



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2011
OF THE CONDITION AND AFFAIRS OF THE

HealthSpring Life & Health Insurance Company, Inc.

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

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, Houston, TX 77092
(Street and Number) (City or Town, State and Zip Code)

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

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

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

Internet Web Site Address www.healthspring.com

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

OFFICERS

President, Chairman & CEO Michael Glenn Mirt Vice President & Secretary Mark Andrew Tulloch
Chief Financial Officer Franklin Stewart Warren Chief Actuary David Lowell Terry

OTHER

<u>Dirk Oliver Wales MD Corporate Medical Director</u>	<u>Dana Michelle Fields Compliance Officer</u>	<u>James Russell Hailey President - Pharmaceutical Operations</u>
<u>Brian Thomas McCullough Treasurer</u>	<u>Clifton Scott Jacobson Vice President</u>	<u>Allen Curtis Perez # Vice President</u>
<u>Scott Christian Huebner Divisional CEO</u>	<u>Matthew Shawn Morris Divisional CEO</u>	<u>Gregory James Allen Divisional President</u>
<u>Jay Landon Hurt Divisional President</u>	<u>Peter Ronald Gardner # Vice President</u>	<u>Kristinn Klunkert Benton # Vice President</u>

DIRECTORS OR TRUSTEES

<u>Randy Karl Fike</u>	<u>Scott Christian Huebner</u>	<u>Robert Lambdin Dawson</u>
<u>Matthew Shawn Morris</u>	<u>Michael Glenn Mirt</u>	<u>Mark Andrew Tulloch</u>

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 _____, November, 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.....

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	87,550,840		87,550,840	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 (\$90,676,676), cash equivalents (\$134,321,659) and short-term investments (\$5,986,033)	230,984,368		230,984,368	34,976,361
6. Contract loans (including \$ premium notes)			0	
7. Derivatives			0	
8. Other invested assets			0	
9. Receivables for securities			0	
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)	318,535,208	0	318,535,208	121,260,766
13. Title plants less \$ charged off (for Title insurers only)			0	
14. Investment income due and accrued	844,821		844,821	804,885
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,026,602		5,026,602	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	0
16.2 Funds held by or deposited with reinsured companies			0	
16.3 Other amounts receivable under reinsurance contracts			0	
17. Amounts receivable relating to uninsured plans			0	89,658,313
18.1 Current federal and foreign income tax recoverable and interest thereon			0	
18.2 Net deferred tax asset	9,433,434	6,342,042	3,091,392	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	2,325	2,325	0	0
24. Health care (\$53,946,461) and other amounts receivable	54,021,525	75,064	53,946,461	38,213,689
25. Aggregate write-ins for other than invested assets	39,831	0	39,831	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	387,903,746	6,419,431	381,484,315	265,076,775
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	
28. Total (Lines 26 and 27)	387,903,746	6,419,431	381,484,315	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. State income tax recoverable	39,831		39,831	
2502.				
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)	39,831	0	39,831	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	65,022,704	2,438,509	67,461,213	64,568,629
2. Accrued medical incentive pool and bonus amounts	1,413,194	2,662,946	4,076,140	4,955,235
3. Unpaid claims adjustment expenses		636,189	636,189	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	103,375,655		103,375,655	160,816
9. General expenses due or accrued	366,262		366,262	685,141
10.1 Current federal and foreign income tax payable and interest thereon (including \$30,736 on realized gains (losses))	7,309,421		7,309,421	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	32,551,410		32,551,410	35,614,424
16. Derivatives			0	
17. Payable for securities			0	
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	18,956,381		18,956,381	
23. Aggregate write-ins for other liabilities (including \$ current)	3,665,978	0	3,665,978	3,001,503
24. Total liabilities (Lines 1 to 23)	232,661,005	5,737,644	238,398,649	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	104,385,201	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	143,085,666	141,066,333
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	381,484,315	265,076,775
DETAILS OF WRITE-INS				
2301. Risk corridor	3,665,978		3,665,978	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)	3,665,978	0	3,665,978	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	4,342,045	3,992,638	5,389,806
2. Net premium income (including \$ non-health premium income)	XXX	944,446,835	845,536,605	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	(4,565,079)	(3,848,453)	(5,215,030)
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	939,881,756	841,688,152	1,111,740,234
Hospital and Medical:				
9. Hospital/medical benefits		350,236,449	307,631,849	405,866,359
10. Other professional services		11,197,883	1,001,128	2,398,490
11. Outside referrals	19,371,765	19,371,765	24,555,148	31,886,659
12. Emergency room and out-of-area	661,908	6,769,283	6,225,290	10,498,194
13. Prescription drugs		378,754,222	351,852,687	426,710,578
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	2,738,824	8,451,337	6,114,803	8,155,348
16. Subtotal (Lines 9 to 15)	22,772,497	774,780,939	697,380,905	885,515,628
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)	22,772,497	774,780,939	697,380,905	885,515,628
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ cost containment expenses	628,259	628,259	5,191,235	6,175,880
21. General administrative expenses		104,052,687	92,271,665	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)	23,400,756	879,461,885	794,843,805	1,013,917,114
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	60,419,871	46,844,347	97,823,120
25. Net investment income earned		1,614,221	1,046,592	1,525,012
26. Net realized capital gains (losses) less capital gains tax of \$ 30,736		57,081	12,770	76,013
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,671,302	1,059,362	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	62,091,173	47,903,709	99,424,145
31. Federal and foreign income taxes incurred	XXX	23,260,076	17,027,240	34,320,946
32. Net income (loss) (Lines 30 minus 31)	XXX	38,831,097	30,876,469	65,103,199
DETAILS OF WRITE-INS				
0601. Bad debt expense	XXX	(4,565,079)	(3,848,453)	(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	(4,565,079)	(3,848,453)	(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.....	38,831,097	30,876,471	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.....	1,563,217	371,450	(344,035)
39. Change in nonadmitted assets.....	(957,072)	624,299	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.....	(37,500,000)	(45,000,000)	(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).....	2,019,333	(3,737,635)	30,515,988
49. Capital and surplus end of reporting period (Line 33 plus 48)	143,085,666	106,812,710	141,066,333
DETAILS OF WRITE-INS			
4701. Change in asset valuation reserve.....	82,091		(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)

