



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2011

OF THE CONDITION AND AFFAIRS OF THE

HealthSpring Life & Health Insurance Company, Inc.

NAIC Group Code 3477 (Current) (Prior) NAIC Company Code 12902 Employer's ID Number 20-8534298

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [] No [X]

Incorporated/Organized 02/27/2007 Commenced Business 02/27/2007

Statutory Home Office 2900 North Loop West, Suite 1300 (Street and Number) Houston, TX 77092 (City or Town, State and Zip Code)

Main Administrative Office 601 Mainstream Dr. (Street and Number) Nashville, TN 37228 (City or Town, State and Zip Code) 615-291-7000 (Area Code) (Telephone Number)

Mail Address 9009 Carothers Parkway (Street and Number or P.O. Box) Franklin, TN 37067 (City or Town, State and Zip Code)

Primary Location of Books and Records 601 Mainstream Dr. (Street and Number) Nashville, TN 37228 (City or Town, State and Zip Code) 615-291-7000 (Area Code) (Telephone Number)

Internet Web Site Address www.healthspring.com

Statutory Statement Contact Beth Ann Hollingsworth (Name) 615-236-6252 (Area Code) (Telephone Number) regulatory@healthspring.com (E-mail Address) 615-401-4566 (FAX Number)

OFFICERS

President, Chairman & CEO Michael Glenn Mirt Vice President & Secretary Mark Andrew Tulloch
Chief Financial Officer Franklin Stewart Warren Vice President Jack Lankford Wade

OTHER

Frederick Dennis Watson MD # Texas Medical Director Dirk Oliver Wales MD Corporate Medical Officer Dana Michelle Fields Compliance Officer
James Russell Hailey President - Pharmaceutical Operations Brian Thomas McCullough Treasurer Clifton Scott Jacobson Vice President
David Lowell Terry Chief Actuary Scott Christian Huebner Divisional CEO Matthew Shawn Morris Divisional CEO
Gregory James Allen Divisional President Jay Landon Hurt Divisional President Peter Ronald Gardner # Vice President
Kristinn Klunkert Benton # Vice President

DIRECTORS OR TRUSTEES

Randy Karl Fike Scott Christian Huebner Robert Lamdin Dawson
Matthew Shawn Morris Michael Glenn Mirt Mark Andrew Tulloch

State of Tennessee SS:
County of Davidson

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 Glenn Mirt
President, Chairman and CEO

Franklin Stewart Warren
Chief Financial Officer

Mark Andrew Tulloch
Vice President & Secretary

Subscribed and sworn to before me this _____ day of August, 2011

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

STATEMENT AS OF JUNE 30, 2011 OF THE HealthSpring Life & Health Insurance Company, Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	87,859,547		87,859,547	86,284,405
2. Stocks:				
2.1 Preferred stocks			0	
2.2 Common stocks			0	
3. Mortgage loans on real estate:				
3.1 First liens			0	
3.2 Other than first liens.....			0	
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)			0	
4.2 Properties held for the production of income (less \$ encumbrances)			0	
4.3 Properties held for sale (less \$ encumbrances)			0	
5. Cash (\$28,506,778), cash equivalents (\$28,611,536) and short-term investments (\$5,340,776)	62,459,090		62,459,090	34,976,361
6. Contract loans (including \$ premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities	535,910		535,910	
10. Securities lending reinvested collateral assets			0	
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	150,854,547	0	150,854,547	121,260,766
13. Title plants less \$ charged off (for Title insurers only)			0	
14. Investment income due and accrued	830,919		830,919	804,885
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	43,146,959		43,146,959	12,721,246
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	
15.3 Accrued retrospective premiums			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans	27,598,992	10,017	27,588,975	90,961,928
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	8,671,846	6,014,005	2,657,841	2,417,876
19. Guaranty funds receivable or on deposit			0	
20. Electronic data processing equipment and software			0	
21. Furniture and equipment, including health care delivery assets (\$)			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	
23. Receivables from parent, subsidiaries and affiliates			0	
24. Health care (\$60,131,776) and other amounts receivable	60,146,952	15,177	60,131,775	36,910,074
25. Aggregate write-ins for other than invested assets	14,345,597	0	14,345,597	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	305,595,812	6,039,199	299,556,613	265,076,775
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	305,595,812	6,039,199	299,556,613	265,076,775
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Risk corridor	14,158,613		14,158,613	
2502. State income tax recoverable	186,984		186,984	
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	14,345,597	0	14,345,597	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	94,963,614	2,288,701	97,252,315	64,568,629
2. Accrued medical incentive pool and bonus amounts	4,939,192	3,947,956	8,887,148	4,955,235
3. Unpaid claims adjustment expenses		624,230	624,230	554,539
4. Aggregate health policy reserves			0	
5. Aggregate life policy reserves			0	
6. Property/casualty unearned premium reserve			0	
7. Aggregate health claim reserves			0	
8. Premiums received in advance	284,179		284,179	160,816
9. General expenses due or accrued	354,161		354,161	685,141
10.1 Current federal and foreign income tax payable and interest thereon (including \$18,414 on realized gains (losses))	3,999,271		3,999,271	14,470,155
10.2 Net deferred tax liability			0	
11. Ceded reinsurance premiums payable			0	
12. Amounts withheld or retained for the account of others			0	
13. Remittances and items not allocated			0	
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	
15. Amounts due to parent, subsidiaries and affiliates	31,207,695		31,207,695	35,614,424
16. Derivatives			0	
17. Payable for securities	788,844		788,844	
18. Payable for securities lending			0	
19. Funds held under reinsurance treaties (with \$ authorized reinsurers and \$ unauthorized reinsurers)			0	
20. Reinsurance in unauthorized companies			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	
22. Liability for amounts held under uninsured plans			0	
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	3,001,503
24. Total liabilities (Lines 1 to 23)	136,536,956	6,860,887	143,397,843	124,010,442
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	36,200,465	36,200,465
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	117,458,305	102,365,868
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	156,158,770	141,066,333
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	299,556,613	265,076,775
DETAILS OF WRITE-INS				
2301. Risk corridor			0	2,919,412
2302. Asset valuation reserve			0	82,091
2303.				
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)	0	0	0	3,001,503
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	2,883,524	2,630,879	5,389,806
2. Net premium income (including \$ non-health premium income)	XXX	646,740,932	586,459,647	1,116,955,264
3. Change in unearned premium reserves and reserve for rate credits	XXX			
4. Fee-for-service (net of \$ medical expenses)	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	(2,422,293)	(1,698,394)	(5,215,030)
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	644,318,639	584,761,253	1,111,740,234
Hospital and Medical:				
9. Hospital/medical benefits		122,596,127	201,179,299	198,828,922
10. Other professional services		118,749,047	4,668,404	215,611,807
11. Outside referrals	4,232,703	12,215,709	20,208,926	31,886,659
12. Emergency room and out-of-area	400,272	4,318,808	4,114,764	10,498,194
13. Prescription drugs		286,555,155	263,879,593	426,591,216
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		5,135,198	3,411,409	8,274,710
16. Subtotal (Lines 9 to 15)	4,632,975	549,570,044	497,462,395	891,691,508
Less:				
17. Net reinsurance recoveries		(5,871)		
18. Total hospital and medical (Lines 16 minus 17)	4,632,975	549,575,915	497,462,395	891,691,508
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ cost containment expenses	607,110	607,110	519,998	
21. General administrative expenses		71,103,025	63,972,317	122,225,606
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)	5,240,085	621,286,050	561,954,710	1,013,917,114
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	23,032,589	22,806,543	97,823,120
25. Net investment income earned		1,064,327	560,190	1,525,012
26. Net realized capital gains (losses) less capital gains tax of \$ 18,414		34,198		76,013
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,098,525	560,190	1,601,025
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]				
29. Aggregate write-ins for other income or expenses	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	24,131,114	23,366,733	99,424,145
31. Federal and foreign income taxes incurred	XXX	9,345,556	8,268,154	34,320,946
32. Net income (loss) (Lines 30 minus 31)	XXX	14,785,558	15,098,579	65,103,199
DETAILS OF WRITE-INS				
0601. Bad debt expense	XXX	(2,422,293)	(1,698,394)	(5,215,030)
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	(2,422,293)	(1,698,394)	(5,215,030)
0701.	XXX			
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0	0
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	141,066,333	110,550,345	110,550,345
34. Net income or (loss) from Line 32.....	14,785,558	15,098,579	65,103,199
35. Change in valuation basis of aggregate policy and claim reserves.....			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....			
37. Change in net unrealized foreign exchange capital gain or (loss).....			
38. Change in net deferred income tax.....	801,629	117,229	(344,035)
39. Change in nonadmitted assets.....	(576,841)	392,601	1,448,765
40. Change in unauthorized reinsurance.....	0		
41. Change in treasury stock.....	0		
42. Change in surplus notes.....	0		
43. Cumulative effect of changes in accounting principles.....			
44. Capital Changes:			
44.1 Paid in.....	0		
44.2 Transferred from surplus (Stock Dividend).....	0		
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in.....	0	10,000,000	10,000,000
45.2 Transferred to capital (Stock Dividend).....			
45.3 Transferred from capital.....			
46. Dividends to stockholders.....		(15,000,000)	(45,000,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	82,091	(609,855)	(691,941)
48. Net change in capital & surplus (Lines 34 to 47).....	15,092,437	9,998,554	30,515,988
49. Capital and surplus end of reporting period (Line 33 plus 48)	156,158,770	120,548,899	141,066,333
DETAILS OF WRITE-INS			
4701. Change in asset valuation reserve.....	82,091	0	(82,091)
4702. Valley Baptist deferred payment.....		(609,855)	(609,850)
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	82,091	(609,855)	(691,941)

