

**ANNUAL STATEMENT**

**OF THE**

**AMERICAN HEALTH, INC.**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

Puerto Rico

FOR THE YEAR ENDED  
DECEMBER 31, 2010

HEALTH

**2010**



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2010  
OF THE CONDITION AND AFFAIRS OF THE

## AMERICAN HEALTH, INC.

NAIC Group Code 0000 NAIC Company Code 11152 Employer's ID Number 66-0593034  
(Current) (Prior)

Organized under the Laws of Puerto Rico, State of Domicile or Port of Entry PR

Country of Domicile Puerto Rico

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [ X ]

Incorporated/Organized 12/06/2000 Commenced Business 05/01/2001

Statutory Home Office PO Box 11320, San Juan, PR 00922-1320  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office Metro Office Park, Microsoft Building  
(Street and Number)  
Guaynabo, PR 00969, 787-620-1919-4071  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address PO Box 11320, San Juan, PR 00922-1320  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records Metro Office Park, Microsoft Building  
(Street and Number)  
Guaynabo, PR 00969, 787-620-1919-4071  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.ahmpr.com

Statutory Statement Contact Yumac Ismael Velez, 787-620-1919-4071  
(Name) (Area Code) (Telephone Number)  
yuvelez@ahmpr.com, 787-620-0929  
(E-mail Address) (FAX Number)

### OFFICERS

Director and Officer Joseph Robert Driscoll Officer Earl Harper  
Officer Elaine Marie Schweitzer

### OTHER

### DIRECTORS OR TRUSTEES

Joseph Robert Driscoll Luis A. Clavell Ramon M Ruiz  
Socorro Rivas Jesus R Sanchez Vicente J Leon

State of Puerto Rico SS:  
County of Puerto Rico

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.

Joseph R. Driscoll  
Chief Executive Officer

Elaine M. Schweitzer  
Chief Financial Officer

Earl Harper  
Chief Operating Officer

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_

- a. Is this an original filing? ..... Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number.....  
2. Date filed .....03/30/2011  
3. Number of pages attached..... 999

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	41,168,552		41,168,552	22,916,188
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ encumbrances) .....			0	0
5. Cash (\$ .....12,620,604, Schedule E - Part 1), cash equivalents (\$ .....0, Schedule E - Part 2) and short-term investments (\$ ..... , Schedule DA) .....	12,620,604		12,620,604	14,936,822
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	600,000	0	600,000	616,668
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	54,389,156	0	54,389,156	38,469,678
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	359,402	82,831	276,571	31,626
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	6,726,719	58,757	6,667,962	8,769,764
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	547,328		547,328	130,534
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	1,401,289		1,401,289	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	474,727	0	474,727	0
19. Guaranty funds receivable or on deposit .....			0	0
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....	4,908	4,908	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....			0	0
24. Health care (\$ .....4,972,459 ) and other amounts receivable .....	5,734,576	430,161	5,304,415	3,491,418
25. Aggregate write-ins for other than invested assets .....	71,747	65,354	6,393	2,182
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	69,709,852	642,011	69,067,841	50,895,202
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	69,709,852	642,011	69,067,841	50,895,202
<b>DETAILS OF WRITE-INS</b>				
1101. Certificates of Deposit with Insurance Commissioner .....	600,000		600,000	616,668
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	600,000	0	600,000	616,668
2501. Prepaid Expense .....	57,333	57,333	0	2,182
2502. Plan to Plan receivable .....	14,414	8,021	6,393	
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	71,747	65,354	6,393	2,182

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....0 reinsurance ceded) .....	40,342,904		40,342,904	33,329,421
2. Accrued medical incentive pool and bonus amounts .....	3,072,557		3,072,557	3,361,521
3. Unpaid claims adjustment expenses.....	268,743		268,743	0
4. Aggregate health policy reserves.....	1,650,000		1,650,000	0
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance.....			0	0
9. General expenses due or accrued.....	503,108		503,108	775,102
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....	1,289,548		1,289,548	2,624,774
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....			0	0
12. Amounts withheld or retained for the account of others.....			0	2,128
13. Remittance and items not allocated.....			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current).....	0		0	0
15. Amounts due to parent, subsidiaries and affiliates.....	4,186,489		4,186,489	1,560,412
16. Derivatives.....			0	0
17. Payable for securities.....			0	0
18. Payable for securities lending.....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers and \$ .....0 unauthorized reinsurers).....			0	0
20. Reinsurance in unauthorized companies.....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans.....			0	0
23. Aggregate write-ins for other liabilities (including \$ ..... current).....	600,000	0	600,000	616,668
24. Total liabilities (Lines 1 to 23).....	51,913,349	0	51,913,349	42,270,026
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	18,750	18,750
27. Preferred capital stock.....	XXX	XXX		0
28. Gross paid in and contributed surplus.....	XXX	XXX	1,406,250	1,389,582
29. Surplus notes.....	XXX	XXX	480,000	480,000
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	15,249,492	6,736,844
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ).....	XXX	XXX		0
32.2 ..... shares preferred (value included in Line 27 \$ ..... ).....	XXX	XXX		0
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	17,154,492	8,625,176
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	69,067,841	50,895,202
<b>DETAILS OF WRITE-INS</b>				
2301. Statutory Reserve .....	600,000		600,000	616,668
2302. ....				
2303. ....				
2308. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2309. Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above)	600,000	0	600,000	616,668
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	417,008	295,613
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	380,733,273	265,845,303
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	0	0
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	0
5. Risk revenue .....	XXX	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	5,155	1,071
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	380,738,428	265,846,374
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		238,564,729	165,931,016
10. Other professional services .....		0	0
11. Outside referrals .....		0	0
12. Emergency room and out-of-area .....		0	0
13. Prescription drugs .....		73,329,715	46,283,987
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments, and bonus amounts .....		4,007,201	6,252,575
16. Subtotal (Lines 9 to 15) .....	0	315,901,645	218,467,578
<b>Less:</b>			
17. Net reinsurance recoveries .....		889,564	510,182
18. Total hospital and medical (Lines 16 minus 17) .....	0	315,012,081	217,957,396
19. Non-health claims (net) .....			0
20. Claims adjustment expenses, including \$ ..... 3,406,842 cost containment expenses .....		3,406,842	851,612
21. General administrative expenses .....		50,540,769	37,722,380
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	368,959,692	256,531,388
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	11,778,736	9,314,986
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		2,043,403	792,688
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(83,954)	0
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	1,959,449	792,688
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			0
29. Aggregate write-ins for other income or expenses .....	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	13,738,185	10,107,674
31. Federal and foreign income taxes incurred .....	XXX	4,846,045	4,266,505
32. Net income (loss) (Lines 30 minus 31) .....	XXX	8,892,140	5,841,169
<b>DETAILS OF WRITE-INS</b>			
0601. Other Income .....	XXX	5,155	1,071
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	5,155	1,071
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0	0

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

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	8,625,176	2,561,470
34. Net income or (loss) from Line 32.....	8,892,140	5,841,169
35. Change in valuation basis of aggregate policy and claim reserves.....		0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... (122,844) .....	(192,142)	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0
38. Change in net deferred income tax .....		0
39. Change in nonadmitted assets .....	(187,350)	225,579
40. Change in unauthorized reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	0	0
43. Cumulative effect of changes in accounting principles.....		0
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		0
45. Surplus adjustments:		
45.1 Paid in .....	16,668	(3,042)
45.2 Transferred to capital (Stock Dividend) .....		0
45.3 Transferred from capital .....		0
46. Dividends to stockholders .....		0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0
48. Net change in capital and surplus (Lines 34 to 47) .....	8,529,316	6,063,706
49. Capital and surplus end of reporting period (Line 33 plus 48)	17,154,492	8,625,176
<b>DETAILS OF WRITE-INS</b>		
4701. ....		
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

## ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	384,517,869	279,049,717
2. Net investment income .....	1,612,972	561,576
3. Miscellaneous income .....	5,155	1,071
4. Total (Lines 1 through 3) .....	386,135,996	279,612,364
5. Benefit and loss related payments .....	308,704,356	213,939,753
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	2,183,888	2,185,592
7. Commissions, expenses paid and aggregate write-ins for deductions .....	55,040,004	38,045,248
8. Dividends paid to policyholders .....	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	6,655,998	2,282,182
10. Total (Lines 5 through 9) .....	372,584,246	256,452,775
11. Net cash from operations (Line 4 minus Line 10) .....	13,551,750	23,159,589
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	5,724,739	0
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	16,668	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	5,741,407	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	24,259,256	18,000,000
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	24,259,256	18,000,000
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(18,517,849)	(18,000,000)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	16,668	(3,042)
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	2,633,213	0
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	2,649,881	(3,042)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(2,316,218)	5,156,547
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	14,936,822	9,780,275
19.2 End of year (Line 18 plus Line 19.1) .....	12,620,604	14,936,822

