



Paul R. LePage
GOVERNOR

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL
AND FINANCIAL REGULATION
BUREAU OF INSURANCE
34 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0034

Eric A. Cioppa
SUPERINTENDENT

May 3, 2012

Eric A. Cioppa, Superintendent
Maine Bureau of Insurance
34 State House Station
Augusta, ME 04333-0034

Dear Superintendent:

Pursuant to the provisions of 24-A M.R.S.A. §221 and in conformity with your instructions, a financial examination has been made of

ANTHEM HEALTH PLANS OF MAINE, INC.

at its statutory home office in South Portland, Maine. The following report is respectfully submitted.



PRINTED ON RECYCLED PAPER

REPORT OF EXAMINATION
ANTHEM HEALTH PLANS OF MAINE, INC.
AS OF
DECEMBER 31, 2010

ACCEPTANCE OF REPORT OF EXAMINATION

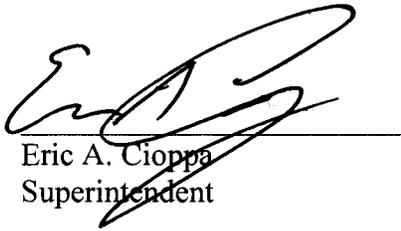
WHEREAS a verified report of examination of Anthem Health Plans of Maine, Inc. dated May 3, 2012 was delivered to that insurer on May 23, 2012 and

WHEREAS Anthem Health Plans of Maine, Inc. and Bureau of Insurance staff have agreed to certain modifications with respect to the report of examination, and

WHEREAS I find such modifications proper, and

WHEREAS no hearing with respect to the report of examination has been requested by Anthem Health Plans of Maine, Inc,

NOW THEREFORE, I accept the report of examination as modified and hereby order it placed on file in the Bureau of Insurance as provided for by 24-A M.R.S.A. §226 (3).



Eric A. Cioppa
Superintendent

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SCOPE OF EXAMINATION

Anthem Health Plans of Maine, Inc. (hereinafter, "Company") was last examined as of December 31, 2006, by the State of Maine Bureau of Insurance (hereinafter, "Bureau"). This examination covered the period from January 1, 2007, to December 31, 2010.

This examination was performed pursuant to the risk-focused approach promulgated by the National Association of Insurance Commissioners (hereinafter, "NAIC"), and consisted of a review of the Company's operations, administrative practices, valuation of assets, and determination of liabilities at December 31, 2010, in conformity with statutory accounting practices, NAIC guidelines, the 2010 Financial Condition Examiners Handbook (hereinafter "FCEH"), and the laws, rules, and regulations prescribed or permitted by the State of Maine.

Areas reviewed in this examination included claims administration and loss reserves, underwriting and premium policies, investments, reinsurance, and risk-based-capital requirements. To the extent deemed necessary, transactions occurring subsequent to the examination date were reviewed.

The results of this examination present the financial condition of the Company as of December 31, 2010. Comments on various balance sheet items, for purposes of this report, may be limited to matters involving clarification, departures from laws, rules and regulations, and/or significant changes in amounts.

SUMMARY OF SIGNIFICANT FINDINGS

PRIOR EXAMINATION COMMENTS, RECOMMENDATIONS, AND STATUS

Comment:

As noted in the Territory and Plan of Operation section, the Company is in non-compliance with 24-A M.R.S.A. §4204 (6) and (7). Certain provider contracts did not contain the required "hold harmless" and "continuation of benefits" clauses as required under state statute.

Recommendation:

It is recommended that the Company review its provider contracts to ensure compliance with 24-A M.R.S.A. §4204 (6) and (7) and amend those contracts to include the required clauses.

Status:

Anthem responded that the Company will review its contracts with providers to ensure compliance with 24-A M.R.S.A. §4204 (6) and (7). For those provider contracts that do not contain the required "hold harmless" and "continuation of benefits" clauses, the Company will amend such contracts to comply with 24-A M.R.S.A. §4204 (6) and (7) by December 31, 2008.

Comment:

As mentioned in Note 6 to the financial statements, premiums and agents' balances non-admitted were determined to be overstated. Review of the financial statements indicated a significant year-over-year increase in the ratio of the non-admitted amount to the total premiums and agents' balances in the course of collection as reported at December 31, 2006. During the course of this

examination credit balances were identified as compensating balances which were available to reduce the amount identified as non-admitted.

