



QUARTERLY STATEMENT
AS OF September 30, 2010
OF THE CONDITION AND AFFAIRS OF THE
AMERIGROUP Tennessee, Inc.

NAIC Group Code 1156 (Current Period) , 1156 (Prior Period) NAIC Company Code 12941 Employer's ID Number 20-4776597

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

Country of Domicile United States of America

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[] No[X] N/A[]

Incorporated/Organized 04/26/2006 Commenced Business 04/01/2007

Statutory Home Office 22 Century Boulevard, Ste 310 , Nashville, TN 37214
 (Street and Number) (City, or Town, State and Zip Code)

Main Administrative Office 4425 Corporation Lane
 (Street and Number) Virginia Beach, VA 23462 (City or Town, State and Zip Code) (757)473-2721 (Area Code) (Telephone Number)

Mail Address 4425 Corporation Lane , Virginia Beach, VA 23462
 (Street and Number or P.O. Box) (City, or Town, State and Zip Code)

Primary Location of Books and Records 4425 Corporation Lane
 (Street and Number) Virginia Beach, VA 23462 (City, or Town, State and Zip Code) (757)473-2721 (Area Code) (Telephone Number)

Internet Web Site Address www.amerigroupcorp.com

Statutory Statement Contact Margaret Mary Roomsburg (Name) (757)473-2721 (Area Code)(Telephone Number)(Extension)
mroomsb@amerigroupcorp.com (E-Mail Address) (757)557-6742 (Fax Number)

OFFICERS

Name	Title
Alvin Brock King	President/CEO
William George Runyon	Vice President/CMO
Michael Anthony Scarbrough	Vice President/COO
Nicholas Joseph Pace, II	Vice President/Secretary #
Margaret Mary Roomsburg	Vice President/Asst Secretary #
Richard Charles Zoretic	Vice President/Asst Secretary
Scott Wayne Anglin	Vice President/Treasurer
James Ward Truess	Vice President/Asst Treasurer
Karen Lint Shields	Vice President/Asst Treasurer

OTHERS

Linda Kaye Whitley-Taylor, Vice President William Gardner Wood, M.D., Vice President

DIRECTORS OR TRUSTEES

Charles Brian Shipp Alvin Brock King
 Nicholas Joseph Pace, II

State of Virginia
 County of Virginia Beach ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the 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.

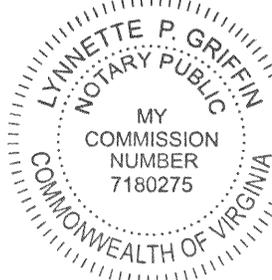
 (Signature) <u>Alvin Brock King</u> (Printed Name) 1. President/CEO (Title)	 (Signature) <u>Nicholas Joseph Pace, II</u> (Printed Name) 2. Vice President/Secretary (Title)	 (Signature) <u>Margaret Mary Roomsburg</u> (Printed Name) 3. Vice President/Asst Secretary (Title)
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Subscribed and sworn to before me this 7th day of Dec, 2010

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

Yes[] No[X]
 1
12/14/2010
 6

(Notary Public Signature)



Commission Expires: 4/30/12
 Lynnette P. Griffin
 13th day of December 2010

Amended Statement Cover

1. On the original filing as of September 30, 2010, AMERIGROUP Tennessee, Inc. had reported “No Change” in the Note to Financial Statement 13(5) – Capital and Surplus Shareholders’ Dividend Restrictions and Quasi Reorganizations. We had amended the filing to include the appropriate disclosure for this particular footnote. Please see attached.

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

The Financial Statements of AMERIGROUP Tennessee, Inc. (the Company) is presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance.

The Tennessee Department of Commerce and Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Tennessee for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Tennessee Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures manual, version effective March 1, 2010 (NAIC SSAP) has been adopted as a component of prescribed or permitted practices by the state of Tennessee. There are no state permitted practices that differ from the NAIC Accounting Practices and Procedures Manual that impact the financial statements or statutory net worth for AMERIGROUP Tennessee, Inc.

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

No Change

C. Accounting Policy

No Change

2. Accounting Changes and Corrections of Errors

A. Disclosure for Insurers Upon Initial Implementation of Codification:

None

3. Business Combinations and Goodwill

None

4. Discontinued Operations

None

5. Investments

No Change

6. Joint Ventures, Partnerships and Limited Liability Companies

No Change

7. Investment Income

No Change

8. Derivative Instruments

No Change

9. Income Taxes

No Change

10. Information Concerning Parent, Subsidiaries and Affiliates

AMERIGROUP Corporation owns 100% of the outstanding shares of the Company and provides administrative and financial support services to the Company. Management services fees charged, in accordance with an approved management services agreement, for the periods ended September 2010 and December 2009 were \$37,118,689 and \$44,262,089, respectively. AMERIGROUP Corporation owed the Company \$65,554, which was admissible by the Department of Commerce and Insurance, TennCare Division, as of September 30, 2010. This balance was settled in October 2010. December 31, 2009, the Company owed to AMERIGROUP Corporation \$4,527,572. As of September 30, 2010, the company received from AMERIGROUP Corporation non-cash capital contributions of \$519,546 and there were no dividends paid. During 2009, the Company received from AMERIGROUP Corporation non-cash capital contributions of \$424,993, and there were no dividends paid.

