



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

Group Hospitalization and Medical Services, Inc.

NAIC Group Code 0380 0380 NAIC Company Code 53007 Employer's ID Number 53-0078070
(Current) (Prior)

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry DC

Country of Domicile United States of America

Licensed as business type: HMDI

Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized 08/11/1939 Commenced Business 03/15/1934

Statutory Home Office 840 First Street NE Washington, DC 20065
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 10455 Mill Run Circle
(Street and Number)
Owings Mills, MD 21117 410-581-3000
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 10455 Mill Run Circle Owings Mills, MD 21117
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 10455 Mill Run Circle
(Street and Number)
Owings Mills, MD 21117 410-998-7011
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.carefirst.com

Statutory Statement Contact William Vincent Stack 410-998-7011
(Name) (Area Code) (Telephone Number)
bill.stack@carefirst.com 410-998-6850
(E-mail Address) (FAX Number)

OFFICERS

President and Chief Executive Officer Chester Emerson Burrell Corp. Treasurer & VP Jeanne Ann Kennedy

Corp. Secretary, Exec. VP & Gen. Counsel John Anthony Picciotto

OTHER

<u>Gregory Allen Devou EVP, Chief Mktg Officer</u>	<u>Gregory Mark Chaney EVP, CFO</u>	<u>Michael Thomas Avotins SVP, ASU - Large Groups</u>
<u>Michael Bruce Edwards SVP, Networks Mgmt</u>	<u>Gwendolyn Denise Skillern SVP, General Auditor</u>	<u>Fred Adrian Walton Plumb SVP, ASU-FEP</u>
<u>Michael John Felber SVP, Sales</u>	<u>Rita Ann Costello SVP, Strategic Marketing</u>	<u>Maria Harris Tildon SVP, Public Policy</u>
<u>Jon Paul Shematek, M.D. SVP, Chief Medical Officer</u>	<u>Kenny Waitem Kan SVP, Chief Actuary</u>	<u>Wanda Kay Oneferu-Bey # SVP, ASU-Consumer Direct</u>
<u>Kevin Charles O'Neill SVP, Strategic Managed Care Initiatives</u>	<u>Steven Jon Margolis SVP, ASU-Small & Medium Groups</u>	<u>Brian Jay Silverstein # SVP, Primary Care Medical Home</u>
<u>Harry Dietz Fox # SVP, Technical & Ops Support</u>	<u>Michelle Judith Wright # SVP, Human Resources</u>	

DIRECTORS OR TRUSTEES

<u>Elizabeth Oliver-Farrow</u>	<u>James Wallace</u>	<u>Larry Donovan Bailey</u>
<u>Carlos Mario Rodriguez</u>	<u>Robert Marcellus Willis</u>	<u>Faye Ford Fields</u>
<u>Natalie Olivia Ludaway</u>	<u>Robert Lee Sloan</u>	<u>Janice Delores Anderson #</u>
<u>Bernard Keith Jarvis #</u>	<u>Wendell Lee Johns #</u>	<u>Jack Allan Meyer #</u>
<u>Elena Victoria Rios #</u>	<u>Patricia Amelia Rodriguez #</u>	

State of Maryland SS:
County of Baltimore

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.

Chester Emerson Burrell
President and Chief Executive Officer

John Anthony Picciotto
Corp. Secretary, Exec. VP & Gen. Counsel

Jeanne Ann Kennedy
Corp. Treasurer & VP

Subscribed and sworn to before me this 22ND day of FEBRUARY 2012
Cynthia L. Kipp

- 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.....



GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.

ACTUARIAL STATEMENT OF OPINION

DISTRICT OF COLUMBIA

TABLE of KEY INDICATORS:

This Opinion is Unqualified Qualified Adverse Inconclusive

IDENTIFICATION SECTION:

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

SCOPE SECTION:

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

RELIANCE SECTION:

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

OPINION SECTION:

Prescribed Wording Only Prescribed Wording with Additional Wording Revised Wording

RELEVANT COMMENTS:

Revised Wording

The Actuarial Memorandum includes "Deviation from Standard" wording regarding conformity with an Actuarial Standard of Practice

IDENTIFICATION SECTION

I, Paula R. Holt, Actuary, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and an employee of CareFirst of Maryland, Inc. I meet the American Academy of Actuaries qualification standards for rendering this Actuarial Statement of Opinion and am familiar with the valuation requirements applicable to health services corporations. I was appointed by the Board of Directors of Group Hospitalization and Medical Services, Inc. on November 12, 2008 to render this Actuarial Statement of Opinion on behalf of Group Hospitalization and Medical Services, Inc, a District of Columbia corporation, whose parent company, CareFirst, Inc., is the parent company of CareFirst of Maryland, Inc. Notification of this appointment was made to state regulatory officials on February 18, 2009.

SCOPE SECTION

Group Hospitalization and Medical Services, Inc. is exempt pursuant to the Actuarial Opinion and Memorandum Regulation of the District of Columbia from submitting an Actuarial Statement of Opinion based on an asset adequacy analysis. This Actuarial Statement of Opinion, which is not based on asset adequacy analysis, is rendered in accordance with the Actuarial Opinion and Memorandum Regulation of the District of Columbia. In particular, this opinion applies to all business in force, including individual and group health insurance plans and is based on standards adopted by the Actuarial Standards Board.

I have examined the actuarial methods and underlying actuarial assumptions as well as summaries of enrollment, paid claims by incurral month, claims paid each calendar month, and claim inventories used in determining the reserves and related actuarial items listed below. Both my staff and I have performed such tests and calculations as I consider necessary to confirm the data's accuracy and completeness that is used in determining the reserves and related actuarial items listed below, as shown in the Annual Statement of Group Hospitalization and Medical Services, Inc., as prepared for filing with state regulatory officials as of December 31, 2011:

A. Claims unpaid (Page 3, Line 1)	\$288,462,975
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2)	\$0
C. Unpaid claims adjustment expenses (Page 3, Line 3)	\$11,600,000
D. Aggregate health policy reserves (Page 3, Line 4)	\$677,475,195
E. Aggregate life policy reserves (Page 3, Line 5)	\$0
F. Property/casualty unearned premium reserves (Page 3, Line 6)	\$0
G. Aggregate health claim reserves (Page 3, Line 7)	\$0
H. Any other loss reserves, actuarial liabilities, or related items as Liabilities in the annual statement	\$0
I. Specified actuarial items presented as assets in the annual statement:	
1. Accrued retrospective premiums (Page 2, line 15.3, col. 1)	\$0
2. Receivables related to risk-sharing provisions (Page 2, line 24, col. 1)	\$0
3. Pharmacy rebate receivables based on actuarial estimates (Page 2, line 24, col. 1)	\$0

Group Hospitalization and Medical Services, Inc. had \$304,360,492 of Direct Unpaid claims. Group Hospitalization and Medical Services, Inc. assumed \$6,871,446 from CareFirst of Maryland, Inc., \$114,409 from FirstCare, Inc., and ceded \$22,883,372 to CareFirst of Maryland, Inc.

Aggregate health policy reserves include Rate Stabilization Reserve of \$664,375,195 for FEHBP, Premium Deficiency Reserve of \$6,940,000, and Medical Loss Ratio Rebate Reserve of \$6,160,000.

Premium Deficiency Reserve (PDR):

SSAP No. 54, paragraph 18 states: *“when the expected claims payments or incurred costs, claims adjustments expenses, and administration costs exceed the premiums to be collected for the remainder of a contract period, a premium deficiency reserve shall be recognized by recording an additional liability for the deficiency, with a corresponding charge to operations.”*

There are two key assumptions in the calculation of PDR: groupings and projection period.

We have opted to group experience consistent with federal Medical Loss Ratio regulations. After projecting deficits for each grouping, we have re-allocated overhead expenses between the groupings in order to minimize the required PDR.

For projection period, we have separated the experience by renewal cohort and have forecasted experience using claims trend, rate increases, expenses, and regulatory restrictions until the renewal date of each renewal cohort. For those individuals and employer groups whom we know will be renewing as of December 31, 2011, we have projected experience for an additional year.

Since the forecast projected a deficit of \$6,940,000, we booked a PDR of the same amount.

Medical Loss Ratio (MLR) Rebate Reserve:

Section 2718 of the Public Health Service Act (PHSA), added by the Patient Protection and Affordable Care Act (PPACA), requires that health insurers spend at least 85% of large employer group premiums and 80% of small employer group and individual premiums on reimbursements for clinical services and activities that will improve health care quality (i.e. have an MLR of at least 85% or 80%, respectively). The MLR calculation is done at the state and market segment (individual, small employer group, large employer group) level, in accordance with federal regulation.