Recommendation:

It is recommended that the Company perform a comprehensive review of premiums and agents' balances receivable in order to identify errant postings and compensating balances.

Status:

The March 31, 2007, quarterly statement filing reflected correction of this issue. Additionally, the Company now performs a comprehensive review of premiums and agents' balances recoverable in order to identify errant postings and compensating balances.

Comment:

Statement of Statutory Accounting Principle (hereinafter, "SSAP") No. 84, ¶18, states that for loans and advances to providers "the receivable and payable shall be reported gross rather than netted on the balance sheet". The Company is reporting a portion of this liability due as a liability to uninsured plans. Further, the methodology employed by the Company to segregate the receivable from the payable does not encompass 100% of the net balance due from providers resulting in an understatement of both the asset and liability. This comment pertains to the presentation of assets and liabilities and does not impact surplus.

Recommendation:

It is recommended that the Company comply with all the provisions of SSAP No. 84.

Status:

Anthem responded that beginning with the 2007 annual statement filing, the Company is in compliance with all the provisions of SSAP No. 84 related to loans and advances to providers. Review of the 2010 annual statement indicates the Company is complying with the provisions of SSAP No. 84.

Comment:

The Company could not provide detail of its unearned revenue, account number 221110. The Company was able to provide a system report which tied to the total account balance as well as pages of a large report containing substantial policy level detail; however, there was no means to summarize the data. Subsequently, it was determined that this account contained both unearned premium and premiums received in advance. Due to the absence of summary information, the examiners were unable to apply adequate sampling techniques to test the data. Accordingly, the examiners were unable to verify the accuracy of the liability reported nor could the examiners determine the amount related to unearned premium from the amount related to premium received in advance. See SSAP No. 54 ¶12 and SSAP No. 54 ¶2 through ¶6.

Recommendation:

It is recommended that the Company ensure that the premium receivable system correctly identifies premiums paid in advance and provide policy detail as of the balance sheet date. The Company should further ensure that the premium system can produce a detail policy list for all policies which are subject to the unearned calculation with a corresponding unearned amount by policy. The Company should report advance premium in accordance with SSAP No. 54 ¶2 through ¶6 and calculate unearned premium in accordance with SSAP No. 54 ¶12.

Status:

Anthem responded that in May 2007, the Company converted to a new premium reporting system, a Peoplesoft accounts receivable application. This new system correctly identifies premiums paid in advance in accordance with SSAP No. 54 ¶2 through ¶6 and unearned premiums in accordance with SSAP 54 ¶12. In addition, the system provides a detailed policy listing for both premiums received in advance and unearned premiums.

CURRENT EXAMINATION COMMENTS, AND RECOMMENDATIONS**Comment 1:**

Review of the minutes indicates that the Company is in substantial compliance with its articles and bylaws, and with 24-A M.R.S.A. Chapter 47. The examiners did note the following two issues:

- a. The 2007 annual meeting was not held by the end of May as required by the bylaws, and
- b. The unanimous consent for the May 9, 2009, annual meeting was signed by only three (3) of the seven (7) directors.

Recommendation:

The Company should ensure that it operates in full compliance with its bylaws and that unanimous consents are signed by all parties.

Comment 2:

The examiners reviewed the master administrative services agreement, the tax agreement, the tax footnote disclosure (note 9 F), schedule Y of the annual statement and exhibit 21 of the Securities and Exchange Commission's Form 10-K. The examiners noted that certain entities listed in the agreements have either been dissolved, renamed, or sold, but the agreements have not been updated to reflect these changes.

Recommendation:

The Company should update the master administrative services agreement and the tax agreement to reflect the current entities that participate in these agreements.

Comment 3:

A review of the annual statement indicates that the Company is not disclosing the insolvency reinsurance agreement or the quota share reinsurance agreement in the notes of the annual statement (see note 23).

Recommendation:

The reinsurance in place is not material; however, it is in place pursuant to a decision and order of the superintendent and should be disclosed.

SUBSEQUENT EVENTS

On April 4, 2011, the superintendent issued a market conduct examination report for a targeted market conduct examination for the period of January 1, 2005, through December 31, 2008. The purpose of the market conduct examination was to assess whether the Company's mental health and substance abuse benefits were at least equal to those received by a person receiving medical treatment. The market conduct report of examination can be found on the Bureau's website.