STATEMENT AS OF JUNE 30, 2011 OF THE HealthSpring Life & Health Insurance Company, Inc.

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	596,938,265	550,884,735	1,113,522,930
2. Net investment income	1,706,773	296,540	1,861,303
3. Miscellaneous income	0		
4. Total (Lines 1 to 3)	598,645,038	551,181,275	1,115,384,233
5. Benefit and loss related payments	536,197,194	491,245,580	901,857,898
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	8,785,455	96,581,288	207,837,865
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	19,834,854	3,987,003	19,842,780
10. Total (Lines 5 through 9)	564,817,503	591,813,871	1,129,538,543
11. Net cash from operations (Line 4 minus Line 10)	33,827,535	(40,632,596)	(14,154,310)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	7,318,402	1,664,649	9,227,849
12.2 Stocks	0		
12.3 Mortgage loans	0		
12.4 Real estate	0		
12.5 Other invested assets	0		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0		
12.7 Miscellaneous proceeds	788,844		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	8,107,246	1,664,649	9,227,849
13. Cost of investments acquired (long-term only):			
13.1 Bonds	9,509,412	82,203,395	95,213,716
13.2 Stocks	0		
13.3 Mortgage loans	0		
13.4 Real estate	0		
13.5 Other invested assets	0		
13.6 Miscellaneous applications	535,910		
13.7 Total investments acquired (Lines 13.1 to 13.6)	10,045,322	82,203,395	95,213,716
14. Net increase (or decrease) in contract loans and premium notes	0		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(1,938,076)	(80,538,746)	(85,985,867)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0		
16.2 Capital and paid in surplus, less treasury stock	0	10,000,000	10,000,000
16.3 Borrowed funds	0		
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0		
16.5 Dividends to stockholders	0	15,000,000	45,000,000
16.6 Other cash provided (applied)	(4,406,730)	(3,734,757)	11,841,874
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(4,406,730)	(8,734,757)	(23,158,126)
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)	27,482,729	(129,906,099)	(123,298,303)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	34,976,361	158,274,664	158,274,664
19.2 End of period (Line 18 plus Line 19.1)	62,459,090	28,368,565	34,976,361

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

--	--	--	--

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	468,290							48,713		419,577
2. First Quarter	482,821							54,419		428,402
3. Second Quarter	483,498							55,142		428,356
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	2,883,524							323,894		2,559,630
Total Member Ambulatory Encounters for Period:										
7. Physician	0									
8. Non-Physician	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written (a)	646,740,932							378,291,572		268,449,360
13. Life Premiums Direct	0							0		0
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	646,740,932							378,291,572		268,449,360
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services.....	536,191,323							283,626,302		252,565,021
18. Amount Incurred for Provision of Health Care Services	549,570,044							297,031,489		252,538,555

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$646,740,932

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		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 Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	
2. Medicare Supplement					0	
3. Dental Only					0	
4. Vision Only					0	
5. Federal Employees Health Benefits Plan					0	
6. Title XVIII - Medicare	27,593,935	263,312,118	3,419,526	40,184,055	31,013,461	33,951,403
7. Title XIX - Medicaid					0	
8. Other health	28,345,998	277,665,881	1,133,065	52,515,669	29,479,063	30,617,226
9. Health subtotal (Lines 1 to 8)	55,939,933	540,977,999	4,552,591	92,699,724	60,492,524	64,568,629
10. Healthcare receivables (a)	36,338,164	25,622,429	(4,823)	60,151,775	36,333,341	36,910,074
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	2,705,048	(1,465,193)	2,413,937	6,473,211	5,118,985	4,955,235
13. Totals (Lines 9-10+11+12)	22,306,817	513,890,377	6,971,351	39,021,160	29,278,168	32,613,790

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

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies
 - A. Accounting Practices

The financial statements of HealthSpring Life & Health Insurance Company, Inc. (the “Company”) are presented on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance (the “Department”). The Department recognizes only statutory accounting practices (“SAP”) prescribed or permitted by the state of Texas for determining and reporting the financial condition and results of operations of an insurance company, for determining solvency under Texas Insurance Law. The National Association of Insurance Commissioners’ (the “NAIC”) *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed or permitted practices by the state of Texas. While the Department has adopted certain prescribed accounting practices that differ from those found in SAP, the Company’s financials were not affected by those differences in 2011 or 2010.
 - B. Use of Estimates in the Preparation of the Financial Statements

No change from 2010 Annual Statement.
 - C. Accounting Policies

No change from 2010 Annual Statement.
2. Accounting Changes and Corrections of Errors
 - A. Material Changes in Accounting Principles and/or Correction of Errors – not applicable
 1. Description of Change – not applicable.
 2. Impact of Change – not applicable.
 3. Effect on Future Periods – not applicable.
 4. Subsequent Financial Statements that are Restated – not applicable.
3. Business Combinations and Goodwill
 - A. Statutory Purchase Method – not applicable.
 - B. Statutory Merger

No change from 2010 Annual Statement.
 - C. Assumption Reinsurance – not applicable.
 - D. Impairment Loss – not applicable.
4. Discontinued Operations
 1. Identity of Segment Discontinued – not applicable.
 2. Expected Disposal Date – not applicable.
 3. Expected Manner of Disposal – not applicable.
 4. Description of Remaining Assets and Liabilities – not applicable.
 5. Amounts Related to Discontinued Operations – not applicable.

