



**ANNUAL STATEMENT**  
**FOR THE YEAR ENDING DECEMBER 31, 2011**  
 OF THE CONDITION AND AFFAIRS OF THE

**Humana Health Plan, Inc.**

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

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

Country of Domicile United States

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

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

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

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

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

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

Internet Web Site Address www.humana.com

Statutory Statement Contact Abby Goodloe , 502-580-1632  
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**OFFICERS**

Name	Title	Name	Title
<u>Michael Benedict McCallister</u> ,	<u>CEO</u>	<u>Joan Olliges Lenahan</u> ,	<u>VP &amp; Corporate Secretary</u>
<u>James Harry Bloem</u> ,	<u>Sr. VP, CFO &amp; Treasurer</u>	<u>Jonathan Albert Canine #</u> ,	<u>Appointed Actuary</u>

**OTHER OFFICERS**

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

**DIRECTORS OR TRUSTEES**

<u>James Harry Bloem #</u>	<u>Michael Benedict McCallister</u>	<u>James Elmer Murray</u>
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State of .....Kentucky.....

ss

County of .....Jefferson.....

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions* and *Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Benedict McCallister  
CEO

Joan Olliges Lenahan  
VP & Corporate Secretary

James Harry Bloem  
Sr. VP, CFO & Treasurer

Subscribed and sworn to before me this  
23rd day of February, 2012

- 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 \_\_\_\_\_

Myra Carpenter Notary Public  
August 9, 2013

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	353,870,728		353,870,728	344,415,993
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	0		0	0
2.2 Common stocks .....	30,779,448		30,779,448	27,886,723
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....	27,600,000		27,600,000	27,600,000
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances).....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	17,264
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ ..... (7,165,893) , Schedule E-Part 1), cash equivalents (\$ ..... 20,399,889 , Schedule E-Part 2) and short-term investments (\$ ..... 25,697,990 , Schedule DA).....	38,931,986		38,931,986	8,764,371
6. Contract loans (including \$ ..... premium notes).....			0	0
7. Derivatives (Schedule DB).....			0	0
8. Other invested assets (Schedule BA) .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL).....			0	884,486
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	451,182,162	0	451,182,162	409,568,837
13. Title plants less \$ ..... charged off (for Title insurers only).....			0	0
14. Investment income due and accrued .....	3,304,883		3,304,883	3,078,853
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	17,340,063	516,051	16,824,012	41,806,056
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums).....			0	0
15.3 Accrued retrospective premiums.....	18,392,573		18,392,573	13,979,793
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	13,828,859	188,325	13,640,534	15,656,510
18.1 Current federal and foreign income tax recoverable and interest thereon .....	5,609,118		5,609,118	0
18.2 Net deferred tax asset.....	62,423,424	51,297,606	11,125,818	10,930,886
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software.....	992,230	802,537	189,693	331,909
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	6,216,902	6,216,902	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....			0	3,724,408
24. Health care (\$ ..... 6,251,738 ) and other amounts receivable.....	8,491,484		8,491,484	10,830,735
25. Aggregate write-ins for other than invested assets .....	127,706,435	127,706,435	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	715,488,133	186,727,856	528,760,277	509,907,987
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	0
28. Total (Lines 26 and 27)	715,488,133	186,727,856	528,760,277	509,907,987
<b>DETAILS OF WRITE-INS</b>				
1101. ....			0	0
1102. ....			0	0
1103. ....			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0
2501. Goodwill.....	117,277,761	117,277,761	0	
2502. Prepaid Commissions.....	9,125,604	9,125,604	0	
2503. Deposits.....	668,933	668,933	0	
2598. Summary of remaining write-ins for Line 25 from overflow page .....	634,137	634,137	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	127,706,435	127,706,435	0	0

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....301 reinsurance ceded)	176,509,657	8,567,600	185,077,257	158,743,786
2. Accrued medical incentive pool and bonus amounts	1,196,921		1,196,921	1,156,141
3. Unpaid claims adjustment expenses	2,447,979		2,447,979	1,960,387
4. Aggregate health policy reserves, including the liability of \$ .....11,477,958 for medical loss ratio rebate per the Public Health Service Act	21,447,529		21,447,529	17,170,692
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves	206,002	9,999	216,001	217,000
8. Premiums received in advance	15,015,630		15,015,630	13,024,706
9. General expenses due or accrued	12,901,338		12,901,338	12,618,275
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses))			0	14,981,855
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	213,567		213,567	158,032
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated	1,137,920		1,137,920	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	8,378,127		8,378,127	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	1,499,754
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	14,276,904		14,276,904	7,495,184
23. Aggregate write-ins for other liabilities (including \$ .....968,407 current)	974,003	0	974,003	331
24. Total liabilities (Lines 1 to 23)	254,705,577	8,577,599	263,283,176	229,026,143
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	2,248,000	2,248,000
27. Preferred capital stock	XXX	XXX		0
28. Gross paid in and contributed surplus	XXX	XXX	416,255,377	416,255,377
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(153,026,276)	(137,621,533)
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... )	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 \$ ..... )	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	265,477,101	280,881,844
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	528,760,277	509,907,987
<b>DETAILS OF WRITE-INS</b>				
2301. Due to CMS	968,407		968,407	0
2302. Medicare Risk Adjustment Payable	5,596		5,596	331
2303. ....			0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	974,003	0	974,003	331
2501. ....	XXX	XXX		0
2502. ....	XXX	XXX		0
2503. ....	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX	0	0
3001. ....	XXX	XXX		0
3002. ....	XXX	XXX		0
3003. ....	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	4,793,106	4,661,923
2. Net premium income (including \$ .....0 non-health premium income).....	XXX	2,353,136,224	1,966,534,552
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	(11,537,202)	(9,090)
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX		0
5. Risk revenue .....	XXX		0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	2,341,599,022	1,966,525,462
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....	86,696,741	1,674,361,170	1,434,718,024
10. Other professional services .....		16,242,681	16,894,332
11. Outside referrals .....			0
12. Emergency room and out-of-area .....	3,787,213	59,396,240	46,797,308
13. Prescription drugs .....		208,030,083	208,381,522
14. Aggregate write-ins for other hospital and medical .....	0	0	4,162
15. Incentive pool, withhold adjustments and bonus amounts.....		682,256	270,980
16. Subtotal (Lines 9 to 15) .....	90,483,954	1,958,712,430	1,707,066,328
<b>Less:</b>			
17. Net reinsurance recoveries .....		1,951	85,210,536
18. Total hospital and medical (Lines 16 minus 17) .....	90,483,954	1,958,710,479	1,621,855,792
19. Non-health claims (net).....		0	0
20. Claims adjustment expenses, including \$ .....89,172,377 cost containment expenses.....		112,108,245	62,755,032
21. General administrative expenses.....		279,379,780	251,823,102
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only).....		(4,023,139)	(14,426,329)
23. Total underwriting deductions (Lines 18 through 22) .....	90,483,954	2,346,175,365	1,922,007,597
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(4,576,343)	44,517,865
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		12,718,733	10,398,490
26. Net realized capital gains (losses) less capital gains tax of \$ .....87,913 .....		163,267	(99,685)
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	12,882,000	10,298,805
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....		0	0
29. Aggregate write-ins for other income or expenses .....	0	11,923	12,712
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	8,317,580	54,829,382
31. Federal and foreign income taxes incurred .....	XXX	2,856,655	24,407,585
32. Net income (loss) (Lines 30 minus 31) .....	XXX	5,460,925	30,421,797
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		0
0602. ....	XXX		0
0603. ....	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	0	0
0701. ....	XXX		0
0702. ....	XXX		0
0703. ....	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	0	0
1401. Other Medical Expense.....			4,162
1402. ....			0
1403. ....			0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	0	4,162
2901. Miscellaneous Income.....		11,923	12,712
2902. ....			0
2903. ....			0
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	11,923	12,712

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	280,881,844	175,615,014
34. Net income or (loss) from Line 32 .....	5,460,925	30,421,797
35. Change in valuation basis of aggregate policy and claim reserves .....		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....972,354 .....	1,805,796	2,222,446
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0
38. Change in net deferred income tax .....	3,853,240	(25,964,407)
39. Change in nonadmitted assets .....	3,508,050	44,353,367
40. Change in unauthorized reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles .....		0
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend) .....		0
44.3 Transferred to surplus .....		0
45. Surplus adjustments:		
45.1 Paid in .....	0	2,136,783
45.2 Transferred to capital (Stock Dividend) .....	0	0
45.3 Transferred from capital .....		0
46. Dividends to stockholders .....	(30,000,000)	0
47. Aggregate write-ins for gains or (losses) in surplus .....	(32,754)	52,096,844
48. Net change in capital & surplus (Lines 34 to 47) .....	(15,404,743)	105,266,830
49. Capital and surplus end of reporting year (Line 33 plus 48)	265,477,101	280,881,844
<b>DETAILS OF WRITE-INS</b>		
4701. Valuation allowance for securities lending.....	(32,754)	20,756
4702. Correction of Prior Period Errors.....		52,064,088
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	(32,754)	52,084,844

## CASH FLOW

	1 Current Year	2 Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance	2,369,727,212	1,915,947,612
2. Net investment income	16,383,319	11,935,073
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	2,386,110,531	1,927,882,685
5. Benefit and loss related payments	1,928,314,088	1,666,398,916
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	380,974,931	258,339,368
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ 87,913 tax on capital gains (losses)	23,535,543	9,372,053
10. Total (Lines 5 through 9)	2,332,824,562	1,934,110,337
11. Net cash from operations (Line 4 minus Line 10)	53,285,969	(6,227,652)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	85,153,223	88,777,562
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(222)	(4,604)
12.7 Miscellaneous proceeds	1,372,961	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	86,525,962	88,772,958
13. Cost of investments acquired (long-term only):		
13.1 Bonds	98,832,959	279,214,806
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	98,832,959	279,214,806
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(12,306,997)	(190,441,848)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	2,136,783
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	30,000,000	0
16.6 Other cash provided (applied)	19,188,643	68,630,730
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(10,811,357)	70,767,513
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	30,167,615	(125,901,987)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	8,764,371	134,666,358
19.2 End of year (Line 18 plus Line 19.1)	38,931,986	8,764,371

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	2,353,136,224	793,513,410	0	3,065,332	608,913	128,706,338	1,427,242,231	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	(11,537,202)	(11,537,202)								
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	2,341,599,022	781,976,208	0	3,065,332	608,913	128,706,338	1,427,242,231	0	0	0
8. Hospital/medical benefits	1,674,361,170	464,044,632	1,953	1,732,082	346,246	112,602,716	1,103,772,487	0	(8,138,946)	XXX
9. Other professional services	16,242,681	6,733,674	0	0	0	1,202,595	8,230,511	0	75,901	XXX
10. Outside referrals	0	0	0	0	0	0	0	0	0	XXX
11. Emergency room and out-of-area	59,396,240	34,541,538	0	0	0	0	16,625,272	0	8,229,430	XXX
12. Prescription drugs	208,030,083	117,162,354	0	0	0	0	90,867,729	0	0	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	682,256	1,661	0	0	0	0	680,595	0	0	XXX
15. Subtotal (Lines 8 to 14)	1,958,712,430	622,483,859	1,953	1,732,082	346,246	113,805,311	1,220,176,594	0	166,385	XXX
16. Net reinsurance recoveries	1,951	0	1,953	0	0	0	(2)	0	0	XXX
17. Total hospital and medical (Lines 15 minus 16)	1,958,710,479	622,483,859	0	1,732,082	346,246	113,805,311	1,220,176,596	0	166,385	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ .89,172,377 cost containment expenses	112,108,245	32,249,780	0	5,449	1,964	2,590,690	41,056,874	0	36,203,488	
20. General administrative expenses	279,379,780	115,138,040	0	247,522	70,001	12,571,325	158,921,192	0	(7,568,300)	
21. Increase in reserves for accident and health contracts	(4,023,139)	(4,023,139)	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	2,346,175,365	765,848,540	0	1,985,053	418,211	128,967,326	1,420,154,662	0	28,801,573	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(4,576,343)	16,127,668	0	1,080,279	190,702	(260,988)	7,087,569	0	(28,801,573)	0
<b>DETAILS OF WRITE-INS</b>										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1+2-3)
1. Comprehensive (hospital and medical) .....	794,311,267		797,857	793,513,410
2. Medicare Supplement .....	4,626		4,626	.0
3. Dental only.....	3,065,332			3,065,332
4. Vision only.....	608,913			608,913
5. Federal Employees Health Benefits Plan .....	128,789,665		83,327	128,706,338
6. Title XVIII - Medicare .....	1,427,242,231			1,427,242,231
7. Title XIX - Medicaid.....				.0
8. Other health.....				.0
9. Health subtotal (Lines 1 through 8) .....	2,354,022,034	.0	885,810	2,353,136,224
10. Life .....				.0
11. Property/casualty.....				.0
12. Totals (Lines 9 to 11)	2,354,022,034	0	885,810	2,353,136,224