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

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	380,733,273						380,733,273			
2. Change in unearned premium reserves and reserve for rate credit	0									
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	5,155	0	0	0	0	0	5,155	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	380,738,428	0	0	0	0	0	380,738,428	0	0	0
8. Hospital/medical benefits	238,564,729	(200,000)					238,764,729			XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	73,329,715	0					73,329,715			XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	4,007,201						4,007,201			XXX
15. Subtotal (Lines 8 to 14)	315,901,645	(200,000)	0	0	0	0	316,101,645	0	0	XXX
16. Net reinsurance recoveries	889,564						889,564			XXX
17. Total medical and hospital (Lines 15 minus 16)	315,012,081	(200,000)	0	0	0	0	315,212,081	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 3,406,842 cost containment expenses	3,406,842						3,406,842			
20. General administrative expenses	50,540,769	972,401					49,568,368			
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	368,959,692	772,401	0	0	0	0	368,187,291	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	11,778,736	(772,401)	0	0	0	0	12,551,137	0	0	0
DETAILS OF WRITE-INS										
0501. Other Income	5,155						5,155			XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	5,155	0	0	0	0	0	5,155	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	0			0
2. Medicare Supplement .....				0
3. Dental only .....				0
4. Vision only .....				0
5. Federal Employees Health Benefits Plan .....	0			0
6. Title XVIII - Medicare .....	380,733,273			380,733,273
7. Title XIX - Medicaid .....	0			0
8. Other health .....				0
9. Health subtotal (Lines 1 through 8) .....	380,733,273	0	0	380,733,273
10. Life .....	0			0
11. Property/casualty .....	0			0
12. Totals (Lines 9 to 11)	380,733,273	0	0	380,733,273

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	304,880,961	220,638					304,660,323			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	304,880,961	220,638	0	0	0	0	304,660,323	0	0	0
2. Paid medical incentive pools and bonuses	4,296,165						4,296,165			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	40,342,904	51,584	0	0	0	0	40,291,320	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	40,342,904	51,584	0	0	0	0	40,291,320	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	3,072,557						3,072,557			
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	33,329,421	272,222	0	0	0	0	33,057,199	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	33,329,421	272,222	0	0	0	0	33,057,199	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	3,361,521	0	0	0	0	0	3,361,521	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	0	0	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	311,894,444	0	0	0	0	0	311,894,444	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	311,894,444	0	0	0	0	0	311,894,444	0	0	0
13. Incurred medical incentive pools and bonuses	4,007,201	0	0	0	0	0	4,007,201	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	8,275,874					0	8,275,874			
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	0									
1.4 Net .....	8,275,874	0	0	0	0	0	8,275,874	0	0	0
2. Incurred but Unreported:										
2.1 Direct .....	31,987,844	51,584					31,936,260			
2.2 Reinsurance assumed .....	0									
2.3 Reinsurance ceded .....	0									
2.4 Net .....	31,987,844	51,584	0	0	0	0	31,936,260	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	79,186						79,186			
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	79,186	0	0	0	0	0	79,186	0	0	0
4. TOTALS:										
4.1 Direct .....	40,342,904	51,584	0	0	0	0	40,291,320	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	40,342,904	51,584	0	0	0	0	40,291,320	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	220,638		51,584		272,222	272,222
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....	25,017,137	278,753,622	266,426	40,024,893	25,283,563	33,057,198
7. Title XIX - Medicaid .....					0	0
8. Other health .....					0	0
9. Health subtotal (Lines 1 to 8) .....	25,237,775	278,753,622	318,010	40,024,893	25,555,785	33,329,420
10. Healthcare receivables (a) .....					0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	2,244,902	2,051,263	24,827	3,047,730	2,269,729	3,361,521
13. Totals (Lines 9 - 10 + 11 + 12)	27,482,677	280,804,885	342,837	43,072,623	27,825,514	36,690,941

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

**Section A - Paid Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior .....	4,428	0	0	0	
2.	2006 .....	1,710	1,721	0	0	
3.	2007 .....	XXX	6,325	79	59	221
4.	2008 .....	XXX	XXX	1,957	0	
5.	2009 .....	XXX	XXX	XXX	0	
6.	2010 .....	XXX	XXX	XXX	XXX	

**Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior .....	0	0	0	0	
2.	2006 .....					
3.	2007 .....	XXX				
4.	2008 .....	XXX	XXX			
5.	2009 .....	XXX	XXX	XXX		
6.	2010 .....	XXX	XXX	XXX	XXX	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)**

Years in which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payment	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	(Col. 9/1) Percent
1.	2006 .....				0.0	0	0.0			0	0.0
2.	2007 .....				0.0	0	0.0			0	0.0
3.	2008 .....				0.0	0	0.0			0	0.0
4.	2009 .....				0.0	0	0.0			0	0.0
5.	2010 .....				0.0	0	0.0			0	0.0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(000 Omitted)

**Section A - Paid Health Claims - Title XVIII**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior	0	0	0	0	
2.	2006	0	0	0	0	
3.	2007	XXX	0	8,365	0	
4.	2008	XXX	XXX	156,648	21,453	25,017
5.	2009	XXX	XXX	XXX	186,853	276,950
6.	2010	XXX	XXX	XXX	XXX	

**Section B - Incurred Health Claims - Title XVIII**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2006	2 2007	3 2008	4 2009	5 2010
1.	Prior	0	0	0	0	
2.	2006	0	0	0	0	
3.	2007	XXX	0	0	0	
4.	2008	XXX	XXX	0	21,453	25,017
5.	2009	XXX	XXX	XXX	197,681	276,950
6.	2010	XXX	XXX	XXX	XXX	

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006	0			0.0	0	0.0	0		0	0.0
2. 2007	0			0.0	0	0.0	0		0	0.0
3. 2008	0	0		0.0	0	0.0	0		0	0.0
4. 2009	0	25,017		0.0	25,017	0.0	300		25,317	0.0
5. 2010		276,950		0.0	276,950	0.0	43,116	268	320,334	0.0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

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

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	4,428	0	0	0	0
2. 2006	1,710	1,721	0	0	0
3. 2007	XXX	6,325	8,444	59	221
4. 2008	XXX	XXX	158,605	21,453	25,017
5. 2009	XXX	XXX	XXX	186,853	276,950
6. 2010	XXX	XXX	XXX	XXX	0

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

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2006	2 2007	3 2008	4 2009	5 2010
1. Prior	0	0	0	0	0
2. 2006	0	0	0	0	0
3. 2007	XXX	0	0	0	0
4. 2008	XXX	XXX	0	21,453	25,017
5. 2009	XXX	XXX	XXX	197,681	276,950
6. 2010	XXX	XXX	XXX	XXX	0

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2006	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2007	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2008	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2009	0	25,017	0	0.0	25,017	0.0	300	0	25,317	0.0
5. 2010	0	276,950	0	0.0	276,950	0.0	43,116	268	320,334	0.0

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**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	0								
2. Additional policy reserves (a) .....	1,650,000						1,650,000		
3. Reserve for future contingent benefits .....	0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....	0								
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	1,650,000	0	0	0	0	0	1,650,000	0	0
7. Reinsurance ceded .....	0								
8. Totals (Net)(Page 3, Line 4) .....	1,650,000	0	0	0	0	0	1,650,000	0	0
9. Present value of amounts not yet due on claims .....	0								
10. Reserve for future contingent benefits .....	0								
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0								
14. Totals (Net)(Page 3, Line 7) .....	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ ..... premium deficiency reserve.