5. Investments
 - A. Mortgage Loans – not applicable.
 - B. Debt Restructuring – not applicable.
 - C. Reverse Mortgages – not applicable.
 - D. Loan-Backed Securities
 1. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer survey values.
 2. All securities with a recognized other-than-temporary impairment (OTTI), classified on the basis of the OTTI – none
 3. Each security by CUSIP with a recognized OTTI for which the present value of cash flows expected to be collected is less than the amortized cost of the security – not applicable
 4. All impaired securities (fair value is less than amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
 - a. Aggregate amount of unrealized losses: \$1,530 less than 12 months, and none 12 months or longer
 - b. The aggregate related fair value of securities with unrealized losses: \$786,015 less than 12 months, and none 12 months or longer.
 5. The Company believes that it will recover all contractual principal and interest related to those securities that currently reflect unrealized losses. Furthermore, because the Company did not intend to sell these securities and it was not more likely than not to be required to sell these investments prior to their recovery, these investments were not considered other-than-temporarily impaired as of June 30, 2011.
 - E. Repurchase Agreements – not applicable.
 - F. Real Estate – not applicable.
 - G. Investments in Low Income Housing Tax Credits – not applicable.
6. Joint Ventures, Partnerships and Limited Liability Companies
 - A. Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.
 - B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.
7. Investment Income
 - A. Basis for Non-Admitting Any Investment Income Due and Accrued – not applicable.
 - B. Total Amount Excluded – not applicable.
8. Derivative Instruments
 - A. Market Risk, Credit Risk, and Cash Requirements for Derivatives – not applicable.
 - B. Objectives for the Use of Derivatives – not applicable.
 - C. Description of Accounting Policies for Derivatives – not applicable.

D&E. Net Gain or Loss from Derivatives – not applicable.

 - E. Cash Flow Hedges – not applicable.

9. Income Taxes

The Company adopted SSAP No. 10R, Income Taxes, effective December 31, 2009. The June 30, 2011 and December 31, 2010 balances and related disclosures are calculated and presented pursuant to SSAP No. 10R.

- A. There were no tax amounts categorized as capital-related in either 2011 or 2010, and accordingly, tables throughout reflect ordinary amounts only.

The net deferred tax asset at June 30, 2011 and December 31, 2010, and the change from the prior year ended December 31, consist of the following components:

	<u>6/30/2011</u>	<u>12/31/2010</u>	<u>Change</u>
Total gross deferred tax assets	\$ 10,011,484	\$ 9,996,910	\$ 14,574
Statutory valuation allowance adjustment	<u>—</u>	<u>—</u>	<u>—</u>
Adjusted gross deferred tax assets	10,011,484	9,996,910	14,574
Total gross deferred tax liabilities	<u>(1,339,638)</u>	<u>(2,126,693)</u>	<u>787,055</u>
Net deferred tax assets	8,671,846	7,870,217	801,629
Total deferred tax assets nonadmitted	<u>(6,014,005)</u>	<u>(5,452,341)</u>	<u>(561,664)</u>
Net admitted deferred tax assets	<u>\$ 2,657,841</u>	<u>\$ 2,417,876</u>	<u>\$ 239,965</u>

The Company is subject to the risk-based capital requirements, and has elected not to admit deferred tax assets pursuant to paragraph 10.e. under SSAP No. 10R for June 30, 2011 and December 31, 2010. The Company calculated admitted adjusted gross deferred tax assets equal to the sum of paragraph 10.a., 10.b., and 10.c.

The amount of admitted adjusted gross deferred tax assets admitted under each component of SSAP No. 10R is as follows:

	<u>June 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>	<u>Change</u>
Admitted under paragraph 10.a. from prior year's income taxes paid that can be recovered through loss carrybacks	\$ 2,657,841	\$ 2,417,876	\$ 239,965
Deferred tax asset, paragraph 10.b., lesser of:			
Expected to be recognized within one year, admitted under paragraph 10.b.i	—	—	—
10% of adjusted capital and surplus, admitted under paragraph 10.b.ii	<u>14,347,356</u>	<u>10,446,763</u>	<u>3,900,593</u>
Admitted under paragraph 10.b. (lesser of b.i. or b.ii)	—	—	—
Adjusted gross DTAs offsetting existing DTLs, admitted under paragraph 10.c.	<u>1,339,638</u>	<u>2,126,693</u>	<u>(787,055)</u>
Total admitted from the application of paragraph 10.a – 10.c.	3,997,479	4,544,569	(547,090)
Admitted under paragraph 10.e.i. from prior year's income taxes paid that can be recovered through loss carrybacks	<u>—</u>	<u>—</u>	<u>—</u>
Paragraph 10.e.ii., lesser of:			
Expected to be recognized within three years, admitted under paragraph 10.e.ii.a	—	—	—
15% of adjusted capital and surplus, admitted under paragraph 10.e.ii.b	<u>—</u>	<u>—</u>	<u>—</u>
Admitted under paragraph 10.e.ii. (lesser of e.ii.a or e.ii.b)	<u>—</u>	<u>—</u>	<u>—</u>
Adjusted gross DTAs offsetting existing DTLs, admitted under paragraph 10.e.iii.	<u>—</u>	<u>—</u>	<u>—</u>
Total admitted from the application of paragraph 10.e.	<u>—</u>	<u>—</u>	<u>—</u>
Total admitted adjusted gross deferred tax assets	<u>\$ 3,997,479</u>	<u>\$ 4,544,569</u>	<u>\$ (547,090)</u>

STATEMENT AS OF JUNE 30, 2011 OF THE HealthSpring Life & Health Insurance Company, Inc.