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 – CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non- Health
1. Payments during the year:										
1.1 Direct	1,931,794,626	626,685,915	2,220	1,676,828	346,246	115,030,261	1,187,886,770		166,386	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	2,220		2,220				0			
1.4 Net	1,931,792,406	626,685,915	0	1,676,828	346,246	115,030,261	1,187,886,770	0	166,386	0
2. Paid medical incentive pools and bonuses	641,476	755					640,721			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	185,077,558	59,115,927	301	102,017	0	10,288,432	115,570,881	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	301	0	301	0	0	0	0	0	0	0
3.4 Net	185,077,257	59,115,927	0	102,017	0	10,288,432	115,570,881	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	216,001	216,001								
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	216,001	216,001	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	1,196,921	1,812					1,195,109			
6. Net healthcare receivables (a)	96,655	(2,214,196)				1,473,311	837,540			
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	158,744,356	65,569,841	570	46,764	0	10,003,071	83,124,110	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	570	0	570	0	0	0	0	0	0	0
8.4 Net	158,743,786	65,569,841	0	46,764	0	10,003,071	83,124,110	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	217,000	180,000	0	0	0	37,000	0	0	0	0
9.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
9.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
9.4 Net	217,000	180,000	0	0	0	37,000	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	1,156,141	906	0	0	0	0	1,155,235	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred benefits:										
12.1 Direct	1,958,030,174	622,482,198	1,951	1,732,081	346,246	113,805,311	1,219,496,001	0	166,386	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	1,951	0	1,951	0	0	0	0	0	0	0
12.4 Net	1,958,028,223	622,482,198	0	1,732,081	346,246	113,805,311	1,219,496,001	0	166,386	0
13. Incurred medical incentive pools and bonuses	682,256	1,661	0	0	0	0	680,595	0	0	0

(a) Excludes \$ ..... 9,894 loans or advances to providers not yet expensed.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1. Direct .....	34,226,981	16,095,191	6	37,788		782,313	17,311,683			
1.2. Reinsurance assumed .....	0									
1.3. Reinsurance ceded .....	6		6							
1.4. Net .....	34,226,975	16,095,191	0	37,788	0	782,313	17,311,683	0	0	0
2. Incurred but Unreported:										
2.1. Direct .....	114,579,561	41,606,534	295	64,229		9,404,302	63,504,201			
2.2. Reinsurance assumed .....	0									
2.3. Reinsurance ceded .....	295		295							
2.4. Net .....	114,579,266	41,606,534	0	64,229	0	9,404,302	63,504,201	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1. Direct .....	36,271,016	1,414,202				101,817	34,754,997			
3.2. Reinsurance assumed .....	0									
3.3. Reinsurance ceded .....	0									
3.4. Net .....	36,271,016	1,414,202	0	0	0	101,817	34,754,997	0	0	0
4. TOTALS:										
4.1. Direct .....	185,077,558	59,115,927	301	102,017	0	10,288,432	115,570,881	0	0	0
4.2. Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3. Reinsurance ceded .....	301	0	301	0	0	0	0	0	0	0
4.4. Net .....	185,077,257	59,115,927	0	102,017	0	10,288,432	115,570,881	0	0	0

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability Dec. 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	59,318,437	570,481,729	1,041,776	58,290,153	60,360,213	65,749,840
2. Medicare Supplement .....					0	0
3. Dental Only.....	41,410	1,635,418	467	101,551	41,877	46,764
4. Vision Only.....		346,246			0	0
5. Federal Employees Health Benefits Plan .....	9,381,323	106,101,525	1,004,063	9,284,369	10,385,386	10,040,071
6. Title XVIII - Medicare .....	75,835,354	1,114,629,768	1,322,983	114,247,896	77,158,337	83,124,111
7. Title XIX - Medicaid.....					0	0
8. Other health .....		166,386			0	0
9. Health subtotal (Lines 1 to 8).....	144,576,524	1,793,361,072	3,369,289	181,923,969	147,945,813	158,960,786
10. Healthcare receivables (a).....		6,241,845			0	0
11. Other non-health.....					0	0
12. Medical incentive pools and bonus amounts .....	0	641,476	0	1,196,921	0	1,156,141
13. Totals (Lines 9-10+11+12)	144,576,524	1,787,760,703	3,369,289	183,120,890	147,945,813	160,116,927

(a) Excludes \$ 9,894 loans or advances to providers not yet expensed.

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

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

**Section A – Paid Health Claims - Hospital and Medical**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	680,612	679,501	679,501	679,501	61,199
2. 2007 .....	543,518	599,691	598,540	598,540	618,302
3. 2008 .....	XXX	603,394	669,564	668,710	598,540
4. 2009 .....	XXX	XXX	563,654	521,515	668,710
5. 2010 .....	XXX	XXX	XXX	531,879	521,515
6. 2011 .....	XXX	XXX	XXX	XXX	570,482

**Section B – Incurred Health Claims - Hospital and Medical**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	67,098	61,601	61,199	61,199	61,199
2. 2007 .....	639,239	622,219	618,477	618,302	618,302
3. 2008 .....	XXX	612,722	602,141	598,661	598,540
4. 2009 .....	XXX	XXX	1,316,449	671,402	668,765
5. 2010 .....	XXX	XXX	XXX	1,371,869	622,122
6. 2011 .....	XXX	XXX	XXX	XXX	628,774

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007 .....	695,750	618,302	4,852	0.8	623,154	89.6			623,154	89.6
2. 2008 .....	761,356	598,540	4,697	0.8	603,237	79.2			603,237	79.2
3. 2009 .....	708,857	668,710	5,247	0.8	673,957	95.1	55		674,012	95.1
4. 2010 .....	727,113	521,515	4,092	0.8	525,607	72.3	100,607		626,214	86.1
5. 2011 .....	793,513	570,482	4,477	0.8	574,959	72.5	(41,328)	(1,198)	532,433	67.1

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

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

**Section A – Paid Health Claims - Dental Only**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.0	.0	.0	.0	
2. 2007 .....	.0	.0	.0	.0	
3. 2008 .....	XXX	.0	.0	.0	
4. 2009 .....	XXX	XXX	.0	.0	
5. 2010 .....	XXX	XXX	XXX	.802	
6. 2011 .....	XXX	XXX	XXX	XXX	1,635

**Section B – Incurred Health Claims - Dental Only**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....					
2. 2007 .....					
3. 2008 .....	XXX				
4. 2009 .....	XXX	XXX			
5. 2010 .....	XXX	XXX	XXX		
6. 2011 .....	XXX	XXX	XXX	XXX	1,737

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007.....	.0	.0	.0	.0	.0	.0			.0	.0
2. 2008.....	.0	.0	.0	.0	.0	.0			.0	.0
3. 2009.....	.0	.0	.0	.0	.0	.0			.0	.0
4. 2010.....	1,635	.0	.0	.0	.0	.0			.0	.0
5. 2011.....	3,065	1,635	13	0.8	1,648	53.8	102	3	1,753	57.2

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

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

**Section A – Paid Health Claims - Vision Only**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.0	.0	.0	.0	
2. 2007 .....	.0	.0	.0	.0	
3. 2008 .....	XXX	.0	.0	.0	
4. 2009 .....	XXX	XXX	.0	.0	
5. 2010 .....	XXX	XXX	XXX	249	
6. 2011 .....	XXX	XXX	XXX	XXX	346

**Section B - Incurred Health Claims - Vision Only**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....					
2. 2007 .....					
3. 2008 .....	XXX				
4. 2009 .....	XXX	XXX			
5. 2010 .....	XXX	XXX	XXX		
6. 2011 .....	XXX	XXX	XXX	XXX	346

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
2. 2008.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. 2009.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. 2010.....	303	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. 2011.....	609	346	3	0.9	349	57.3	0	0	349	57.3

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

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

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	113,832	114,697	114,697	114,697	8,229
2. 2007 .....	78,893	84,582	84,582	84,852	106,468
3. 2008 .....	XXX	85,815	92,237	92,368	84,582
4. 2009 .....	XXX	XXX	88,360	97,381	92,368
5. 2010 .....	XXX	XXX	XXX	94,303	97,381
6. 2011 .....	XXX	XXX	XXX	XXX	106,102

**Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	8,734	8,280	8,229	8,229	8,229
2. 2007 .....	105,631	106,291	106,519	106,468	106,468
3. 2008 .....	XXX	89,653	85,129	84,622	84,582
4. 2009 .....	XXX	XXX	96,626	92,799	92,374
5. 2010 .....	XXX	XXX	XXX	100,111	97,613
6. 2011 .....	XXX	XXX	XXX	XXX	115,386

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007 .....	107,307	106,468	835	0.8	107,303	100.0			107,303	100.0
2. 2008 .....	110,046	84,582	664	0.8	85,246	77.5			85,246	77.5
3. 2009 .....	103,900	92,368	725	0.8	93,093	89.6	6		93,099	89.6
4. 2010 .....	126,463	97,381	764	0.8	98,145	77.6	232		98,377	77.8
5. 2011 .....	128,706	106,102	833	0.8	106,935	83.1	10,050	291	117,276	91.1

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

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

**Section A - Paid Health Claims - Medicare**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	534,012	533,808	533,808	533,808	34,623
2. 2007 .....	449,258	479,944	479,845	479,845	499,185
3. 2008 .....	XXX	627,021	668,543	667,184	479,845
4. 2009 .....	XXX	XXX	742,993	814,761	667,184
5. 2010 .....	XXX	XXX	XXX	852,710	814,761
6. 2011 .....	XXX	XXX	XXX	XXX	1,115,270

**Section B - Incurred Health Claims - Medicare**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	36,638	34,924	34,623	34,623	34,623
2. 2007 .....	510,344	501,354	499,486	499,185	499,185
3. 2008 .....	XXX	493,051	481,882	480,014	479,845
4. 2009 .....	XXX	XXX	662,933	670,248	667,310
5. 2010 .....	XXX	XXX	XXX	822,224	815,762
6. 2011 .....	XXX	XXX	XXX	XXX	1,230,713

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007.....	610,110	499,185	3,917	0.8	503,102	82.5			503,102	82.5
2. 2008.....	792,191	479,845	3,765	0.8	483,610	61.0			483,610	61.0
3. 2009.....	954,477	667,184	5,235	0.8	672,419	70.4	126		672,545	70.5
4. 2010.....	1,111,020	814,761	6,393	0.8	821,154	73.9	1,001		822,155	74.0
5. 2011.....	1,427,242	1,115,270	8,752	0.8	1,124,022	78.8	115,639	3,352	1,243,013	87.1

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

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

**Section A - Paid Health Claims - Title XIX Medicaid**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	1,062	1,062	1,062	1,062	369
2. 2007 .....	99	99	99	99	693
3. 2008 .....	XXX	.0	.0	.0	99
4. 2009 .....	XXX	XXX	.0	.0	
5. 2010 .....	XXX	XXX	XXX	.0	
6. 2011 .....	XXX	XXX	XXX	XXX	

**Section B – Incurred Health Claims - Title XIX Medicaid**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	467	369	369	369	369
2. 2007 .....	693	693	693	693	693
3. 2008 .....	XXX	99	99	99	99
4. 2009 .....	XXX	XXX			
5. 2010 .....	XXX	XXX	XXX		
6. 2011 .....	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007 .....	.0	693	.5	0.7	698	0.0			698	0.0
2. 2008 .....	.0	99	.1	1.0	100	0.0			100	0.0
3. 2009 .....	.0	.0		0.0	.0	0.0			.0	0.0
4. 2010 .....	.0	.0		0.0	.0	0.0			.0	0.0
5. 2011 .....		0		0.0	0	0.0			0	0.0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