If the minimum MLR is not met in a given state and market segment grouping, the insurer must pay rebates to policyholders in this grouping. The total amount of rebates paid in a given grouping represents the amount of additional claims and quality improvement expenses that the insurer would have had to incur in order to achieve the minimum MLR.

We have estimated that Group Hospitalization and Medical Services, Inc. will need to pay rebates for 2011 totaling \$6,160,000. We have therefore held an MLR reserve of \$6,160,000 as of December 31, 2011.

RELIANCE SECTION

In forming my opinion on:

- Direct Business (excluding The Dental Network) reserves, I relied on data prepared by Paul Maranto, Project Director, Actuarial Systems and an employee of CareFirst Blue Cross Blue Shield, as certified in the attached statements. I have evaluated the data for reasonableness and consistency.

For Direct and Reinsurance Business manual reserves, I relied on data prepared by William W. Showman, Associate Vice President, Accounting Operations and an employee of CareFirst Blue Cross Blue Shield, as certified in the attached statements. I have evaluated the data for reasonableness and consistency.

I also reconciled that data which is net of reinsurance to the Underwriting and Investment Exhibit – Part 2B of Group Hospitalization and Medical Services, Inc. current annual statement. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.

- The Dental Network Direct Business reserves on Group Hospitalization and Medical Services, Inc. paper, I relied on data prepared by Robert Wilsie, Senior Programmer Analyst and an employee of CareFirst Blue Cross Blue Shield, as certified in the attached statements. I have

evaluated that data for reasonableness and consistency. I also reconciled that data to the Underwriting and Investment Exhibit – Part 2B of Group Hospitalization and Medical Services, Inc. current annual statement.

- FEHBP Prescription Drug reserve, I relied on data prepared by Joseph G. Korabik, Associate Actuary, Blue Cross Blue Shield Association, as certified in the attached statements. The data was provided in the form of claims a triangle that represents the combined prescription drug paid claims for the entire Service Benefit Plan (Federal Employees Program) in the FEHBP. The data is then used to create a claims triangle for Federal Employees Program prescription drug experience. This claims triangle was used to develop outstanding claims liability factors which are applied to the FEHBP Prescription Drug claims for the company. I have evaluated that data for reasonableness and consistency. I also reconciled that data to the Underwriting and Investment Exhibit – Part 2B of Group Hospitalization and Medical Services Inc. current annual statement. In other respects, my examination included review of the actuarial assumptions and actuarial methods used and tests of the calculations I considered necessary.
- FEHBP Blue Vision reserve, I relied on the reserve provided by Joseph G. Korabik, Associate Actuary, Blue Cross Blue Shield Association, as certified in the attached statements. I have reconciled that reserve to the Underwriting and Investment Exhibit – Part 2B of Group Hospitalization and Medical Services, Inc. current annual statement.
- Long Term Care reserve, I relied on the Active Life and Incurred But Not Reported (IBNR) reserves provided by William L. Naylor, Vice President, MedAmerica, as certified in the attached statements. I have reconciled that reserve to the Underwriting and Investment Exhibit – Part 2B of Group Hospitalization and Medical Services, Inc. current annual statement.
- FEHBP Rate Stabilization Reserve, I relied on the reserve provided by Charles J. Reip, Manager, Federal Contract Reporting and an employee of CareFirst Blue Cross Blue Shield, as certified in the attached statements.
- Unpaid Claims Adjustment Expenses, I relied on the expenses provided by Jean Mattingly, Manager, Budget and Expense Management and an employee of CareFirst Blue Cross Blue Shield, as certified in the attached statements.
- Specified actuarial items presented as assets in the annual statement (Accrued retrospective premiums, Receivables related to risk-sharing provisions and Pharmacy rebate receivables based on actuarial estimates), I relied on the receivables provided by Alan Heath, Senior Director, Financial Reporting and an employee of CareFirst Blue Cross Blue Shield, as certified in the attached statements.

OPINION SECTION

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

- Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles and that specifically relate to the Actuarial Statement of Opinion required under the Actuarial Opinion and Memorandum Regulation of the District of Columbia,

- Are computed appropriately,
- Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- Meet the requirements of the laws of the District of Columbia and are at least as great as the minimum aggregate amounts required by the District of Columbia in which this statement is filed,
- Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of Group Hospitalization and Medical Services, Inc. under the terms of its contracts and agreements,
- Are computed on the basis of assumptions and methods consistent with those used in computing the corresponding items in the annual statement of the preceding year-end,
- Include appropriate provision for all actuarial items that ought to be established.

The Underwriting and Investment Exhibit – Part 2B was reviewed for reasonableness and was prepared under my direction consistent with section 3.6, “Follow-Up Studies”, contained in Actuarial Standard of Practice No. 5, “Incurred Health and Disability Claims” adopted by the Actuarial Standards Board of the American Academy of Actuaries in December 2000.

Actuarial methods, considerations, and analyses used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which form the basis of this Actuarial Statement of Opinion.

Based on my analysis, in my opinion, the reserves and related actuarial items, to the extent considered in light of the assets held by Group Hospitalization and Medical Services, Inc. with respect to such reserves and related actuarial items including, but not limited to, the investment earnings on such assets, and the considerations anticipated to be received and retained under such policies and contracts, make adequate provision, according to presently accepted actuarial standards of practice, for the anticipated cash flows required by the contractual obligations and related expenses of Group Hospitalization and Medical Services, Inc.



Paula R. Holt, F.S.A., M.A.A.A.
CareFirst of Maryland, Inc.
10455 Mill Run Circle
Owings Mills, MD. 21117
410-998-4715
February 23, 2012

CareFirst BlueCross BlueShield
10455 Mill Run Circle
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www.carefirst.com



Certification of Direct Business Reserves Data

Group Hospitalization and Medical Services, Inc.

For The Year Ending December 31, 2011

I, Paul Maranto, Project Director, Actuarial Systems, on behalf of Group Hospitalization and Medical Services, Inc., hereby confirm that the data provided to Paula R. Holt to calculate Direct Business Reserves for Group Hospitalization and Medical Services, Inc. was prepared under my direction and to the best of my knowledge and belief, are accurate, reasonable and complete. For risk business including FEHBP, Straight Paid amounted to \$2,448,428,588.

Paul D. Maranto 02/15/12

Paul Maranto February 15, 2012

Title: Project Director, Actuarial Systems

Company: CareFirst of Maryland, Inc.

Mailstop: OWML1 - 01-750

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Certification of General Ledger to Actuarial Paid Reconciliation

Group Hospitalization and Medical Services, Inc.

For The Year Ending December 31, 2011

I, William Showman, Associate Vice President (AVP), Accounting Operations, on behalf of Group Hospitalization and Medical Services, Inc., hereby confirm that the General Ledger paid to Actuarial paid schedules provided as of December 31, 2011 were prepared under my direction and to the best of my knowledge and belief, are correctly recorded in the financial statements and the breakdown between paid care, manual care entries and IBNR expense are accurately reflected in the general ledger. For risk business including FEHBP, General Ledger paid amounted to \$2,946,234,040, which includes manual care of \$494,878,244.

A handwritten signature in black ink, appearing to read "William Showman", written over a horizontal line.

William Showman February 7, 2012

Title: AVP, Accounting Operations

Company: CareFirst of Maryland, Inc.
 Mailstop: OWML1 - 01-650
 10455 Mill Run Circle
 Owings Mills, MD 21117

Phone #: 410-998-7455



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

Federal Employee Program
1310 G Street, N.W.
Washington, D.C. 20005
202-942-1000
Fax 202-942-1125

January 19, 2012

Paula Holt, F.S.A. M.A.A.A.
Actuary
CareFirst BlueCross Blue Shield
Actuarial Financial Services
10455 Mill Run Circle
Owings Mills, MD 21117

RE: FEP BlueVision Reserve Values

Paula,

In connection with your examination of actuarial items to be included in the statutory annual statement of Group Hospitalization and Medical Services, Inc. as of November 30, 2011, I have reviewed the FEP BlueVision reserve value of \$83,697.99 for the High Option and \$45,595.34 for the Standard Option, and I represent to the best of my knowledge and belief:

- a) The methods used are appropriate and in alignment with industry practices
- b) The models used are reasonable for the purpose;
- c) The assumptions used are supportable;
- d) The data is complete.

With respect to FEP BlueVision reserve values of Group Hospitalization and Medical Services, Inc. as of November 30, 2011, I give you my assurance the FEP BlueVision reserve values were calculated with adherence to the Actuarial Standards of Practice set forth by the Actuarial Standards Board.

If you have any questions about the processes, procedures, or data used, please contact me at (312) 297-6062.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Joseph G. Korabik", written over a horizontal line.