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	1,051,537,804	849,781,020	1,113,522,930
2. Net investment income	2,588,646	1,141,999	1,861,303
3. Miscellaneous income	0		
4. Total (Lines 1 to 3)	1,054,126,450	850,923,019	1,115,384,233
5. Benefit and loss related payments	788,565,268	716,740,125	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	(3,656,688)	133,152,359	207,837,865
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	30,451,546	12,441,644	19,842,780
10. Total (Lines 5 through 9)	815,360,126	862,334,128	1,129,538,543
11. Net cash from operations (Line 4 minus Line 10)	238,766,324	(11,411,109)	(14,154,310)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	14,365,192	6,275,150	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	0		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	14,365,192	6,275,150	9,227,849
13. Cost of investments acquired (long-term only):			
13.1 Bonds	16,558,171	83,850,668	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	0		
13.7 Total investments acquired (Lines 13.1 to 13.6)	16,558,171	83,850,668	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)	(2,192,979)	(77,575,518)	(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	37,500,000	45,000,000	45,000,000
16.6 Other cash provided (applied)	(3,065,338)	7,153,674	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)	(40,565,338)	(27,846,326)	(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)	196,008,007	(116,832,953)	(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)	230,984,368	41,441,711	34,976,361

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

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

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	486,998							55,993		431,005
5. Current Year	0									
6. Current Year Member Months	4,342,045							491,156		3,850,889
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)	944,446,835							567,727,515		376,719,320
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0							0		0
15. Health Premiums Earned	944,446,835							567,727,515		376,719,320
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services.....	788,565,268							488,387,874		300,177,394
18. Amount Incurred for Provision of Health Care Services	774,780,939							444,017,078		330,763,861

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 944,446,835

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	26,021,116	409,282,989	199,005	36,967,690	26,220,121	33,951,403
7. Title XIX - Medicaid					0	
8. Other health	(5,148,319)	349,079,051	537,194	29,757,324	(4,611,125)	30,617,226
9. Health subtotal (Lines 1 to 8)	20,872,797	758,362,040	736,199	66,725,014	21,608,996	64,568,629
10. Healthcare receivables (a)	0	53,689,471		332,054	0	38,223,709
11. Other non-health					0	
12. Medical incentive pools and bonus amounts	4,348,278	4,982,151	830,012	3,246,128	5,178,290	4,955,235
13. Totals (Lines 9-10+11+12)	25,221,075	709,654,720	1,566,211	69,639,088	26,787,286	31,300,155

(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: \$304 less than 12 months, and none 12 months or longer
 - b. The aggregate related fair value of securities with unrealized losses: \$1,664,000 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 September 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 September 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 September 30, 2011 and December 31, 2010, and the change from the prior year ended December 31, consist of the following components:

	<u>9/30/2011</u>	<u>12/31/2010</u>	<u>Change</u>
Total gross deferred tax assets	\$ 10,379,545	\$ 9,996,910	\$ 382,635
Statutory valuation allowance adjustment	<u>—</u>	<u>—</u>	<u>—</u>
Adjusted gross deferred tax assets	10,379,545	9,996,910	382,635
Total gross deferred tax liabilities	<u>(946,111)</u>	<u>(2,126,693)</u>	<u>1,180,582</u>
Net deferred tax assets	9,433,434	7,870,217	1,563,217
Total deferred tax assets nonadmitted	<u>(6,342,042)</u>	<u>(5,452,341)</u>	<u>(889,701)</u>
Net admitted deferred tax assets	<u>\$ 3,091,392</u>	<u>\$ 2,417,876</u>	<u>\$ 673,516</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 September 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>September 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	\$ 3,091,393	\$ 2,417,876	\$ 673,517
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>15,350,093</u>	<u>10,446,763</u>	<u>4,903,330</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>946,111</u>	<u>2,126,693</u>	<u>(1,180,582)</u>
Total admitted from the application of paragraph 10.a – 10.c.	4,037,503	4,544,569	(507,066)
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>\$ 4,037,503</u>	<u>\$ 4,544,569</u>	<u>\$ (507,066)</u>