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

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ ..... for occupancy of own building) .....			1,711,581		1,711,581
2. Salary, wages and other benefits .....			27,206,373		27,206,373
3. Commissions (less \$ ..... ceded plus \$ ..... assumed)			1,000,937		1,000,937
4. Legal fees and expenses .....			899,204		899,204
5. Certifications and accreditation fees .....					0
6. Auditing, actuarial and other consulting services .....			4,302,342		4,302,342
7. Traveling expenses .....					0
8. Marketing and advertising .....			4,719,133		4,719,133
9. Postage, express and telephone .....			1,257,170		1,257,170
10. Printing and office supplies .....			1,831,026		1,831,026
11. Occupancy, depreciation and amortization .....			3,417,555		3,417,555
12. Equipment .....					0
13. Cost or depreciation of EDP equipment and software .....					0
14. Outsourced services including EDP, claims, and other services .....	3,406,842				3,406,842
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....			683,810		683,810
17. Collection and bank service charges .....			308,473		308,473
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....					0
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....				0	0
23.2 State premium taxes .....					0
23.3 Regulatory authority licenses and fees .....					0
23.4 Payroll taxes .....					0
23.5 Other (excluding federal income and real estate taxes) .....					0
24. Investment expenses not included elsewhere .....				0	0
25. Aggregate write-ins for expenses .....	0	0	3,203,165	0	3,203,165
26. Total expenses incurred (Lines 1 to 25) .....	3,406,842	0	50,540,769	0	(a) 53,947,611
27. Less expenses unpaid December 31, current year .....	0	268,743	503,108		771,851
28. Add expenses unpaid December 31, prior year .....	0	0	775,102	0	775,102
29. Amounts receivable relating to uninsured plans, prior year .....	0	0	0	0	0
30. Amounts receivable relating to uninsured plans, current year .....					0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	3,406,842	(268,743)	50,812,763	0	53,950,862
<b>DETAILS OF WRITE-INS</b>					
2501. Other expense .....			3,203,165		3,203,165
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	3,203,165	0	3,203,165

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 1,294,689	1,606,699
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a)	
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract Loans		
6. Cash, cash equivalents and short-term investments	(e) 400,162	436,704
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	1,694,851	2,043,403
11. Investment expenses		(g) 0
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		0
17. Net investment income (Line 10 minus Line 16)		2,043,403
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 144,990 accrual of discount less \$ 28,203 amortization of premium and less \$ 245,825 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	0	0
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(83,954)	0	(83,954)	(314,986)	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans	0	0	0	0	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	0	0	0	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	(83,954)	0	(83,954)	(314,986)	0
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....		0	0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....		0	0
2.2 Common stocks .....		0	0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....		0	0
3.2 Other than first liens .....		0	0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....		0	0
4.2 Properties held for the production of income .....		0	0
4.3 Properties held for sale .....		0	0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....		0	0
6. Contract loans .....		0	0
7. Derivatives .....		0	0
8. Other invested assets (Schedule BA) .....		0	0
9. Receivables for securities .....		0	0
10. Securities lending reinvested collateral assets .....		0	0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....		0	0
14. Investment income due and accrued .....	82,831	14,132	(68,699)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	58,757	91,551	32,794
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....		0	0
15.3 Accrued retrospective premiums .....		0	0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....		0	0
16.2 Funds held by or deposited with reinsured companies .....		0	0
16.3 Other amounts receivable under reinsurance contracts .....		0	0
17. Amounts receivable relating to uninsured plans .....		0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....		0	0
18.2 Net deferred tax asset .....	0	0	0
19. Guaranty funds receivable or on deposit .....		40,153	40,153
20. Electronic data processing equipment and software .....		311	311
21. Furniture and equipment, including health care delivery assets .....	4,908	13,861	8,953
22. Net adjustment in assets and liabilities due to foreign exchange rates .....		0	0
23. Receivable from parent, subsidiaries and affiliates .....		0	0
24. Health care and other amounts receivable .....	430,161	233,950	(196,211)
25. Aggregate write-ins for other than invested assets .....	65,354	60,703	(4,651)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	642,011	454,661	(187,350)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		0	0
28. Total (Lines 26 and 27) .....	642,011	454,661	(187,350)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. PREPAID EXPENSE .....	57,333	49,833	(7,500)
2502. PLAN TO PLAN RECEIVABLE .....	8,021	9,554	1,533
2503. DEFERRED LICENSING COST .....		1,316	1,316
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	65,354	60,703	(4,651)

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

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	28,866	33,333	34,727	35,452	37,987	417,008
2. Provider Service Organizations .....	0					
3. Preferred Provider Organizations .....	0					
4. Point of Service .....	0					
5. Indemnity Only .....	0					
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	28,866	33,333	34,727	35,452	37,987	417,008
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

**EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals.....				0	0	
Group Subscribers:						
0299998. Premiums due and unpaid not individually listed						
0299999. Total group	0	0	0	0	0	0
0399999. Premiums due and unpaid from Medicare entities	685,668	307,945	226,846	5,506,259	58,757	6,667,961
0499999. Premiums due and unpaid from Medicaid entities						
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0599999 Accident and health premiums due and unpaid (Page 2, Line 15)	685,668	307,945	226,846	5,506,259	58,757	6,667,961



**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
0399999. Aggregate accounts not individually listed-covered	2,810,867	3,748,787	843,953	380,153	492,114	8,275,874
0499999. Subtotals	2,810,867	3,748,787	843,953	380,153	492,114	8,275,874
0599999. Unreported claims and other claim reserves						32,067,030
0699999. Total amounts withheld						
0799999. Total claims unpaid						40,342,904
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0899999 Accrued medical incentive pool and bonus amounts						3,072,557

**EXHIBIT 5 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES**

1 Name of Affiliate	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	Admitted	
						7 Current	8 Non-Current
<b>NONE</b>							
0399999 Total gross amounts receivable							

**EXHIBIT 6 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES**

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
SOCIOS MAYORES EN SALUD, INC.	DUE ON MANAGEMENT FEES	4,186,489	4,186,489	
0199999. Individually listed payables		4,186,489	4,186,489	0
0299999. Payables not individually listed		0		
0399999 Total gross payables		4,186,489	4,186,489	0

**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
<b>Capitation Payments:</b>						
1. Medical groups .....	766,882	0.3	25,808	67.9	766,882	
2. Intermediaries .....	0	0.0		0.0		
3. All other providers .....	12,589,062	4.1	644,735	1,697.3	12,589,062	
4. Total capitation payments .....	13,355,944	4.4	670,543	1,765.2	13,355,944	0
<b>Other Payments:</b>						
5. Fee-for-service .....	290,816,078	95.5	XXX	XXX	290,816,078	
6. Contractual fee payments .....	0	0.0	XXX	XXX		
7. Bonus/withhold arrangements - fee-for-service .....	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments .....	0	0.0	XXX	XXX		
9. Non-contingent salaries .....	0	0.0	XXX	XXX		
10. Aggregate cost arrangements .....	0	0.0	XXX	XXX		
11. All other payments .....	220,638	0.1	XXX	XXX	220,638	
12. Total other payments .....	291,036,716	95.6	XXX	XXX	291,036,716	0
13. TOTAL (Line 4 plus Line 12)	304,392,660	100%	XXX	XXX	304,392,660	0

**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
<b>NONE</b>					
9999999 Totals			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 .....						
2. Medical furniture, equipment and fixtures .....						
3. Pharmaceuticals and surgical supplies .....						
4. Durable medical equipment .....						
5. Other property and equipment	5,890		982	4,908	4,908	
6. Total	5,890	0	982	4,908	4,908	0

**NOTES TO FINANCIAL STATEMENTS**

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**1. Organization****Nature of the Business**

American Health, Inc. (the Company), is a wholly owned subsidiary of Socios Mayores en Salud, Inc. (the Parent Company).

The Company is subject to the regulations of the Commissioner of Insurance of the Commonwealth of Puerto Rico (the Commissioner of Insurance). The Company provides Medicare Advantage Plan (“The Plan”) coverage to residents of Puerto Rico who are eligible for Medicare benefits. The Plan offered by the Company provides plan members with full Medicare benefits plus coverage of Medicare deductibles and co-payment amounts and additional benefits that Medicare does not provide. The Company operates as an HMO whereby members will be covered for care provided by physicians, hospitals and other healthcare providers

The Company offers the Plan pursuant to a contract with the United States Centers for Medicare and Medicaid Services (“CMS”), a federal agency within the U.S. Department of Health and Human Services. Under the terms of this contract, CMS pays the Company a fixed amount for each healthcare member of the Company’s coordinated care plan and the Company provides the member with coverage for the healthcare services provided. The contract expired on December 31, 2010, and can be renewed annually for a period of one year, as defined in the contract agreement. The contract was renewed effective January 1, 2011 for a period of one year.

In addition the Company provides Medicare Platino (“Platino Plan”) to eligible members pursuant to a contract agreement between the Puerto Rico Health Insurance Administration (“ASES”) and the Company. The Platino Plan offered by the Company provides members with full Medicare benefits plus coverage of Medicare similar to those provided by the Government Health Insurance Plan (“GHIP”). The Company provides such services through a premium paid by the Commonwealth of Puerto Rico to cover the benefits required by the GHIP, which extend beyond those offered by the Medicare coverage. The contract expired on December 31, 2010 and can be renewed for a period of one year, as defined in the contract agreement. The contract was renewed effective January 1, 2011 for a period of one year.