The change in deferred income taxes reported in surplus before consideration of nonadmitted assets consists of the following components:

	<u>June 30, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>	<u>December 31, 2009</u>	<u>Change</u>
Total deferred tax assets	\$ 10,011,484	\$ 9,996,910	\$ 14,574	\$ 11,019,793	\$ (1,022,883)
Total deferred tax liabilities	<u>(1,339,638)</u>	<u>(2,126,693)</u>	787,055	<u>(2,805,541)</u>	678,848
Net adjusted deferred tax asset	8,671,846	7,870,217	801,629	8,214,252	(344,035)
Tax effect of unrealized gains and losses	<u>—</u>	<u>—</u>	<u>—</u>	7,294,111	(7,294,111)
Net tax effect without unrealized gain and losses	<u>\$ 8,671,846</u>	<u>\$ 7,870,217</u>	<u>\$ 801,629</u>	<u>\$ 920,141</u>	<u>\$ 6,950,076</u>
Change in deferred income tax			<u>\$ (801,629)</u>		<u>\$ 344,035</u>

B. Unrecognized deferred tax liabilities

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

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

	<u>June 30, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Current year tax expense – ordinary income	\$ 9,345,558	\$ 34,320,946	\$ (24,975,388)
Tax contingency reserve	—	—	—
Current year tax expense – realized gains	<u>18,414</u>	<u>40,398</u>	<u>(21,984)</u>
Current income taxes incurred	<u>\$ 9,363,972</u>	<u>\$ 34,361,344</u>	<u>\$ (24,997,372)</u>

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

	<u>June 30, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Deferred tax assets:			
Claims payable and liability for incurred but unreported claims	\$ 487,084	\$ 422,182	\$ 64,902
Amortization of intangibles	8,087,655	8,407,457	(319,802)
Unearned Premium	5,628	11,257	(5,629)
Allowance for doubtful accounts	1,424,955	1,152,508	272,447
Accrued expenses, due to timing of deduction or income exclusion	—	—	—
Nonadmitted asset	<u>6,162</u>	<u>3,506</u>	<u>2,656</u>
Total gross deferred tax assets	10,011,484	9,996,910	14,574
Statutory valuation allowance adjustment	<u>—</u>	<u>—</u>	<u>—</u>
Total adjusted gross deferred tax assets	10,011,484	9,996,910	14,574
Nonadmitted deferred tax assets	<u>(6,014,005)</u>	<u>(5,452,341)</u>	<u>(561,664)</u>
Admitted deferred tax assets	3,997,479	4,544,569	(547,090)
Deferred tax liabilities:			
Revenues, due to timing of income inclusion	(1,334,818)	(2,126,693)	791,875
Section 481 adjustment	<u>(4,820)</u>	<u>—</u>	<u>(4,820)</u>
Total deferred tax liabilities	<u>(1,339,638)</u>	<u>(2,126,693)</u>	<u>787,055</u>
Net admitted deferred tax asset	<u>\$ 2,657,841</u>	<u>\$ 2,417,876</u>	<u>\$ 239,965</u>

- D. The Company believes based on the weight of available evidence that the gross deferred tax assets will be realized and statutory valuation allowance is not warranted. Tax planning strategies did not have an effect on the Company's net admitted deferred tax assets.

The Company's income tax incurred and change in deferred income tax differs from the amount obtained by applying the federal statutory rate of 35% to income before income taxes as follows:

	<u>June 30, 2011</u>	<u>December 31, 2010</u>
Current income taxes incurred	\$ 9,363,970	\$ 34,361,344
Change in deferred income tax (without tax on unrealized gains and losses)	<u>(801,629)</u>	<u>344,035</u>
Total income tax reported	<u>\$ 8,562,341</u>	<u>\$ 34,705,379</u>
Income before taxes	\$ 24,149,528	\$ 99,464,543
Income tax expense at 35% statutory rate	<u>35%</u>	<u>35%</u>
Total statutory income taxes	\$ 8,452,335	\$ 34,812,590
Increase (decrease) in actual tax reported resulting from:		
Tax-exempt income	(83,875)	(55,341)
Change in deferred taxes on nonadmitted assets	(2,656)	103,559
Nondeductible expenses	9,363	58,018
Other	<u>187,174</u>	<u>(213,447)</u>
Total income tax reported	<u>\$ 8,562,341</u>	<u>\$ 34,705,379</u>

E. Operating loss carryforward

As of June 30, 2011 and December 31, 2010, there were no net operating carryforwards available for tax purposes.

The amount of federal income taxes incurred that are available for recoupment in the event of future net losses are:

	<u>Ordinary</u>
2011	\$ 9,363,972
2010	34,361,344

F. Consolidated federal income tax return

(1) The Company's federal income tax return is consolidated with the following entities:

- HealthSpring, Inc. (Ultimate Parent)
- NewQuest, LLC (Parent) (a)
- HealthSpring Management, Inc.
- HealthSpring Employer Services, Inc.
- HealthSpring USA, LLC (a)
- NewQuest Management of Alabama, LLC (a)
- NewQuest Management of Illinois, LLC (a)
- GulfQuest, LP (a)
- HealthSpring of Alabama, Inc.
- HealthSpring of Tennessee, Inc.
- HealthSpring of Florida, Inc. (d/b/a Leon Medical Center Health Plans, Inc.)
- NewQuest Management of Florida, LLC (a)
- Tennessee Quest, LLC (b)
- HealthSpring Pharmacy Services, LLC (a)
- HealthSpring Pharmacy of Tennessee, LLC (c)
- Bravo Health, Inc. (e)
- Bravo Health Mid-Atlantic, Inc. (e)
- Bravo Health Texas, Inc. (e)
- Bravo Health Pennsylvania, Inc. (e)
- Bravo Health Insurance Company, Inc. (e)
- Managed Care Services, LLC (d)
- NewQuest Management of West Virginia, LLC (a)
- HealthSpring Management of America, LLC (a)

(a) Treated as a division of HealthSpring, Inc. for federal tax purposes

(b) Treated as a division of HealthSpring Management, Inc. for federal tax purposes

(c) Treated as a division of HealthSpring Pharmacy Services, LLC for federal tax purposes

(d) Treated as a division of Bravo Health, Inc. for federal tax purposes.

(e) Prior to December 1, 2010, these entities filed as part of a separate federal income tax return

(2) The method of tax allocation among the regulated companies and HealthSpring, Inc. is subject to a written agreement, approved by the Board of Directors, whereby an allocation is made primarily on a separate-return basis with current credit for net operating losses or other items utilized in the consolidated tax return. Intercompany balances are settled periodically, usually monthly, or when deemed necessary. At June 30, 2011 and December 31, 2010, amounts due to the Parent per the tax sharing arrangements were \$3,999,271 and \$14,470,155, respectively.

The Company accounts for tax contingencies as prescribed in SSAP No. 5, as well as the adopted portions of Financial Accounting Standards Board Accounting Standards Codification 450, *Contingencies*. As of June 30, 2011 and December 31, 2010, no provision for tax contingencies was required.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. B. and C. No change from 2010 Annual Statement.

D. At June 30, 2011 and December 31, 2010, the Company reported \$31,208,000 and \$35,614,000, respectively, as amounts due to the parent, subsidiaries and affiliates. These amounts are settled periodically, usually monthly.