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

	<u>September 30, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>	<u>December 31, 2009</u>	<u>Change</u>
Total deferred tax assets	\$ 10,379,545	\$ 9,996,910	\$ 382,635	\$ 11,019,793	\$ (1,022,883)
Total deferred tax liabilities	(946,111)	(2,126,693)	1,180,582	(2,805,541)	678,848
Net adjusted deferred tax asset	9,433,434	7,870,217	1,563,217	8,214,252	(344,035)
Tax effect of unrealized gains and losses	—	—	—	7,294,111	(7,294,111)
Net tax effect without unrealized gain and losses	<u>\$ 9,433,434</u>	<u>\$ 7,870,217</u>	<u>\$ 1,563,217</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>September 30, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Current year tax expense – ordinary income	\$ 23,260,076	\$ 34,320,946	\$ (11,060,870)
Tax contingency reserve	—	—	—
Current year tax expense – realized gains	30,736	40,398	(9,662)
Current income taxes incurred	<u>\$ 23,290,812</u>	<u>\$ 34,361,344</u>	<u>\$ (11,070,532)</u>

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

	<u>September 30, 2011</u>	<u>December 31, 2010</u>	<u>Change</u>
Deferred tax assets:			
Claims payable and liability for incurred but unreported claims	\$ 510,563	\$ 422,182	\$ 88,381
Amortization of intangibles	7,927,755	8,407,457	(479,702)
Unearned Premium	2,812	11,257	(8,445)
Allowance for doubtful accounts	1,871,088	1,152,508	718,580
Accrued expenses, due to timing of deduction or income exclusion	46,136	—	46,136
Nonadmitted asset	21,191	3,506	17,685
Total gross deferred tax assets	10,379,545	9,996,910	382,635
Statutory valuation allowance adjustment	—	—	—
Total adjusted gross deferred tax assets	10,379,545	9,996,910	382,635
Nonadmitted deferred tax assets	(6,342,042)	(5,452,341)	(889,701)
Admitted deferred tax assets	4,037,503	4,544,569	(507,066)
Deferred tax liabilities:			
Revenues, due to timing of income inclusion	(938,881)	(2,126,693)	1,187,812
Section 481 adjustment	(7,230)	—	(7,230)
Total deferred tax liabilities	(946,111)	(2,126,693)	1,180,582
Net admitted deferred tax asset	<u>\$ 3,091,392</u>	<u>\$ 2,417,876</u>	<u>\$ 673,516</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>September 30, 2011</u>	<u>December 31, 2010</u>
Current income taxes incurred	\$ 23,290,812	\$ 34,361,344
Change in deferred income tax (without tax on unrealized gains and losses)	<u>(1,563,217)</u>	<u>344,035</u>
Total income tax reported	<u>\$ 21,727,595</u>	<u>\$ 34,705,379</u>
Income before taxes	\$ 62,121,909	\$ 99,464,543
Income tax expense at 35% statutory rate	<u>35%</u>	<u>35%</u>
Total statutory income taxes	\$ 21,742,668	\$ 34,812,590
Increase (decrease) in actual tax reported resulting from:		
Tax-exempt income	(128,612)	(55,341)
Change in deferred taxes on nonadmitted assets	(17,685)	103,559
Nondeductible expenses	14,073	58,018
Other	<u>117,151</u>	<u>(213,447)</u>
Total income tax reported	<u>\$ 21,727,595</u>	<u>\$ 34,705,379</u>

E. Operating loss carryforward

As of September 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	\$ 23,290,810
2010	34,356,166

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 Financial Services, LLC
- 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 September 30, 2011 and December 31, 2010, amounts due to the Parent per the tax sharing arrangements were \$7,309,421 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 September 30, 2011 and December 31, 2010, no provision for tax contingencies was required.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. B. and C. In September 2011, the Company, Bravo Health Insurance Company, Inc. (a Delaware domiciled insurance company), and Bravo Health Texas, Inc. (a Texas domiciled insurance company), have filed documents with the states of Texas and Delaware to merge effective January 1, 2012 pending regulatory approval with the Company becoming the surviving entity. The transaction will be accounted for as a statutory merger between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at historical cost.

D. At September 30, 2011 and December 31, 2010, the Company reported \$32,551,000 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. The Company paid an ordinary dividend of \$37,500,000 to its parent in September 2011. In 2010, the Company paid an extraordinary dividend of \$30,000,000 and ordinary dividend of \$15,000,000 to its parent. 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 November 11, 2011 for the statutory statement filed on November 11, 2011.

On October 24, 2011, the Company's ultimate parent ("HealthSpring") announced the execution of an Agreement and Plan of Merger (the "Merger Agreement") by and among HealthSpring, Cigna Corporation ("Cigna") and Cigna Magnolia Corp. ("Merger Sub"), an indirect wholly-owned subsidiary of Cigna, pursuant to which, subject to the satisfaction or waiver of certain conditions, Merger Sub will be merged with and into HealthSpring, with HealthSpring surviving the merger as an indirect wholly-owned subsidiary of Cigna (the "Proposed Merger"). If the Proposed Merger is completed, HealthSpring's stockholders (other than holders of restricted shares of Company common stock and persons who properly demand statutory appraisal of their shares) will be entitled to receive \$55.00 per share in cash (without interest) for each share of HealthSpring common stock that they hold. Under the Merger Agreement, each option to purchase shares of HealthSpring common stock will be converted into an option to purchase shares of Cigna common stock, and each outstanding award of restricted shares of HealthSpring common stock will be converted into an award of restricted shares of Cigna common stock.