**2. Significant accounting policies and practices**

The following are significant statutory accounting practices followed by the Company

***Basis of Presentation***

The accompanying statutory financial statements of the Company have been prepared in accordance with accounting practices prescribed or permitted by the Commissioner of Insurance, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The Company adopted the National Association of Insurance Commissioners' Statutory Accounting Practices (NAIC SAP) as the basis of its statutory accounting practices, as long as they do not contradict the provisions of the Puerto Rico Insurance Code or the Circular Letters issued by the Commissioner of Insurance

The Commissioner of Insurance has the right to permit other specific practices that may deviate from prescribed practices. Prescribed statutory accounting practices include a variety of publications of the National Association of Insurance Commissioners (NAIC) including its codification initiative contained in its accounting practices and procedures manual, as well as state laws, regulations, and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed. The Commissioner of Insurance has adopted certain prescribed accounting practices that differ from those found in NAIC SAP; however, differences adopted by the Commissioner of Insurance do not have a significant effect on the net income and statutory capital and surplus of the Company.

**Non-admitted Assets**

Certain assets designated as “non-admitted assets” have been excluded from the admitted assets by a charge to surplus.

The non-admitted assets charged to surplus during 2010 and 2009 are as follows:

	<u>2010</u>	<u>2009</u>
Uncollected premiumns and other receivables	\$ 58,757	\$ 105,683
Other receivables	578,347	243,504
Net deferred tax asset	474,727	-
Deposits and other assets	-	91,301
Furniture and equipment	4,908	14,172
Total non-admitted assets	<u>\$ 1,116,739</u>	<u>\$ 454,660</u>

Depreciation expense on the related furniture and equipment designated as non-admitted assets amounted to approximately \$7,531 and \$10,357 for the years ended December 31, 2010 and 2009, respectively. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

#### ***Short-Term Investments***

Short-term investments amounting to approximately \$5,416,855 and \$13,060,267 at December 31, 2010 and 2009 respectively consist principally of overnight investments deposits and certificates of deposits with an initial term of less than one year. Short-term investments which have maturities of less than one year are stated at cost.

#### ***Investments***

Debt and equity securities are valued in accordance with rules promulgated by the NAIC. Debt securities that are designated highest-quality and high-quality (NAIC designation 1 and 2) are reported at amortized cost, with all other debt securities reported at the lower of amortized cost or fair market value. Debt securities eligible for amortization under such rules are stated net of unamortized premiums or discounts. As of December 31, 2010 and 2009 total debt securities reported at fair value on the Statements of Admitted Assets, Liabilities, and Capital and Surplus amount to \$41,168,552 and \$22,916,188 respectively (classified as level 1 of the fair value hierarchy under ASC 820 *Fair Value Measurements*) with unrealized loss of \$192,142 at December 31, 2010. There were no unrealized loss during the year ended December 31, 2009.

Realized gains or losses on the sale of investments are included in operations and are derived using the specific-identification method for determining the cost of securities sold. Interest and dividend income is recognized when earned. Premiums and discounts are amortized or accreted over the life of the investment as an adjustment to yield using the effective-interest method.

A decline in the fair value of any security below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. The impairment is charged to earnings and a new net cost basis for the security is established. To determine whether the impairment is other than temporary, the Company considers whether evidence indicating that the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered assessment includes the reasons for the impairment, the severity and duration of the impairment, changes in the value subsequent to year-end and forecasted performance of the investee.

#### ***Revenue Recognition***

Premiums for the Medicare Advantage (MA) business are based on a bid contract with the Centers for Medicare and Medicaid Services (CMS) and billed in advance of the coverage period. Related revenue is recorded as earned during the coverage period. MA contracts provide for a risk factor to adjust premiums paid for members that represent a higher or lower risk to the Company. Retroactive rate adjustments are made periodically based on the aggregate health status and risk scores of the Company's MA membership. These risk adjustments are evaluated quarterly based on actuarial estimates. Actual results could differ from these estimates. As additional information becomes available, the recorded estimate is revised and reflected in operating results.

#### ***Claim Liabilities***

Claim liabilities represent the estimated amounts to be paid to providers based on experience and accumulated statistical data and certain actuarial reports. The liability for claims liabilities includes claims in process and an estimate for incurred but not yet reported claims. Claim processing expenses were not considered significant and are not included in claims payable.

The claim liabilities are necessarily based on estimates and, while management believes that the amounts are adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any

adjustments are reflected in the statements of earnings in the period determined.

### ***Fair Value***

The fair value information of financial instruments in the accompanying consolidated financial statements was determined as follows:

#### **a. Cash and Short-Term Investments**

The carrying amount approximates estimated fair value because of the short-term nature of those instruments.

#### **b. Investments in Securities**

The estimated fair value of investment in securities is based on quoted market prices for those or similar investments.

#### **c. Receivables, Accounts Payable and Accrued Liabilities**

The carrying amount of receivables, accounts payable and accrued liabilities approximates fair value because they mature and should be collected or paid within 12 months after December 31.

### ***Fair Value Measurements***

The Company follows the guidance in the provisions of ASC B20 *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the statutory financial statements on a recurring basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

### ***Income Taxes***

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in surplus in the period that includes the enactment date. Gross deferred income tax assets are admitted assets in accordance with the provisions of NAIC SSAP No. 10R, Income Taxes. Deferred tax assets are limited to the sum of those deferred tax assets expected to be realized within three years plus the amount of gross deferred tax assets that can be offset against existing gross deferred tax liabilities.

### ***Use of Estimates***

Management of the Company has made a number of estimates and assumptions relating to the reporting of assets and liabilities, revenue and expenses, and the disclosure of contingent assets and liabilities to prepare these statutory financial statements in conformity with the accounting practices prescribed or permitted by the Commissioner of Insurance. Actual results could differ from those estimates. The most significant items on the statutory statement of admitted assets, liabilities, and capital and surplus that involve a greater degree of accounting estimates and actuarial determinations subject to change in the future are the other-than-temporary impairments and claims liabilities. As additional information becomes available (or actual amounts are determinable), the recorded estimates are revised and reflected in operating results. Although some variability is inherent in these estimates in the near future, the Company believes the amounts provided are adequate.

### ***Commitment and Contingencies***

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Recoveries of costs from third parties, which are probable of realization, are separately recorded as assets, and are not offset against the related liability.

## **3. Investments in Securities**

The amortized cost for debt and equity securities, gross unrealized gains, gross unrealized losses, and estimated fair value available-for-sale securities by major security type and class of security at December 31, 2010 and 2009 were as follows:

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
2010

	<u>Amortized Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Fair Value</u>
Securities available for sale				
Fixed maturities				
U.S. Government debt securities	\$ 38,496,338	\$ 34,626	\$ 283,568	\$ 38,247,396
Equity securities				
Mutual funds	2,987,201	-	66,045	2,921,156
Total	<u>\$ 41,483,539</u>	<u>\$ 34,626</u>	<u>\$ 349,613</u>	<u>\$ 41,168,552</u>

2009

Securities available for sale				
Fixed maturities				
U.S. Government debt securities	<u>\$ 22,616,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,616,188</u>

At December 31, 2009 the unrealized gains or losses on investment securities were not considered significant and therefore are not presented in the accompanying statutory financial statements.

The Company regularly monitors and evaluates the difference between the cost and estimated fair value of investments. For investments with a fair value below cost, the process includes evaluating the length of time and the extent to which cost exceeds fair value, the prospects and financial condition of the issuer, and the Company's intent and ability to retain the investment to allow for recovery in fair value, among other factors. This process is not exact and further requires consideration of risks such as credit and interest rate risks. Consequently an investment's cost exceeds its fair value solely due to changes in interest rates, impairment may not be appropriate. If after monitoring and analyzing, the Company determines that a decline in the estimated fair value is other than temporary, the carrying amount of the investment is reduced to its fair value. The impairment is charged to operations and a new cost basis of the investment is established. No other than temporary impairments were recognized during the years ended December 31, 2010 and 2009.

The unrealized losses on investments in fixed Maturities securities were caused mainly by fluctuations in interest rates during 2010. Because the Company has the ability and intent to hold these securities until maturity and the Company expects to collect all contractual cash flows, these investments are not considered other than temporarily impaired.