E. Guarantees Resulting in a Material Contingent Exposure – not applicable.

F. Management Services Agreement – No change from 2010 Annual Statement.

G. Ownership – No change from 2010 Annual Statement.

H. Upstream Intermediate Entity – not applicable.

I. Investment in SCA Entity that Exceeds 10% of Admitted Assets – not applicable.

J. Investments in Impaired SCA's – not applicable.

- K. Investments in Foreign Insurance Subsidiaries – not applicable.
 - L. Investment in a Downstream Non-Insurance Holding Company – not applicable.
11. Debt
- A. Debt and Capital Notes – not applicable.
 - B. FHLB Agreements – not applicable.
12. Retirement Plans, Deferred Compensation, Post Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. Defined Benefit Plan – not applicable.
 - B. Defined Contribution Plan – not applicable.
 - C. Mutli-Employer Plan – not applicable.
 - D. Consolidated/Holding Company Plans – not applicable.
 - E. Postemployment Benefits and Compensated Absences – not applicable.
 - F. Impact of Medicare Modernization Act on Postretirement Benefits – not applicable.
13. Capital and Surplus, Shareholders' Dividend Restriction and Quasi-Reorganizations
- 1. The Company has 5,000,000 shares authorized, 2,500,000 shares issued and outstanding of \$1 par value Common Stock, owned entirely by NewQuest, LLC (“the Parent”).
 - 2. The Company has no preferred stock outstanding.
 - 3. The payment of dividends by the Company to shareholders is limited and can only be made from earned profits unless prior approval is received from the Department. The maximum amount of dividends that may be paid by insurance companies without prior approval is also subject to restrictions relating to statutory surplus and net income.
 - 4. In 2010, the Company paid an extraordinary dividend of \$30,000,000 and ordinary dividend of \$15,000,000 to its parent. The Company has not paid any dividends in 2011. In 2010, the Company received a \$10,000,000 surplus infusion from its parent, NewQuest, LLC.
 - 5. Within the limits of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
 - 6. Restrictions on Unassigned Surplus – none.
 - 7. For Mutual Companies, Advances to Surplus Not Repaid – not applicable.
 - 8. Stock Held by the Company, Including Stock of Affiliated Companies – not applicable.
 - 9. Special Surplus Funds – not applicable.
 - 10. Cumulative Unrealized Gains and Losses in Surplus – none.
 - 11. Surplus Note – none.
 - 12. Quasi-Reorganization – not applicable.
 - 13. Date of a Quasi –Reorganization – not applicable.
14. Contingencies
- A. Contingent Commitments – none.
 - B. Assessments – none.
 - C. Gain Contingencies – none.

- D. Claims-Related Extra-contractual Obligations – none.
- E. All Other Contingencies – No change from 2010 Annual Statement.
- 15. Leases
 - A. Lessee Operating Leases – none
 - B. Lessor Leases – none
- 16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk
 - 1. Financial Instruments with Off-Balance Sheet Risk – not applicable.
 - 2. Nature and Terms of Financial Instruments with Off-Balance Sheet Risk – not applicable.
 - 3. Amount of Loss – not applicable.
 - 4. Policy for Requiring Collateral – not applicable.
- 17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
 - A. Transfer of Receivables Reported as Sales – not applicable.
 - B. Transfer and Servicing of Financial Assets – not applicable.
 - C. Wash Sales – none.
- 18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans
 - A. ASO Plans – not applicable.
 - B. ASC Plans – not applicable.
 - C. Medicare or Similarly Structured Cost Based Reimbursement Contracts – not applicable.
- 19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
(A)-(F) Not applicable.
- 20. Fair Value Measurements
 - A. Fair Value Measurement at Reporting Date – not applicable.
- 21. Other Items
 - A. Extraordinary Items – none.
 - B. Troubled Debt Restructuring: Debtors – none.
 - C. Other Disclosures – No change from 2010 Annual Statement.
 - D. Uncollectible Amounts for Assets Covered by SSAP No. 6, No. 47 and No. 66 – none.
 - E. Business Interruption Insurance Recoveries – none.
 - F. State Transferable Tax Credits – none.
 - G. Subprime Mortgage-Related Risk Exposure
 - 1. Direct Exposure through Investments in Subprime Loans – not applicable.
 - 2. Direct Exposure through Other Investments – not applicable.
 - 3. Underwriting Exposure to Subprime Mortgage Risk – not applicable.

22. Events Subsequent

Subsequent events have been considered through August 12, 2011 for the statutory statement filed on August 12, 2011.

23. Reinsurance

A. General Interrogatories – No change from 2010 Annual Statement.

B. Uncollectible Reinsurance – None.

C. Commutation of Ceded Reinsurance – None.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments – not applicable.

B. Where Accrued Retrospective Premium Adjustments are Recorded – not applicable.

C. Amount of Net Written Premiums Subject to Retrospective Rating Features – not applicable.

25. Change in Incurred Losses and Loss Adjustment Expenses

Reserves as of December 31, 2010 were \$64,569,000. During the six months of 2011, \$55,940,000 has been paid on these liabilities. Reserves remaining for prior years are now \$4,553,000, as a result of re-estimation of unpaid claims. Therefore, there has been a favorable prior year development of \$4,076,000 since December 31, 2010. This release 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.

26. Intercompany Pooling Arrangements

A.-G. – None.

27. Structure Settlements

Not applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

The information below includes the stand alone prescription drug plan line of business subsequent to the novation of the Part D business effective August 1, 2009. The Estimated Pharmacy Rebates as Reported on Financial Statements for June 30, 2011 excludes \$15,177 related to non-admitted rebates.

Quarter Ended	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days of Billing
06/30/11	\$ 60,131,775	\$ 43,874,755	\$ -	\$ -	\$ -
03/31/11	47,137,503	41,879,450	25,622,429	-	-
12/31/10	36,910,074	36,371,479	29,594,738	6,761,564	-
09/30/10	40,115,063	34,511,897	34,464,373	108,789	(61,265)
06/30/10	61,056,391	32,325,262	26,887,596	5,479,618	(41,952)
03/31/10	49,603,542	29,541,578	1,397,579	28,160,584	(16,585)
12/31/09	27,465,333	24,868,683	3,830,555	20,882,191	155,937
09/30/09	26,275,490	23,369,496	19,848,113	3,376,959	144,424
06/30/09	3,437,156	2,590,958	1,948,774	630,816	11,368
03/31/09	2,615,452	2,125,030	1,185,229	942,791	(2,990)
		<u>\$ 271,458,588</u>	<u>\$ 144,779,386</u>	<u>\$ 66,343,312</u>	<u>\$ 188,937</u>

B. Risk Sharing Receivables – not applicable.

C. Other Healthcare Receivables – not applicable.

29. Participating Policies

None.

30. Premium Deficiency Reserves

None.

31. Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
3. Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]
If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
If yes, attach an explanation.
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 6.2 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. 12/31/2007
- 6.3 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). 08/14/2008
- 6.4 By what department or departments?
Texas Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information:
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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

GENERAL INTERROGATORIES

- 9.1 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.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

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

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$
13. Amount of real estate and mortgages held in short-term investments: \$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ 0	\$
14.22 Preferred Stock	\$ 0	\$
14.23 Common Stock	\$ 0	\$
14.24 Short-Term Investments	\$ 0	\$
14.25 Mortgage Loans on Real Estate	\$ 0	\$
14.26 All Other	\$ 0	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 0	\$ 0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
- If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. 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 [] No []
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Banc of America Securities, LLC	200 N. College Street, 3rd Floor Charlotte, NC 28255
USBank NA	Wachovia Building One West Fourth Street, 7th Floor Winston-Salem, NC 27101
USBank NA	1025 Connecticut Ave., NW, Ste 517 Washington, DC 20036
CitiBank NA	111 Wall Street New York, New York 10043

- 16.2 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)

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? Yes [] No []
- 16.4 If yes, give full information relating thereto:

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

- 16.5 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	2 Name(s)	3 Address
	General Re-New England Asset Management, Inc. ...	76 Batterson Road Farmington, CT 06032

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

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent 84.2 %
 - 1.2 A&H cost containment percent %
 - 1.3 A&H expense percent excluding cost containment expenses 11.1 %
- 2.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date \$.....
- 2.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date \$.....