Joseph G. Korabik, F.S.A., M.A.A.A.
Chief Actuary FEP
Blue Cross Blue Shield Association
225 North Michigan Avenue
Chicago, Illinois 60601-7680
312-297-6062



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

Federal Employee Program
1310 G Street, N.W.
Washington, D.C. 20005
202-942-1000
Fax 202-942-1125

January 19, 2012

Paula Holt, F.S.A. M.A.A.A.
Actuary
CareFirst BlueCross Blue Shield
Actuarial Financial Services
10455 Mill Run Circle
Owings Mills, MD 21117

RE: FEP Prescription Drug Benefit Triangles

Paula,

I, Joseph G. Korabik, Chief Actuary, FEP, Blue Cross Blue Shield Association, hereby affirm that the drug claims experience provided to Group Hospitalization and Medical Services, Inc. in the form of claims triangles represents the combined prescription drug benefits paid under the Retail Pharmacy Program and the Mail Service Prescription Drug Program for the entire Service Benefit Plan (FEP) in the FEHBP. The data was prepared under my direction and, to the best of my knowledge and belief, is accurate and complete. The data is used by Group Hospitalization and Medical Services, Inc. to create a claims triangle for FEP prescription drug experience.

A handwritten signature in cursive script, appearing to read "Joseph G. Korabik", written over a horizontal line.

Joseph G. Korabik, F.S.A., M.A.A.A.
Chief Actuary FEP
Blue Cross Blue Shield Association
225 North Michigan Avenue
Chicago, Illinois 60601-7680
312-297-6062



Certification of Direct Business Reserve Paid Claims Data

The Dental Network, Inc. (TDN)

Group Hospitalization and Medical Services, Inc.

For The Year Ending December 31, 2011

I, Robert Wilsie, Senior Programmer/Analyst, on behalf of Group Hospitalization and Medical Services, Inc., The Dental Network hereby confirm that the paid claims data was prepared under my direction and to the best of my knowledge and belief are appropriately calculated and accurately recorded and provided to the Actuarial Systems Department. Straight Paid Claims for Calendar Year 2011 amounted to \$3,743,213.

A handwritten signature in black ink, appearing to read "R. Wilsie".

Robert Wilsie January 17, 2012

Title: Senior Programmer/Analyst

Company: CareFirst of Maryland, Inc.

10455 Mill Run Circle

Owings Mills, MD 21117

Phone #: 904-280-8233

The Dental Network
1501 S. Clinton Street, Suite 600
Baltimore, Maryland 21224-5730
Tel: (410) 847-9060
Fax: (410) 339-5360
888-833-8464
www.thedentalnet.org

The Dental Network 

Certification of Direct Business Reserve Enrollment Data

The Dental Network, Inc. (TDN)

Group Hospitalization and Medical Services, Inc.

For The Year Ending December 31, 2011

I, Robert Wilsie, Senior Programmer/Analyst, on behalf of Group Hospitalization and Medical Services, Inc., The Dental Network hereby confirm that the enrollment data was prepared under my direction and to the best of my knowledge and belief are accurately recorded and provided to the Actuarial Systems Department. Enrollment at the end of Calendar Year 2011 is 32,455.



Robert Wilsie January 17, 2012
Title: Senior Programmer/Analyst
Company: CareFirst of Maryland, Inc.
10455 Mill Run Circle
Owings Mills, MD 21117
Phone #: 904-280-8233

MEDAmerica

An Excellus Company

MedAmerica Insurance Company

Home Office: Pittsburgh, PA

MedAmerica Insurance Company of New York

Home Office: Rochester, NY

MedAmerica Insurance Company of Florida

Home Office: Winter Park, FL

January 19, 2012

I, William L. Naylor, Senior VP, Finance of MedAmerica Insurance Company, hereby affirm that the listings and summaries of Long Term Care policies in force (81), related statutory reserves of \$194,307, related GAAP reserves of \$223,992, and DAC asset of \$7,707 as of December 31, 2011, prepared for and submitted to CareFirst National Capital Area, were prepared under my direction and, to the best of my knowledge and belief, are accurate and complete.



William L. Naylor

Senior Vice President, Finance
165 Court Street
Rochester, NY 14647

585 238- 4456

CareFirst BlueCross BlueShield
10455 Mill Run Circle
Owings Mills, MD 21117-5559



CERTIFICATION OF RATE STABILIZATION RESERVE

FEDERAL EMPLOYEE PROGRAM

GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.

FOR THE YEAR ENDING DECEMBER 31, 2011

I, Charles J. Reip, Manager, Federal Contract Reporting at CareFirst of Maryland, Inc., on behalf of the Group Hospitalization and Medical Services, Inc. Federal Employee Program, hereby confirm that the values contained in the December 31, 2011 balance of the Federal Employee Program Rate Stabilization Reserve (account 300.214108) were prepared under my direction and to the best of my knowledge and belief, are appropriately calculated and correctly recorded in the Group Hospitalization and Medical Services, Inc. financial statements.

Balance at December 31, 2011 Account #: 300.214108 \$ 664,375,195

Charles J. Reip

Charles J. Reip January 20, 2012

Title: Manager, Federal Contract Reporting

Company: CareFirst of Maryland, Inc.

Mailstop: 01-670

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Owings Mills, MD 21117

Phone #: 410-998-7207

CareFirst BlueCross BlueShield
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**Certification of Specified Actuarial Items Presented as Assets
in Annual Statement**

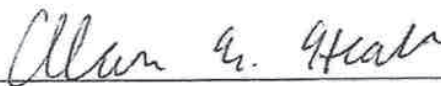
Group Hospitalization and Medical Services, Inc.

For The Year Ending December 31, 2011

I, Alan Heath, Senior Director Financial Reporting, on behalf of Group Hospitalization and Medical Services, Inc., hereby confirm the amounts of the following specified actuarial items presented as assets in the annual statement:

- Accrued retrospective premiums are \$0
- Receivables related to risk-sharing provisions are \$0
- Pharmacy rebate receivables based on actuarial estimates are \$0.

All of the above items contained in the December 31, 2011 annual statement were prepared under my direction, and to the best of my knowledge and belief, are correctly recorded in the Group Hospitalization and Medical Services, Inc. financial statements.



Alan Heath February 15, 2012
Title: Senior Director, Financial Reporting
Company: CareFirst of Maryland, Inc.
 Mailstop: OWML1 - 01-685
 10455 Mill Run Circle
 Owings Mills, MD 21117
Phone #: 410-998-7608

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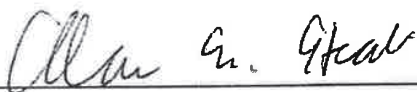


Certification of Rate Stabilization Reserve

Group Hospitalization and Medical Services, Inc.

For The Year Ending December 31, 2011

I, Alan Heath, Senior Director Financial Reporting, on behalf of Group Hospitalization and Medical Services, Inc., hereby confirm that the Rate Stabilization Reserve amount of \$0 for Risk business contained in the December 31, 2011 annual statement was prepared under my direction and to the best of my knowledge and belief, are correctly recorded in the Group Hospitalization and Medical Services, Inc. financial statements.



Alan Heath February 15, 2012
Title: Senior Director, Financial Reporting
Company: CareFirst of Maryland, Inc.
 Mailstop: OWML1 - 01-685
 10455 Mill Run Circle
 Owings Mills, MD 21117
Phone #: 410-998-7608



Certification of Unpaid Claims Adjustment Expenses

Group Hospitalization and Medical Services, Inc.

For The Year Ending December 31, 2011

I, Jean Mattingly, Manager, Budget and Expense Management, on behalf of Group Hospitalization and Medical Services, Inc., hereby confirm that the Unpaid Claims Adjustment Expenses for Group Hospitalization and Medical Services, Inc. was prepared under my direction and to the best of my knowledge and belief, are accurate, reasonable, and complete. Unpaid Claims Adjustment Expenses as of December 31, 2011 amounted to \$11,600,000.00

A handwritten signature in cursive script, reading "Jean Mattingly", written over a horizontal line.

Jean Mattingly

January 25, 2012

Title:

Manager, Budget and Expense Management

Company:

Group Hospitalization and Medical Services, Inc.