On November 30, 2011, the Bureau approved the Company's request to pay an ordinary dividend in the amount of \$48,800,000 to ATH Holding Company, LLC on or about December 31, 2011.

On December 13, 2011, Express Scripts, Inc. ("EXS") filed a Securities and Exchange Commission's Form 8-K, indicating that EXS and WellPoint, Inc. ("WLP"), the Company's ultimate parent, are involved in a contractual dispute regarding certain terms of the pharmacy benefits management agreement (the "PBMA") entered into by the parties on December 9, 2009. The dispute raised by WLP relates to the contractual interpretation of certain terms in the PBMA and certain operational matters associated with EXS performance thereunder.

On February 28, 2012, the Maine Supreme Court rejected the Company's claim that it has a right to a three percent profit and risk margin when setting individual health insurance premiums. Maine's insurance superintendent reduced the margin to one percent and the state contended the superintendent acted within its discretion to keep insurance premiums affordable. In its ruling, the Maine Supreme Court said that the superintendent "properly balanced the competing interests" in arriving at an approved rate increase of 5.2% for the second half of the 2011-2012 rate year.

THE COMPANY

HISTORY

The Company was incorporated on March 10, 2000, in anticipation of the acquisition of Associated Hospital Service of Maine d/b/a Blue Cross and Blue Shield of Maine (hereinafter, "BCBSME"), by Anthem Insurance Companies, Inc. (hereinafter, "AICI"). By decision and order dated May 25, 2000, the superintendent granted the application of BCBSME to convert to a for-profit stock insurer and to voluntarily dissolve. The decision and order also approved the application of AICI, through AHPM, to acquire substantially all of the assets and assume substantially all of the liabilities of the converted BCBSME. The assets acquired included the stock and ownership interests in affiliates and subsidiaries of BCBSME. The decision and order additionally granted AHPM a certificate of authority to operate as a health insurer with a health maintenance organization (hereinafter, "HMO") line of business.

At the time AHPM was incorporated, AICI was the ultimate controlling person in the insurance holding company system. AICI converted from a mutual insurance company to a stock insurance company on November 2, 2001, and, as part of the conversion, it became a wholly-owned subsidiary of Anthem, Inc., a new Indiana stock corporation created for the purpose of being the public holding company for the Anthem family of companies.

On December 21, 2000, the superintendent approved the January 1, 2001, merger of Central Maine Partners Health Plan, Inc. with its parent, AHPM. Central Maine Partners Health Plan, Inc. ceased operations on December 31, 2000, and merged into AHPM on January 1, 2001.