The consummation of the Proposed Merger is subject to customary closing conditions, including, among others, the adoption of the Merger Agreement by HealthSpring's stockholders, the absence of certain legal impediments to the consummation of the Proposed Merger, the receipt of specified government consents and approvals, the early termination or expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, and, subject to materiality exceptions, the accuracy of representations and warranties made by HealthSpring and Cigna, respectively, and compliance by HealthSpring and Cigna with their respective obligations under the Merger Agreement. The consummation of the Proposed Merger is not subject to any financing condition. The Proposed Merger is expected to close in the first half of 2012.

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

The liability for claims unpaid as of December 31, 2010 was \$64,569,000. During the nine months of 2011, \$59,097,000 has been paid on these liabilities. Reserves remaining for prior years are now \$736,000, as a result of re-estimation of unpaid claims. Therefore, there has been a favorable prior year development of \$4,736,000 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 September 30, 2011 excludes \$75,064 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 Within More Than 180 Days of Billing
09/30/11	\$ 52,720,889	\$ 46,190,068	\$ -	\$ -	\$ -
06/30/11	60,131,775	43,905,405	37,374,586	-	-
03/31/11	47,137,503	41,454,196	25,622,429	15,756,704	-
12/31/10	36,910,074	36,373,491	29,594,738	6,761,564	17,189
09/30/10	40,115,063	34,526,708	34,464,373	108,789	(46,454)
06/30/10	61,056,391	32,332,989	26,887,596	5,479,618	(34,225)
03/31/10	49,603,542	29,541,589	1,397,579	28,160,584	(16,575)
12/31/09	27,465,333	24,868,683	3,830,555	20,882,191	155,938
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>\$ 317,278,614</u>	<u>\$ 182,153,972</u>	<u>\$ 82,100,015</u>	<u>\$ 228,675</u>	

B. Risk Sharing Receivables

Calendar Year and Evaluation Period Year End: 2011

Risk sharing receivable as Estimated and Reported in the Current Year: \$332,054

Risk sharing receivable not invoiced: \$332,054

C. Other Healthcare Receivables

Other Healthcare Receivables include \$758,750 related to the Texas Medicare Advantage Dual Eligible Special Need Plan and \$134,768 related to plan to plan pharmacy settlements.

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 [] 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 []
- 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 []
- 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 [] No []
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

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 []
- 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 []
- 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 []
- 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 Americ Securities, LLC	200 N. College Street, 3rd Floor Charlotte, NC 28255
US Bank NA	Wahovia Building One West Fourth Street, 7th Floor Winston-Salem, NC 27101
US Bank NA	1025 Connecticut Ave., NEW, Ste 517 Washington, DC 20036
CitiBank NA	111 Wall Street New York, NY 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
105900 (IARD)	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 percent81.1 %