Mailstop: OWML1 - 01-680

10455 Mill Run Circle

Owings Mills, MD 21117

Phone #:

410-998-5522

EXHIBIT 4 - CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0199999. Individually listed claims unpaid	0	0	0	0	0	0
0299999. Aggregate accounts not individually listed- uncovered	0	0	0	0	0	0
0399999. Aggregate accounts not individually listed-covered	37,547,323	2,305,763	179,178	83,129	175,542	40,290,935
0499999. Subtotals	37,547,323	2,305,763	179,178	83,129	175,542	40,290,935
0599999. Unreported claims and other claim reserves						271,055,410
0699999. Total amounts withheld						0
0799999. Total claims unpaid						311,346,345
0899999 Accrued medical incentive pool and bonus amounts						0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

EXHIBIT 7 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total Payments	3 Total Members Covered	4 Column 3 as a % of Total Members	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	0	0.0	0	0.0	0	0
2. Intermediaries	7,382,523	0.3	921,180	113.0	0	7,382,523
3. All other providers	867,225	0.0	589,205	72.3	0	867,225
4. Total capitation payments	8,249,748	0.3	1,510,385	185.3	0	8,249,748
Other Payments:						
5. Fee-for-service	124,294,642	4.3	XXX	XXX	0	124,294,642
6. Contractual fee payments	2,775,483,524	95.4	XXX	XXX	0	2,775,483,524
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX	0	0
8. Bonus/withhold arrangements - contractual fee payments	0	0.0	XXX	XXX	0	0
9. Non-contingent salaries	0	0.0	XXX	XXX	0	0
10. Aggregate cost arrangements	0	0.0	XXX	XXX	0	0
11. All other payments	0	0.0	XXX	XXX	0	0
12. Total other payments	2,899,778,166	99.7	XXX	XXX	0	2,899,778,166
13. TOTAL (Line 4 plus Line 12)	2,908,027,914	100%	XXX	XXX	0	2,908,027,914

EXHIBIT 7 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC
	Magellan Health Services	2,959,990	246,666	0	0
	Davis Vision	4,422,533	368,544	0	0
9999999 Totals		7,382,523	XXX	XXX	XXX

EXHIBIT 8 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	15,424,129	0	11,631,677	3,792,452	3,792,452	0
2. Medical furniture, equipment and fixtures	0	0	0	0	0	0
3. Pharmaceuticals and surgical supplies	0	0	0	0	0	0
4. Durable medical equipment	0	0	0	0	0	0
5. Other property and equipment	0	6,345,871	4,853,768	1,492,103	1,492,103	0
6. Total	15,424,129	6,345,871	16,485,445	5,284,555	5,284,555	0



ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2. Washington, DC

NAIC Group Code	0380	BUSINESS IN THE STATE OF		DURING THE YEAR							(LOCATION)	
		District of Columbia		2011							NAIC Company Code	
		1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other		
Total Members at end of:												
1. Prior Year	129,831	11,082	93,085	1,760	0	0	0	0	0	23,904		
2. First Quarter	185,024	9,231	91,774	1,463	495	2,065	62,705	0	0	17,291		
3. Second Quarter	184,746	9,098	91,399	1,452	573	2,210	62,575	0	0	17,439		
4. Third Quarter	181,344	9,116	94,627	1,418	618	2,205	62,518	0	0	10,842		
5. Current Year	183,587	8,934	97,001	1,407	675	2,282	62,389	0	0	10,899		
6. Current Year Member Months	2,204,532	109,341	1,121,372	17,317	6,905	27,610	751,218	0	0	170,769		
Total Member Ambulatory Encounters for Year:												
7. Physician	1,412,639	61,837	558,731	27,939	0	0	764,075	0	0	57		
8. Non-Physician	603,405	26,183	265,780	5,169	0	0	306,239	0	0	34		
9. Total	2,016,044	88,020	824,511	33,108	0	0	1,070,314	0	0	91		
10. Hospital Patient Days Incurred	40,461	1,465	15,196	1,467	0	0	22,302	0	0	31		
11. Number of Inpatient Admissions	10,526	373	3,889	323	0	0	5,940	0	0	1		
12. Health Premiums Written (b)	739,291,746	34,544,685	416,945,883	4,516,497	785,485	13,359,063	265,986,535	0	0	3,153,598		
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0		
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0		
15. Health Premiums Earned	734,592,833	30,944,685	414,975,881	4,426,497	785,485	13,359,063	266,947,624	0	0	3,153,598		
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0		
17. Amount Paid for Provision of Health Care Services	599,381,274	37,189,198	308,290,832	3,234,225	853,634	8,893,955	240,023,586	0	0	895,844		
18. Amount Incurred for Provision of Health Care Services	605,618,380	37,506,882	315,237,562	3,104,554	853,634	8,851,191	241,731,727	0	0	(1,667,170)		

(a) For health business: number of persons insured under PPO managed care products151,153 and number of persons insured under indemnity only products3,764 .

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

Enrollment and billing systems capture and report premiums by group situs except for federal employees health benefits program where premiums are reported based on the members' residence.



ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2. Washington, DC

NAIC Group Code	0380	BUSINESS IN THE STATE OF		DURING THE YEAR							(LOCATION)	
		Maryland		2011							NAIC Company Code	
		1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other		
Total Members at end of:												
1. Prior Year	544,192	26,442	137,023	1,741	0	0	360,835	0	0	18,151		
2. First Quarter	377,784	28,330	133,488	1,912	6,754	21,278	172,752	0	0	13,270		
3. Second Quarter	375,255	28,217	130,152	2,031	6,882	20,482	173,419	0	0	14,072		
4. Third Quarter	371,753	27,307	127,159	2,151	7,028	20,252	173,905	0	0	13,951		
5. Current Year	362,183	26,408	119,175	2,258	7,169	19,605	173,671	0	0	13,897		
6. Current Year Member Months	4,498,635	333,006	1,549,122	24,706	82,769	262,951	2,080,534	0	0	165,547		
Total Member Ambulatory Encounters for Year:												
7. Physician	3,511,727	146,556	851,949	38,291	0	0	2,474,931	0	0	0		
8. Non-Physician	1,567,908	67,824	405,405	7,707	0	0	1,086,972	0	0	0		
9. Total	5,079,635	214,380	1,257,354	45,998	0	0	3,561,903	0	0	0		
10. Hospital Patient Days Incurred	105,947	3,146	26,762	2,138	0	0	73,901	0	0	0		
11. Number of Inpatient Admissions	27,920	860	6,742	481	0	0	19,837	0	0	0		
12. Health Premiums Written (b)	1,483,038,405	62,993,626	582,460,696	5,081,831	3,587,876	50,611,580	772,335,805	0	0	5,966,991		
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0		
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0		
15. Health Premiums Earned	1,459,768,514	62,993,626	581,750,698	4,721,831	3,587,876	50,611,580	750,135,912	0	0	5,966,991		
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0		
17. Amount Paid for Provision of Health Care Services	1,280,772,029	49,004,512	483,025,333	4,579,827	2,794,821	32,946,431	707,255,738	0	0	1,165,367		
18. Amount Incurred for Provision of Health Care Services	1,282,253,836	49,241,324	476,091,656	5,030,216	2,794,821	32,799,588	712,235,350	(5,450)	0	4,066,331		

(a) For health business: number of persons insured under PPO managed care products315,555 and number of persons insured under indemnity only products20,825 .

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

Enrollment and billing systems capture and report premiums by group situs except for federal employees health benefits program where premiums are reported based on the members' residence.



ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2. Washington, DC

NAIC Group Code	0380	BUSINESS IN THE STATE OF		DURING THE YEAR							(LOCATION)	
		Virginia		2011							NAIC Company Code	
		1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	
		2	3									
		Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other	
Total Members at end of:												
1.	Prior Year	122,124	19,918	94,826	2,072	0	0	0	0	0	5,308	
2.	First Quarter	267,954	20,360	92,804	2,336	1,459	5,880	133,867	0	0	11,248	
3.	Second Quarter	269,135	20,806	93,309	2,311	1,560	5,876	134,054	0	0	11,219	
4.	Third Quarter	266,064	20,706	93,511	2,285	1,696	2,282	134,037	0	0	11,547	
5.	Current Year	269,448	20,357	96,931	2,269	1,878	2,502	133,946	0	0	11,565	
6.	Current Year Member Months	3,214,545	247,078	1,123,648	27,724	19,053	51,125	1,606,689	0	0	139,228	
Total Member Ambulatory Encounters for Year:												
7.	Physician	2,717,948	131,955	617,358	44,230	0	0	1,924,405	0	0	0	
8.	Non-Physician	1,120,007	54,845	265,301	8,450	0	0	791,411	0	0	0	
9.	Total	3,837,955	186,800	882,659	52,680	0	0	2,715,816	0	0	0	
10.	Hospital Patient Days Incurred	76,629	3,206	14,975	2,065	0	0	56,383	0	0	0	
11.	Number of Inpatient Admissions	20,689	813	4,245	487	0	0	15,144	0	0	0	
12.	Health Premiums Written (b)	1,208,299,496	70,711,532	425,797,244	6,746,454	1,001,370	10,269,893	692,045,718	0	0	1,727,285	
13.	Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	
14.	Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	
15.	Health Premiums Earned	1,157,123,913	66,301,532	423,917,244	6,666,454	1,001,370	10,269,893	647,240,135	0	0	1,727,285	
16.	Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	
17.	Amount Paid for Provision of Health Care Services	1,027,874,611	48,766,301	349,720,467	4,851,679	969,812	11,283,053	610,775,058	0	0	1,508,241	
18.	Amount Incurred for Provision of Health Care Services	1,040,934,345	49,888,813	355,394,001	5,052,035	969,812	11,378,918	615,075,374	0	0	3,175,392	

(a) For health business: number of persons insured under PPO managed care products244,712 and number of persons insured under indemnity only products6,103 .