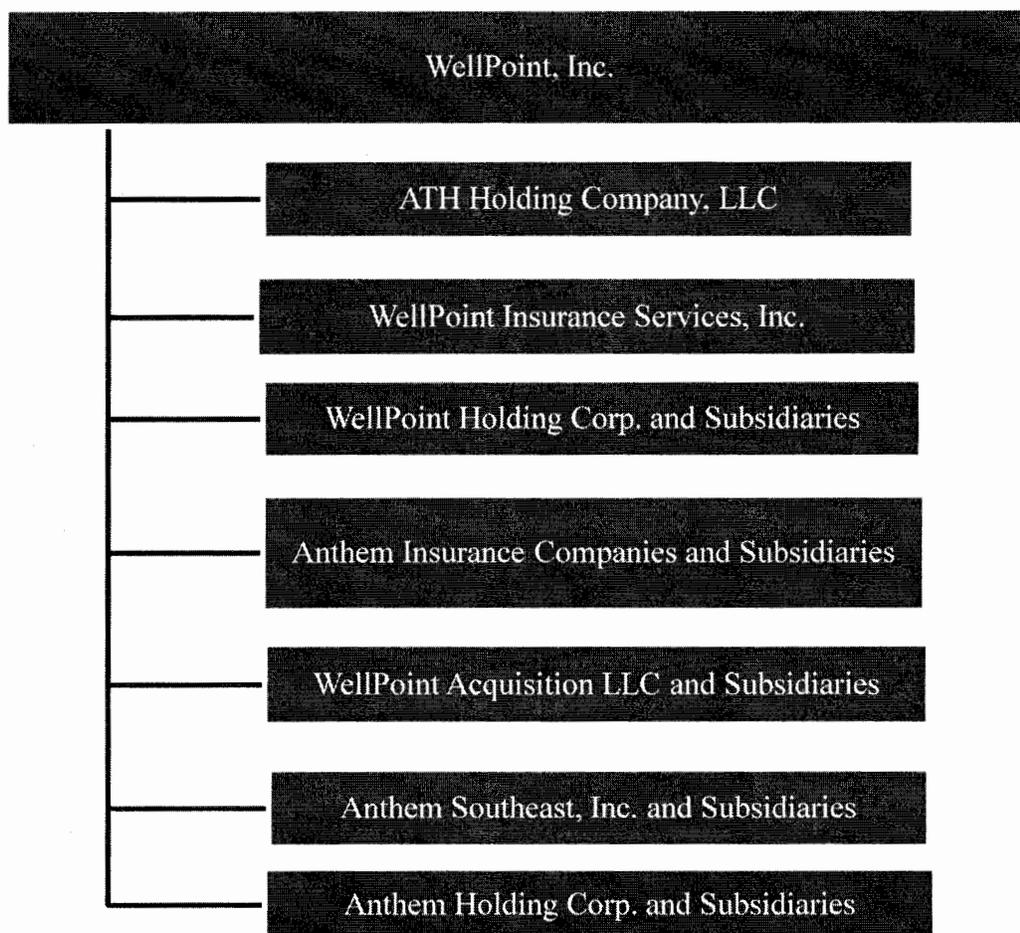
On November 23, 2004, the superintendent approved the merger of Maine Partners Health Plan, Inc. with its parent, AHPM. Maine Partners Health Plan, Inc. merged with its parent AHPM on January 1, 2005.

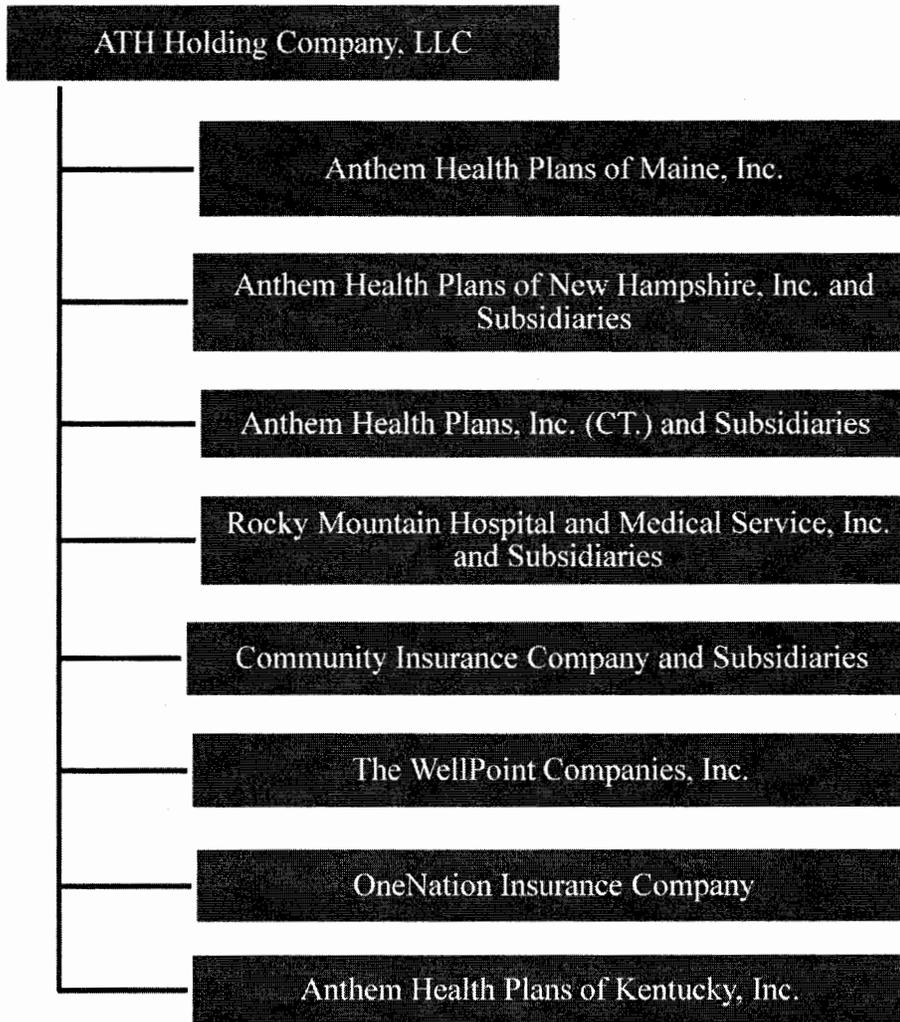
On November 30, 2004, Anthem, Inc. completed its acquisition of California-based WellPoint Health Networks Inc. and changed its name to WLP.