The unrealized loss on the Company's investments in mutual funds is due to general economic condition. However, given the quality of the securities within the funds, the market value is expected to improve in line with an increase in demand for the funds. Since Company does not have the intent to sell the investment, and the Company has the ability to hold the investments until a market price recovery, these investments are not considered other-than-temporarily impaired

Maturities of investment securities classified as available for sale were as follows at December 31, 2010:

	<u>Amortized Cost</u>	<u>Estimated Fair Value</u>
Due in after 4 years through 10 years	<u>\$ 41,483,539</u>	<u>\$ 41,168,552</u>

Expected maturities may differ from contractual maturities because some issuers have the right to call or prepay obligations with or without call or prepayment penalties.

#### 4. Net Investment Income

Component of net investment income were as follows:

	<b>Years ended</b>	
	<b>December 31,</b>	
	<b>2010</b>	<b>2009</b>
Debt securities		
Government bonds	\$ 1,505,071	\$ 335,988
Equity securities		
Mutual funds	101,628	-
Cash and short term investments	436,704	329,200
Other	-	-
Total	<u>\$ 2,043,403</u>	<u>\$ 665,188</u>

## 5. Transactions with Related Parties

The Company accounts transactions with related parties in accordance with SSAP No. 96, Settlement Requirements for Intercompany Transactions, An amendment to SSAP No. 25 Accounting for and Disclosures about Transactions with Affiliates and Other Related Parties. In accordance with the provisions of SSAP No. 96, transactions between related parties must be in the form of a written agreement and the agreement must provide for a timely settlement of amounts owed with a specific due date. Amounts owed that are more than 90 days from the due date are non-admitted. If the agreement does not contain a due date, the uncollected receivable amounts are non-admitted. No intercompany receivables were recorded as non-admitted assets as of December 31, 2010 and 2009.

The Company is part of a group of companies affiliated through common ownership and management and has significant transactions with companies in the affiliated group at terms and conditions established by management of the affiliated group.

Effective January 1, 2008, the Company entered into a Management Agreement with the Parent Company in which the Parent Company will provide management services for a period of 10 years to the Company. The services to be provided under the terms of this Agreement include claims processing and payments, participating provider services, management information system, member services, quality management services and marketing services, among others, as defined in the Agreement. In compensation for these services the Company will pay the Parent Company a monthly fee as defined in the Agreement. During the years ended December 31, 2010 and 2009, the management fee charged by the Parent Company to the Company for the above services amounted to approximately \$49,568,000 and \$37,288,000, respectively, which are included operating expenses in accompanying statutory statements of revenues and expenses.

## 6. Fair Value Measurements

Included in various investment related disclosures in the statutory financial statements are certain financial instruments disclosed at fair value. Other financial instruments are periodically measured at fair value, such when impaired.

The Company uses observable inputs when available. Fair value is based upon quoted market prices when available. If market prices are not available, the Company employs internally-developed models that primarily use market-based inputs including yield curves, interest rates, volatilities, and credit curves, among others. The Company limits valuation adjustments to those deemed necessary to ensure that the security or derivative's fair value adequately represents the price that would be received or paid in the marketplace. Valuation adjustments may include consideration of counterparty credit quality and liquidity as well as other criteria. The estimated fair value amounts are subjective in nature and may involve uncertainties and matters of significant judgment for certain financial instruments. Changes in the underlying assumptions used in estimating fair value could affect the results. The fair value measurement levels are not indicative of risk of investment.

The Company's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by ASC 820, *Fair Value Measurements*. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2010 and 2009 for assets measured at fair value on a recurring basis:

	2010		
	Level 1	Level 2	Level 3
Investment in securities			
Government debt securities	\$ 38,247,396	\$ -	\$ -
Mutual fund	2,921,156	-	-
Total	<u>\$41,168,552</u>	<u>\$ -</u>	<u>\$ -</u>
	2009		
Investment in securities			
Government debt securities	<u>\$22,916,188</u>	<u>\$ -</u>	<u>\$ -</u>

## 7. Claim Liabilities

The activity in claim liabilities during the years ended December 31, 2010 and 2009 were as follow (in thousands):

	2010	2009
Claim liabilities at beginning of year	\$ 36,691	\$ 31,086
Claims incurred	318,390	218,809
Total	<u>355,081</u>	<u>249,895</u>
Payment of losses:		
Current period insured events	287,315	190,714
Prior period insured events	22,432	22,490
Total	<u>309,747</u>	<u>213,204</u>
Net claim liabilities at end of year	<u>\$ 45,334</u>	<u>\$ 36,691</u>

## 8. Capital and Surplus

Common stock included as a component of capital and surplus consists of class B common stock with a par value of \$10 per share; 2,000 shares authorized of which 1,875 shares are issued and outstanding at December 31, 2010 and 2009.

In addition the Company is authorized to issue 500 shares of class A common stock with no par value. At December 31, 2010 and 2009 none of these shares are issued and outstanding

The surplus note consists of an unsecured loan advance from the Parent Company bearing interest at 3%. Proceeds were used to create a voluntary reserve to guarantee payments to providers under the Medicaid and Medicare Advantage plan. The Parent Company agreed, and the Company obtained approval from the Commissioner, to convert such loan into a surplus note as defined by the Insurance Code. Under the Insurance Code surplus notes and related accrued interest cannot be paid without prior approval by the Commissioner of Insurance.

The accumulated earnings of the Company are restricted as to the payment of dividends by statutory limitations applicable to domestic insurance companies. Such limitations restrict the payment of dividends by insurance companies generally to unrestricted unassigned surplus reported for statutory purposes.

## 9. Income Taxes

The Company is subject to the payment of Puerto Rico income tax at statutory rates ranging from 20% to

39%.

On July 10, 2009 the Governor of Puerto Rico signed into law Puerto Rico's Act No. 37, which requires certain corporations to pay a 5% additional special tax over the tax obligation through December 31, 2011. The effective tax rate includes the additional special tax, as enacted.

During 2009 the Company purchased a tax credit amounting to \$1,000,000 which was used to reduce the 2009 income tax liability. The Company realized approximately \$128,000 in benefits on the purchase of this credit, which was charged to income in the accompanying statutory statements of revenues and expenses for the year ended December 31, 2009.

The income tax expense differs from the amount computed by applying the Puerto Rico statutory income tax rate to the income before income taxes as a result of the following:

	<b>Years ended December 31,</b>	
	<b>2010</b>	<b>2009</b>
Income before taxes	\$ 14,090,068	\$ 10,107,675
Statutory tax rate	42.43%	43.07%
Income tax expense at statutory rate	<u>5,977,991</u>	<u>4,353,664</u>
Increase (decrease) in taxes resulting from:		
Exempt interest income	(592,711)	(141,820)
Tax credit income	-	54,662
Deferred tax on unrealized gain or losses of investment securities	122,845	-
Deferred tax asset on allowance for doubtful accounts	<u>351,882</u>	<u>-</u>
Total statutory income tax expense	<u>\$ 5,860,007</u>	<u>\$ 4,266,506</u>
Income tax incurred	5,197,928	4,266,506
Change in net deferred income tax	<u>662,079</u>	<u>-</u>
Total statutory income tax expense	<u>\$ 5,860,007</u>	<u>\$ 4,266,506</u>

## 10. Legal Proceedings

The Company and its subsidiaries are defendants in certain lawsuits arising in the normal course of business. In the opinion of management, with the advice of its legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the financial position and the result of operations of the Company and its subsidiaries.

## 11. Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentration of credit risk included cash and cash equivalents. The Company deposits in financial institutions at times exceeded the amount insured by the Federally Depository Insurance Corporation ("FDIC"). The risk is managed by maintaining all deposits in high quality financial institutions.

The Company provides its health plan to residents of Puerto Rico eligible for Medicare benefits under current Puerto Rico and federal laws and regulations and most of the premiums for the healthcare services provided are generated from a contract with CMS as described in Note 1. Changes in such laws and regulations could affect the premiums to be received by the Company under such contract and the population eligible to participate in the plan. Earned premium revenues relating to premiums received from CMS for the years ended December 31, 2010 and 2009 amounted to approximately \$371,580,000 and \$266,341,000, respectively; and the related receivables at December 31, 2010 and 2009 amounted to approximately \$5,271,000 and \$8,769,00, respectively.

## 12. Subsequent Events

The Company evaluated subsequent events through \_\_\_\_\_, the date the financial statements were available to be issued. No events, other than those described in these notes have occurred that require disclosure or adjustments.

## 13. Information under U.S. Generally Accepted Accounting Principles (GAAP)

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

The accompanying statutory financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Commissioner of Insurance, which vary in some respects from U.S. generally accepted accounting principles. Accounting policies under statutory accounting practices used by the Company in preparing statutory financial statements are disclosed in note 2. Under GAAP, the following policies are used, which are the principal variances with statutory accounting practices:

The accounting basis of investments in debt and equity securities is based upon classifications of the investments as held-to-maturity, trading, and available-for-sale.