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
NONE						

STATEMENT AS OF JUNE 30, 2011 OF THE HealthSpring Life & Health Insurance Company, Inc.
SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

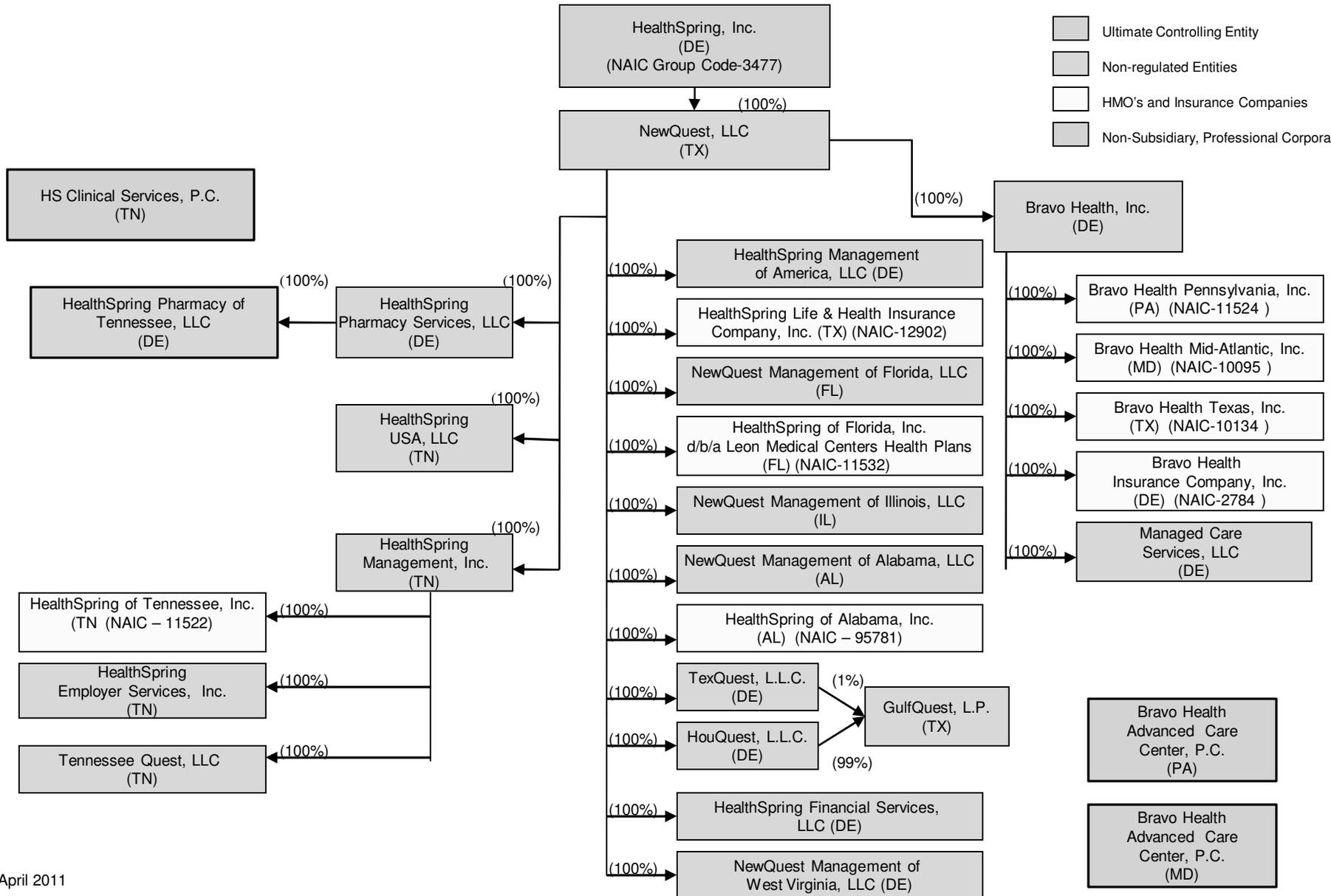
States, etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama AL	L		13,386,002					13,386,002		
2. Alaska AK	L		1,242,954					1,242,954		
3. Arizona AZ	L		267,941					267,941		
4. Arkansas AR	L		1,652,032					1,652,032		
5. California CA	L		2,873,178					2,873,178		
6. Colorado CO	L		1,460,441					1,460,441		
7. Connecticut CT	L		4,081,462					4,081,462		
8. Delaware DE	L		1,009,887					1,009,887		
9. District of Columbia DC	L		1,297,835					1,297,835		
10. Florida FL	N		904,448					904,448		
11. Georgia GA	L		8,658,430					8,658,430		
12. Hawaii HI	L		2,332,407					2,332,407		
13. Idaho ID	L		1,767,155					1,767,155		
14. Illinois IL	L		23,297,155					23,297,155		
15. Indiana IN	L		7,520,944					7,520,944		
16. Iowa IA	L		3,839,619					3,839,619		
17. Kansas KS	L		3,443,174					3,443,174		
18. Kentucky KY	L		6,741,059					6,741,059		
19. Louisiana LA	L		11,183,389					11,183,389		
20. Maine ME	L		262,320					262,320		
21. Maryland MD	L		5,529,034					5,529,034		
22. Massachusetts MA	L		10,389,608					10,389,608		
23. Michigan MI	L		15,947,093					15,947,093		
24. Minnesota MN	L		4,875,109					4,875,109		
25. Mississippi MS	L		10,357,299					10,357,299		
26. Missouri MO	L		1,600,544					1,600,544		
27. Montana MT	L		1,152,831					1,152,831		
28. Nebraska NE	L		2,275,983					2,275,983		
29. Nevada NV	L		744,880					744,880		
30. New Hampshire NH	L		442,269					442,269		
31. New Jersey NJ	L		823,866					823,866		
32. New Mexico NM	N		200,475					200,475		
33. New York NY	L		6,353,855					6,353,855		
34. North Carolina NC	L		1,944,564					1,944,564		
35. North Dakota ND	L		655,471					655,471		
36. Ohio OH	L		2,727,687					2,727,687		
37. Oklahoma OK	L		8,037,273					8,037,273		
38. Oregon OR	L		3,538,131					3,538,131		
39. Pennsylvania PA	L		3,948,304					3,948,304		
40. Rhode Island RI	L		1,558,551					1,558,551		
41. South Carolina SC	L		5,800,172					5,800,172		
42. South Dakota SD	L		911,735					911,735		
43. Tennessee TN	L		22,527,287					22,527,287		
44. Texas TX	L		405,767,261					405,767,261		
45. Utah UT	L		1,839,985					1,839,985		
46. Vermont VT	L		857,106					857,106		
47. Virginia VA	L		10,714,301					10,714,301		
48. Washington WA	L		9,060,546					9,060,546		
49. West Virginia WV	L		927,047					927,047		
50. Wisconsin WI	L		7,407,468					7,407,468		
51. Wyoming WY	L		546,114					546,114		
52. American Samoa AS	N		13,526					13,526		
53. Guam GU	N		1,579					1,579		
54. Puerto Rico PR	N		41,504					41,504		
55. U.S. Virgin Islands VI	N		642					642		
56. Northern Mariana Islands MP	N							0		
57. Canada CN	N							0		
58. Aggregate Other Aliens OT	XXX	0	0	0	0	0	0	0	0	
59. Subtotal	XXX	0	646,740,932	0	0	0	0	646,740,932	0	
60. Reporting Entity Contributions for Employee Benefit Plans	XXX							0		
61. Totals (Direct Business)	(a) 49	0	646,740,932	0	0	0	0	646,740,932	0	
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	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	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.