Effective December 28, 2010, Anthem East, LLC, the sole shareholder of AHPM, merged with and into ATH, making that company the new shareholder of AHPM.

AFFILIATED ENTITIES

An abbreviated organizational chart as of December 31, 2010 is presented below:





CORPORATE RECORDS

The Company's articles of incorporation, bylaws, and minutes of the board of directors' meetings held during the period under examination were reviewed.

CORPORATE OWNERSHIP

The Company is a wholly-owned subsidiary of ATH Holding Company, LLC, whose ultimate parent is WLP. See Affiliated Entities for an abbreviated organizational chart.

CORPORATE GOVERNANCE

The Company is governed and overseen by its board of directors and the management team of the Company.

As of December 31, 2010, the board of directors of the Company consisted of the following members:

<u>Name</u>	<u>Title</u>
Daniel Patrick Corcoran	President and Chairperson
Wayne Scott DeVeydt	Director
Catherine Irene Kelaghan	Director
Carter Allen Beck	Director
Robert David Kretschmer	Treasurer
Kathleen Susan Kiefer	Secretary
John Edward Gallina	Director

As of December 31, 2010, the officers of the Company consisted of the following individuals:

<u>Name</u>	<u>Title</u>
Daniel Patrick Corcoran	President and Chairperson
Robert David Kretschmer	Treasurer
Kathleen Susan Kiefer	Secretary
Chrystal Leroice Veazey-Watson	Assistant Secretary
Lendall Libby Smith, Esq	Clerk
Cheryl Gladioux Allari	Valuation Actuary

CODE OF CONDUCT AND CONFLICT OF INTEREST

Title 24-A M.R.S.A. §3413 identifies potential conflict of interest areas. As such, the Company requires each director and officer to complete a conflict of interest statement annually.

FIDELITY BOND INSURANCE

A blanket fidelity bond protects the Company. The \$10,000,000 fidelity bond maintained by the Company satisfies the NAIC suggested amount of \$2,000,000. The Company also maintains the customary coverage including, but not limited to, property, casualty, and workers' compensation.

TERRITORY & PLAN OF OPERATION

The Company is licensed to write accident and health insurance, including HMO products, in the State of Maine. Presently, the Company offers a wide variety of managed care and indemnity health insurance options to individuals and corporate customers within the State of Maine. These products are offered to both fully insured and "administrative services only" plans. In addition to providing managed care, the Company participates in the Medicare program regulated by the Centers for Medicare & Medicaid Services (hereinafter, "CMS").

TRANSACTIONS WITH AFFILIATES

Amounts due to or receivable from the parent, subsidiaries, and affiliates represent the amounts payable or receivable under the inter-company administrative, service, and tax sharing agreements. The Company had the following agreements with affiliates at December 31, 2010:

<u>Company Providing Service</u>	<u>Service Provided</u>
WellPoint, Inc.	Master Administrative Services Agreement
WLP & Subsidiaries	Consolidated Federal Income Tax Agreement
Anthem Health Plans, Inc.	Identification Card Processing
Anthem Health Plans, Inc.	Inter-Company Services Agreement
Meridian Resource Company, LLC	Subrogation and Claim Recovery Service Agreement

REINSURANCE

The Company has two reinsurance agreements with AICI. The first coverage is a quota share agreement that provides surplus relief and would only be triggered by certain risk based capital ratios. The second coverage is an insolvency reinsurance agreement. These agreements represent compliance with ¶10 and ¶11 of the May 25, 2000, decision and order.

ACCOUNTS AND RECORDS

Accounts and records were reviewed and tested in order to assess the impact on the Company's financial condition and conformity to related laws.