Held-to-maturity securities are accounted for at amortized cost. Trading and available-for-sale securities are carried at estimated fair value, but for trading securities unrealized gains or losses are included in earnings, and for available-for-sale securities, unrealized gains or losses, net of income taxes, are included in a separate component of capital and surplus

Comprehensive income disclosures required by GAAP are omitted.

The statement of cash flow emphasizes the changes in cash and cash equivalents and presents the sources and uses of cash into three classifications, which are operating, investing, and financing activities.

The effect of deferred tax asset of a change in tax rates is recognized in the statements of revenue and expenses in the period that includes the enactment date. A valuation allowance is recognized for those deferred tax assets that are more likely than not that will not be realized.

Overfunded or underfunded status of a defined benefit pension plan must be recognized as an asset or liability in the statement of financial position and to changes in the funded status must be recognized in the year in which the changes occur through comprehensive income.

The investment component of the structured notes is accounted for as held-to-maturity debt securities and is included within the investment in securities in the balance sheets.

The treatment of certain assets designated as "non-admitted assets," which are charged against surplus for SAP purposes, whereas under GAAP these assets are generally recognized as such, to the extent deemed realizable.

Cash overdraft balances are recorded as a reduction to cash, whereas under GAAP overdraft balances would be classified as liabilities.

Information regarding total assets, stockholder's equity, and net income under GAAP and SAP follows (in thousands):

	<b>2010</b>	
	<u>GAAP</u>	<u>SAP</u>
Total assets	\$ 69,710	\$ 68,593
Stockholder's equity	17,917	16,680
Net income	8,892	8,892

	<b>2009</b>	
	<u>GAAP</u>	<u>SAP</u>
Total assets	\$ 51,350	\$ 50,895
Stockholder's equity	9,217	8,625
Net income	5,841	5,841



# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ ] No [ X ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ ] No [ ] N/A [ X ]
- 1.3 State Regulating? .....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 03/31/2007
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 12/31/2008
- 3.4 By what department or departments? .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ X ] No [ ] N/A [ ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? ..... Yes [ ] No [ X ]
- 4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? ..... Yes [ ] No [ X ]
- 4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>State of Domicile |
|---------------------|------------------------|------------------------|
|                     |                        |                        |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,
- 7.21 State the percentage of foreign control; ..... %
- 7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.  
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? ..... Yes [ ] No [ X ]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
HLB Morales Padillo & Co. - A&M Tower - Suite 700, 207 Del Parque Street, San Juan, PR 00912
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions to the audit committee requirements as allowed in Section 14H of the Annual Financial Reporting Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.6 If the response to 10.5 is yes, provide information related to this exemption:  
.....
- 10.7 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.8 If the response to 10.7 is no or n/a, please explain  
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Milliman, Inc. - 1550 Liberty Ridge Drive Suite 200, Wayne, PA 19087-5572, USA .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company .....
- 12.12 Number of parcels involved .....
- 12.13 Total book/adjusted carrying value ..... \$ .....
- 12.2 If, yes provide explanation:  
.....
- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ X ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ X ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ X ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ ] No [ X ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

## GENERAL INTERROGATORIES

### BOARD OF DIRECTORS

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

### FINANCIAL

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

### INVESTMENT

- 23.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 23.3)..... Yes [ X ] No [ ]
- 23.2 If no, give full and complete information relating thereto  
.....
- 23.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
.....
- 23.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? ..... Yes [ ] No [ ] N/A [ X ]
- 23.5 If answer to 23.4 is yes, report amount of collateral for conforming programs. ....\$ .....
- 23.6 If answer to 23.4 is no, report amount of collateral for other programs. ....\$ .....
- 23.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... Yes [ ] No [ X ] N/A [ ]
- 23.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ X ] N/A [ ]
- 23.9 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? ..... Yes [ ] No [ X ] N/A [ ]

**GENERAL INTERROGATORIES**

24.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 20.1 and 23.3) ..... Yes [ ] No [ X ]

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

	24.21 Subject to repurchase agreements .....	\$ .....
	24.22 Subject to reverse repurchase agreements .....	\$ .....
	24.23 Subject to dollar repurchase agreements .....	\$ .....
	24.24 Subject to reverse dollar repurchase agreements .....	\$ .....
	24.25 Pledged as collateral .....	\$ .....
	24.26 Placed under option agreements .....	\$ .....
	24.27 Letter stock or other securities restricted as to sale .....	\$ .....
	24.28 On deposit with state or other regulatory body .....	\$ .....
	24.29 Other .....	\$ .....

24.3 For category (24.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address

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

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

27.03 Have there been any changes, including name changes, in the custodian(s) identified in 27.01 during the current year? ..... Yes [ ] No [ X ]

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**GENERAL INTERROGATORIES**

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

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
28.2999 - Total		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
29.1 Bonds .....	41,168,552	41,168,552	0
29.2 Preferred stocks .....	0		0
29.3 Totals	41,168,552	41,168,552	0

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

- 30.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]

- 30.2 If the answer to 30.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]

- 30.3 If the answer to 30.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
- .....

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

- 31.2 If no, list exceptions:
- .....

**GENERAL INTERROGATORIES**

**OTHER**

32.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? .....\$ .....

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

1 Name	2 Amount Paid

33.1 Amount of payments for legal expenses, if any? .....\$ .....

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

**GENERAL INTERROGATORIES**

**PART 2 - HEALTH INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ ]  
 1.2 If yes, indicate premium earned on U.S. business only. .... \$ \_\_\_\_\_  
 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ \_\_\_\_\_  
 1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above ..... \$ \_\_\_\_\_  
 1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ \_\_\_\_\_ 0

1.6 Individual policies: Most current three years:  
 1.61 Total premium earned ..... \$ \_\_\_\_\_ 0  
 1.62 Total incurred claims ..... \$ \_\_\_\_\_ 0  
 1.63 Number of covered lives ..... 0  
All years prior to most current three years:  
 1.64 Total premium earned ..... \$ \_\_\_\_\_ 0  
 1.65 Total incurred claims ..... \$ \_\_\_\_\_ 0  
 1.66 Number of covered lives ..... 0

1.7 Group policies: Most current three years:  
 1.71 Total premium earned ..... \$ \_\_\_\_\_ 0  
 1.72 Total incurred claims ..... \$ \_\_\_\_\_ 0  
 1.73 Number of covered lives ..... 0  
All years prior to most current three years:  
 1.74 Total premium earned ..... \$ \_\_\_\_\_ 0  
 1.75 Total incurred claims ..... \$ \_\_\_\_\_ 0  
 1.76 Number of covered lives ..... 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	380,733,273	265,845,303
2.2 Premium Denominator .....	380,733,273	265,845,303
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	45,065,461	37,131,687
2.5 Reserve Denominator .....	45,065,461	36,690,942
2.6 Reserve Ratio (2.4/2.5) .....	1.000	1.012

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:

5.3 Maximum retained risk (see instructions) 5.31 Comprehensive Medical ..... \$ ..... 115,000  
5.32 Medical Only ..... \$ .....  
5.33 Medicare Supplement ..... \$ .....  
5.34 Dental & Vision ..... \$ .....  
5.35 Other Limited Benefit Plan ..... \$ .....  
5.36 Other ..... \$ .....

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

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

7.2 If no, give details

8. Provide the following information regarding participating providers: 8.1 Number of providers at start of reporting year ..... 5,628  
8.2 Number of providers at end of reporting year ..... 5,170

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

9.2 If yes, direct premium earned: 9.21 Business with rate guarantees between 15-36 months. \$ .....  
9.22 Business with rate guarantees over 36 months ..... \$ .....