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

**Section A - Paid Health Claims - Other**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	.0	.0	.0	.0	.0
2. 2007 .....	.0	.0	.0	.0	.0
3. 2008 .....	XXX	.0	.0	.0	.0
4. 2009 .....	XXX	XXX	.0	.0	.0
5. 2010 .....	XXX	XXX	XXX	.0	.0
6. 2011 .....	XXX	XXX	XXX	XXX	166

**Section B – Incurred Health Claims - Other**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....					
2. 2007 .....					
3. 2008 .....	XXX				
4. 2009 .....	XXX	XXX			
5. 2010 .....	XXX	XXX	XXX		
6. 2011 .....	XXX	XXX	XXX	XXX	166

**Section C – Incurred Year Health Claims and Claims Adjustment Expense Ratio – Other**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007 .....	.0	.0		.0	.0	.0			.0	.0
2. 2008 .....	.0	.0		.0	.0	.0			.0	.0
3. 2009 .....	.0	.0		.0	.0	.0			.0	.0
4. 2010 .....	.0	.0		.0	.0	.0			.0	.0
5. 2011 .....		166	1	0.6	167	0.0			167	0.0

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**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

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

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	1,329,518	1,329,068	1,329,068	1,329,068	104,420
2. 2007 .....	1,071,768	1,164,316	1,163,066	1,163,336	1,224,648
3. 2008 .....	XXX	1,316,230	1,430,344	1,428,262	1,163,066
4. 2009 .....	XXX	XXX	1,395,007	1,433,657	1,428,262
5. 2010 .....	XXX	XXX	XXX	1,479,943	1,433,657
6. 2011 .....	XXX	XXX	XXX	XXX	1,794,001

**Section B - Incurred Health Claims - Grand Total**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior .....	112,937	105,174	104,420	104,420	104,420
2. 2007 .....	1,255,907	1,230,557	1,225,175	1,224,648	1,224,648
3. 2008 .....	XXX	1,195,525	1,169,251	1,163,396	1,163,066
4. 2009 .....	XXX	XXX	2,076,008	1,434,449	1,428,449
5. 2010 .....	XXX	XXX	XXX	2,294,204	1,535,497
6. 2011 .....	XXX	XXX	XXX	XXX	1,977,122

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2+3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007 .....	1,413,167	1,224,648	9,609	0.8	1,234,257	87.3	0	0	1,234,257	87.3
2. 2008 .....	1,663,594	1,163,066	9,127	0.8	1,172,193	70.5	0	0	1,172,193	70.5
3. 2009 .....	1,767,234	1,428,262	11,207	0.8	1,439,469	81.5	187	0	1,439,656	81.5
4. 2010 .....	1,966,534	1,433,657	11,249	0.8	1,444,906	73.5	101,840	0	1,546,746	78.7
5. 2011 .....	2,353,135	1,794,001	14,079	0.8	1,808,080	76.8	84,463	2,448	1,894,991	80.5

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	302,008	301,998	10						
2. Additional policy reserves (a).....	3,971,175	3,971,175							
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$ .....11,477,958 for investment income).....	17,174,356	7,925,425				3,552,533	5,696,398		
5. Aggregate write-ins for other policy reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross) .....	21,447,539	12,198,598	10	.0	.0	3,552,533	5,696,398	.0	.0
7. Reinsurance ceded .....	10		10						
8. Totals (Net) (Page 3, Line 4)	21,447,529	12,198,598	0	0	0	3,552,533	5,696,398	0	0
9. Present value of amounts not yet due on claims .....	.0								
10. Reserve for future contingent benefits .....	216,001	216,001							
11. Aggregate write-ins for other claim reserves .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross) .....	216,001	216,001	.0	.0	.0	.0	.0	.0	.0
13. Reinsurance ceded .....	.0								
14. Totals (Net) (Page 3, Line 7)	216,001	216,001	0	0	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>									
0501. ....	.0								
0502. ....	.0								
0503. ....	.0								
0598. Summary of remaining write-ins for Line 5 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....	.0								
1102. ....	.0								
1103. ....	.0								
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ .....730,000 premium deficiency reserve.

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ .....for occupancy of own building).....	1,139,299	751,626	5,318,724		7,209,649
2. Salaries, wages and other benefits.....	41,107,644	13,014,211	155,012,917	124,296	209,259,068
3. Commissions (less \$ .....ceded plus \$ .....assumed).....		0	44,085,468		44,085,468
4. Legal fees and expenses.....	3,674	0	1,786,377		1,790,051
5. Certifications and accreditation fees.....	37	150	87,139		87,326
6. Auditing, actuarial and other consulting services.....		0	512,703		512,703
7. Traveling expenses.....	688,560	149,110	5,074,537	908	5,913,115
8. Marketing and advertising.....	50,314	3,234	21,228,660		21,282,208
9. Postage, express and telephone.....	1,061,630	333,668	12,777,100	134	14,172,532
10. Printing and office supplies.....	265,027	84,026	4,753,706	546	5,103,305
11. Occupancy, depreciation and amortization.....	178,627	120,054	1,033,266		1,331,947
12. Equipment.....	300,068	111,668	5,708,859		6,120,595
13. Cost or depreciation of EDP equipment and software.....	523,229	479,117	21,226,647		22,228,993
14. Outsourced services including EDP, claims, and other services.....	40,897,910	5,952,382	48,202,691		95,052,983
15. Boards, bureaus and association fees.....	27,225	5,927	373,902	265	407,319
16. Insurance, except on real estate.....	79,405	54,747	2,232,800		2,366,952
17. Collection and bank service charges.....	111	40,982	6,245,367	1,567	6,288,027
18. Group service and administration fees.....	232,271	486,243	2,284,171		3,002,685
19. Reimbursements by uninsured plans.....		0	(108,519,363)		(108,519,363)
20. Reimbursements from fiscal intermediaries.....		0			0
21. Real estate expenses.....	531,344	351,540	5,776,796		6,659,680
22. Real estate taxes.....		0		342,311	342,311
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....	42	3	148,747		148,792
23.2 State premium taxes.....		0	4,539,063		4,539,063
23.3 Regulatory authority licenses and fees.....	0	16,074	6,762,818	108	6,779,000
23.4 Payroll taxes.....	1,700,798	886,148	11,343,151	8,053	13,938,150
23.5 Other (excluding federal income and real estate taxes).....		0	920,436		920,436
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	385,162	94,958	20,463,098	1,141	20,944,359
26. Total expenses incurred (Lines 1 to 25).....	89,172,377	22,935,868	279,379,780	479,329 (a)	391,967,354
27. Less expenses unpaid December 31, current year.....	1,427,141	1,020,839	12,901,338		15,349,318
28. Add expenses unpaid December 31, prior year.....	811,121	1,149,265	12,618,275	0	14,578,661
29. Amounts receivable relating to uninsured plans, prior year.....	0	0	15,868,149	0	15,868,149
30. Amounts receivable relating to uninsured plans, current year.....			13,828,859		13,828,859
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	88,556,357	23,064,294	277,057,427	479,329	389,157,407
<b>DETAILS OF WRITE-INS</b>					
2501. Amortization of Intangible Asset.....			18,521,805		18,521,805
2502. Miscellaneous Administrative Expenses.....	385,162	94,958	1,941,293	1,141	2,422,554
2503. ....					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. Totals (Line 2501 through 2503 + 2598) (Line 25 above)	385,162	94,958	20,463,098	1,141	20,944,359

(a) Includes management fees of \$ .....375,630,946 to affiliates and \$ .....to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 922,046	960,377
1.1 Bonds exempt from U.S. tax	(a) 1,875,163	1,912,054
1.2 Other bonds (unaffiliated)	(a) 9,694,680	9,892,002
1.3 Bonds of affiliates	(a) 0	
2.1 Preferred stocks (unaffiliated)	(b) 0	
2.11 Preferred stocks of affiliates	(b) 0	
2.2 Common stocks (unaffiliated)	0	
2.21 Common stocks of affiliates	0	
3. Mortgage loans	(c) 353,611	353,611
4. Real estate	(d) 33,477	33,477
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 40,664	41,068
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	22,735	22,735
10. Total gross investment income	12,942,376	13,215,324
11. Investment expenses		(g) 137,017
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 342,311
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i) 17,263
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		496,591
17. Net investment income (Line 10 minus Line 16)		12,718,733
<b>DETAILS OF WRITE-INS</b>		
0901. Miscellaneous Investment Expense	12,538	12,538
0902. Securities Lending Income	10,197	10,197
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	22,735	22,735
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 through 1503) plus 1598 (Line 15 above)		0

- (a) Includes \$ 80,732 accrual of discount less \$ 3,954,085 amortization of premium and less \$ 468,297 paid for accrued interest on purchases.  
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ 0 paid for accrued dividends on purchases.  
 (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.  
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.  
 (e) Includes \$ 35,271 accrual of discount less \$ amortization of premium and less \$ (1) paid for accrued interest on purchases.  
 (f) Includes \$ accrual of discount less \$ amortization of premium.  
 (g) Includes \$ 137,017 investment expenses and \$ 342,311 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.  
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	26,557		26,557		
1.1 Bonds exempt from U.S. tax			0	16,044	
1.2 Other bonds (unaffiliated)	(263,627)		(263,627)	(130,619)	
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	2,892,725	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	(222)		(222)	0	0
7. Derivative instruments			0		
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	488,472	0	488,472	0	0
10. Total capital gains (losses)	251,180	0	251,180	2,778,150	0
<b>DETAILS OF WRITE-INS</b>					
0901. Securities Lending Impairment	488,472		488,472		
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 through 0903) plus 0998 (Line 9 above)	488,472	0	488,472	0	0

## EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....	0	0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	0	0	0
2.2 Common stocks .....	0	0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	0	0	0
3.2 Other than first liens .....	0	0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	0	0	0
4.2 Properties held for the production of income.....	0	0	0
4.3 Properties held for sale .....	0	0	0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....	0	0	0
6. Contract loans .....	0	0	0
7. Derivatives (Schedule DB).....	0	0	0
8. Other invested assets (Schedule BA) .....	0	0	0
9. Receivables for securities .....	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL).....	0	0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only).....	0	0	0
14. Investment income due and accrued .....	0	0	0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	516,051	778,008	261,957
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	0	0	0
15.3 Accrued retrospective premiums.....	0	0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	0	0	0
16.2 Funds held by or deposited with reinsured companies .....	0	0	0
16.3 Other amounts receivable under reinsurance contracts .....	0	0	0
17. Amounts receivable relating to uninsured plans .....	188,325	211,639	23,314
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0	0	0
18.2 Net deferred tax asset.....	51,297,606	48,611,650	(2,685,956)
19. Guaranty funds receivable or on deposit .....	0	0	0
20. Electronic data processing equipment and software.....	802,537	28,427	(774,110)
21. Furniture and equipment, including health care delivery assets.....	6,216,902	1,935,963	(4,280,939)
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0
23. Receivables from parent, subsidiaries and affiliates .....	0	0	0
24. Health care and other amounts receivable.....	0	0	0
25. Aggregate write-ins for other than invested assets .....	127,706,435	138,670,219	10,963,784
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	186,727,856	190,235,906	3,508,050
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
28. Total (Lines 26 and 27)	186,727,856	190,235,906	3,508,050
<b>DETAILS OF WRITE-INS</b>			
1101. ....	0	0	0
1102. ....	0	0	0
1103. ....	0	0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)	0	0	0
2501. Goodwill.....	117,277,761	135,799,566	18,521,805
2502. Prepaid Commissions.....	9,125,604	2,343,695	(6,781,909)
2503. Deposits.....	668,933	483,252	(185,681)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	634,137	43,706	(590,431)
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	127,706,435	138,670,219	10,963,784

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations.....	363,402	323,740	355,752	343,481	321,906	3,858,171
2. Provider Service Organizations.....	.0					
3. Preferred Provider Organizations.....	19,619	65,915	35,285	32,299	59,919	756,691
4. Point of Service.....	.0					
5. Indemnity Only.....	.0					
6. Aggregate write-ins for other lines of business.....	9,503	11,349	12,087	15,701	15,797	178,244
7. Total	392,524	401,004	403,124	391,481	397,622	4,793,106
<b>DETAILS OF WRITE-INS</b>						
0601. Dental.....	7,013	7,783	8,384	11,839	11,886	133,382
0602. Vision.....	2,490	3,566	3,703	3,862	3,911	44,862
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	.0	.0	.0	.0	.0	.0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above)	9,503	11,349	12,087	15,701	15,797	178,244

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

Summary of Significant Accounting Policies

A. Accounting Practices

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

The Kentucky Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Kentucky for determining and reporting the financial condition and results of operations of an insurance Company, for determining its solvency under the Kentucky Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Kentucky. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices. No deviations exist.