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

HealthSpring, Inc. Corporate Organizational & Ownership Concentration Chart

- Ultimate Controlling Entity
- Non-regulated Entities
- HMO's and Insurance Companies
- Non-Subsidiary, Professional Corporation



SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Response
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	YES

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year to Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	86,284,405	1,217,057
2. Cost of bonds and stocks acquired	9,509,412	95,213,716
3. Accrual of discount	2,412	
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals	52,612	116,411
6. Deduct consideration for bonds and stocks disposed of	7,318,402	9,227,849
7. Deduct amortization of premium	670,892	1,034,930
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	87,859,547	86,284,405
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	87,859,547	86,284,405

STATEMENT AS OF JUNE 30, 2011 OF THE HealthSpring Life & Health Insurance Company, Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	84,898,151	14,240,905	13,942,525	(296,169)	84,898,151	84,900,362		81,243,315
2. Class 2 (a)	8,850,275		515,137	(35,177)	8,850,275	8,299,961		9,436,601
3. Class 3 (a)	0				0	0		
4. Class 4 (a)	0				0	0		
5. Class 5 (a)	0				0	0		
6. Class 6 (a)	0				0	0		
7. Total Bonds	93,748,426	14,240,905	14,457,662	(331,346)	93,748,426	93,200,323	0	90,679,916
PREFERRED STOCK								
8. Class 1	0				0	0		0
9. Class 2	0				0	0		0
10. Class 3	0				0	0		0
11. Class 4	0				0	0		0
12. Class 5	0				0	0		0
13. Class 6	0				0	0		0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	93,748,426	14,240,905	14,457,662	(331,346)	93,748,426	93,200,323	0	90,679,916

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$; NAIC 2 \$; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

S102

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	5,340,776	XXX	5,342,494	3,764	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,570,560	84,330,203
2. Cost of short-term investments acquired	12,873,273	9,940,516
3. Accrual of discount	2,185	1,590
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		(972)
6. Deduct consideration received on disposals	13,102,123	88,697,660
7. Deduct amortization of premium	3,119	3,117
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	5,340,776	5,570,560
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	5,340,776	5,570,560

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of
Derivatives

N O N E

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	14,340,081	117,280,677
2. Cost of cash equivalents acquired	28,611,536	53,093,756
3. Accrual of discount		1,537
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		(17)
6. Deduct consideration received on disposals	14,340,081	156,035,872
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	28,611,536	14,340,081
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	28,611,536	14,340,081

Schedule A - Part 2 - Real Estate Acquired and Additions Made

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

STATEMENT AS OF JUNE 30, 2011 OF THE HealthSpring Life & Health Insurance Company, Inc.

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Desig- nation or Market Indicator (a)
912828-0A-1	UNITED STATES TREASURY NOTE		.04/25/2011	HSBC SECURITIES USA INC.		353,036	350,000	559	1
0599999. Bonds - U.S. Governments						353,036	350,000	559	XXX
02R042-67-8	FGLMC 4.5 7/11		.06/21/2011	CREDIT SUISSE FIRST BOSTON		259,453	250,000	406	1
3132GD-BF-8	FEDERAL HOME LN MTG CORP #000038		.04/14/2011	CANTOR FITZGERALD LLC		1,318,180	1,300,001	1,788	1
3132GE-FE-5	FEDERAL HOME LN MTG CORP #001065		.04/14/2011	CANTOR FITZGERALD LLC		1,318,180	1,300,000	1,788	1
3137A8-RX-8	FREDDIE MAC -3841 JK		.04/26/2011	CANTOR FITZGERALD LLC		502,422	500,000	1,167	1
31402R-RN-1	FEDERAL NATIONAL MTG ASSOC #735893		.06/29/2011	BARCLAYS CAPITAL		528,092	495,062	894	1
3199999. Bonds - U.S. Special Revenues						3,926,327	3,845,063	6,043	XXX
002824-AT-7	ABBOTT LABORATORIES		.06/08/2011	US BANCORP		588,690	500,000	2,285	1FE
585055-AU-0	MEDTRONIC INC		.05/26/2011	DEUTSCHE BANK		254,560	250,000	1,385	1FE
713448-BT-4	PEPSICO INC		.05/26/2011	BANK OF AMERICA		505,740	500,000	729	1FE
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)						1,348,990	1,250,000	4,399	XXX
8399997. Total - Bonds - Part 3						5,628,353	5,445,063	11,001	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						5,628,353	5,445,063	11,001	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						0	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	XXX
9999999 - Totals						5,628,353	XXX	11,001	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0