**GENERAL INTERROGATORIES**

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ X ] No [ ]

10.2 If yes: 10.21 Maximum amount payable bonuses.....\$ 3,072,557  
10.22 Amount actually paid for year bonuses.....\$ 4,296,165  
10.23 Maximum amount payable withholds.....\$  
10.24 Amount actually paid for year withholds.....\$

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ..... Yes [ ] No [ X ]  
 11.13 An Individual Practice Association (IPA), or, .. Yes [ ] No [ X ]  
 11.14 A Mixed Model (combination of above)? ..... Yes [ ] No [ X ]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? ..... Yes [ ] No [ X ]

11.3 If yes, show the name of the state requiring such net worth. ....

11.4 If yes, show the amount required. ....\$

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area

13.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. ....\$

13.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

13.4 If yes, please provide the balance of funds administered as of the reporting date. ....\$

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**FIVE-YEAR HISTORICAL DATA**

	1 2010	2 2009	3 2008	4 2007	5 2006
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	69,067,841	50,895,202	37,210,714	12,445,517	4,403,460
2. Total liabilities (Page 3, Line 24) .....	51,913,349	42,270,026	34,649,244	10,565,700	4,381,021
3. Statutory surplus .....		0	0	0	0
4. Total capital and surplus (Page 3, Line 33) .....	17,154,492	8,625,176	2,561,470	1,879,817	22,439
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	380,738,428	265,846,374	221,516,366	162,359,812	36,908,146
6. Total medical and hospital expenses (Line 18) .....	315,012,081	217,957,396	188,960,752	156,973,978	33,874,282
7. Claims adjustment expenses (Line 20) .....	3,406,842	851,612	813,411	142,973	88,072
8. Total administrative expenses (Line 21) .....	50,540,769	37,722,380	30,566,855	2,157,974	2,206,839
9. Net underwriting gain (loss) (Line 24) .....	11,778,736	9,314,986	1,175,348	3,084,887	738,953
10. Net investment gain (loss) (Line 27) .....	1,959,449	792,688	437,252	117,011	63,401
11. Total other income (Lines 28 plus 29) .....	0	0	0	(330,618)	(115,685)
12. Net income or (loss) (Line 32) .....	8,892,140	5,841,169	968,863	1,741,280	473,727
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	13,551,750	23,159,589	10,082,784	3,594,661	1,073,105
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	16,679,765	8,625,176	2,561,470	1,879,817	22,439
15. Authorized control level risk-based capital .....	8,645,399	8,562,238	8,838,879	8,707,117	2,514,643
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	37,987	28,866	20,479	32,119	13,005
17. Total members months (Column 6, Line 7) .....	417,008	295,613	259,385	270,121	146,597
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	82.7	82.0	85.3	96.7	92.4
20. Cost containment expenses .....	0.9	0.3	0.4	0.1	0.2
21. Other claims adjustment expenses .....	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23) .....	96.9	96.5	99.5	98.2	98.7
23. Total underwriting gain (loss) (Line 24) .....	3.1	3.5	0.5	1.9	2.0
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	27,825,514	23,720,561	8,696,044	1,863,314	1,710,278
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	36,690,941	31,085,944	8,492,051	1,896,101	1,710,278
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	0	0	0
32. Total of above Lines 26 to 31 .....	0	0	0	0	0

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

Yes [ ] No [ ]

If no, please explain: .....



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

REPORT FOR: 1. CORPORATION

AMERICAN HEALTH, INC.

2. San Juan, PR

NAIC Group Code	0000	BUSINESS IN THE STATE OF		DURING THE YEAR							(LOCATION)	
		Puerto Rico		2010							NAIC Company Code	
		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		
<b>Total Members at end of:</b>												
1. Prior Year .....	28,866	0	0	0	0	0	0	28,866	0	0		
2. First Quarter .....	33,333							33,333				
3. Second Quarter .....	34,727							34,727				
4. Third Quarter .....	35,452							35,452				
5. Current Year .....	37,987							37,987				
6. Current Year Member Months	417,008							417,008				
<b>Total Member Ambulatory Encounters for Year:</b>												
7. Physician .....	242,696							242,696				
8. Non-Physician .....	35,623							35,623				
9. Total .....	278,319	0	0	0	0	0	0	278,319	0	0		
10. Hospital Patient Days Incurred	14,158							14,158				
11. Number of Inpatient Admissions	2,428							2,428				
12. Health Premiums Written (b) .....	380,733,273							380,733,273				
13. Life Premiums Direct	0											
14. Property/Casualty Premiums Written .....	0											
15. Health Premiums Earned .....	380,733,273							380,733,273				
16. Property/Casualty Premiums Earned	0											
17. Amount Paid for Provision of Health Care Services .....	304,392,660		220,638					304,172,022				
18. Amount Incurred for Provision of Health Care Services	315,901,645		(200,000)					316,101,645				

(a) For health business: number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

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



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

REPORT FOR: 1. CORPORATION

AMERICAN HEALTH, INC.

2. San Juan, PR

NAIC Group Code	0000	BUSINESS IN THE STATE OF	Grand Total		DURING THE YEAR					(LOCATION)		
			Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	NAIC Company Code		11152	
			2 Individual	3 Group					8 Title XVIII Medicare	9 Title XIX Medicaid		
		1 Total										
<b>Total Members at end of:</b>												
1.	Prior Year	28,866	0	0	0	0	0	0	0	28,866	0	0
2.	First Quarter	33,333	0	0	0	0	0	0	0	33,333	0	0
3.	Second Quarter	34,727	0	0	0	0	0	0	0	34,727	0	0
4.	Third Quarter	35,452	0	0	0	0	0	0	0	35,452	0	0
5.	Current Year	37,987	0	0	0	0	0	0	0	37,987	0	0
6.	Current Year Member Months	417,008	0	0	0	0	0	0	0	417,008	0	0
<b>Total Member Ambulatory Encounters for Year:</b>												
7.	Physician	242,696	0	0	0	0	0	0	0	242,696	0	0
8.	Non-Physician	35,623	0	0	0	0	0	0	0	35,623	0	0
9.	Total	278,319	0	0	0	0	0	0	0	278,319	0	0
10.	Hospital Patient Days Incurred	14,158	0	0	0	0	0	0	0	14,158	0	0
11.	Number of Inpatient Admissions	2,428	0	0	0	0	0	0	0	2,428	0	0
12.	Health Premiums Written (b)	380,733,273	0	0	0	0	0	0	0	380,733,273	0	0
13.	Life Premiums Direct	0	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	0
15.	Health Premiums Earned	380,733,273	0	0	0	0	0	0	0	380,733,273	0	0
16.	Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0
17.	Amount Paid for Provision of Health Care Services	304,392,660	0	220,638	0	0	0	0	0	304,172,022	0	0
18.	Amount Incurred for Provision of Health Care Services	315,901,645	0	(200,000)	0	0	0	0	0	316,101,645	0	0

(a) For health business: number of persons insured under PPO managed care products .....0 and number of persons insured under indemnity only products .....0 .

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

29.GT

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE S - PART 1 - SECTION 2**

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

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Location	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than for Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
21113	13-5459190	01/01/2010	US FIRE Insurance Company	305 Madison Ave. Morristown, New Jersey	SSL/A/1						
0199999. Total Affiliates						0	0	0	0	0	0
0399999 - Totals						0	0	0	0	0	0





ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE S - PART 4**

Reinsurance Ceded to Unauthorized Companies

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Reserve Credit Taken	6 Paid and Unpaid Losses Recoverable (Debit)	7 Other Debits	8 Total Cols. (5 + 6 + 7)	9 Letters of Credit	10 Trust Agreements	11 Funds Deposited by and Withheld from Reinsurers	12 Other	13 Miscellaneous Balances (Credit)	14 Sum of Cols. 9+10+11+12+13 but not in Excess of Col. 8
<b>NONE</b>													
1199999 - Total													

**SCHEDULE S - PART 5**

Five Year Exhibit of Reinsurance Ceded Business (000 Omitted)

	1 2010	2 2009	3 2008	4 2007	5 2006
<b>A. OPERATIONS ITEMS</b>					
1. Premiums .....	0	0	0	0	0
2. Title XVIII - Medicare .....	0	0	0	0	0
3. Title XIX - Medicaid .....	0	0	0	0	0
4. Commissions and reinsurance expense allowance .....		0	0	0	0
5. Total hospital and medical expenses .....	890	510	0	0	0
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable .....		0	0	0	0
7. Claims payable .....	0	0	0	0	0
8. Reinsurance recoverable on paid losses .....	547	131	37	0	0
9. Experience rating refunds due or unpaid .....		0	0	0	0
10. Commissions and reinsurance expense allowances unpaid .....		0	0	0	0
11. Unauthorized reinsurance offset .....		0	0	0	0
<b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
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)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 12) .....	54,389,156		54,389,156
2. Accident and health premiums due and unpaid (Line 15) .....	6,667,962		6,667,962
3. Amounts recoverable from reinsurers (Line 16.1) .....	547,328	0	547,328
4. Net credit for ceded reinsurance .....	XXX	0	0
5. All other admitted assets (Balance) .....	7,463,395		7,463,395
6. Total assets (Line 28)	69,067,841	0	69,067,841
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1) .....	40,342,904		40,342,904
8. Accrued medical incentive pool and bonus payments (Line 2) .....	3,072,557		3,072,557
9. Premiums received in advance (Line 8) .....	0		0
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19) .....	0		0
11. Reinsurance in unauthorized companies (Line 20) .....	0		0
12. All other liabilities (Balance) .....	8,497,888		8,497,888
13. Total liabilities (Line 24) .....	51,913,349	0	51,913,349
14. Total capital and surplus (Line 33) .....	17,154,492	XXX	17,154,492
15. Total liabilities, capital and surplus (Line 34)	69,067,841	0	69,067,841
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
16. Claims unpaid .....	0		
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 .....	0		
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 .....	0		
26. Total ceded reinsurance payables/offsets .....	0		
27. Total net credit for ceded reinsurance	0		