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

	State of Domicile		2011		2010
Net Income					
1. Humana Health Plan, Inc. Kentucky basis	KY	\$	5,460,925	\$	30,421,797
2. State Prescribed Practices that increase/(decrease) NAIC SAP	KY		-		-
3. State Permitted Practices that increase/(decrease) NAIC SAP	KY		-		-
4. NAIC SAP	KY	\$	5,460,925	\$	30,421,797
Surplus					
5. Humana Health Plan, Inc. Kentucky basis	KY	\$	265,477,101	\$	280,881,844
6. State Prescribed Practices that increase/(decrease) NAIC SAP	KY		-		-
7. State Permitted Practices that increase/(decrease) NAIC SAP	KY		-		-
8. NAIC SAP	KY	\$	265,477,101	\$	280,881,844

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

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

C. Accounting Policy

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

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

In addition, the Company uses the following accounting policies:

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

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

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

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

- (5) The Company estimates the fair value of its investments in mortgage loans on real estate using a discounted cash flow method based on rating, maturity and future income when compared to the expected yield for mortgages having similar characteristics. The rating for mortgages in good standing is based on property type, location, market conditions, occupancy, debt service coverage, loan to value, caliber of tenancy, borrower and payment record. Problem mortgages are priced to reflect their monetary value to the Company, considering such things as the degree of default, whether or not the payments are still being made, interest rate, maturity and operating performance of the underlying collateral.

## ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

- (6) For loan backed and structured securities where the securities fair value is less than the amortized cost, the Company considers several factors to determine if the security's impairment is other-than-temporary. If the Company has the intent to sell the security or if the Company does not have the intent and ability to retain the security until recovery of its fair value, the related investment is written down to its estimated fair value through earnings. If, however, the Company has the intent and ability to retain the security until recovery of its fair value, the Company considers factors affecting the investee, factors affecting the industry the investee operates within, and general debt and equity market trends. The Company also considers the length of time an investment's fair value has been below carrying value and the near term prospects for recovery to carrying value. If the determination is made, based on these factors, that the Company does expect to recover the entire amortized cost of the security, then an other-than-temporary impairment has not occurred. If, however, the determination is made that the Company does not expect to recover the entire amortized cost of the security based on the factors noted above, the Company recognizes a realized loss in earnings for the non-interest related decline. No loss is recognized for the interest impairment.
- (7) The Company accounts for its investments in subsidiaries using the audited statutory equity method of accounting.
- (8) The Company accounts for its investments in joint ventures, partnerships and LLC's using the audited statutory equity method of accounting.
- (9) The Company participates in a securities leading program to supplement investment income. The Company loans certain investment securities for short periods of time in exchange for collateral initially equal to at least 102 percent of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment securities fluctuates. The collateral, which may be in the form of cash or U.S. Government securities, is deposited by the borrower with an independent lending agent. This program was discontinued in November 2011.
- (10)-(11) The estimates of future medical benefit payments are developed using actuarial methods and assumptions based upon claim payment patterns, medical cost inflation, historical development such as claim inventory levels and claim receipt patterns, and other relevant factors. Corresponding administrative costs to process outstanding claims are estimated and accrued. Estimates of future payments relating to services incurred in the current and prior periods are continually reviewed by management and adjusted as necessary.
- The Company assesses the profitability of its contracts for providing health insurance coverage to its members when current operating results or forecasts indicate probable future losses. The Company records a premium deficiency liability in current operations to the extent that the sum of expected future medical costs, claim adjustment expenses and maintenance costs exceed related future premiums. Investment income is not contemplated in the calculation of the premium deficiency liability.
- Management believes the Company's benefits payable and loss adjustment expense are adequate to cover future claims and loss adjustment expense payments required, however, such estimates are based on knowledge of current events and anticipated future events and, therefore, the actual liability could differ from the amounts provided.
- (12) Real estate held for production of income is carried at depreciated cost.
- Equipment is stated at cost less accumulated depreciation. Depreciation expense is computed using the straight-line method over estimated useful lives generally ranging from three to five years. Improvements to leased facilities are depreciated over the shorter of the remaining lease term or the anticipated life of the improvement.
- The Company recognizes an asset or liability for the deferred tax consequences of temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. The temporary differences will result in taxable or deductible amounts in future years when the reported amounts of the assets or liabilities are recovered or settled.
- (13) The Company estimates anticipated Pharmacy Rebate Receivables using the analysis of historical recovery patterns.

#### 2. Accounting Changes and Corrections of Errors

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

#### 3. Business Combinations and Goodwill

##### A. Statutory Purchase Method

On April 30, 2008, the Company acquired UnitedHealth Group's Las Vegas, Nevada individual SecureHorizons Medicare Advantage HMO customer and provider contracts, or SecureHorizons, for cash consideration of approximately \$185.3 million. In accordance with SSAP No. 20, Nonadmitted Assets, the \$185.3 million of intangible assets were recorded as nonadmitted assets. Goodwill amortization relating to the purchase of SecureHorizons was \$18.5 million for the year ended December 31, 2011.

##### B. Statutory Merger

Not Applicable.

##### C. Assumption Reinsurance

Not Applicable.

##### D. Impairment Loss

Not Applicable.

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

4. Discontinued Operations

Not Applicable.

5. Investments

A. Mortgage Loans, Including Mezzanine Real Estate Loans

- (1) The maximum and minimum lending rates for the mortgage loan in 2011 were 1.9 percent and 1.56 percent.
- (2) During 2011, the Company did not reduce interest rates of the mortgage loan.
- (3) The maximum percentage of the loan to the value of the security at any time of the loan, exclusive of insured or guaranteed or purchase-money mortgages was 100 percent.

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

B. Debt Restructuring

Not Applicable.

C. Reverse Mortgages

Not Applicable.

D. Loan-Backed Securities

(1) Not Applicable.

(2) Not Applicable.

(3) Not Applicable.

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

Gross unrealized losses and fair value aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position were as follows at December 31, 2011 and 2010:

	2011					
	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Government loan-backed securities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other loan-backed securities	3,605,251	(42,300)	409,787	(2,693)	4,015,038	(44,993)
<b>Total loan backed securities</b>	<b>\$ 3,605,251</b>	<b>\$ (42,300)</b>	<b>\$ 409,787</b>	<b>\$ (2,693)</b>	<b>\$ 4,015,038</b>	<b>\$ (44,993)</b>

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

The unrealized losses at December 31, 2011 and 2010 were primarily due to increases in market interest rates and tighter liquidity conditions in the current markets than when the securities were purchased. All issuers of securities trading at an unrealized loss remain current on all contractual payments and the Company believes it is probable that all amounts due according to the contractual terms of the debt securities are collectible. After taking into account these and other factors, including the severity of the decline and the Company's ability and intent to hold these securities until recovery or maturity, the Company determined the unrealized losses on these investment securities were temporary and, as such, no impairment was required.

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

(5) Not Applicable.

E. Repurchase Agreements and/or Securities Lending Transactions

(1) The Company has no repurchase agreements.

Collateral from Securities Lending Transactions: The Company loans certain investment securities for short periods of time in exchange for collateral initially equal to at least 102 percent of the fair value of the investment securities on loan. The fair value of the loaned investment securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loaned investment securities fluctuates. The collateral, which may be in the form of cash or U.S. Government securities, is deposited by the borrower with an independent lending agent. This program ended in November 2011.

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

(3)-(5) The Company has no securities lending transactions.

F. Real Estate

Not Applicable.

G. Low-Income Housing Tax Credits (LIHTC)

Not Applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10.0 percent of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

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

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

B. The total amount excluded was \$0.

8. Derivative Instruments

Not Applicable.

9. Income Taxes

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

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$62,449,658	\$38,957,238	\$101,406,896	\$60,315,960	\$ 40,152,199	\$100,468,159
Statutory valuation allowance adjustment	-	(38,957,238)	(38,957,238)	-	(40,152,199)	(40,152,199)
Adjusted gross deferred tax assets	62,449,658	-	62,449,658	60,315,960	-	60,315,960
Gross deferred tax liabilities	(26,234)	-	(26,234)	(773,424)	-	(773,424)
Net deferred tax asset/(liability) before admissibility test	62,423,424	-	62,423,424	59,542,536	-	59,542,536
Deferred tax assets nonadmitted	(51,297,606)	-	(51,297,606)	(48,611,650)	-	(48,611,650)
Net admitted deferred tax asset/(liability)	\$11,125,818	\$ -	\$11,125,818	\$10,930,886	-	\$10,930,886

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

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

	2011			2010		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted gross DTAs - Amount	-	-	-	N/A	N/A	N/A
Adjusted gross DTAs - Percentage	0.00%	0.00%	0.00%	N/A	N/A	N/A
Net admitted DTAs - Amount	-	-	-	N/A	N/A	N/A
Net admitted DTAs - Percentage	0.00%	0.00%	0.00%	N/A	N/A	N/A

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

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

C. Current tax and change in deferred tax

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

	2011	2010
Current federal income tax expense	\$1,758,245	\$23,421,077
Foreign taxes	-	-
Subtotal	1,758,245	23,421,077
Tax on capital gains/(losses)	87,913	(53,677)
Utilization of capital loss carryforwards	-	-
Other, including prior year under accrual (over accrual)	1,098,410	986,508
Federal and foreign income taxes incurred	\$2,944,568	\$24,353,908

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

	December 31, 2011	December 31, 2010	Change
DTAs resulting from Book/Tax Differences in:			
(a) Ordinary			
Discounting of unpaid losses and LAE	\$5,689,980	\$ 5,496,133	\$193,847
Unearned premiums	1,000,808	885,108	115,700
Policyholder reserves	-	-	-
Investments	-	-	-
Deferred acquisition costs	2,523,395	1,915,425	607,970
Policyholder dividends accrual	-	-	-
Fixed assets	2,642,507	1,735,524	906,983
Compensation and benefit accruals	-	-	-
Pension accruals	-	-	-
Nonadmitted assets	546,800	-	-546,800
Net operating loss carryforwards	-	-	-
Tax credit carryforward	-	-	-
Other	50,046,168	50,283,770	(237,603)
Gross ordinary DTAs	62,449,658	60,315,960	2,133,698
(b) Statutory valuation adjustment	-	-	-
(c) Nonadmitted ordinary DTAs	(51,297,606)	(48,611,650)	(2,685,956)
(d) Admitted ordinary DTAs	11,152,052	11,704,310	(552,258)
(e) Capital			
Investments	-	226,808	(226,808)
Net capital loss carryforwards	-	-	-
Real estate	-	-	-
Other	-	-	-
Unrealized capital losses	38,957,238	39,925,390	(968,182)
Gross capital DTAs	38,957,238	40,152,190	1,194,960
(f) Statutory valuation adjustment	(38,957,238)	(40,152,198)	1,194,960
(g) Nonadmitted capital DTAs	-	-	-
(h) Admitted capital DTAs	-	-	-
(i) Admitted DTAs	\$11,152,052	\$11,704,310	\$(552,258)
DTLs resulting from Book/Tax Differences in:			
(a) Ordinary			
Investments	\$ -	\$ -	\$ -
Fixed assets	-	-	-
Deferred and uncollected premiums	-	-	-
Policyholder reserves/salvage and subrogation	-	-	-
Other	(26,234)	(773,424)	747,190
Ordinary DTLs	(26,234)	(773,424)	747,190
(b) Capital			
Investments	-	-	-
Real estate	-	-	-
Other	-	-	-
Unrealized capital gains	-	-	-
Capital DTLs	-	-	-
(c) DTLs	\$(26,234)	\$ (773,424)	\$747,190
Net deferred tax assets/liabilities	\$11,125,818	\$ 10,930,886	\$194,932

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

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

	December 31, 2011	December 31, 2010	Change
Total deferred tax assets	\$101,406,896	\$100,468,159	\$938,737
Total deferred tax liabilities	(26,234)	(773,424)	747,190
Net deferred tax assets/liabilities	101,380,662	99,694,735	1,685,927
Statutory valuation allowance adjustment	(38,957,238)	(40,152,199)	1,194,961
Net deferred tax assets/liabilities after SVA	62,423,424	59,542,536	2,880,888
Tax effect of unrealized gains/(losses)	(38,957,238)	(39,925,390)	972,352
Statutory valuation allowance adjustment allocated to unrealized	38,957,238	39,925,390	(972,352)
Change in net deferred income tax [(charge)/benefit]	\$62,423,424	\$ 59,542,536	\$2,880,888

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

	Amount	Tax Effect	Effective Tax Rate
Income before Taxes	\$ 8,405,496	\$ 2,941,924	35.00%
Tax-exempt Interest	(1,912,054)	(669,219)	(7.96)%
Dividends Received Deduction	-	-	0.00%
Proration	286,808	100,383	1.19%
Meals & Entertainment	-	-	0.00%
Statutory Valuation Allowance Adjustment	(636,027)	(222,609)	(2.65)%
Other, Including Prior Year True-Up	(5,962,274)	(2,086,796)	(24.83)%
Total	\$ 181,949	\$ 63,683	0.76%
Federal income taxes incurred [expense/(benefit)]		\$2,856,655	33.99%
Tax on capital gains/(losses)		87,913	1.05%
Change in net deferred income tax [charge/(benefit)]		(2,880,886)	(34.27)%
Total statutory income taxes		\$ 63,682	0.76%

- E. At December 31, 2011, the Company had net operating loss carryforwards expiring through the year 2031 of \$0.