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

Enrollment and billing systems capture and report premiums by group situs except for federal employees health benefits program where premiums are reported based on the members' residence.



ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION

Group Hospitalization and Medical Services, Inc.

2. Washington, DC

NAIC Group Code	0380	BUSINESS IN THE STATE OF	(LOCATION)									
			Grand Total		DURING THE YEAR				2011		NAIC Company Code	53007
			1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
Total	2	3	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other			
Total Members at end of:												
1. Prior Year	796,147	57,442	324,934	5,573	0	0	360,835	0	0	47,363		
2. First Quarter	830,762	57,921	318,066	5,711	8,708	29,223	369,324	0	0	41,809		
3. Second Quarter	829,136	58,121	314,860	5,794	9,015	28,568	370,048	0	0	42,730		
4. Third Quarter	819,161	57,129	315,297	5,854	9,342	24,739	370,460	0	0	36,340		
5. Current Year	815,218	55,699	313,107	5,934	9,722	24,389	370,006	0	0	36,361		
6. Current Year Member Months	9,917,712	689,425	3,794,142	69,747	108,727	341,686	4,438,441	0	0	475,544		
Total Member Ambulatory Encounters for Year:												
7. Physician	7,642,314	340,348	2,028,038	110,460	0	0	5,163,411	0	0	57		
8. Non-Physician	3,291,320	148,852	936,486	21,326	0	0	2,184,622	0	0	34		
9. Total	10,933,634	489,200	2,964,524	131,786	0	0	7,348,033	0	0	91		
10. Hospital Patient Days Incurred	223,037	7,817	56,933	5,670	0	0	152,586	0	0	31		
11. Number of Inpatient Admissions	59,135	2,046	14,876	1,291	0	0	40,921	0	0	1		
12. Health Premiums Written (b)	3,430,629,647	168,249,843	1,425,203,823	16,344,782	5,374,731	74,240,536	1,730,368,058	0	0	10,847,874		
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0		
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0		
15. Health Premiums Earned	3,351,485,260	160,239,843	1,420,643,823	15,814,782	5,374,731	74,240,536	1,664,323,671	0	0	10,847,874		
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0		
17. Amount Paid for Provision of Health Care Services	2,908,027,914	134,960,011	1,141,036,632	12,665,731	4,618,267	53,123,439	1,558,054,382	0	0	3,569,452		
18. Amount Incurred for Provision of Health Care Services	2,928,806,561	136,637,019	1,146,723,219	13,186,805	4,618,267	53,029,697	1,569,042,451	(5,450)	0	5,574,553		

(a) For health business: number of persons insured under PPO managed care products711,420 and number of persons insured under indemnity only products30,692 .

(b) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$0

Enrollment and billing systems capture and report premiums by group situs except for federal employees health benefits program where premiums are reported based on the members' residence.

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE S - PART 1 - SECTION 2

Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1	2	3	4	5	6	7	8	9	10	11	12
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsured	Domiciliary Jurisdiction	Type of Reinsurance Assumed	Premiums	Unearned Premiums	Reserve Liability Other Than for Unearned Premiums	Reinsurance Payable on Paid and Unpaid Losses	Modified Coinsurance Reserve	Funds Withheld Under Coinsurance
96202	52-1358219	01/01/2007	CareFirst BlueChoice, Inc.	DC	LRSL/A/G	12,500	0	0	0	0	0
60113	52-1962376	01/01/2009	FirstCare, Inc.	MD	QA/A/I	6,285,979	0	0	1,043,267	0	0
47058	52-1385894	01/01/2008	CareFirst of Maryland, Inc.	MD	QA/A/G	59,462,931	0	0	18,844,776	0	0
0199999. U.S. Affiliates						65,761,410	0	0	19,888,043	0	0
0399999. Total - Affiliates						65,761,410	0	0	19,888,043	0	0
0699999. Total - Non-Affiliates						0	0	0	0	0	0
0799999. Total U.S. (Sum of 0199999 and 0499999)						65,761,410	0	0	19,888,043	0	0
0899999. Total Non-U.S. (Sum of 0299999 and 0599999)						0	0	0	0	0	0
0999999 - Totals						65,761,410	0	0	19,888,043	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE S - PART 3 - SECTION 2

Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Type	7 Premiums	8 Unearned Premiums (Estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	10 Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
47058	52-1385894	01/01/2008	CareFirst of Maryland, Inc.	MD	QA/A/G	369,606,988	0	0	0	0	0	0
0199999. General Account - Authorized U.S. Affiliates						369,606,988	0	0	0	0	0	0
0399999. Total General Account - Authorized Affiliates						369,606,988	0	0	0	0	0	0
0699999. Total General Account - Authorized Non-Affiliates						0	0	0	0	0	0	0
0799999. Total General Account Authorized						369,606,988	0	0	0	0	0	0
1099999. Total General Account - Unauthorized Affiliates						0	0	0	0	0	0	0
1399999. Total General Account - Unauthorized Non-Affiliates						0	0	0	0	0	0	0
1499999. Total General Account Unauthorized						0	0	0	0	0	0	0
1599999. Total General Account Authorized and Unauthorized						369,606,988	0	0	0	0	0	0
1899999. Total Separate Accounts - Authorized Affiliates						0	0	0	0	0	0	0
2199999. Total Separate Accounts - Authorized Non-Affiliates						0	0	0	0	0	0	0
2299999. Total Separate Accounts Authorized						0	0	0	0	0	0	0
2599999. Total Separate Accounts - Unauthorized Affiliates						0	0	0	0	0	0	0
2899999. Total Separate Accounts - Unauthorized Non-Affiliates						0	0	0	0	0	0	0
2999999. Total Separate Accounts Unauthorized						0	0	0	0	0	0	0
3099999. Total Separate Accounts Authorized and Unauthorized						0	0	0	0	0	0	0
3199999. Total U.S. (Sum of 0199999, 0499999, 0899999, 1199999, 1699999, 1999999, 2399999 and 2699999)						369,606,988	0	0	0	0	0	0
3299999. Total Non-U.S. (Sum of 0299999, 0599999, 0999999, 1299999, 1799999, 2099999, 2499999 and 2799999)						0	0	0	0	0	0	0
3399999 - Totals						369,606,988	0	0	0	0	0	0

Schedule S - Part 4

N O N E

Schedule S - Part 4 - Bank Footnote

N O N E

SCHEDULE S - PART 5

Five Year Exhibit of Reinsurance Ceded Business (000 Omitted)

	1 2011	2 2010	3 2009	4 2008	5 2007
A. OPERATIONS ITEMS					
1. Premiums	369,607	405,007	409,376	386,673	0
2. Title XVIII - Medicare	0	0	882	38	0
3. Title XIX - Medicaid	0	0	0	0	0
4. Commissions and reinsurance expense allowance	0	0	0	0	0
5. Total hospital and medical expenses	281,857	323,668	337,211	317,320	0
B. BALANCE SHEET ITEMS					
6. Premiums receivable	0	0	0	0	0
7. Claims payable	22,883	33,861	28,535	32,258	0
8. Reinsurance recoverable on paid losses	0	0	24,725	26,363	0
9. Experience rating refunds due or unpaid	0	0	0	0	0
10. Commissions and reinsurance expense allowances unpaid	0	0	0	0	0
11. Unauthorized reinsurance offset	0	0	0	0	0
C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)					
12. Funds deposited by and withheld from (F)	0	0	0	0	0
13. Letters of credit (L)	0	0	0	0	0
14. Trust agreements (T)	0	0	0	0	0
15. Other (O)	0	0	0	0	0