1.2 A&H cost containment percent %

1.3 A&H expense percent excluding cost containment expenses11.1 %

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						

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

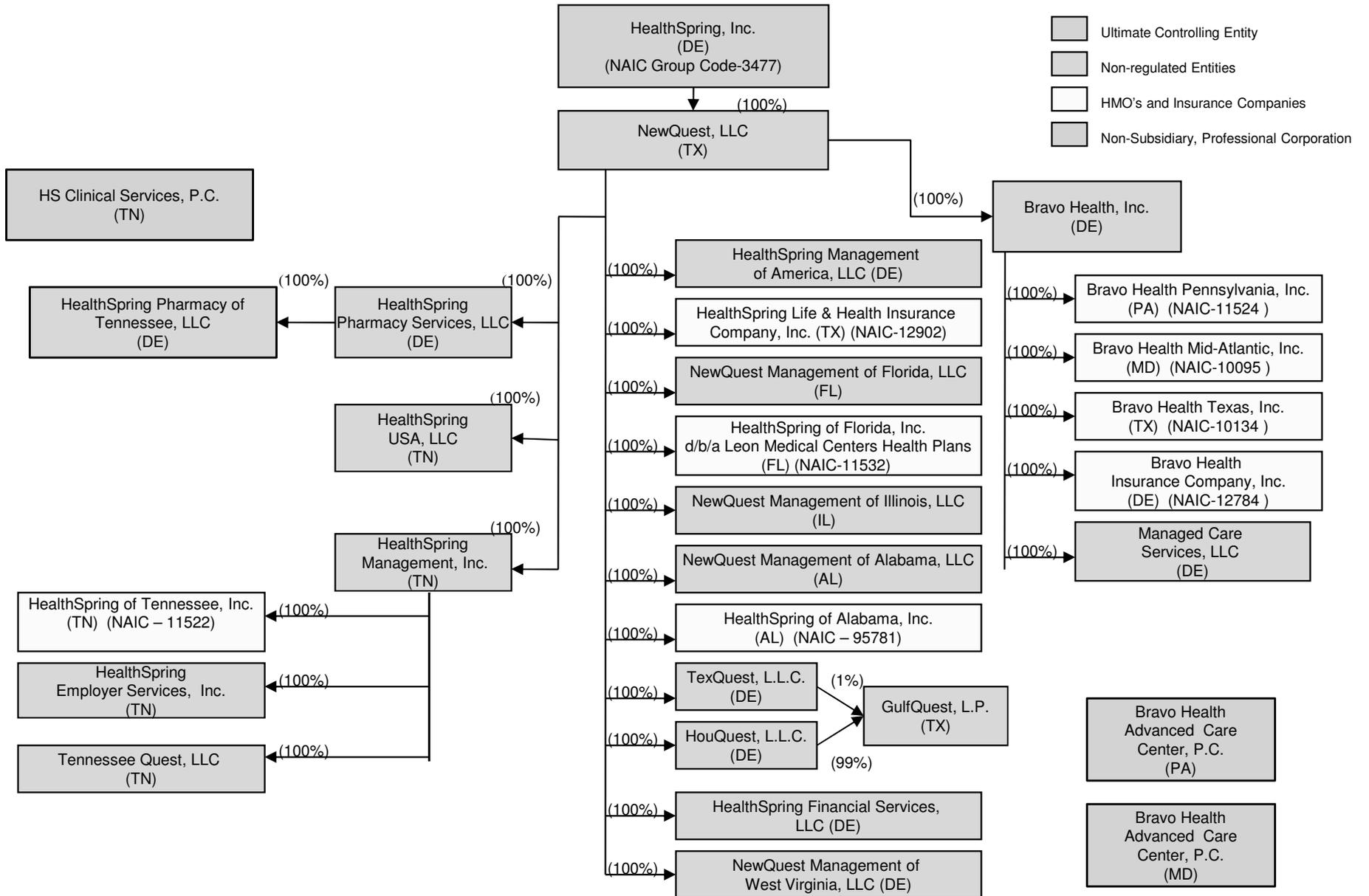
States, etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts	
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7		
1. Alabama	AL	L	18,597,567	.0					18,597,567	
2. Alaska	AK	L	1,771,619	.0					1,771,619	
3. Arizona	AZ	L	376,118	.0					376,118	
4. Arkansas	AR	L	2,344,275	.0					2,344,275	
5. California	CA	L	3,996,892	.0					3,996,892	
6. Colorado	CO	L	2,032,323	.0					2,032,323	
7. Connecticut	CT	L	5,681,096	.0					5,681,096	
8. Delaware	DE	L	1,458,850	.0					1,458,850	
9. District of Columbia	DC	L	1,874,754	.0					1,874,754	
10. Florida	FL	N	1,287,456	.0					1,287,456	
11. Georgia	GA	L	5,242,378	7,476,323					12,718,701	
12. Hawaii	HI	L	3,222,746	.0					3,222,746	
13. Idaho	ID	L	2,468,251	.0					2,468,251	
14. Illinois	IL	L	32,451,319	.0					32,451,319	
15. Indiana	IN	L	10,459,222	.0					10,459,222	
16. Iowa	IA	L	5,300,094	.0					5,300,094	
17. Kansas	KS	L	4,759,334	.0					4,759,334	
18. Kentucky	KY	L	9,455,612	.0					9,455,612	
19. Louisiana	LA	L	15,818,735	.0					15,818,735	
20. Maine	ME	L	424,337	.0					424,337	
21. Maryland	MD	L	7,980,582	.0					7,980,582	
22. Massachusetts	MA	L	14,384,202	.0					14,384,202	
23. Michigan	MI	L	22,545,616	.0					22,545,616	
24. Minnesota	MN	L	6,772,301	.0					6,772,301	
25. Mississippi	MS	L	14,341,934	.0					14,341,934	
26. Missouri	MO	L	2,236,990	.0					2,236,990	
27. Montana	MT	L	1,582,805	.0					1,582,805	
28. Nebraska	NE	L	3,141,582	.0					3,141,582	
29. Nevada	NV	L	1,030,455	.0					1,030,455	
30. New Hampshire	NH	L	668,034	.0					668,034	
31. New Jersey	NJ	L	1,140,293	.0					1,140,293	
32. New Mexico	NM	N	295,396	.0					295,396	
33. New York	NY	L	9,168,555	.0					9,168,555	
34. North Carolina	NC	L	2,761,959	.0					2,761,959	
35. North Dakota	ND	L	913,651	.0					913,651	
36. Ohio	OH	L	3,827,781	.0					3,827,781	
37. Oklahoma	OK	L	11,381,141	.0					11,381,141	
38. Oregon	OR	L	5,026,862	.0					5,026,862	
39. Pennsylvania	PA	L	5,690,361	.0					5,690,361	
40. Rhode Island	RI	L	2,148,961	.0					2,148,961	
41. South Carolina	SC	L	8,098,364	.0					8,098,364	
42. South Dakota	SD	L	1,257,780	.0					1,257,780	
43. Tennessee	TN	L	31,230,575	.0					31,230,575	
44. Texas	TX	L	45,724,733	560,251,193					605,975,926	
45. Utah	UT	L	2,575,188	.0					2,575,188	
46. Vermont	VT	L	1,171,411	.0					1,171,411	
47. Virginia	VA	L	15,165,784	.0					15,165,784	
48. Washington	WA	L	12,723,719	.0					12,723,719	
49. West Virginia	WV	L	1,333,259	.0					1,333,259	
50. Wisconsin	WI	L	10,539,923	.0					10,539,923	
51. Wyoming	WY	L	753,797	.0					753,797	
52. American Samoa	AS	N	19,282	.0					19,282	
53. Guam	GU	N	2,717	.0					2,717	
54. Puerto Rico	PR	N	58,719	.0					58,719	
55. U.S. Virgin Islands	VI	N	1,729	.0					1,729	
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		376,719,419	567,727,516	.0	.0	.0	.0	944,446,935	.0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX								.0	
61. Totals (Direct Business)	(a) 49		376,719,419	567,727,516	0	0	0	0	944,446,935	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.