At December 31, 2011, the Company had capital loss carryforwards expiring through the year 2016 of \$0.

At December 31, 2011, the Company had an AMT credit carryforward, which does not expire, in the amount of \$0.

The following table demonstrates the income tax expense for 2009, 2010, and 2011 that is available for recoupment in the event of future net losses:

	Ordinary	Capital	Total
2009	\$ -	\$ -	\$ -
2010	24,519,487	(53,677)	24,465,810
2011	1,758,245	87,913	1,846,158
Total	\$ 26,277,732	\$ 34,236	\$26,311,968

There are no deposits admitted under IRC § 6603.

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

**HUMANA INC. AND SUBSIDIARIES**

**CALENDAR YEAR ENDED DECEMBER 31, 2011**

**AFFILIATIONS SCHEDULE**

**CORPORATE NAME AND EMPLOYER IDENTIFICATION NUMBER**

**THE ADDRESS OF EACH COMPANY IS: P. O. BOX 740026, LOUISVILLE, KY 40201**

CORP. NO.	CORPORATION NAME	EMPLOYER IDENTIFICATION NUMBER
1	HUMANA INC.	61-0647538
2	516-526 WEST MAIN STREET CONDOMINIUM COUNCIL OF CO-OWNERS, INC.	20-5309363
3	AMERICAN DENTAL PLAN OF NORTH CAROLINA, INC.	56-1796975
4	AMERICAN DENTAL PROVIDERS OF ARKANSAS, INC.	58-2302163

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

5	AUTO INJURY SOLUTIONS, INC.	26-2681597
6	CAC-FLORIDA MEDICAL CENTERS, LLC	26-0010657
7	CARENETWORK, INC.	39-1514846
8	CAREPLUS HEALTH PLANS, INC.	59-2598550
9	CARITEN HEALTH PLAN, INC.	62-1579044
10	CARITEN INSURANCE COMPANY	62-0729865
11	CHA HMO, INC.	61-1279717
12	CHA SERVICE COMPANY, INC.	61-1279716
13	COMPBENEFITS COMPANY	59-2531815
14	COMPBENEFITS CORPORATION	04-3185995
15	COMPBENEFITS DENTAL, INC.	36-3686002
16	COMPBENEFITS DIRECT, INC.	58-2228851
17	COMPBENEFITS INSURANCE COMPANY	74-2552026
18	COMPBENEFITS OF ALABAMA, INC.	63-1063101
19	COMPBENEFITS OF GEORGIA, INC.	58-2198538
20	COMPETITIVE HEALTH ANALYTICS, INC	42-1575099
21	CONCENTRA HEALTH SERVICES, INC.	75-2510547
22	CONCENTRA INC.	26-4823524
23	CONCENTRA INTEGRATED SERVICES, INC.	04-2658593
24	CONCENTRA OPERATING CORPORATION	04-3363415
25	CONCENTRA SOLUTIONS, INC.	75-2678146
26	CORPHEALTH PROVIDER LINK, INC.	20-8236655
27	CORPHEALTH, INC.	75-2043865
28	CPHP HOLDINGS, INC.	30-0117876
29	DEFENSEWEB TECHNOLOGIES, INC.	33-0916248
30	DENTAL CARE PLUS MANAGEMENT, CORP.	36-3512545
31	DENTICARE, INC.	76-0039628
32	EMPHEYSYS INSURANCE COMPANY	31-0935772
33	EMPHEYSYS, INC.	61-1237697
34	HEALTH VALUE MANAGEMENT, INC.	61-1223418
35	HOMECARE HEALTH SOLUTIONS, INC.	45-3116348 3
36	HUMA, INC.	45-3554560 1
37	HUMANA ACTIVE OUTLOOK, INC.	20-4835394
38	HUMANA ADVANTAGECARE PLAN, INC.	65-1137990
39	HUMANA BENEFIT PLAN OF ILLINOIS, INC.	37-1326199
40	HUMANA DENTAL COMPANY	59-1843760
41	HUMANA EMPLOYERS HEALTH PLAN OF GEORGIA, INC.	58-2209549
42	HUMANA GOVERNMENT NETWORK SERVICES, INC.	20-1717441
43	HUMANA HEALTH BENEFIT PLAN OF LOUISIANA, INC.	72-1279235
44	HUMANA HEALTH INSURANCE COMPANY OF FLORIDA, INC.	61-1041514
45	HUMANA HEALTH PLAN INTERESTS, INC.	71-0732385
46	HUMANA HEALTH PLAN OF CALIFORNIA, INC.	26-3473328
47	HUMANA HEALTH PLAN OF OHIO, INC.	31-1154200
48	HUMANA HEALTH PLAN OF TEXAS, INC.	61-0994632
49	HUMANA HEALTH PLAN, INC.	61-1013183
50	HUMANA INNOVATION ENTERPRISES, INC.	61-1343791
51	HUMANA INSURANCE COMPANY	39-1263473
52	HUMANA INSURANCE COMPANY OF KENTUCKY	61-1311685
53	HUMANA INSURANCE COMPANY OF NEW YORK	20-2888723
54	HUMANA MARKETPOINT, INC.	61-1343508
55	HUMANA MEDICAL PLAN OF MICHIGAN, INC.	27-3991410
56	HUMANA MEDICAL PLAN OF PENNSYLVANIA, INC.	27-4460531
57	HUMANA MEDICAL PLAN OF UTAH, INC.	20-8411422
58	HUMANA MEDICAL PLAN, INC.	61-1103898
59	HUMANA MILITARY DENTAL SERVICES, INC.	27-1323221
60	HUMANA MILITARY HEALTHCARE SERVICES, INC.	61-1241225
61	HUMANA PHARMACY SOLUTIONS, INC.	45-2254346 3
62	HUMANA PHARMACY, INC.	61-1316926
63	HUMANA VETERANS HEALTHCARE SERVICES, INC.	20-8418853
64	HUMANA WISCONSIN HEALTH ORGANIZATION INSURANCE CO.	39-1525003
65	HUMANACARES, INC.	65-0274594
66	HUMANADENTAL INSURANCE COMPANY	39-0714280
67	HUMANADENTAL, INC.	61-1364005
68	HUMCO, INC.	61-1239538
69	HUMEDIUM, INC.	45-3116444 2
70	HUM-e-FL, INC.	61-1383567

## ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

71	HUM-HOLDINGS INTERNATIONAL, INC.	26-3583438
72	HUMPHIRE, INC.	45-3777894 3
73	HUMSOL, INC.	45-3023344 3
74	KMG AMERICA CORPORATION	20-1377270
75	MANAGED CARE INDEMNITY, INC.	61-1232669
76	NATIONAL HEALTHCARE RESOURCES, INC.	11-3273542
77	OMP INSURANCE COMPANY, LTD.	98-0445802
78	PHP COMPANIES, INC.	62-1552091
79	PREFERRED HEALTH PARTNERSHIP OF TENNESSEE, INC.	62-1546662
80	PREFERRED HEALTH PARTNERSHIP, INC.	62-1250945
81	PRESERVATION ON MAIN, INC.	20-1724127
82	TEXAS DENTAL PLANS, INC.	74-2352809
83	THE DENTAL CONCERN, INC.	52-1157181
84	THE DENTAL CONCERN, LTD	36-3654697

#### FOOTNOTE:

BLANK = TAX PERIOD 1/1/11 THROUGH 12/31/11

1 = TAX PERIOD 10/6/11 TO 12/6/11 - DATE OF MERGER

2 = TAX PERIOD 8/25/11 TO 12/30/11 - DATE OF MERGER

3 = DATE OF INCORPORATION THROUGH 12/31/11

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

A.-F. The Company has a management contract with Humana and other related parties whereby the Company is provided with medical and executive management, information systems, claims processing, billing and enrollment, and telemarketing and other services as required by the Company. Management fees charged to operations for the years ended December 31, 2011 and 2010 were approximately \$375.6 million and \$277.3 million respectively. As a part of this agreement, Humana makes cash disbursements on behalf of the Company which includes, but is not limited to, medical related items, general and administrative expenses, commissions and payroll. Humana is reimbursed by the Company weekly, based upon historical pattern of amounts and timing. Each month, these estimates are adjusted to ultimately settle upon actual disbursements made on behalf of the Company. As a result, any residual inter-Company balances are immediately settled in the following month. The Company continues to be primarily liable for any outstanding payments made on behalf of the Company, should Humana not be able to fulfill its obligations. Dividends of \$30.0 million were paid to Humana Inc on April 20, 2011. The Department of Insurance was notified prior to the payment. At December 31, 2011, the Company reported \$8.4 million amounts due to Humana Inc. Amounts due to or from parent are generally settled within 30 days.

G. Not Applicable.

H. Not Applicable.

I. Not Applicable.

J. Not Applicable.

K. Not Applicable.

L. Not Applicable.

#### 11. Debt

A. Debt, including Capital Notes

The Company has no debentures outstanding.

The Company has no capital notes outstanding.

The Company does not have any reverse repurchase agreements.

B. Federal Home Loan Bank (FHLB) Agreements

The Company does not have any FHLB agreements.

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

A. Defined Benefit Plan

Not Applicable.

B. Defined Contribution Plan

Not Applicable.

C. Multiemployer Plans

Not Applicable.

D. Consolidated/Holding Company Plans

## ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.

### NOTES TO THE FINANCIAL STATEMENTS

The Company employees are eligible to participate in the Humana Retirement Savings Plan ("the Plan"), a defined contribution plan, sponsored by Humana Inc. The Plan maintains two accounts, the Savings Account and the Retirement Account.

Humana Inc.'s total contributions paid to the Savings and Retirement accounts of the Humana Retirement Savings Plan were \$109.1 million and \$109.3 million for the years ended December 31, 2010 and 2009, respectively. As of December 31, 2010 and 2009 the fair market value of the Humana Retirement Savings Plan's assets was \$1.6 billion and \$1.3 billion, respectively.

Humana Inc.'s total contributions paid to the Savings and Retirement accounts of the Humana Retirement Savings Plan were \$124.7 million and \$109.1 million for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011 and 2010 the fair market value of the Humana Retirement Savings Plan's assets was \$1.9 billion and \$1.6 billion, respectively.

E. Post-employment Benefits and Compensated Absences

Not Applicable.

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

Not Applicable.

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

- 1) The Company has \$1 par value common stock with 5,000,000 shares authorized and 2,248,000 shares issued and outstanding.
- 2) The Company has no preferred stock outstanding.
- 3-5) Dividends are noncumulative and are paid as determined by the Board of Directors. Dividends are subject to the approval of the Department of Insurance if such dividend distribution which, together with other dividends or distributions made within the preceding twelve months, exceeds the lesser of (a) 10 percent of the company's policyholder surplus as of December 31 of the prior year, or (b) the net income, for the twelve month period ending December 31 of the prior year.  
Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.  
Dividends of \$30.0 million were paid to Humana Inc. on April 20, 2011. The Department of Insurance was notified prior to the payment.
- 6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- 7) Not Applicable.
- 8) Not Applicable.
- 9) Not Applicable.
- 10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$1.8 million.
- 11) Not Applicable.
- 12) Not Applicable.
- 13) Not Applicable.

