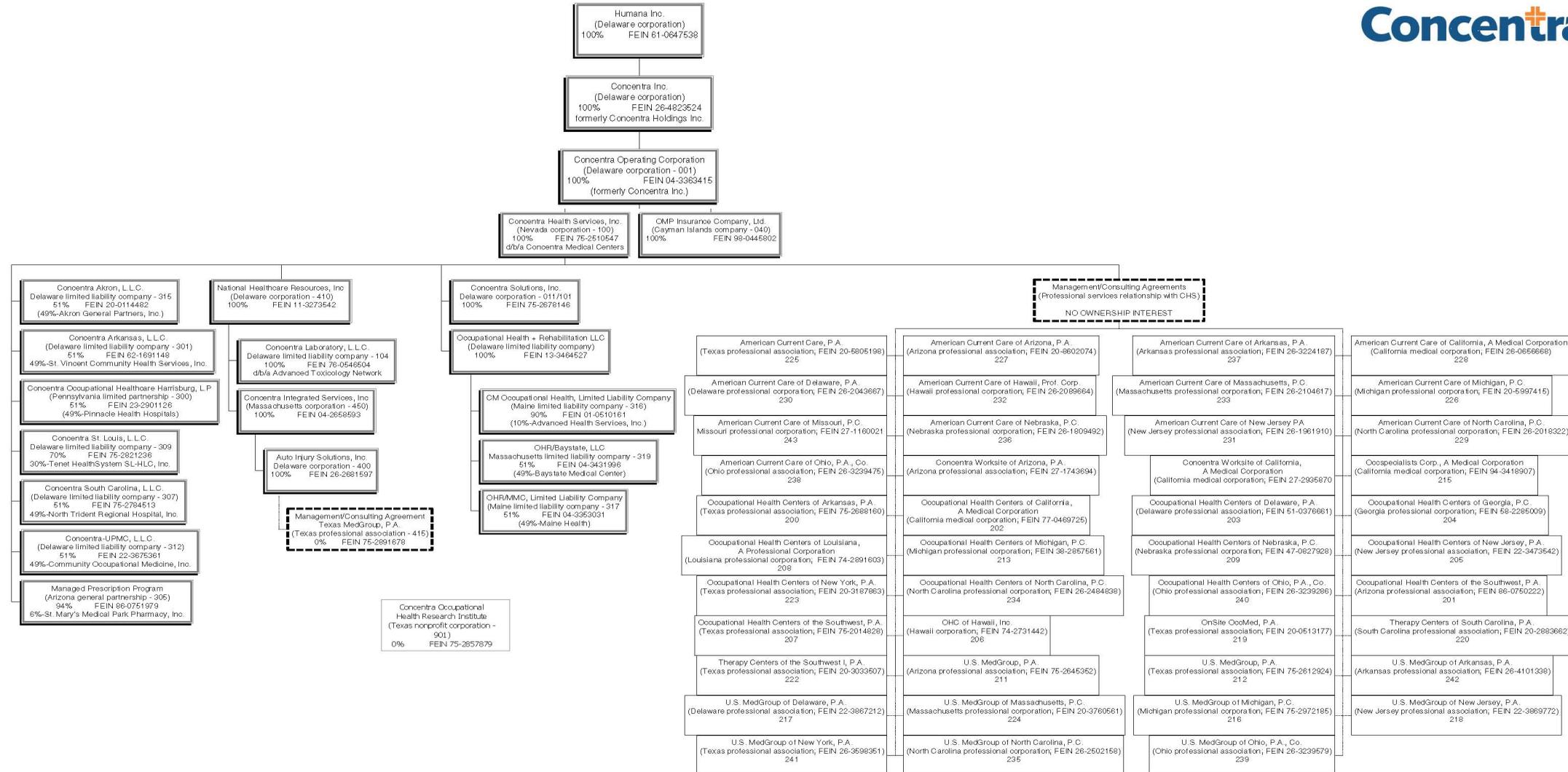


38

Note: Heavy Outlined Boxes indicates 100% ownership by Humana Inc.
 (1) Ownership is 50% by CareNetwork, Inc. and 50% by New Health Services, Inc., an affiliate of Milwaukee Center for Independence, Inc., an unaffiliated entity.
 (2) Ownership is 58.1736% by Humana Insurance Company, 1.6029% by The Savannah Bank, N.A., an unaffiliated entity and 40.2133% by GMAC Insurance Georgia, L.L.C., an unaffiliated entity. It is a Delaware L.L.C. investment fund organized for the purpose of investing in apartment complexes generating Georgia state low income housing tax credits.
 (3) Ownership is 50% by Humana Innovation Enterprises, Inc. and 50% by Pfizer Health Solutions, Inc., an unaffiliated entity.
 (4) Ownership is 22.5% by HUM-FL, Inc., 33.75% by Navigi, Inc., an unaffiliated entity, 33.75% by Health Care Service Corporation, an unaffiliated entity and 10% by Selcore, Inc., an unaffiliated entity.
 (5) Ownership is 19% by Humana Innovation Enterprises, Inc., 81% by Robert Schwarzbarg, an unaffiliated individual.