Premiums are allocated based upon database PTD basic premium and direct subsidy collections.

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



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	16,558,171	95,213,716
3. Accrual of discount	3,916	0
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	87,817	116,411
6. Deduct consideration for bonds and stocks disposed of	14,365,192	9,227,849
7. Deduct amortization of premium	1,018,277	1,034,930
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	87,550,840	86,284,405
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	87,550,840	86,284,405

STATEMENT AS OF SEPTEMBER 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)	84,900,362	9,815,694	9,123,408	(324,129)	84,898,151	84,900,362	85,268,519	81,243,315
2. Class 2 (a)	8,299,961	0	0	(31,607)	8,850,275	8,299,961	8,268,354	9,436,601
3. Class 3 (a)	0	0	0	0	0	0	0	0
4. Class 4 (a)	0	0	0	0	0	0	0	0
5. Class 5 (a)	0	0	0	0	0	0	0	0
6. Class 6 (a)	0	0	0	0	0	0	0	0
7. Total Bonds	93,200,323	9,815,694	9,123,408	(355,736)	93,748,426	93,200,323	93,536,873	90,679,916
PREFERRED STOCK								
8. Class 1	0	0	0	0	0	0	0	0
9. Class 2	0	0	0	0	0	0	0	0
10. Class 3	0	0	0	0	0	0	0	0
11. Class 4	0	0	0	0	0	0	0	0
12. Class 5	0	0	0	0	0	0	0	0
13. Class 6	0	0	0	0	0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	93,200,323	9,815,694	9,123,408	(355,736)	93,748,426	93,200,323	93,536,873	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 \$0 ; NAIC 2 \$0 ; NAIC 3 \$0 ; NAIC 4 \$0 ; NAIC 5 \$0 ; NAIC 6 \$0

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
9199999 Totals	5,986,033	xxx	5,987,857	7,974	0

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 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	15,599,501	9,940,516
3. Accrual of discount	3,709	1,590
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	(972)
6. Deduct consideration received on disposals	15,182,987	88,697,660
7. Deduct amortization of premium	4,750	3,117
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	5,986,033	5,570,560
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	5,986,033	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	134,321,659	53,093,756
3. Accrual of discount	0	1,537
4. Unrealized valuation increase (decrease)	0	0
5. Total gain (loss) on disposals	0	(17)
6. Deduct consideration received on disposals	14,340,081	156,035,872
7. Deduct amortization of premium	0	0
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	134,321,659	14,340,081
11. Deduct total nonadmitted amounts	0	0
12. Statement value at end of current period (Line 10 minus Line 11)	134,321,659	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 SEPTEMBER 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)
912828-0X-1	UNITED STATES TREASURY NOTE		.07/29/2011	BANK OF AMERICA		727,183	725,000	30	1
0599999. Bonds - U.S. Governments						727,183	725,000	30	XXX
43232V-CD-1	HILLSBOROUGH CNTY FLA SCH BRD		.08/23/2011	RAYMOND JAMES		283,828	250,000	2,024	1FE
592646-QW-6	METROPOLITAN WASHINGTON D C AR		.08/18/2011	US BANCORP PIPER JAFFRAY		857,715	750,000	14,375	1FE
603827-SL-1	MINNEAPOLIS & ST PAUL MINN MET		.08/22/2011	BMO CAPITAL MARKETS		579,310	500,000	3,750	1FE
60534R-4F-3	MISSISSIPPI DEV BK SPL OBLIG		.08/17/2011	APEX PRYOR SECURITIES		574,940	500,000	278	1FE
649710-JJ-3	NEW YORK N Y CITY TRANSITIONAL		.08/05/2011	APEX PRYOR SECURITIES		588,780	500,000	0	1FE
649902-VV-2	NEW YORK ST DORM AUTH ST PERS		.08/09/2011	FIDELITY		587,185	500,000	12,292	1FE
3199999. Bonds - U.S. Special Revenues						3,471,758	3,000,000	32,719	XXX
172967-FS-5	CITIGROUP INC		.08/11/2011	DEUTSCHE BANK		458,852	450,000	3,014	1FE
17305E-EQ-4	CITIBANK CREDIT CARD ISSUANCE 09-A4 A4		.08/29/2011	BARCLAYS CAPITAL		1,669,570	1,500,000	13,883	1FE
46625H-JA-9	JPMORGAN CHASE & CO		.08/11/2011	RBC DOMINION SECURITIES INC		446,301	450,000	1,851	1FE
949746-NX-5	WELLS FARGO COMPANY		.08/16/2011	WELLS FARGO FINANCIAL		284,845	250,000	2,656	1FE
3899999. Bonds - Industrial and Miscellaneous (Unaffiliated)						2,859,568	2,650,000	21,404	XXX
8399997. Total - Bonds - Part 3						7,058,509	6,375,000	54,153	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						7,058,509	6,375,000	54,153	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						7,058,509	XXX	54,153	XXX