SCHEDULE S - PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
ASSETS (Page 2, Col. 3)			
1. Cash and invested assets (Line 12)	1,208,829,903	0	1,208,829,903
2. Accident and health premiums due and unpaid (Line 15)	221,961,182	0	221,961,182
3. Amounts recoverable from reinsurers (Line 16.1)	0	0	0
4. Net credit for ceded reinsurance	XXX	(229,095)	(229,095)
5. All other admitted assets (Balance)	862,544,004	0	862,544,004
6. Total assets (Line 28)	2,293,335,089	(229,095)	2,293,105,994
LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7. Claims unpaid (Line 1)	288,462,975	22,883,372	311,346,347
8. Accrued medical incentive pool and bonus payments (Line 2)	0	0	0
9. Premiums received in advance (Line 8)	60,236,950	0	60,236,950
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19)	0	0	0
11. Reinsurance in unauthorized companies (Line 20)	0	0	0
12. All other liabilities (Balance)	981,053,853	(23,112,467)	957,941,386
13. Total liabilities (Line 24)	1,329,753,778	(229,095)	1,329,524,683
14. Total capital and surplus (Line 33)	963,581,310	XXX	963,581,310
15. Total liabilities, capital and surplus (Line 34)	2,293,335,088	(229,095)	2,293,105,993
NET CREDIT FOR CEDED REINSURANCE			
16. Claims unpaid	22,883,372		
17. Accrued medical incentive pool	0		
18. Premiums received in advance	0		
19. Reinsurance recoverable on paid losses	0		
20. Other ceded reinsurance recoverables	0		
21. Total ceded reinsurance recoverables	22,883,372		
22. Premiums receivable	0		
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers	0		
24. Unauthorized reinsurance	0		
25. Other ceded reinsurance payables/offsets	23,112,467		
26. Total ceded reinsurance payables/offsets	23,112,467		
27. Total net credit for ceded reinsurance	(229,095)		

SCHEDULE T - PART 2
INTERSTATE COMPACT - EXHIBIT OF PREMIUMS WRITTEN

Allocated by States and Territories

			Direct Business Only				6 Totals	
			1 Life (Group and Individual)	2 Annuities (Group and Individual)	3 Disability Income (Group and Individual)	4 Long-Term Care (Group and Individual)		5 Deposit-Type Contracts
States, Etc.								
1. Alabama	AL		0	0	0	0	0	0
2. Alaska	AK		0	0	0	0	0	0
3. Arizona	AZ		0	0	0	0	0	0
4. Arkansas	AR		0	0	0	0	0	0
5. California	CA		0	0	0	0	0	0
6. Colorado	CO		0	0	0	0	0	0
7. Connecticut	CT		0	0	0	0	0	0
8. Delaware	DE		0	0	0	0	0	0
9. District of Columbia	DC		0	0	0	2,568	0	2,568
10. Florida	FL		0	0	0	0	0	0
11. Georgia	GA		0	0	0	0	0	0
12. Hawaii	HI		0	0	0	0	0	0
13. Idaho	ID		0	0	0	0	0	0
14. Illinois	IL		0	0	0	0	0	0
15. Indiana	IN		0	0	0	0	0	0
16. Iowa	IA		0	0	0	0	0	0
17. Kansas	KS		0	0	0	0	0	0
18. Kentucky	KY		0	0	0	0	0	0
19. Louisiana	LA		0	0	0	0	0	0
20. Maine	ME		0	0	0	0	0	0
21. Maryland	MD		0	0	0	4,685	0	4,685
22. Massachusetts	MA		0	0	0	0	0	0
23. Michigan	MI		0	0	0	0	0	0
24. Minnesota	MN		0	0	0	0	0	0
25. Mississippi	MS		0	0	0	0	0	0
26. Missouri	MO		0	0	0	0	0	0
27. Montana	MT		0	0	0	0	0	0
28. Nebraska	NE		0	0	0	0	0	0
29. Nevada	NV		0	0	0	0	0	0
30. New Hampshire	NH		0	0	0	0	0	0
31. New Jersey	NJ		0	0	0	0	0	0
32. New Mexico	NM		0	0	0	0	0	0
33. New York	NY		0	0	0	0	0	0
34. North Carolina	NC		0	0	0	0	0	0
35. North Dakota	ND		0	0	0	0	0	0
36. Ohio	OH		0	0	0	0	0	0
37. Oklahoma	OK		0	0	0	0	0	0
38. Oregon	OR		0	0	0	0	0	0
39. Pennsylvania	PA		0	0	0	0	0	0
40. Rhode Island	RI		0	0	0	0	0	0
41. South Carolina	SC		0	0	0	0	0	0
42. South Dakota	SD		0	0	0	0	0	0
43. Tennessee	TN		0	0	0	0	0	0
44. Texas	TX		0	0	0	0	0	0
45. Utah	UT		0	0	0	0	0	0
46. Vermont	VT		0	0	0	0	0	0
47. Virginia	VA		0	0	0	5,146	0	5,146
48. Washington	WA		0	0	0	0	0	0
49. West Virginia	WV		0	0	0	0	0	0
50. Wisconsin	WI		0	0	0	0	0	0
51. Wyoming	WY		0	0	0	0	0	0
52. American Samoa	AS		0	0	0	0	0	0
53. Guam	GU		0	0	0	0	0	0
54. Puerto Rico	PR		0	0	0	0	0	0
55. U.S. Virgin Islands	VI		0	0	0	0	0	0
56. Northern Mariana Islands	MP		0	0	0	0	0	0
57. Canada	CN		0	0	0	0	0	0
58. Aggregate Other Alien	OT		0	0	0	0	0	0
59. Total			0	0	0	12,399	0	12,399

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
.0380	Carefirst Inc Group	.47021	52-2069215				CareFirst, Inc.	MD	JA			0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	.47058	52-1385894				CareFirst of Maryland, Inc.	MD	JA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	.53007	53-0078070				Group Hospitalization and Medical Services, Inc.	DC		CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		.00000	52-1635265				CFS Health Group, LLC	MD	NIA	CareFirst of Maryland, Inc.	Ownership	100.000	CareFirst, Inc.	
		.00000	20-1907367				Service Benefit Plan Administrative Services Corporation	DE	DS	Group Hospitalization and Medical Services, Inc.	Ownership	90.000	CareFirst, Inc.	
		.00000	27-4297513				CareFirst Holdings, LLC	MD	NIA	CareFirst, Inc.	Board of Directors	0.000	CareFirst, Inc.	
		.00000	52-1118153				National Capital Insurance Agency, LLC	DC	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	.60113	52-1962376				FirstCare, Inc.	MD	JA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		.00000	52-1724358				Capital Area Services Company, LLC	WV	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		.00000	52-1187907				Willse & Associates, LLC	MD	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		.00000	52-1330940				National Capital Administrative Services, LLC	DC	NIA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	.96202	52-1358219				CareFirst BlueChoice, Inc.	DC	JA	CareFirst Holdings, LLC	Ownership	100.000	CareFirst, Inc.	
		.00000	52-2362725				CapitalCare, Inc.	VA	NIA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	
.0380	Carefirst Inc Group	.13130	52-1840919				The Dental Network, Inc.	MD	JA	CareFirst BlueChoice, Inc.	Ownership	100.000	CareFirst, Inc.	

Asterisk	Explanation
N/A	

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
47021	52-2069215	CareFirst, Inc.	0	0	0	0	2,076,059	0		0	2,076,059	0
53007	53-0078070	Group Hospitalization & Medical Services, Inc.	0	(14,954,339)	0	0	(60,448,368)	15,942,917		0	(59,459,790)	2,995,330
47058	52-1385894	CareFirst of Maryland, Inc.	0	(14,954,339)	0	0	297,566,700	(14,144,108)		0	268,468,253	(8,869,586)
00000	27-4297513	CareFirst Holdings, LLC	0	29,908,678	0	0	0	0		0	29,908,678	0
60113	52-1962376	First Care, Inc.	0	0	0	0	(4,108,110)	(1,798,809)		0	(5,906,919)	5,874,256
00000	52-1187907	Willse & Associates, LLC	0	0	0	0	(12,778,170)	0		0	(12,778,170)	0
00000	52-1724358	Capital Area Services Co., LLC	0	0	0	0	6,221,313	0		0	6,221,313	0
96202	52-1358219	Carefirst BlueChoice, Inc.	3,835,092	0	0	0	(214,210,474)	0		0	(210,375,382)	(1,277,483)
00000	52-1330940	National Capital Administrative Services, Inc.	0	0	0	0	(9,405,270)	0		0	(9,405,270)	0
00000	52-1118153	National Capital Insurance Agency, LLC	0	0	0	0	(1,702,524)	0		0	(1,702,524)	0
13130	52-1840919	The Dental Network, Inc.	0	0	0	0	(3,211,156)	0		0	(3,211,156)	1,277,483
00000	52-2362725	CapitalCare, Inc.	(3,835,092)	0	0	0	0	0		0	(3,835,092)	0
9999999	Control Totals		0	0	0	0	0	0	XXX	0	0	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Responses
MARCH FILING	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	SEE EXPLANATION
2. Will an actuarial opinion be filed by March 1?	YES
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	YES
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	YES
APRIL FILING	
5. Will Management's Discussion and Analysis be filed by April 1?	YES
6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
JUNE FILING	
8. Will an audited financial report be filed by June 1?	YES
9. Will Accountant's Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
AUGUST FILING	
10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	YES

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

MARCH FILING	
11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	YES
12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	SEE EXPLANATION
15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	YES
18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO
19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1?	NO
20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
APRIL FILING	
21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	YES
22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO
24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1?	YES
25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	YES
AUGUST FILING	
26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	YES

Explanations:

1. An extension was granted by the state of domicile to file on 4/15/2012.
- 2.
- 3.
4. Not a stock company.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.