14. Contingencies

A. Contingent Commitments

Not Applicable.

B. Assessments

Not Applicable.

C. Gain Contingencies

Not Applicable.

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

Not Applicable.

E. All Other Contingencies

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

The Company is aware of no material contingent liabilities as of December 31, 2011.

15. Leases

A. Lessee Operating Lease

- 1) The Company has entered into operating leases for medical and administrative office space and equipment with lease terms ranging from one to ten years. Operating lease rental payments charged to expenses for the years ended December 31, 2011 and 2010 was approximately \$5.7 million and \$5.1 million, respectively.

- 2) Noncancelable Lease Terms:

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

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

Year ending December 31,

2012	\$	7,568,720
2013		5,961,442
2014		4,427,919
2015		3,596,031
2016		3,253,499
2017 and thereafter		553,171
Total Minimum Lease Payments	\$	<u>25,360,782</u>

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

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

**B. Lessor Leases**

1) Operating Leases

- a. The Company owns or leases numerous sites that are leased or subleased to unrelated parties. The typical lease period ranges from 1 to 3 years and some leases contain renewal options.
- b. Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2011 are as follows:

2012	\$	32,477
2013		-
2014		-
Net Minimum Future Lease Receipts	\$	<u>32,477</u>

2) Leveraged Leases

The Company is not involved in any leveraged leases.

**16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

The Company has no investment in Financial Instruments with Off Balance Sheet Risk or with Concentrations of Credit Risk.

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

A. Transfers of Receivables Reported as Sales

Not Applicable.

B. Transfer and Servicing of Financial Assets

Not Applicable.

A. Wash Sales

Not Applicable.

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

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2011:

	(1)	(2)	(3)
	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ 31,606,619	\$ -	\$ 31,606,619
b. Total net other income or expenses (including interest paid to or received from plans)	\$ 1,583,860	\$ -	\$ 1,583,860
c. Net gain or (loss) from operations	\$ 33,190,479	\$ -	\$ 33,190,479
d. Total claim payment volume	\$ 1,024,078,557	\$ -	\$ 1,024,078,557

B. ASC Plans

Not Applicable.

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

- a. The Company records no revenue explicitly attributable to the cost share and reinsurance components of administered Medicare products.
- b. As of December 31, 2011, the Company has recorded a receivable from CMS of \$0.7 million related to the cost share and reinsurance components of administered Medicare products. The Company does not have any additional receivables from payors whose account balance is greater than 10% of the Company's accounts receivable from uninsured A&H plans or \$10,000.
- c. As no revenue is recorded in connection with the cost share and reinsurance components of the Company's Medicare contracts, the Company has recorded no allowances and reserves for adjustment of recorded revenues or receivables.
- d. The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

Not Applicable.

20. Fair Value Measurements

- A. (1) The fair value of financial assets at December 31, 2011 were as follows:

	2011			
	Fair Value	Quoted Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Assets				
Tax-exempt municipal bonds	\$ 777,112	\$ -	\$ 777,112	\$ -
Corporate debt securities	3,915,861	-	3,915,861	-
Total invested assets	<u>\$ 4,692,973</u>	<u>\$ -</u>	<u>\$ 4,692,973</u>	<u>\$ -</u>

(2) There were no fair value measurements using significant unobservable inputs. The Company reports transfers between fair value hierarchy levels at the end of the reporting period. There were no transfers between the fair value hierarchy levels between December 31, 2010 and 2011.

(3)-(5) Fair value of actively traded debt securities are based on quoted market prices. Fair value of other debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates generally using a market valuation approach, or, less frequently, an income valuation approach and are generally classified as Level 2. The Company generally obtains one quoted price for each security from a third party pricing service. These prices are generally derived from recently reported trades for identical or similar securities, including adjustments through the reporting date based upon observable market information. When quoted prices are not available, the third party pricing service may use quoted market prices of comparable securities or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include benchmark yields, reported trades, credit spreads, broker quotes, default rates and prepayment speeds. The Company is responsible for the determination of fair value and as such, the Company performs analysis on the prices received from the third party pricing service to determine whether the prices are reasonable estimates of fair value. The Company's analysis includes a review of monthly price fluctuations as well as a quarterly comparison of the prices received from the pricing service to prices reported by the Company's third party investment advisor. Based on the Company's internal price verification procedures and review of fair value methodology documentation provided by the third party pricing service, there were no material adjustments to the prices obtained from the third party pricing service during the year ended December 31, 2011.

B. Not Applicable..

C. Not Applicable.

21. Other Items

- A. Extraordinary Items

Not Applicable.

- B. Troubled Debt Restructuring: Debtors

Not Applicable.

- C. Other Disclosures

Not Applicable.

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

Not Applicable.

- E. Business Interruption Insurance Recoveries

NOTES TO THE FINANCIAL STATEMENTS

Not Applicable.

F. State Transferable and Non-transferable Tax Credits

Not Applicable.

G. Subprime Mortgage Related Risk Exposure

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

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

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

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

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

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

Not Applicable.

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

H. Retained Assets

Not Applicable.

22. Events Subsequent

The Company is not aware of any events or transactions occurring subsequent to the close of the books for this statement which may have a material effect on its financial condition. Subsequent events have been considered through February 23, 2012 for the statutory statement issued on February 23, 2012.

23. Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10.0 percent or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No ( X )

Have any policies issued by the Company been reinsured with a Company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10.0 percent or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No ( X )

Section 2 – Ceded Reinsurance Report – Part A

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

Yes ( ) No ( X )

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

Yes ( ) No ( X )

Section 3 – Ceded Reinsurance Report – Part B

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. \$0
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?
- Yes ( )      No (X)

**B. Uncollectible Reinsurance**

Not Applicable.

**C. Commutation of Ceded Reinsurance**

Not Applicable.

**24. Retrospectively Rated Contracts and Contracts Subject to Redetermination**

- A. The Company estimates accrued retrospective premium adjustments for its Medicare business through a mathematical approach using an algorithm based upon settlement procedures defined by contracts with CMS.
- B. The Company records accrued retrospective premium as an adjustment to earned premiums.
- C. The amount of net premiums written by the Company at December 31, 2011 that are subject to retrospective rating features was \$13.9 million, that represented 0.71 percent of the total net premiums written for the group health. No other net premiums written by the Company are subject to retrospective rating features.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act.

	Individual	Small Group Employer	Large Group Employer	Other Categories with rebates	Total
<b>Prior Reporting Year:</b>					
Medical loss ratio rebates incurred	\$ -	\$ -	\$ -	\$ -	\$ -
Medical loss ratio rebates paid	-	-	-	-	-
Medical loss rebates unpaid	-	-	-	-	-
Plus reinsurance assumed amounts	-	-	-	-	-
Less reinsurance ceded amounts	-	-	-	-	-
Rebates unpaid net of reinsurance	-	-	-	-	-
<b>Current Reporting Year-to-date:</b>					
Medical loss ratio rebates incurred	\$ 9,700	\$7,064,966	\$4,403,392	\$ -	\$11,477,958
Medical loss ratio rebates paid	-	-	-	-	-
Medical loss rebates unpaid	9,700	7,064,966	4,403,392	-	11,477,958
Plus reinsurance assumed amounts	-	-	-	-	-
Less reinsurance ceded amounts	-	-	-	-	-
Rebates unpaid net of reinsurance	-	-	-	-	-

**25. Change in Incurred Claims and Claim Adjustment Expenses**

Reserves as of December 31, 2010 were \$160.6 million. As of December 31, 2011, \$145.7 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$3.4 million as a result of reestimation of unpaid claims and claim adjustment expenses principally on the commercial HMO and PPO books of business. Therefore, there has been a \$11.5 million favorable prior-year development since December 31, 2010. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies.

**26. InterCompany Pooling Arrangements**

A.-F. Not Applicable.

**27. Structured Settlements**

Not Applicable.

**28. Health Care Receivables**

**ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Humana Health Plan, Inc.**

**NOTES TO THE FINANCIAL STATEMENTS**

A. Pharmaceutical Rebate Receivables

Quarter	Estimate Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 181 Days after Billing
12/31/2011	\$ 6,238,730	\$ 6,238,730	\$ -	\$ -	\$ -
9/30/2011	\$ 6,145,560	\$ 6,145,560	\$ 6,145,560	\$ -	\$ -
6/30/2011	\$ 7,248,706	\$ 7,248,706	\$ 7,248,706	\$ -	\$ -
3/31/2011	\$ 6,319,618	\$ 6,319,618	\$ 6,319,618	\$ -	\$ -
12/31/2010	\$ 6,145,560	\$ 6,145,560	\$ 6,145,560	\$ -	\$ -
9/30/2010	\$ 5,910,198	\$ 5,910,198	\$ 5,910,198	\$ -	\$ -
6/30/2010	\$ 7,414,654	\$ 7,414,654	\$ 7,414,654	\$ -	\$ -
3/31/2010	\$ 4,991,220	\$ 4,991,220	\$ 4,991,220	\$ -	\$ -
12/31/2009	\$ 5,322,832	\$ 5,322,832	\$ 5,322,832	\$ -	\$ -
9/30/2009	\$ 6,375,850	\$ 6,375,850	\$ 6,375,850	\$ -	\$ -
6/30/2009	\$ 6,514,874	\$ 6,514,874	\$ 6,514,874	\$ -	\$ -
3/31/2009	\$ 6,602,391	\$ 6,602,391	\$ 6,602,391	\$ -	\$ -

B. Risk Sharing Receivables

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

29. Participating Policies

Not Applicable.

30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$730,000
2. Date of the most recent evaluation of this liability December 31, 2011
3. Was anticipated investment income utilized in the calculation? Yes ( ) No ( X )

31. Anticipated Salvage and Subrogation

Not Applicable.

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

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

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

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

1 Nationality	2 Type of Entity

## GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]  
 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]  
 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
 PricewaterhouseCoopers LLC, 500 West Main Street, Suite 1800, Louisville, Kentucky 40202-4271.....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [ X ]  
 10.2 If the response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [ X ]  
 10.4 If the response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ X ] No [ ] N/A [ ]  
 10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
 Jonathan Albert Canine, Actuarial Director and Appointed Actuary, 500 West Main Street, Louisville, KY 40202.....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [ X ]  
     12.11 Name of real estate holding company .....  
     12.12 Number of parcels involved .....  
     12.13 Total book/adjusted carrying value \$.....
- 12.2 If yes, provide explanation

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

## GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [ X ]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

### BOARD OF DIRECTORS

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

### FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- |  |   |          |
|--|---|----------|
|  | 20.11 To directors or other officers              | \$.....0 |
|  | 20.12 To stockholders not officers                | \$.....0 |
|  | 20.13 Trustees, supreme or grand (Fraternal only) | \$.....0 |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- |  |   |          |
|--|---|----------|
|  | 20.21 To directors or other officers              | \$.....0 |
|  | 20.22 To stockholders not officers                | \$.....0 |
|  | 20.23 Trustees, supreme or grand (Fraternal only) | \$.....0 |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- |  |                            |          |
|--|----------------------------|----------|
|  | 21.21 Rented from others   | \$.....0 |
|  | 21.22 Borrowed from others | \$.....0 |
|  | 21.23 Leased from others   | \$.....0 |
|  | 21.24 Other                | \$.....0 |
- 22.1 Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments? Yes [ X ] No [ ]
- 22.2 If answer is yes:
- |  |  |                  |
|--|--|------------------|
|  | 22.21 Amount paid as losses or risk adjustment | \$.....          |
|  | 22.22 Amount paid as expenses                  | \$.....1,217,428 |
|  | 22.23 Other amounts paid                       | \$.....          |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [ X ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$.....0

### INVESTMENT

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [ X ] No [ ]
- 24.2 If no, give full and complete information, relating thereto
- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- Humana voluntarily participated in securities lending until it was discontinued in November 2011. It is a low risk, low maintenance source of additional income and increases our surplus. It is recognized and allowed by the NAIC in SSAP 91 and the NAIC Investments of Insurers Model Act 280.....
- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] NA [ X ]
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. \$.....0
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs. \$.....0
- 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ X ] No [ ] NA [ ]
- 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] NA [ X ]
- 24.9 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [ X ] No [ ] NA [ ]

## GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [ ] No [ X ]

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

25.21	Subject to repurchase agreements	\$ .....	0
25.22	Subject to reverse repurchase agreements	\$ .....	0
25.23	Subject to dollar repurchase agreements	\$ .....	0
25.24	Subject to reverse dollar repurchase agreements	\$ .....	0
25.25	Pledged as collateral	\$ .....	0
25.26	Placed under option agreements	\$ .....	0
25.27	Letter stock or securities restricted as to sale	\$ .....	0
25.28	On deposit with state or other regulatory body	\$ .....	0
25.29	Other	\$ .....	0

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

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

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

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

1 Name of Custodian(s)	2 Custodian’s Address
JP Morgan Chase.....	4 New York Plaza, 15th Floor, New York, NY 10004-2413 Attn: Charles Tuzzolino.....