STATUTORY DEPOSITS

Pursuant to 24-A M.R.S.A. §412, the Company maintained the required security deposit with the Treasurer of Maine as follows:

<u>Asset Description</u>	<u>Fair Value</u>
United States Treasury Bond 8.875 %, 05/15/2020	\$ 181,924
Maine Municipal Bond, Sewer & Wastewater - Series B, 5.25 %, 11/01/2012	\$ 581,116

LITIGATION

The Company does not engage outside counsel. The Company's internal legal counsel is not aware of any material pending or threatened litigation, claims or assessments, or any material unasserted claims or assessments at December 31, 2010.

FINANCIAL STATEMENTS

The accompanying financial statements fairly present, in all material respects, the Company's statutory financial position as of December 31, 2010, and statutory results of operations for the period then ended. The financial statements as of December 31, 2009, 2008, and 2007 are unexamined and are presented for comparative purposes only.

**STATEMENT OF ADMITTED ASSETS, LIABILITIES, AND SURPLUS
AS OF DECEMBER 31, 2010, 2009, 2008, AND 2007**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assets:		(unexamined)	(unexamined)	(unexamined)
Bonds	\$ 183,836,869	\$ 182,496,016	\$ 164,989,784	\$ 150,108,611
Common stocks	335,921	590,704	515,381	556,355
Real estate	9,027,003	9,703,246	10,381,984	10,829,579
Cash & short-term investments	3,229,124	(39,763,086)	47,951,470	53,879,101
Receivable for securities	3,872	1,583	7,204	5,469
Accrued investment income	1,947,408	1,933,475	1,788,367	1,506,391
Premiums receivable, current	16,486,320	16,769,865	17,763,732	27,926,587
Premiums receivable, deferred	16,169,173	18,718,564	17,402,080	13,345,752
Accrued retrospective premiums	558,120	-	-	-
Uninsured plans receivable	36,818,148	43,009,215	28,886,614	27,982,186
Current tax recoverable	-	-	-	3,246,693
Net deferred tax asset	9,566,094	10,626,336	7,513,918	5,313,073
EDP equipment & software	1,099,955	2,265,370	1,613,281	1,878,136
Intercompany receivable	46,192,353	61,984,873	1,252,470	3,819,428
Healthcare receivable	78,297,515	72,065,596	124,785,634	135,685,191
Aggregate write-ins	48,074,191	32,435,156	26,281,193	21,714,499
Total assets	<u>\$ 451,642,066</u>	<u>\$ 412,836,913</u>	<u>\$ 451,133,112</u>	<u>\$ 457,797,051</u>
Liabilities:				
Claims unpaid	\$ 68,798,486	\$ 78,058,597	\$ 80,913,786	\$ 88,208,434
Unpaid claim adjustment expenses	2,160,209	2,711,186	3,010,043	3,056,105
Aggregate health policy reserves	68,779,925	55,275,969	47,950,468	41,381,155
Aggregate health claim reserves	2,234,693	2,358,002	-	-
Premiums received in advance	19,062,725	17,670,768	18,914,598	13,571,773
General expenses due or accrued	8,450,084	9,001,474	7,779,186	9,629,987
Current tax payable	1,454,442	219,572	1,645,696	189,200
Amounts withheld	361,452	290,502	334,595	607,319
Unallocated remittances	4,562,050	8,461,460	5,114,532	10,369,251
Intercompany payable	30,225,876	11,343,519	33,196,348	26,467,541
Uninsured plans liability	6,585,123	9,795,601	5,401,419	7,973,523
Aggregate write-ins	9,785,564	8,143,958	18,899,879	4,284,185
Total liabilities	<u>222,460,629</u>	<u>203,330,608</u>	<u>223,160,550</u>	<u>205,738,473</u>
Surplus:				
Common capital stock	2,500,000	2,500,000	2,500,000	2,500,000
Gross paid in & contributed surplus	120,652,900	120,652,900	120,652,900	120,652,900
Unassigned funds	106,028,537	86,353,405	104,819,662	128,905,678
Surplus:	<u>229,181,437</u>	<u>209,506,305</u>	<u>227,972,562</u>	<u>252,058,578</u>
Liabilities and surplus	<u>\$ 451,642,066</u>	<u>\$ 412,836,913</u>	<u>\$ 451,133,112</u>	<u>\$ 457,797,051</u>