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

STATEMENT AS OF SEPTEMBER 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)			
3620A7-HD-0	GOVERNMENT NATL MTG ASSOC #721228		09/01/2011	PAYDOWN		15,459	15,459	16,150	15,450	0	8	0	8	0	15,459	0	0	0	535	01/01/2040	1			
3620A7-SN-6	GOVERNMENT NATL MTG ASSOC #721525		09/01/2011	PAYDOWN		3,842	3,842	4,015	3,828	0	14	0	14	0	3,842	0	0	0	128	01/01/2040	1			
3620AK-FV-3	GOVERNMENT NATL MTG ASSOC #731980		09/01/2011	PAYDOWN		4,100	4,100	4,289	4,115	0	(14)	0	(14)	0	4,100	0	0	0	137	05/01/2040	1			
3620AL-QU-1	GOVERNMENT NATL MTG ASSOC #733167		09/01/2011	PAYDOWN		48,393	48,393	50,314	48,455	0	(63)	0	(63)	0	48,393	0	0	0	1,801	10/01/2039	1			
05999999. Bonds - U.S. Governments						71,794	71,794	74,768	71,848	0	(55)	0	(55)	0	71,794	0	0	0	2,601	XXX	XXX			
677520-JX-7	OHIO ST		08/09/2011	SIEBERT BRANFORD		413,728	400,000	436,648	422,231	0	(10,162)	0	(10,162)	0	412,069	0	1,659	1,659	15,556	05/01/2012	1FE			
17999999. Bonds - U.S. States, Territories and Possessions						413,728	400,000	436,648	422,231	0	(10,162)	0	(10,162)	0	412,069	0	1,659	1,659	15,556	XXX	XXX			
344442-UP-4	FOND DU LAC CNTY WIS		08/18/2011	SALOMON SMITH BARNEY		909,720	900,000	915,453	909,095	0	(4,996)	0	(4,996)	0	904,100	0	5,620	5,620	31,588	09/01/2012	1FE			
24999999. Bonds - U.S. Political Subdivisions of States, Territories and Possessions						909,720	900,000	915,453	909,095	0	(4,996)	0	(4,996)	0	904,100	0	5,620	5,620	31,588	XXX	XXX			
132813-GX-8	CAMDEN CNTY N J MUN UTILS AUTH		08/11/2011	FIRST SOUTHWEST COMPANY		774,964	745,000	810,009	787,444	0	(17,144)	0	(17,144)	0	770,300	0	4,664	4,664	40,458	07/15/2012	1FE			
3128PP-UF-8	FEDERAL HOME LN MTG CORP #J10582		09/01/2011	PAYDOWN		33,379	33,379	34,676	33,633	0	(253)	0	(253)	0	33,379	0	0	0	1,020	05/01/2024	1			
3128PQ-UJ-1	FEDERAL HOME LN MTG CORP #J11303		09/01/2011	PAYDOWN		23,037	23,037	23,931	23,055	0	(18)	0	(18)	0	23,037	0	0	0	673	08/01/2024	1			
3128PQ-UJ-3	FEDERAL HOME LN MTG CORP #J11495		09/01/2011	PAYDOWN		23,342	23,342	24,261	23,467	0	(124)	0	(124)	0	23,342	0	0	0	696	11/01/2024	1			
3128PQ-UI-7	FEDERAL HOME LN MTG CORP #J11561		09/01/2011	PAYDOWN		56,847	56,847	59,334	57,106	0	(259)	0	(259)	0	56,847	0	0	0	1,702	09/01/2024	1			
3128PR-RV-3	FEDERAL HOME LN MTG CORP #J12300		09/01/2011	PAYDOWN		39,597	39,597	40,841	39,663	0	(66)	0	(66)	0	39,597	0	0	0	1,033	03/01/2025	1			
3128PQ-C8-3	FEDERAL HOME LN MTG CORP #J14595		09/01/2011	PAYDOWN		28,436	28,436	28,254	28,254	0	0	0	0	0	28,436	0	0	0	420	01/01/2026	1			
312936-3M-7	FEDERAL HOME LN MTG CORP #A89804		09/01/2011	PAYDOWN		16,764	16,764	17,492	16,803	0	(39)	0	(39)	0	16,764	0	0	0	558	07/01/2039	1			
312938-3A-9	FEDERAL HOME LN MTG CORP #A90793		09/01/2011	PAYDOWN		26,326	26,326	27,470	26,355	0	(29)	0	(29)	0	26,326	0	0	0	815	10/01/2039	1			
312938-XS-7	FEDERAL HOME LN MTG CORP #A90689		09/01/2011	PAYDOWN		23,739	23,739	24,771	23,779	0	(40)	0	(40)	0	23,739	0	0	0	832	09/01/2039	1			
31294L-GV-0	FEDERAL HOME LN MTG CORP #E02684		09/01/2011	PAYDOWN		38,191	38,191	39,694	38,455	0	(265)	0	(265)	0	38,191	0	0	0	1,175	12/01/2021	1			
3132GD-BF-8	FEDERAL HOME LN MTG CORP #000038		09/01/2011	PAYDOWN		122,310	122,310	124,021	124,021	0	(107)	0	(107)	0	122,310	0	0	0	1,687	02/01/2041	1			
3132GE-FE-5	FEDERAL HOME LN MTG CORP #001065		09/01/2011	PAYDOWN		27,198	27,198	27,579	27,198	0	(18)	0	(18)	0	27,198	0	0	0	387	05/01/2041	1			
3132GF-KH-9	FEDERAL HOME LN MTG CORP #002096		09/01/2011	PAYDOWN		4,090	4,090	4,245	4,090	0	(3)	0	(3)	0	4,090	0	0	0	29	06/01/2041	1			
3137A8-RX-8	FREDDIE MAC #3841 JK		09/01/2011	PAYDOWN		7,003	7,003	7,037	7,003	0	(2)	0	(2)	0	7,003	0	0	0	72	04/01/2018	1			