Notes to Financial Statement**11. Debt**

No Change

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefits Plans

No Change

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

(5) A \$10,000,000 ordinary dividend was declared by the AMERIGROUP Tennessee, Inc. Board on August 17, 2010, and was approved by the TDCI via email on August 20, 2010. This ordinary dividend was paid on October 1, 2010.

14. Contingencies

None

15. Leases

No Change

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

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**A. Transfers of Receivables Reported as Sales**

None

B. Transfer and Servicing of Financial Assets

None

C. Wash Sales

None

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

A. The Company continues to experience run out of the Administrative Services Only (ASO) operations in the West Tennessee Grand Region and in the Middle Tennessee Grand Region. In 2010, the ASO's operations were as followed:

	ASO Uninsured Plan	Uninsured Portion of Partially Insured Plan	Total ASO
a. Net reimbursement for Administrative Expenses (including Administrative Fees) in excess of Actual Expenses	\$ 247,068	\$ 0	\$ 247,068
b. Total Net Other Income or Expenses (Including Interest paid or received from plan)	\$ 0	\$ 0	\$ 0
c. Net Gain or Loss from Operations	\$ 247,068	\$ 0	\$ 247,068
d. Total Claim Payment Volume	\$ 0	\$ 0	\$ 0

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

None

Notes to Financial Statement**20. Other Items**

AMERIGROUP Tennessee, Inc. has historically not included short-term retroactive premium receivables on the statutory filings. Per approval by the Tennessee Department of Commerce and Insurance, premiums receivable included on page 2, line 14.1, column 3 of the quarterly filing includes a \$12 million estimate for retroactivity due from the state.

Long-term retroactivity is the unpaid retro eligibility premium capitation pursuant to CRA Section 3.7.1.4 covering unpaid eligibility resulting from the TennCare Division system's inability to pay retro eligibility greater than 12 months in arrears. AMERIGROUP Tennessee, Inc. prepares a detail listing by member of this unpaid retroactivity each month based on all active enrollment data received from the TennCare Division in excess of 12 months in arrears that has not been paid on the applicable monthly premium capitation files. The TennCare Division is required to pay this retroactivity twice per year. The most recent payment was received in mid June 2010, which covered all such retroactivity through the June 2010 monthly premium file and eliminated this receivable from AMERIGROUP Tennessee, Inc.'s financial statements as of June 30, 2010. This long-term retroactivity receivable is approximately \$3.7 million as of September 30, 2010 and is growing by approximately \$1.2 million per month. The TennCare Division has informed AMERIGROUP Tennessee, Inc. that the next semi-annual payment of this retroactivity will occur in either January or February 2011, so the balance will continue to grow through year end.

21. Events Subsequent

Short-term retroactivity is the retroactive capitation paid on the subsequent month's capitation payment file. The TennCare Division's monthly capitation payment files routinely include between \$6 and \$9 million of payments related to retro-eligible enrollment. This receivable is always collected before the NAIC statements are filed each quarter. This short-term retroactivity receivable is approximately \$8.3 million as of September 30, 2010, which was paid on the October 2010 premium (capitation) file.

22. Reinsurance

A new contract was signed with RGA Reinsurance Company effective July 1, 2010, with the attachment points of \$1,250,000 per member. The Company during this reporting period had no Unsecured Reinsurance Recoverable, Reinsurance Recoverable in Dispute, Uncollectible Reinsurance, and Commutation of Reinsurance or Retroactive Reinsurance.

23. Retrospectively Rated Contracts and Contracts Subject to Redetermination

None

24. Change in Incurred Claims and Claim Adjustment Expenses

A summary of the activity for claims unpaid is as follows:

	2010	2009
Liability balance prior year	\$66,885,138	\$75,084,654
Plus incurred related to:		
Current year	504,857,092	525,965,040
Prior years	<u>(16,539,847)</u>	<u>(10,413,573)</u>
Total Incurred	488,317,245	515,551,467
Less paid related to:		
Current year	412,385,659	461,366,265
Prior years	<u>44,412,107</u>	<u>62,384,718</u>
Total Paid	456,797,766	523,750,983
Balance current year	<u>\$98,404,617</u>	<u>\$66,885,138</u>

The Company uses actuarial techniques based principally on historical payment patterns to estimate incurred claims. Changes in payment patterns and claims trends can result in adjustments to the claims estimate, which are recorded in current operations.

25. Intercompany Pooling Arrangements

None

Notes to Financial Statement

26. Structured Settlements

None

27. Health Care Receivables

Health Care Receivables consisted of provider advances, provider overpayments on paid claims, and Medicare pharmacy rebates.

28. Participating Policies

None

29. Premium Deficiency Reserves.

None

30. Salvage and Subrogation

None