STATEMENT OF OPERATIONS
YEARS ENDED DECEMBER 31, 2010, 2009, 2008, AND 2007

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
		(unexamined)	(unexamined)	(unexamined)
Total revenues	\$ 1,009,997,509	\$ 993,235,097	\$ 997,281,173	\$ 1,075,899,931
Underwriting deductions	950,771,735	970,403,066	932,100,756	991,896,055
Net underwriting gain (loss)	59,225,774	22,832,031	65,180,417	84,003,876
Net investment income	10,063,633	10,268,835	11,607,267	15,648,322
Net realized capital gain (loss)	175,888	279,365	(2,076,216)	1,248,430
Net investment gain (loss)	10,239,521	10,548,200	9,531,051	16,896,752
Aggregate write-ins	83,122	74,118	-	-
Net income before tax	69,548,417	33,454,349	74,711,468	100,900,628
Federal income taxes	20,746,180	12,672,724	26,984,801	25,182,196
Net income	<u>\$ 48,802,237</u>	<u>\$ 20,781,625</u>	<u>\$ 47,726,667</u>	<u>\$ 75,718,432</u>

STATEMENT OF CAPITAL AND SURPLUS
YEARS ENDED DECEMBER 31, 2010, 2009, 2008, AND 2007

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Surplus, December 31, prior year	\$ 209,506,305	\$ 227,972,562	\$ 252,058,578	\$ 215,295,519
Net income	48,802,237	20,781,625	47,726,667	75,718,432
Change in unrealized capital gains (losses)	(78,505)	(126,808)	28,890	350,259
Change in net deferred income tax	(37,140)	7,129,106	441,632	(11,837,823)
Change in non-admitted assets	(8,111,460)	2,065,582	3,416,795	12,932,191
Dividends to stockholders	(20,900,000)	(47,700,000)	(75,700,000)	(40,400,000)
Prior period adjustments	-	(615,762)	-	-
Net change in capital and surplus	<u>19,675,132</u>	<u>(18,466,257)</u>	<u>(24,086,016)</u>	<u>36,763,059</u>
Surplus, December 31, current year	<u>\$ 229,181,437</u>	<u>\$ 209,506,305</u>	<u>\$ 227,972,562</u>	<u>\$ 252,058,578</u>

COMMENTS ON THE FINANCIAL STATEMENTS

RESERVES

The Bureau's contracted actuary, a FSA and MAAA, was assigned to perform an actuarial review and to perform certain actuarial analyses on the reserves reported by Anthem Health Plans of Maine at December 31, 2010. The actuarial opinion is included as an attachment to this report. See Appendix A.

CONCLUSION

The Company's financial condition as reported by management is reflected in the statements and supporting exhibits contained in this report. The basis of preparation of such statements conforms to laws, rules, and regulations prescribed and/or permitted by the Bureau.

Acknowledgement of cooperation and assistance extended to the examiners by all Company personnel is hereby expressed.

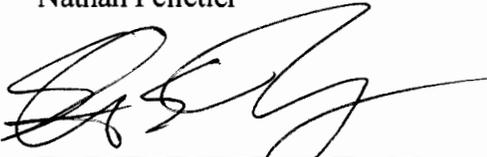
**STATE OF MAINE
COUNTY OF KENNEBEC, SS**

Stuart E. Turney, being duly sworn according to law deposes and says that, in accordance with authority vested in him by Eric A. Cioppa, Superintendent of Insurance, pursuant to the Insurance Laws of the State of Maine, he has made an examination of the condition and affairs of

ANTHEM HEALTH PLANS OF MAINE, INC.