STATEMENT AS OF JUNE 30, 2011 OF THE HealthSpring Life & Health Insurance Company, Inc.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22		
										11	12	13	14	15									
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11 + 12 - 13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indicator (a)		
31398A-B4-3	FANNIE MAE		05/23/2011	BANK OF AMERICA		401,776	400,000	399,969	399,450	0	211	0	211	0	399,661	0	2,115	2,115	3,033	01/12/2012	1		
3620A7-HD-0	GOVERNMENT NATL MTG ASSOC #721228		06/01/2011	PAYDOWN		11,527	11,527	12,043	11,522	0	5	0	5	0	11,527	0	0	0	203	01/01/2040	1		
3620A7-SN-6	GOVERNMENT NATL MTG ASSOC #721525		06/01/2011	PAYDOWN		4,372	4,372	4,569	4,362	0	11	0	11	0	4,372	0	0	0	93	01/01/2040	1		
3620AK-FV-3	GOVERNMENT NATL MTG ASSOC #731980		06/01/2011	PAYDOWN		4,020	4,020	4,205	4,034	0	(14)	0	(14)	0	4,020	0	0	0	84	05/01/2040	1		
3620AL-QU-1	GOVERNMENT NATL MTG ASSOC #733167		06/01/2011	PAYDOWN		40,820	40,820	42,440	40,846	0	(26)	0	(26)	0	40,820	0	0	0	1,006	10/01/2039	1		
912828-KU-3	UNITED STATES TREASURY NOTE		05/31/2011	MATURITY		35,000	35,000	35,173	35,069	0	(69)	0	(69)	0	35,000	0	0	0	0	05/31/2011	1		
912828-KU-3	UNITED STATES TREASURY NOTE		04/14/2011	MORGAN STANLEY & CO		2,973,006	2,970,000	2,983,816	2,975,348	0	(3,708)	0	(3,708)	0	2,971,640	0	1,366	1,366	9,710	05/31/2011	1		
0599999. Bonds - U.S. Governments						3,470,521	3,465,739	3,481,215	3,470,631	0	(3,590)	0	(3,590)	0	3,467,040	0	3,481	3,481	14,129	XXX	XXX		
3128PP-UJ-8	FEDERAL HOME LN MTG CORP #J10582		06/01/2011	PAYDOWN		30,374	30,374	31,554	30,530	0	(156)	0	(156)	0	30,374	0	0	0	584	05/01/2024	1		
3128PQ-NU-1	FEDERAL HOME LN MTG CORP #J11303		06/01/2011	PAYDOWN		8,958	8,958	9,306	8,958	0	0	0	0	0	8,958	0	0	0	168	08/01/2024	1		
3128PQ-UU-3	FEDERAL HOME LN MTG CORP #J11495		06/01/2011	PAYDOWN		33,107	33,107	34,411	33,213	0	(106)	0	(106)	0	33,107	0	0	0	667	11/01/2024	1		
3128PW-WH-7	FEDERAL HOME LN MTG CORP #J11561		06/01/2011	PAYDOWN		60,761	60,761	63,419	60,920	0	(159)	0	(159)	0	60,761	0	0	0	1,128	09/01/2024	1		
3128PR-RV-3	FEDERAL HOME LN MTG CORP #J12300		06/01/2011	PAYDOWN		21,963	21,963	22,653	21,978	0	(15)	0	(15)	0	21,963	0	0	0	395	03/01/2025	1		
3128PU-C8-3	FEDERAL HOME LN MTG CORP #J14595		06/01/2011	PAYDOWN		16,513	16,513	16,407	16,407	0	2	0	2	0	16,513	0	0	0	56	01/01/2026	1		
312936-3M-7	FEDERAL HOME LN MTG CORP #A89804		06/01/2011	PAYDOWN		27,300	27,300	28,485	27,340	0	(40)	0	(40)	0	27,300	0	0	0	568	07/01/2030	1		
312938-3A-9	FEDERAL HOME LN MTG CORP #A90793		06/01/2011	PAYDOWN		11,078	11,078	11,559	11,083	0	(4)	0	(4)	0	11,078	0	0	0	231	10/01/2039	1		
312938-YS-7	FEDERAL HOME LN MTG CORP #A90689		06/01/2011	PAYDOWN		24,021	24,021	25,065	24,052	0	(31)	0	(31)	0	24,021	0	0	0	507	09/01/2039	1		
31294L-GV-0	FEDERAL HOME LN MTG CORP #E02684		06/01/2011	PAYDOWN		31,719	31,719	32,968	31,853	0	(134)	0	(134)	0	31,719	0	0	0	609	12/01/2021	1		
3132GD-BF-8	FEDERAL HOME LN MTG CORP #Q00038		06/01/2011	PAYDOWN		3,264	3,264	3,309	3,264	0	0	0	0	0	3,264	0	0	0	12	02/01/2041	1		
3132GE-FE-5	FEDERAL HOME LN MTG CORP #Q01065		06/01/2011	PAYDOWN		1,549	1,549	1,571	1,549	0	0	0	0	0	1,549	0	0	0	6	05/01/2041	1		
3137A8-RX-8	FREDDIE MAC -3841 JK		06/01/2011	PAYDOWN		1,888	1,888	1,897	1,888	0	0	0	0	0	1,888	0	0	0	8	04/01/2018	1		
31418M-2L-5	FEDERAL NATIONAL MTG ASSOC #AD0778		06/01/2011	PAYDOWN		31,916	31,916	33,327	31,991	0	(76)	0	(76)	0	31,916	0	0	0	617	05/01/2024	1		
31418P-YF-6	FEDERAL NATIONAL MTG ASSOC #AD2509		06/01/2011	PAYDOWN		15,523	15,523	16,175	15,535	0	(13)	0	(13)	0	15,523	0	0	0	293	02/01/2025	1		
31418U-PD-9	FEDERAL NATIONAL MTG ASSOC #AD3119		06/01/2011	PAYDOWN		10,336	10,336	10,635	10,346	0	(10)	0	(10)	0	10,336	0	0	0	193	01/01/2040	1		
31418U-Y5-7	FEDERAL NATIONAL MTG ASSOC #AD7031		06/01/2011	PAYDOWN		25,356	25,356	26,264	25,374	0	(18)	0	(18)	0	25,356	0	0	0	524	05/01/2025	1		
3199999. Bonds - U.S. Special Revenues						355,626	355,626	369,005	333,173	0	(760)	0	(760)	0	355,626	0	0	0	6,606	XXX	XXX		
36962G-XS-8	GENERAL ELECTRIC CAPITAL CORPORATION		05/24/2011	FTN FINANCIAL SECURITIES CORP		467,469	450,000	484,565	469,448	0	(6,984)	0	(6,984)	0	462,463	0	5,006	5,006	20,709	02/15/2012	1FE		
88732J-AG-3	TIME WARNER CABLE INC		06/28/2011	PARIBAS CORPORATION		522,485	500,000	535,275	522,554	0	(7,417)	0	(7,417)	0	515,137	0	7,348	7,348	26,925	07/02/2012	2FE		
92869A-AC-8	VOLKSWAGEN AUTO LOAN ENHANCED 10-1 A3		06/20/2011	PAYDOWN		13,574	13,574	13,581	13,575	0	(1)	0	(1)	0	13,574	0	0	0	89	01/20/2013	1FE		
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)						1,003,528	963,574	1,033,421	1,005,577	0	(14,402)	0	(14,402)	0	991,174	0	12,354	12,354	47,723	XXX	XXX		
8399997. Total - Bonds - Part 4						4,829,675	4,784,939	4,883,641	4,809,381	0	(18,752)	0	(18,752)	0	4,813,840	0	15,835	15,835	68,458	XXX	XXX		
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
8399999. Total - Bonds						4,829,675	4,784,939	4,883,641	4,809,381	0	(18,752)	0	(18,752)	0	4,813,840	0	15,835	15,835	68,458	XXX	XXX		
8999997. Total - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799997. Total - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
9999999 - Totals						4,829,675	XXX	4,883,641	4,809,381	0	(18,752)	0	(18,752)	0	4,813,840	0	15,835	15,835	68,458	XXX	XXX		

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....0

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open

N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

N O N E

Schedule DB - Part D - Counterparty Exposure for Derivative Instruments Open

N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

N O N E



SUPPLEMENT FOR THE QUARTER ENDING JUNE 30, 2011 OF THE HealthSpring Life & Health Insurance Company, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 3477

NAIC Company Code 12902

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected	241,984,365	XXX		XXX	241,984,365
2. Earned Premiums	266,228,718	XXX		XXX	XXX
3. Claims Paid	188,983,808	XXX		XXX	188,983,808
4. Claims Incurred	252,538,555	XXX		XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX		XXX		0
6. Aggregate Policy Reserves - Change		XXX		XXX	XXX
7. Expenses Paid	26,824,842	XXX		XXX	26,824,842
8. Expenses Incurred	26,800,173	XXX		XXX	XXX
9. Underwriting Gain or Loss	(13,110,010)	XXX	0	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	26,175,715

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$36,536,911 due from CMS or \$ due to CMS