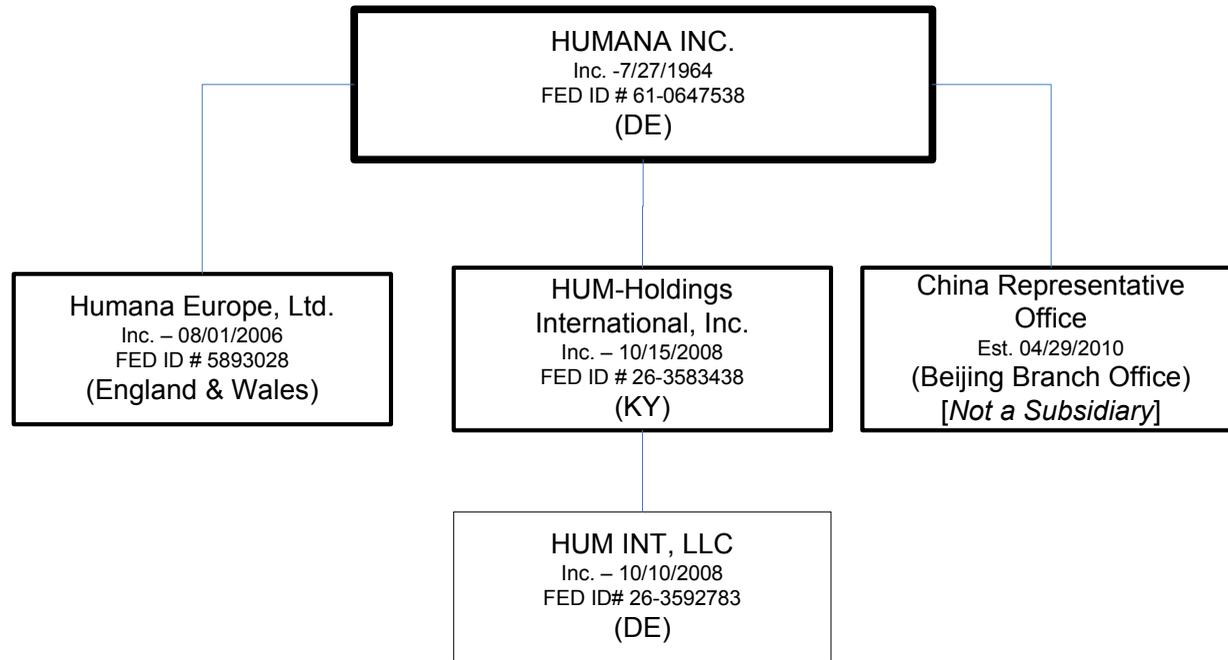
ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.

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

HUMANA INTERNATIONAL SUBSIDIARIES



ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 – Enrollment By Product Type for Health Business Only	17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18
Exhibit 3 – Health Care Receivables	19
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23
Exhibit 8 – Furniture, Equipment and Supplies Owned	24
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	29
Five-Year Historical Data	28
General Interrogatories	26
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	25
Overflow Page For Write-ins	41
Schedule A – Part 1	E01
Schedule A – Part 2	E02
Schedule A – Part 3	E03
Schedule A – Verification Between Years	SI02
Schedule B – Part 1	E04
Schedule B – Part 2	E05
Schedule B – Part 3	E06
Schedule B – Verification Between Years	SI02
Schedule BA – Part 1	E07
Schedule BA – Part 2	E08
Schedule BA – Part 3	E09
Schedule BA – Verification Between Years	SI03
Schedule D – Part 1	E10

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Schedule D – Part 1A – Section 1	SI05
Schedule D – Part 1A – Section 2	SI08
Schedule D – Part 2 – Section 1	E11
Schedule D – Part 2 – Section 2	E12
Schedule D – Part 3	E13
Schedule D – Part 4	E14
Schedule D – Part 5	E15
Schedule D – Part 6 – Section 1	E16
Schedule D – Part 6 – Section 2	E16
Schedule D – Summary By Country	SI04
Schedule D – Verification Between Years	SI03
Schedule DA – Part 1	E17
Schedule DA – Verification Between Years	SI11
Schedule DB – Part A – Section 1	E18
Schedule DB – Part A – Section 2	E19
Schedule DB – Part A – Verification Between Years	SI12
Schedule DB – Part B – Section 1	E20
Schedule DB – Part B – Section 2	E21
Schedule DB – Part B – Verification Between Years	SI12
Schedule DB – Part C – Section 1	SI13
Schedule DB – Part C – Section 2	SI14
Schedule DB – Part D	E22
Schedule DB – Verification	SI15
Schedule DL – Part 1	E23
Schedule DL – Part 2	E24
Schedule E – Part 1 – Cash	E25
Schedule E – Part 2 – Cash Equivalents	E26
Schedule E – Part 3 – Special Deposits	E27
Schedule E – Verification Between Years	SI16
Schedule S – Part 1 – Section 2	30
Schedule S – Part 2	31
Schedule S – Part 3 – Section 2	32
Schedule S – Part 4	33
Schedule S – Part 5	34
Schedule S – Part 6	35
Schedule T – Part 2 – Interstate Compact	37
Schedule T – Premiums and Other Considerations	36
Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule Y - Part 2 – Summary of Insurer’s Transactions With Any Affiliates	39
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK (Continued)

Supplemental Exhibits and Schedules Interrogatories	40
Underwriting and Investment Exhibit – Part 1	8
Underwriting and Investment Exhibit – Part 2	9
Underwriting and Investment Exhibit – Part 2A	10
Underwriting and Investment Exhibit – Part 2B	11
Underwriting and Investment Exhibit – Part 2C	12
Underwriting and Investment Exhibit – Part 2D	13
Underwriting and Investment Exhibit – Part 3	14

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE Humana Health Plan, Inc.