31402R-RN-1	FEDERAL NATIONAL MTG ASSOC #735893		09/01/2011	PAYDOWN		20,516	20,516	21,885	20,516	0	(15)	0	(15)	0	20,516	0	0	0	128	12/01/2034	1			
31418M-ZL-5	FEDERAL NATIONAL MTG ASSOC #AD0778		09/01/2011	PAYDOWN		77,919	77,919	81,365	78,271	0	(352)	0	(352)	0	77,919	0	0	0	2,349	05/01/2024	1			
31418P-YF-6	FEDERAL NATIONAL MTG ASSOC #AD2509		09/01/2011	PAYDOWN		62,032	62,032	64,640	62,131	0	(99)	0	(99)	0	62,032	0	0	0	1,685	02/01/2025	1			
31418Q-PD-9	FEDERAL NATIONAL MTG ASSOC #AD3119		09/01/2011	PAYDOWN		29,023	29,023	29,862	29,063	0	(40)	0	(40)	0	29,023	0	0	0	895	01/01/2040	1			
31418U-Y5-7	FEDERAL NATIONAL MTG ASSOC #AD7031		09/01/2011	PAYDOWN		120,717	120,717	125,036	121,001	0	(284)	0	(284)	0	120,717	0	0	0	3,622	05/01/2025	1			
63968A-DT-9	NEBRASKA PUB PWIR DIST REV		08/17/2011	OPPENHEIMER & CO. INC.		609,648	600,000	630,072	625,856	0	(16,576)	0	(16,576)	0	609,281	0	367	367	34,250	01/01/2012	1FE			
64985Y-DA-5	NEW YORK ST ENVIRONMENTAL FACS		08/17/2011	OPPENHEIMER & CO. INC.		516,956	510,000	532,501	521,999	0	(8,035)	0	(8,035)	0	513,964	0	2,993	2,993	17,146	12/15/2011	1FE			
829594-HC-7	STIOUX FALLS S D SALES TAX REV		08/30/2011	RAYMOND JAMES		978,519	950,000	1,001,880	985,504	0	(12,571)	0	(12,571)	0	972,933	0	5,586	5,586	22,642	11/15/2012	1FE			
917535-AB-2	UTAH ST RECAPITALIZATION REV		08/10/2011	SWIS SECURITIES INC		1,065,265	1,055,000	1,055,000	1,055,000	0	0	0	0	0	1,055,000	0	10,265	10,265	18,943	07/01/2012	1FE			
31999999. Bonds - U.S. Special Revenues						4,725,818	4,640,466	4,835,856	4,548,585	0	(56,328)	0	(56,328)	0	4,701,944	0	23,875	23,875	153,217	XXX	XXX			
064244-AA-4	FDIC GTD TLGP BANK OF THE WEST SF CA		07/29/2011	PARIBAS CORPORATION		759,060	750,000	765,818	759,437	0	(4,428)	0	(4,428)	0	755,009	0	4,051	4,051	13,617	03/27/2012	1FE			
92869A-AC-8	VOLKSWAGEN AUTO LOAN ENHANCED 10-1 A3		09/20/2011	PAYDOWN		166,669	166,669	166,747	166,691	0	(22)	0	(22)	0	166,669	0	0	0	1,456	01/20/2013	1FE			
38999999. Bonds - Industrial and Miscellaneous (Unaffiliated)						925,729	916,669	932,565	926,128	0	(4,450)	0	(4,450)	0	921,678	0	4,051	4,051	15,073	XXX	XXX			
83999997. Total - Bonds - Part 4						7,046,789	6,928,929	7,195,290	6,877,887	0	(75,991)	0	(75,991)	0	7,011,585	0	35,205	35,205	218,035	XXX	XXX			
83999998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
83999999. Total - Bonds						7,046,789	6,928,929	7,195,290	6,877,887	0	(75,991)	0	(75,991)	0	7,011,585	0	35,205	35,205	218,035	XXX	XXX			
89999997. Total - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
89999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
89999999. Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
97999997. Total - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
97999998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
97999999. Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
98999999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX
99999999 - Totals						7,046,789	6,928,929	7,195,290	6,877,887	0	(75,991)	0	(75,991)	0	7,011,585	0	35,205	35,205	218,035	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 SEPTEMBER 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	413,902,047	XXX		XXX	413,902,047
2. Earned Premiums	372,405,234	XXX		XXX	XXX
3. Claims Paid	238,646,707	XXX		XXX	238,646,707
4. Claims Incurred	330,763,861	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	37,567,872	XXX		XXX	37,567,872
8. Expenses Incurred	37,541,320	XXX		XXX	XXX
9. Underwriting Gain or Loss	4,100,053	XXX	0	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	137,687,468

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ 18,340,559 due from CMS or \$ due to CMS