Bar Codes:

12. Life Supplement [Document Identifier 205]	
13. Property/Casualty Supplement [Document Identifier 207]	
15. Participating Opinion for Exhibit 5 [Document Identifier 371]	
16. Non-Guaranteed Opinion for Exhibit 5 [Document Identifier 370]	
18. Relief from the five-year rotation requirement for lead audit partner [Document Identifier 224]	
19. Relief from the one-year cooling off period for independent CPA [Document Identifier 225]	
20. Relief from the Requirements for Audit Committees [Document Identifier 226]	
22. Life Supplement [Document Identifier 211]	
23. Property/Casualty Supplement Insurance Expense Exhibit [Document Identifier 213]	



SUPPLEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.
MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For The Year Ended December 31, 2011
 (To Be Filed by March 1)

FOR THE STATE OF District of Columbia.....
 NAIC Group Code 0380..... NAIC Company Code 53007.....
 ADDRESS (City, State and Zip Code) Washington, DC 20065.....
 Person Completing This Exhibit David Markowitz.....
 Title Sr. Actuarial Assistant..... Telephone Number (410) 998-4662.....

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2008				Policies Issued in 2009; 2010; 2011			
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
NO	Blue Cross Blue Shield 65	P	NO	.000000	.01/01/1965		.11/06/1992	.07/31/1992	DC BCBS 65	526,365	445,195	84.6	188	.0	.0	0.0	0
NO	PR065-0790	P	NO	.000000	.07/01/1990		.11/06/1992	.07/31/1992	DC Protection 65	248,082	138,533	55.8	75	.0	.0	0.0	0
YES	Medigap Plan A DC (5/99)	A	NO	.000000	.12/11/1992		.10/25/2000	.05/31/2010	DC Supplement 65	101,299	64,894	64.1	18	25,017	12,435	49.7	5
YES	Medigap Plan C DC (5/99)	C	NO	.000000	.12/11/1992		.10/25/2000	.05/31/2010	DC Supplement 65	294,037	275,235	93.6	50	95,358	198,265	207.9	10
YES	Medigap Plan F DC (5/99)	F	NO	.000000	.12/11/1992		.10/25/2000	.05/31/2010	DC Supplement 65	777,298	339,603	43.7	162	45,183	70,026	155.0	10
YES	Medigap UW Plan C DC (1/01)	C	NO	.000000	.10/25/2000			.05/31/2010	DC Supplement 65 Underwritten	162,417	120,923	74.5	60	17,926	47,785	266.6	7
YES	Medigap UW Plan F DC (1/01)	F	NO	.000000	.10/25/2000			.05/31/2010	DC Supplement 65 Underwritten	1,369,092	933,614	68.2	563	304,491	222,552	73.1	142
YES	DC/CF/MG PLAN A (6/10)	A	NO	.0230560	.02/11/2010			.05/31/2010	DC Supplement 65 Underwritten	.0	.0	0.0	.0	2,392	1,086	45.4	1
YES	DC/CF/MG UW PLAN B (6/10)	B	NO	.0234000	.05/07/2010				DC Supplement 65 Underwritten	.0	.0	0.0	.0	6,801	2,871	42.2	4
YES	DC/CF/MG PLAN C (6/10)	C	NO	.0230560	.02/11/2010				DC Supplement 65 Underwritten	.0	.0	0.0	.0	54,887	126,215	230.0	16
YES	DC/CF/MG UW PLAN C (6/10)	C	NO	.0234060	.02/11/2010				DC Supplement 65 Underwritten	.0	.0	0.0	.0	15,965	21,407	134.1	8
YES	DC/CF/MG UW PLAN F (6/10)	F	NO	.0230500	.02/11/2010				DC Supplement 65 Underwritten	.0	.0	0.0	.0	55,898	29,757	53.2	21
YES	DC/CF/MG UW PLAN F (6/10)	F	NO	.0234000	.02/22/2010				DC Supplement 65 Underwritten	.0	.0	0.0	.0	154,450	158,010	102.3	112
YES	DC/CF/MG PLAN HI DED F (6/10)	F	NO	.0230500	.03/31/2010				DC Supplement 65 Underwritten	.0	.0	0.0	.0	8,665	1,770	20.4	8
YES	DC/CF/MG UW PLAN HI DED F (6/10)	F	NO	.0234000	.02/23/2010				DC Supplement 65 Underwritten	.0	.0	0.0	.0	18,205	4,607	25.3	29
YES	DC/CF/MG UW PLAN N (6/10)	N	NO	.0234000	.02/23/2010				DC Supplement 65 Underwritten	.0	.0	0.0	.0	4,547	1,652	36.3	3
0199999. Total Experience on Individual Policies										3,478,590	2,317,997	66.6	1,116	809,785	898,438	110.9	376

GENERAL INTERROGATORIES

- If response in Column 1 is no, give full and complete details
 PRODUCT PREDATES OBRA
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 2.1 Address: 10802 Red Run Blvd Owings Mills, MD 21117
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
 3.1 Address: 10802 Red Run Blvd Owings Mills, MD 21117
- Explain any policies identified above as policy type "O".

360.DC



SUPPLEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.
MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For The Year Ended December 31, 2011
 (To Be Filed by March 1)

FOR THE STATE OF Maryland.....
 NAIC Group Code 0380 NAIC Company Code 53007
 ADDRESS (City, State and Zip Code) Washington , DC 20065
 Person Completing This Exhibit David Markowitz
 Title Sr. Actuarial Assistant Telephone Number (410) 998-4662

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Characteristics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2008			Policies Issued in 2009; 2010; 2011				
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
NO	Blue Cross Blue Shield 65	P	NO	.0000000	.01/01/1965		.10/27/1993	.06/30/1992	MD BCBS 65	1,231,145	1,147,577	93.2	502	0	0	0.0	0
NO	PR065-0790	P	NO	.0000000	.08/24/1990		.10/27/1993	.06/30/1992	MD Protection 65	556,056	528,104	95.0	206	0	0	0.0	0
YES	Medigap Plan A (5/99) MD	A	NO	.0000000	.06/24/1992		.09/25/2000	.12/31/1999	MD Supplement 65	61,410	54,898	89.4	31	2,898	441	15.2	1
YES	Medigap Plan C (5/99) MD	C	NO	.0000000	.06/24/1992		.09/25/2000	.12/31/1999	MD Supplement 65	313,255	248,115	79.2	109	7,193	23,598	328.1	3
YES	Medigap Plan F (5/99) MD	F	NO	.0000000	.06/24/1992		.09/25/2000	.12/31/1999	MD Supplement 65	947,904	670,011	70.7	279	17,327	5,227	30.2	6
YES	MD/CF/MG PLAN A (6/10)	A	NO	.0230560	.03/26/2010				MD Supplement 65	0	0	0.0	0	122,454	202,402	165.3	95
YES	MD/CF/MG PLAN B (6/10)	B	NO	.0230500	.03/26/2010				MD Supplement 65	0	0	0.0	0	52,844	22,604	42.8	33
YES	MD/CF/MG PLAN C (6/10)	C	NO	.0230560	.03/26/2010				MD Supplement 65	0	0	0.0	0	559,393	1,065,115	190.4	170
YES	MD/CF/MG PLAN F (6/10)	F	NO	.0230500	.03/26/2010				MD Supplement 65	0	0	0.0	0	897,129	724,181	80.7	514
YES	MD/CF/MG PLAN HI DED F (6/10)	F	NO	.0230500	.03/26/2010				MD Supplement 65	0	0	0.0	0	99,607	26,368	26.5	192
YES	MD/CF/MG PLAN N (6/10)	N	NO	.0230500	.03/26/2010				MD Supplement 65	0	0	0.0	0	22,476	26,502	117.9	15
0199999. Total Experience on Individual Policies										3,109,770	2,648,705	85.2	1,127	1,781,321	2,096,438	117.7	1,029

GENERAL INTERROGATORIES

- If response in Column 1 is no, give full and complete details
 PRODUCT PREDATES OBRA
- Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 2.1 Address: 10802 Red Run Blvd Owings Mills , MD 21117
 2.2 Contact Person and Phone Number: Andrew Sullivan 443-471-5550
- Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
 3.1 Address: 10802 Red Run Blvd Owings Mills , MD 21117
 3.2 Contact Person and Phone Number: Andrew Sullivan 443-471-5550
- Explain any policies identified above as policy type "O".