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

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [ X ]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
Central Registration Depository #:107105.....	Blackrock, Inc.....	40 East 52nd Street, New York, NY 10022.....

**GENERAL INTERROGATORIES**

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
.....	.....	.....
29.2999 TOTAL		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	399,968,607	385,010,635	(14,957,972)
30.2 Preferred Stocks.....	0		0
30.3 Totals	399,968,607	385,010,635	(14,957,972)

- 30.4 Describe the sources or methods utilized in determining the fair values:

Fair value of actively traded debt and equity securities are based on quoted market prices. Fair value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation.....

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [ X ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Fair value of actively traded debt and equity securities are based on quoted market prices. Fair value of inactively traded debt securities are based on quoted market prices of identical or similar securities or based on observable inputs like interest rates using either a market or income valuation.....

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

- 32.2 If no, list exceptions:  
None.....

## GENERAL INTERROGATORIES

### OTHER

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

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

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

34.1 Amount of payments for legal expenses, if any? \$ .....894,057

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
CHITTENDEN MURDAY & NOVOTNY LLC.....	\$.....438,543

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$.....
.....	\$.....
.....	\$.....

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ X ] No [ ]
- 1.2 If yes, indicate premium earned on U. S. business only \$ .....4,626
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? .....0
- 1.31 Reason for excluding .....
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ .....0
- 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. \$ .....1,953
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ .....0
- 1.62 Total incurred claims \$ .....0
- 1.63 Number of covered lives .....0
- All years prior to most current three years:
- 1.64 Total premium earned \$ .....4,626
- 1.65 Total incurred claims \$ .....1,953
- 1.66 Number of covered lives .....1
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ .....0
- 1.72 Total incurred claims \$ .....0
- 1.73 Number of covered lives .....0
- All years prior to most current three years:
- 1.74 Total premium earned \$ .....0
- 1.75 Total incurred claims \$ .....0
- 1.76 Number of covered lives .....0

2. Health Test:

		1		2
		Current Year		Prior Year
2.1	Premium Numerator	\$ .....2,353,136,224	\$	.....1,966,534,552
2.2	Premium Denominator	\$ .....2,353,136,224	\$	.....1,966,534,552
2.3	Premium Ratio (2.1/2.2)	.....1.000		.....1.000
2.4	Reserve Numerator	\$ .....207,937,708	\$	.....177,287,619
2.5	Reserve Denominator	\$ .....207,937,708	\$	.....177,287,619
2.6	Reserve Ratio (2.4/2.5)	.....1.000		.....1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [ X ]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [ X ] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [ ]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [ X ] No [ ]

5.2 If no, explain:

- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$ .....2,570,000
- 5.32 Medical Only \$ .....
- 5.33 Medicare Supplement \$ .....
- 5.34 Dental and Vision \$ .....
- 5.35 Other Limited Benefit Plan \$ .....
- 5.36 Other \$ .....

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Provider contracts include hold harmless and continuation of benefits provisions. HMO has an indemnity agreement with the parent company.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [ X ] No [ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year .....42,008

8.2 Number of providers at end of reporting year .....46,209

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ X ] No [ ]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months .....3,263,515

9.22 Business with rate guarantees over 36 months .....

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [ X ] No [ ]
- 10.2 If yes:
- |   |    |           |
|---|----|-----------|
| 10.21 Maximum amount payable bonuses          | \$ | 1,196,921 |
| 10.22 Amount actually paid for year bonuses   | \$ | 641,476   |
| 10.23 Maximum amount payable withholds        | \$ | 0         |
| 10.24 Amount actually paid for year withholds | \$ | 0         |
- 11.1 Is the reporting entity organized as:
- |   |         |          |
|---|---------|----------|
| 11.12 A Medical Group/Staff Model,                  | Yes [ ] | No [ X ] |
| 11.13 An Individual Practice Association (IPA), or, | Yes [ ] | No [ X ] |
| 11.14 A Mixed Model (combination of above) ?        | Yes [ ] | No [ X ] |
- 11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [ X ] No [ ]
- 11.3 If yes, show the name of the state requiring such net worth. Kentucky.....
- 11.4 If yes, show the amount required. \$.....129,122,104
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [ X ]
- 11.6 If the amount is calculated, show the calculation.
12. List service areas in which reporting entity is licensed to operate:

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

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

**FIVE - YEAR HISTORICAL DATA**

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	528,760,277	509,907,987	405,427,583	382,870,007	336,191,587
2. Total liabilities (Page 3, Line 24)	263,283,176	229,026,143	229,812,569	205,601,476	189,906,025
3. Statutory surplus	129,122,104	105,925,748	108,234,224	94,472,130	88,906,342
4. Total capital and surplus (Page 3, Line 33)	265,477,101	280,881,844	175,615,014	177,268,531	146,285,563
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8)	2,341,599,022	1,966,525,462	1,767,214,459	1,663,551,577	1,413,109,913
6. Total medical and hospital expenses (Line 18)	1,958,710,479	1,621,855,792	1,514,220,353	1,441,893,004	1,154,074,326
7. Claims adjustment expenses (Line 20)	112,108,245	62,755,032	36,956,531	36,887,095	42,126,926
8. Total administrative expenses (Line 21)	279,379,780	251,823,102	219,225,645	219,548,685	203,451,127
9. Net underwriting gain (loss) (Line 24)	(4,576,343)	44,517,865	216,384	(29,580,864)	(8,788,969)
10. Net investment gain (loss) (Line 27)	12,882,000	10,298,805	9,604,693	13,508,162	6,371,025
11. Total other income (Lines 28 plus 29)	11,923	12,712	(18,287,474)	191,616	111,109
12. Net income or (loss) (Line 32)	5,460,925	30,421,797	(8,901,986)	(14,076,328)	(16,118,226)
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11)	53,285,969	(6,227,652)	13,303,957	(1,749,475)	(13,081,799)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital	265,477,101	280,881,844	175,615,014	177,268,531	146,285,563
15. Authorized control level risk-based capital	64,561,052	52,901,134	54,117,112	47,192,485	44,453,171
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	397,622	392,524	365,674	381,843	338,275
17. Total members months (Column 6, Line 7)	4,793,106	4,661,923	4,688,908	4,523,947	3,916,836
<b>Operating Percentage</b> (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	83.6	82.5	85.7	86.7	81.7
20. Cost containment expenses	3.8	2.6	0.3	0.3	0.5
21. Other claims adjustment expenses	1.0	0.6	1.8	1.9	2.5
22. Total underwriting deductions (Line 23)	100.2	97.7	100.0	101.8	100.6
23. Total underwriting gain (loss) (Line 24)	(0.2)	2.3	0.0	(1.8)	(0.6)
<b>Unpaid Claims Analysis</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	147,945,813	139,650,778	140,538,331	103,182,830	109,931,400
25. Estimated liability of unpaid claims – [prior year (Line 13, Col. 6)]	160,116,927	155,464,640	149,374,018	122,012,480	135,821,290
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	30,779,448	27,886,723	26,798,974	25,585,978	27,473,313
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	30,779,448	27,886,723	26,798,974	25,585,978	27,473,313

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

If no, please explain:

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	L	44,054	42,074,512	0	0		42,118,566	0
2. Alaska	AK	N	0	0	0	0		0	0
3. Arizona	AZ	L	43,522,484	148,218,987	0	(1,764)	191,739,707	0	0
4. Arkansas	AR	L	278,494	60,148,475	0	0	60,426,969	0	0
5. California	CA	N	0	0	0	0	0	0	0
6. Colorado	CO	L	48,956,009	33,290,349	0	0	82,246,358	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0
13. Idaho	ID	L	219,031	16,690,959	0	0	16,909,990	0	0
14. Illinois	IL	L	214,770,125	326,917,248	0	91,896,800	633,584,173	0	0
15. Indiana	IN	L	5,828,761	13,762,343	0	0	19,591,104	0	0
16. Iowa	IA	N	0	0	0	0	0	0	0
17. Kansas	KS	L	3,430,666	117,390,084	0	1,370,920	122,191,670	0	0
18. Kentucky	KY	L	402,531,455	27,121,063	0	4,641,807	434,294,325	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0
26. Missouri	MO	L	6,885,978	166,839,720	0	30,881,902	204,607,600	0	0
27. Montana	MT	N	0	0	0	0	0	0	0
28. Nebraska	NE	L	56,292	12,629,377	0	0	12,685,669	0	0
29. Nevada	NV	L	1,844,741	397,190,581	0	0	399,035,322	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0
32. New Mexico	NM	L	34,792	12,657,617	0	0	12,692,409	0	0
33. New York	NY	N	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0
41. South Carolina	SC	L	10,604	21,983,423	0	0	21,994,027	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0
43. Tennessee	TN	L	69,576,652	0	0	0	69,576,652	0	0
44. Texas	TX	N	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0
47. Virginia	VA	L	0	30,327,493	0	0	30,327,493	0	0
48. Washington	WA	L	0	0	0	0	0	0	0
49. West Virginia	WV	L	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal	XXX		797,990,138	1,427,242,231	0	128,789,665	0	2,354,022,034	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a)	18	797,990,138	1,427,242,231	0	128,789,665	0	2,354,022,034	0
<b>DETAILS OF WRITE-INS</b>									
5801.	XXX							0	
5802.	XXX							0	
5803.	XXX							0	
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX		0	0	0	0	0	0	
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX		0	0	0	0	0	0	

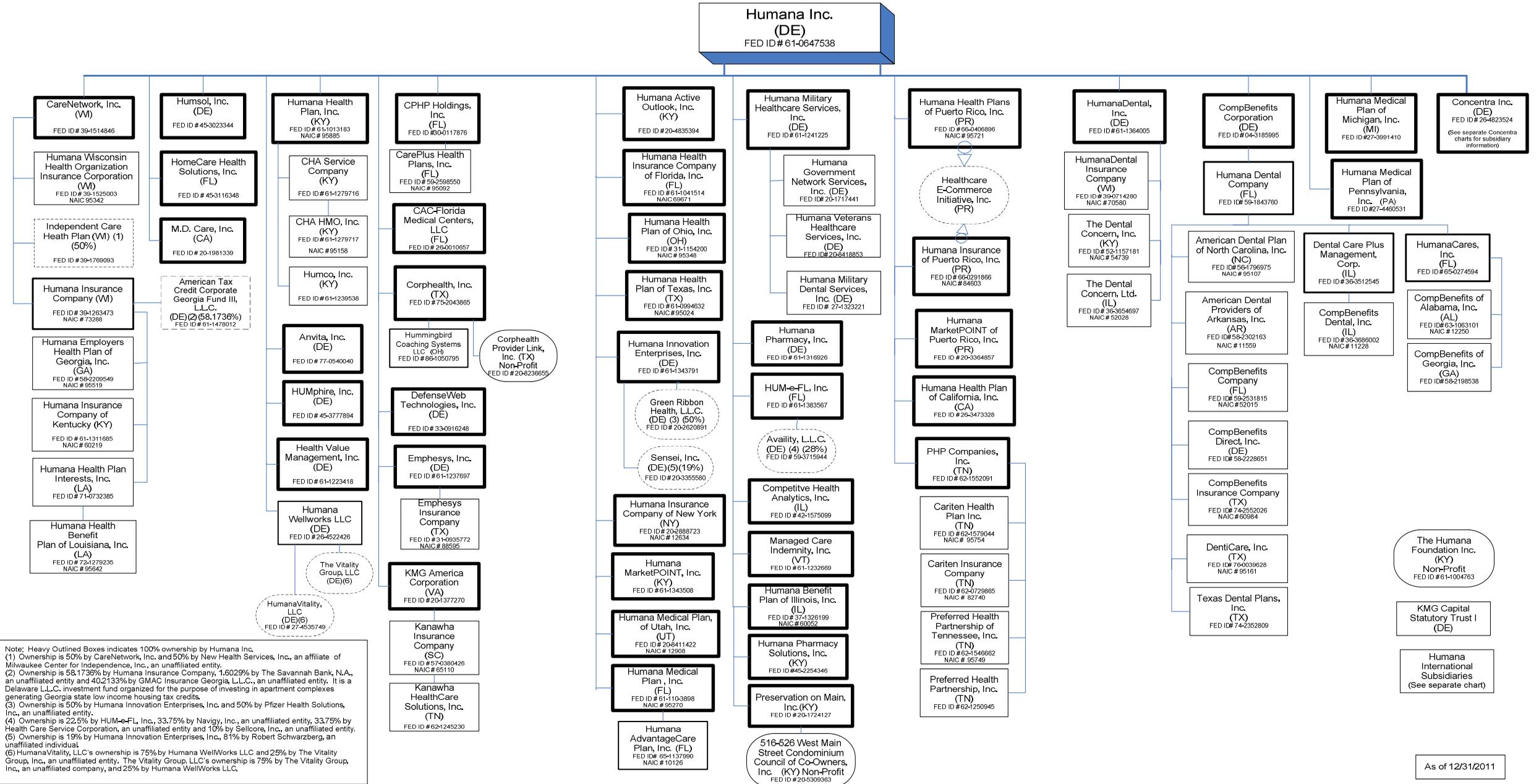
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