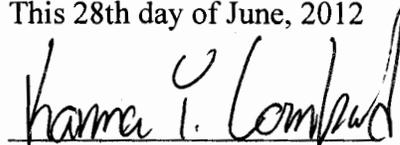
located in South Portland, Maine as of December 31, 2010, and that the foregoing report of examination subscribed to by him is true to the best of his knowledge and belief. The following examiners from the Bureau of Insurance assisted:

Graham S. Payne
Vanessa J. Leon, CFE
Audrey L. Wade, CFE, AIE
Arias Wan, AFE
Nathan Pelletier



Stuart E. Turney, CPA, AFE

Subscribed and sworn to before me
This 28th day of June, 2012



Notary Public

My Commission Expires:

KARMA Y. LOMBARD
Notary Public, Maine
My Commission Expires June 12, 2016



Kansas City
 Gary L. Rose, F.S.A.
 Terry M. Long, F.S.A.
 David L. Batchelder, A.S.A.
 Leon L. Langlitz, F.S.A.
 Gary R. McElwain, FLMI
 Christopher H. Davis, F.S.A.
 Anthony G. Proulx, F.S.A.
 Thomas L. Handley, F.S.A.
 Karen E. Elsom, F.S.A.
 Jill J. Humes, F.S.A.
 D. Patrick Glenn, A.S.A., A.C.A.S.
 Jan E. DeClue, A.S.A.
 Patricia A. Poebles, A.S.A.

Dallas
 Glenn A. Tobleman, F.S.A., F.C.A.S.
 S. Scott Gibson, F.S.A.
 Cobe W. Chadick, F.S.A.
 Steven D. Bryson, F.S.A.
 Michael A. Mayberry, F.S.A.
 Gregory S. Wilson, F.C.A.S.
 David M. Dillon, F.S.A.
 Bonnie S. Albritton, F.S.A.
 Brian D. Rankin, F.S.A.
 Wesley R. Campbell, F.S.A.
 Jacqueline B. Lee, F.S.A.
 Robert B. Thomas, Jr., F.S.A., C.F.A. (of Counsel)

London/Kansas City
 Roger K. Annin, F.S.A., F.I.A.
 Timothy A. DeMars, F.S.A., F.I.A.

Baltimore
 David A. Palmer, C.F.E.

ANTHEM HEALTH PLANS OF MAINE, INC.
Statement of Actuarial Opinion
As of December 31, 2010

I, Karen E. Elsom, am a Consulting Actuary with Lewis & Ellis, Inc., Actuaries and Consultants, and am a member of the American Academy of Actuaries. I meet the Academy qualification standards for rendering this opinion and am familiar with the valuation requirements for Health Plans. As part of the financial examination process by the Maine Bureau of Insurance, I participated in the examination of Anthem Health Plans of Maine, Inc. I recalculated and verified certain actuarial items appearing in the Annual Statement as of December 31, 2010 of Anthem Health Plans of Maine, Inc., South Portland, Maine as prepared for filing with state regulatory officials.

I have examined the actuarial assumptions and actuarial methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the NAIC Annual Statement of the Company at December 31, 2010.

(1)	Claims Unpaid (Page 3, Item 1)	\$68,798,486
(2)	Unpaid Claim Adjustment Expenses (Page 3, Item 3)	2,160,209
(3)	Aggregate Health Policy Reserves (Page 3, Item 4)	68,779,925
(4)	Aggregate Health Claim Reserves (Page 3, Item 7)	2,234,693
(5)	Accrued Retrospective Premiums (Page 2, Item 15.3)	558,120

My examination included such review of the actuarial assumptions and actuarial methods used by the Company and such tests of the actuarial calculations as I considered necessary. I relied upon in force and claims data supplied by Anthem Health Plans of Maine, Inc. The claims data was tested for completeness and accuracy by the Maine examiners and me.

Anthem Health Plans of Maine, Inc.

In my opinion, the amounts carried in the balance sheet on account of the actuarial items identified above:

- (1) are computed in accordance with presently accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- (2) are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared;
- (3) meet the requirements of the insurance laws and related rules and regulations of the state of Maine;
- (4) make good and sufficient provision in aggregate for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements, except as may be noted in the following report;
- (5) are, to the best of my knowledge, computed on the basis of assumptions consistent with those used in computing the corresponding items in the Annual Statement of the preceding year end except as may be noted in the following report; and
- (6) include appropriate provision, in the aggregate, for the above specified actuarial items which ought to be established.

The actuarial methods, considerations and analyses used in forming my opinion conform to the appropriate Standards of Practice as promulgated by the Actuarial Standards Board which standards form the basis of this statement of opinion.

The actuarial liabilities and certain actuarial related items referred to in this opinion are estimates based on the claims data provided by the Company. The exact liabilities will not be known until a sufficient passage of time permits the filing and payment of all outstanding claims.



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