360.MD



SUPPLEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.
MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT

For The Year Ended December 31, 2011
 (To Be Filed by March 1)

FOR THE STATE OF Virginia.....
 NAIC Group Code 0380 NAIC Company Code 53007
 ADDRESS (City, State and Zip Code) Washington , DC 20065
 Person Completing This Exhibit David Markowitz
 Title Sr. Actuarial Assistant Telephone Number (410) 998-4662

1 Compliance with OBRA	2 Policy Form Number	3 Standardized Medicare Supplement Benefit Plan	4 Medicare Select	5 Plan Character- istics	6 Date Approved	7 Date Approval Withdrawn	8 Date Last Amended	9 Date Closed	10 Policy Marketing Trade Name	Policies Issued Through 2008				Policies Issued in 2009; 2010; 2011			
										11 Premiums Earned	12 Incurred Claims		14 Number of Covered Lives	15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	
NO	Blue Cross Blue Shield 65	P	NO	.000000	.01/01/1965			.07/31/1992	VA BCBS 65	775,752	611,492	78.8	299	0	0.0	0	
NO	PR065-0790	P	NO	.000000	.07/01/1990			.07/31/1992	VA Protection 65	340,608	279,024	81.9	128	0	0.0	0	
YES	Medigap Plan A VA (5/99)	A	NO	.000000	.07/30/1992		.10/12/2000	.05/31/2010	VA Supplement 65	261,772	290,945	111.1	34	64,999	129,377	199.0	6
YES	Medigap Plan C VA (5/99)	C	NO	.000000	.07/30/1992		.10/12/2000	.05/31/2010	VA Supplement 65	612,217	420,315	68.7	72	193,471	278,186	143.8	12
YES	Medigap Plan F VA (5/99)	F	NO	.000000	.07/30/1992		.10/12/2000	.05/31/2010	VA Supplement 65	1,000,550	521,777	52.1	193	38,137	53,619	140.6	7
YES	Medigap UW Plan C VA (1/01)	C	NO	.000000	.12/29/2000			.05/31/2010	VA Supplement 65 Underwritten	238,240	298,977	125.5	89	30,957	21,676	70.0	13
YES	Medigap UW Plan F VA (1/01)	F	NO	.000000	.12/29/2000			.05/31/2010	VA Supplement 65 Underwritten	2,041,015	1,523,140	74.6	902	389,921	257,018	65.9	195
YES	VA/CF/MG PLAN A (6/10)	A	NO	.0230560	.05/21/2010				VA Supplement 65	0	0	0.0	0	53,494	55,971	104.6	11
YES	VA/CF/MG PLAN B (6/10)	B	NO	.0230500	.05/21/2010				VA Supplement 65 VA Supplement 65	0	0	0.0	0	11,475	18,233	158.9	6
YES	VA/CF/MG UW PLAN B (6/10)	B	NO	.0234000	.05/21/2010				Underwritten	0	0	0.0	0	6,847	24,416	356.6	10
YES	VA/CF/MG PLAN C (6/10)	C	NO	.0230560	.05/21/2010				VA Supplement 65	0	0	0.0	0	161,067	177,098	110.0	12
YES	VA/CF/MG UW PLAN C (6/10)	C	NO	.0234060	.05/21/2010				VA Supplement 65 Underwritten	0	0	0.0	0	18,930	24,237	128.0	10
YES	VA/CF/MG PLAN F (6/10)	F	NO	.0230500	.05/21/2010				VA Supplement 65	0	0	0.0	0	78,035	44,154	56.6	20
YES	VA/CF/MG UW PLAN F (6/10)	F	NO	.0234000	.05/21/2010				VA Supplement 65 Underwritten	0	0	0.0	0	284,316	187,873	66.1	225
YES	VA/CF/MG PLAN HI DED F (6/10)	F	NO	.0230500	.05/21/2010				VA Supplement 65	0	0	0.0	0	7,260	3,685	50.8	8
YES	VA/CF/MG UW PLAN HI DED F (6/10)	F	NO	.0234000	.05/21/2010				VA Supplement 65 Underwritten	0	0	0.0	0	14,239	68	0.5	26
YES	VA/CF/MG PLAN N (6/10)	N	NO	.0230500	.05/21/2010				VA Supplement 65	0	0	0.0	0	6,176	2,893	46.8	3
YES	VA/CF/MG UW PLAN N (6/10)	N	NO	.0234000	.05/21/2010				VA Supplement 65 Underwritten	0	0	0.0	0	5,838	1,053	18.0	5
0199999. Total Experience on Individual Policies										5,270,154	3,945,670	74.9	1,717	1,365,162	1,279,557	93.7	569

360.VA



SUPPLEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

GENERAL INTERROGATORIES

- 1. If response in Column 1 is no, give full and complete details
 PRODUCT PREDATES OBRA
- 2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395ss(c)(3)(E) for this state.
 2.1 Address: 10802 Red Run Blvd Owings Mills , MD 21117
 2.2 Contact Person and Phone Number: Andrew Sullivan 443-471-5550
- 3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).
 3.1 Address: 10802 Red Run Blvd Owings Mills , MD 21117
 3.2 Contact Person and Phone Number: Andrew Sullivan 443-471-5550
- 4. Explain any policies identified above as policy type "O".



SUPPLEMENT FOR THE YEAR 2011 OF THE Group Hospitalization & Medical Services, Inc.

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 0380

(To Be Filed by March 1)

NAIC Company Code 53007

	Individual Coverage		Group Coverage		5 Total Cash
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	
1. Premiums Collected					
1.1 Standard Coverage					
1.11 With Reinsurance Coverage	5,925,129	XXX	0	XXX	5,925,129
1.12 Without Reinsurance Coverage	0	XXX	0	XXX	0
1.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	0
1.2 Supplemental Benefits	360,850	XXX	0	XXX	360,850
2. Premiums Due and Uncollected-change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
2.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
2.2 Supplemental Benefits	0	XXX	0	XXX	XXX
3. Unearned Premium and Advance Premium-change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
3.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
3.2 Supplemental Benefits	0	XXX	0	XXX	XXX
4. Risk-Corridor Payment Adjustments-change					
4.1 Receivable	0	XXX	0	XXX	XXX
4.2 Payable	0	XXX	0	XXX	XXX
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage	5,925,129	XXX	0	XXX	XXX
5.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
5.13 Risk-Corridor Payment Adjustments	0	XXX	0	XXX	XXX
5.2 Supplemental Benefits	360,850	XXX	0	XXX	XXX
6. Total Premiums	6,285,979	XXX	0	XXX	6,285,979
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage	4,568,036	XXX	0	XXX	4,568,036
7.12 Without Reinsurance Coverage	0	XXX	0	XXX	0
7.2 Supplemental Benefits	533,965	XXX	0	XXX	533,965
8. Claim Reserves and Liabilities-change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage	31,002	XXX	0	XXX	XXX
8.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
8.2 Supplemental Benefits	10,039	XXX	0	XXX	XXX
9. Health Care Receivables-change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage	0	XXX	0	XXX	XXX
9.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
9.2 Supplemental Benefits	0	XXX	0	XXX	XXX
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage	4,599,038	XXX	0	XXX	XXX
10.12 Without Reinsurance Coverage	0	XXX	0	XXX	XXX
10.2 Supplemental Benefits	544,004	XXX	0	XXX	XXX
11. Total Claims	5,143,042	XXX	0	XXX	5,102,001
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - Net of Reimbursements Applied	XXX	0	XXX	0	0
12.2 Reimbursements Received but Not Applied-change	XXX	0	XXX	0	0
12.3 Reimbursements Receivable-change	XXX	0	XXX	0	XXX
12.4 Health Care Receivables-change	XXX	0	XXX	0	XXX
13. Aggregate Policy Reserves-change	0	0	0	0	XXX
14. Expenses Paid	1,493,321	XXX	0	XXX	1,493,321
15. Expenses Incurred	1,493,321	XXX	0	XXX	XXX
16. Underwriting Gain/Loss	(350,384)	XXX	0	XXX	XXX
17. Cash Flow Results	XXX	XXX	XXX	XXX	(309,343)

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