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

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

## PART 1 - ORGANIZATIONAL CHART

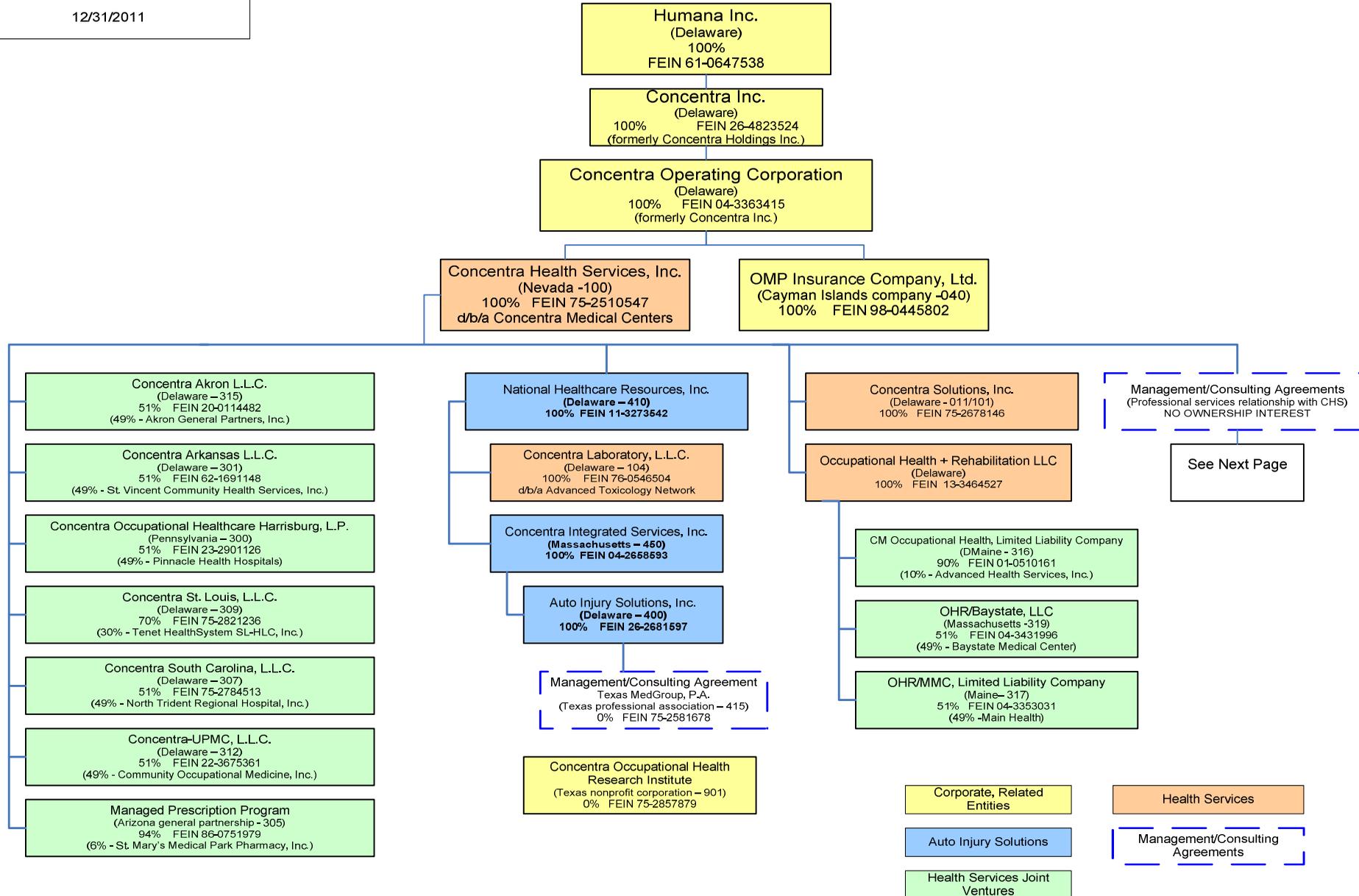


**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

12/31/2011

38.1



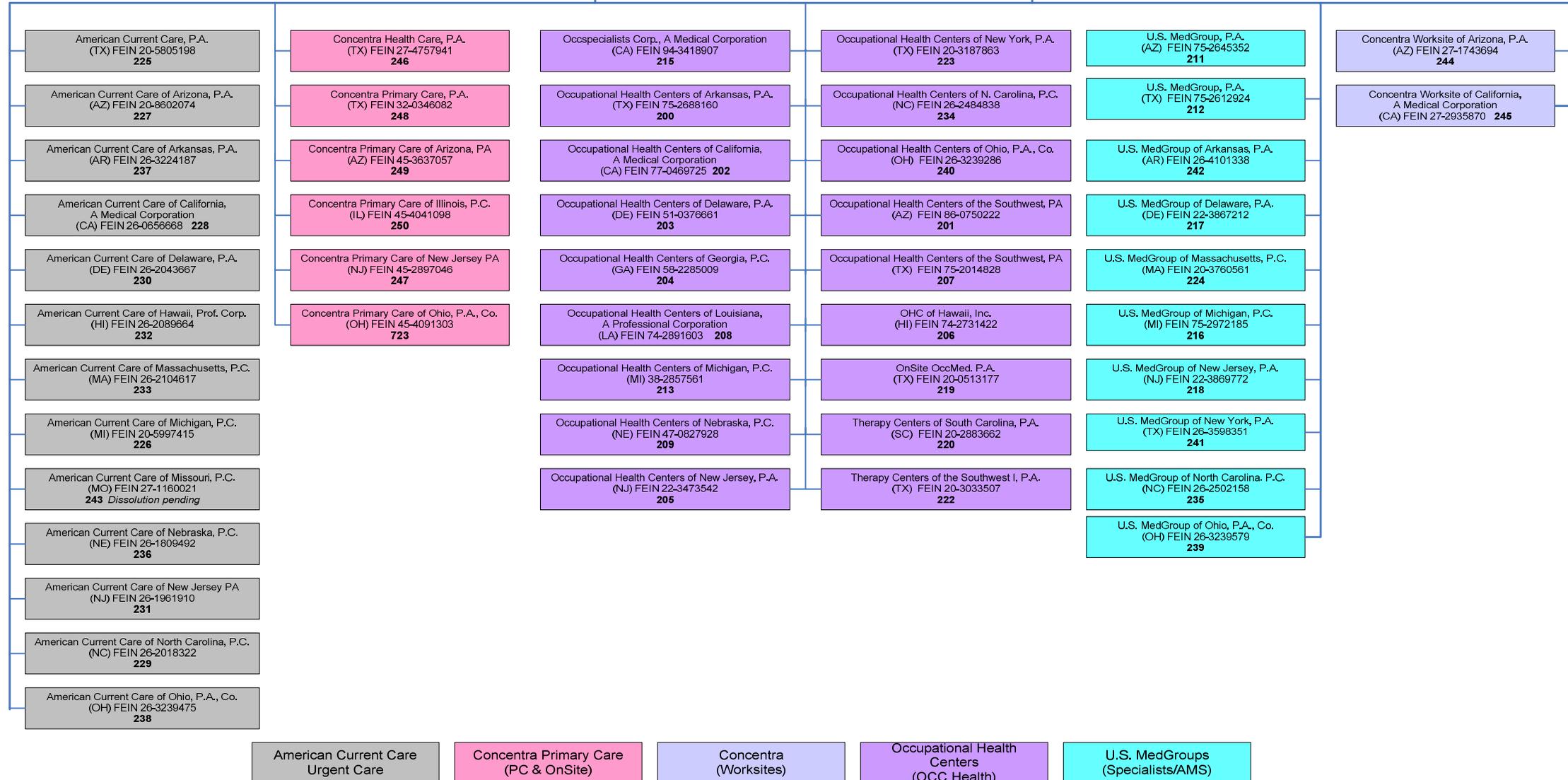
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

12/31/2011

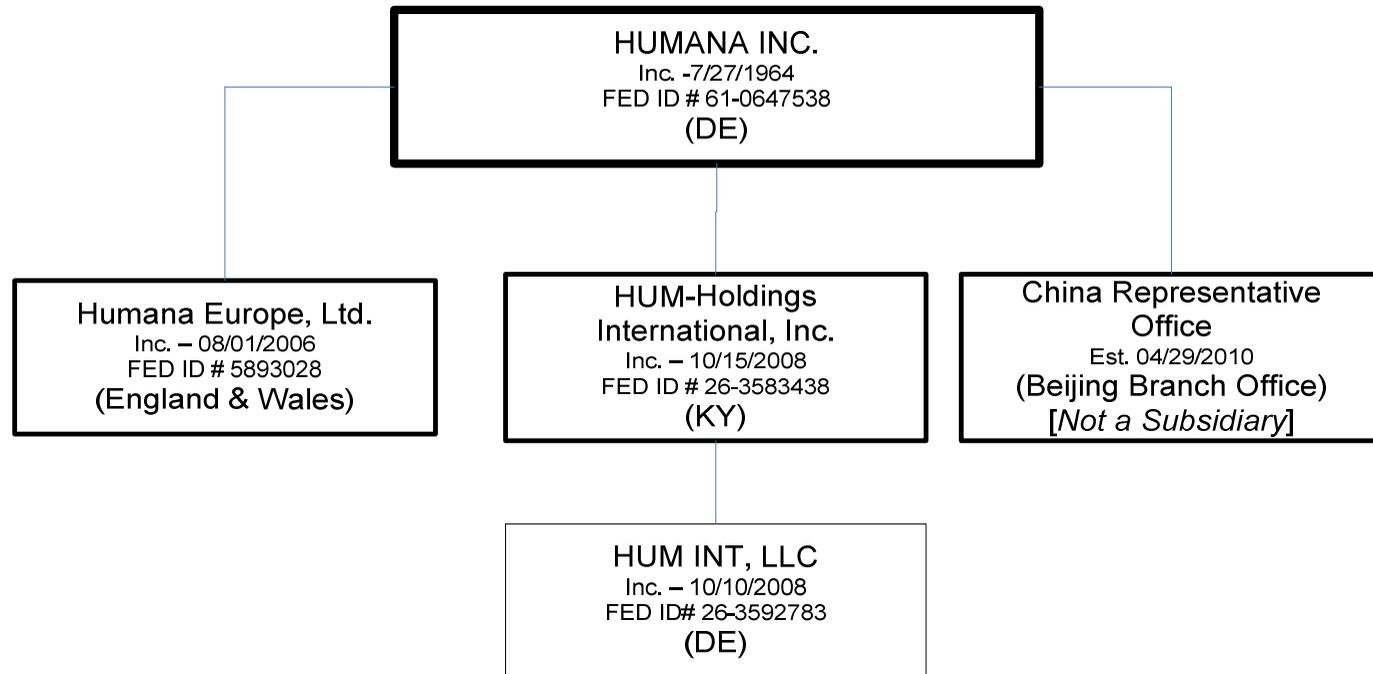
Management/Consulting Agreements  
(Professional services relationship with CHS)

NO OWNERSHIP INTEREST



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

HUMANA INTERNATIONAL SUBSIDIARIES



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