**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

States, etc.	1 Active Status	Direct Business Only								
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts	
1. Alabama	AL	N							0	
2. Alaska	AK	N							0	
3. Arizona	AZ	N							0	
4. Arkansas	AR	N							0	
5. California	CA	N							0	
6. Colorado	CO	N							0	
7. Connecticut	CT	N							0	
8. Delaware	DE	N							0	
9. District of Columbia	DC	N							0	
10. Florida	FL	N							0	
11. Georgia	GA	N							0	
12. Hawaii	HI	N							0	
13. Idaho	ID	N							0	
14. Illinois	IL	N							0	
15. Indiana	IN	N							0	
16. Iowa	IA	N							0	
17. Kansas	KS	N							0	
18. Kentucky	KY	N							0	
19. Louisiana	LA	N							0	
20. Maine	ME	N							0	
21. Maryland	MD	N							0	
22. Massachusetts	MA	N							0	
23. Michigan	MI	N							0	
24. Minnesota	MN	N							0	
25. Mississippi	MS	N							0	
26. Missouri	MO	N							0	
27. Montana	MT	N							0	
28. Nebraska	NE	N							0	
29. Nevada	NV	N							0	
30. New Hampshire	NH	N							0	
31. New Jersey	NJ	N							0	
32. New Mexico	NM	N							0	
33. New York	NY	N							0	
34. North Carolina	NC	N							0	
35. North Dakota	ND	N							0	
36. Ohio	OH	N							0	
37. Oklahoma	OK	N							0	
38. Oregon	OR	N							0	
39. Pennsylvania	PA	N							0	
40. Rhode Island	RI	N							0	
41. South Carolina	SC	N							0	
42. South Dakota	SD	N							0	
43. Tennessee	TN	N							0	
44. Texas	TX	N							0	
45. Utah	UT	N							0	
46. Vermont	VT	N							0	
47. Virginia	VA	N							0	
48. Washington	WA	N							0	
49. West Virginia	WV	N							0	
50. Wisconsin	WI	N							0	
51. Wyoming	WY	N							0	
52. American Samoa	AS	N							0	
53. Guam	GU	N							0	
54. Puerto Rico	PR	L	0	380,733,273					380,733,273	
55. U.S. Virgin Islands	VI	N							0	
56. Northern Mariana Islands	MP	N							0	
57. Canada	CN	N							0	
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	380,733,273	0	0	0	0	0	380,733,273	0
60. Reporting entity contributions for Employee Benefit Plans	XXX								0	
61. Total (Direct Business)	(a) 1	0	380,733,273	0	0	0	0	0	380,733,273	0
DETAILS OF WRITE-INS										
5801.	XXX									
5802.	XXX									
5803.	XXX									
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

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

Explanation of basis of allocation by states, premiums by state, etc.

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

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

Allocated by States and Territories

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

NONE

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

```
graph TD; A[Socios Mayores en Salud Holdings, Inc.] --- B[Socios Mayores en Salud, Inc.]; B --- C["American Health, Inc.  
NAIC 11152 - PR"]; style A fill:#fff,stroke:#0056b3,stroke-width:2px; style B fill:#fff,stroke:#0056b3,stroke-width:2px; style C fill:#fff,stroke:#0056b3,stroke-width:2px;
```

SOCIOS MAYORES EN SALUD HOLDINGS, INC.

SOCIOS MAYORES EN SALUD, INC.

AMERICAN HEALTH, INC.

NAIC 11152 - PR



# 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
<b>MARCH FILING</b>	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1? .....	YES
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
<b>APRIL FILING</b>	
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
<b>JUNE FILING</b>	
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
<b>AUGUST FILING</b>	
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.

<b>MARCH FILING</b>	
11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1? .....	NO
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? .....	NO
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? .....	NO
<b>APRIL FILING</b>	
18. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? .....	NO
19. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? .....	NO
20. 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
21. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? .....	NO
22. 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? .....	NO
<b>AUGUST FILING</b>	
23. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? .....	NO

Explanations:

- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.
- 21.
- 22.
- 23.

Bar Codes:

11. Medicare Supplement Insurance Experience Exhibit [Document Identifier 360]	
12. Life Supplement [Document Identifier 205]	
13. Property/Casualty Supplement [Document Identifier 207]	
14. SIS Stockholder Information Supplement [Document Identifier 420]	
15. Participating Opinion for Exhibit 5 [Document Identifier 371]	
16. Non-Guaranteed Opinion for Exhibit 5 [Document Identifier 370]	
17. Medicare Part D Coverage Supplement [Document Identifier 365]	
18. Long-Term Care Experience Reporting Forms [Document Identifier 306]	
19. Life Supplement [Document Identifier 211]	
20. Property/Casualty Supplement Insurance Expense Exhibit [Document Identifier 213]	
21. Supplemental Health Care Exhibit (Parts 1, 2 and 3) [Document Identifier 216]	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

22. Supplemental Health Care Exhibit's Expense Allocation Report  
[Document Identifier 217]



23. Management's Report of Internal Control Over Financial Reporting  
[Document Identifier 223]



**OVERFLOW PAGE FOR WRITE-INS**

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....		0.000		0.000
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....		0.000		0.000
1.22 Issued by U.S. government sponsored agencies .....		0.000		0.000
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities) .....		0.000		0.000
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S. :				
1.41 States, territories and possessions general obligations .....	41,168,552	75.693	41,168,552	75.693
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		0.000		0.000
1.43 Revenue and assessment obligations .....		0.000		0.000
1.44 Industrial development and similar obligations .....		0.000		0.000
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA .....		0.000		0.000
1.512 Issued or guaranteed by FNMA and FHLMC .....		0.000		0.000
1.513 All other .....		0.000		0.000
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....		0.000		0.000
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....		0.000		0.000
1.523 All other .....		0.000		0.000
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans and hybrid securities) .....		0.000		0.000
2.2 Unaffiliated non-U.S. securities (including Canada) .....		0.000		0.000
2.3 Affiliated securities .....		0.000		0.000
3. Equity interests:				
3.1 Investments in mutual funds .....		0.000		0.000
3.2 Preferred stocks:				
3.21 Affiliated .....		0.000		0.000
3.22 Unaffiliated .....		0.000		0.000
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....		0.000		0.000
3.32 Unaffiliated .....		0.000		0.000
3.4 Other equity securities:				
3.41 Affiliated .....		0.000		0.000
3.42 Unaffiliated .....		0.000		0.000
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....		0.000		0.000
3.52 Unaffiliated .....		0.000		0.000
4. Mortgage loans:				
4.1 Construction and land development .....		0.000		0.000
4.2 Agricultural .....		0.000		0.000
4.3 Single family residential properties .....		0.000		0.000
4.4 Multifamily residential properties .....		0.000		0.000
4.5 Commercial loans .....		0.000		0.000
4.6 Mezzanine real estate loans .....		0.000		0.000
5. Real estate investments:				
5.1 Property occupied by company .....		0.000	0	0.000
5.2 Property held for production of income (including \$ ..... of property acquired in satisfaction of debt) .....		0.000	0	0.000
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....		0.000	0	0.000
6. Contract loans .....		0.000	0	0.000
7. Receivables for securities .....		0.000	0	0.000
8. Cash, cash equivalents and short-term investments .....	12,620,604	23.204	12,620,604	23.204
9. Other invested assets .....	600,000	1.103	600,000	1.103
10. Total invested assets	54,389,156	100.000	54,389,156	100.000

Schedule A - Verification - Real Estate

**N O N E**

Schedule B - Verification - Mortgage Loans

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**SCHEDULE BA - VERIFICATION BETWEEN YEARS**  
 Other Long-Term Invested Assets

1.	Book/adjusted carrying value, December 31 of prior year .....	
2.	Cost of acquired:	
2.1	Actual cost at time of acquisition (Part 2, Column 8) .....	
2.2	Additional investment made after acquisition (Part 2, Column 9) .....	
3.	Capitalized deferred interest and other:	
3.1	Totals, Part 1, Column 16 .....	
3.2	Totals, Part 3, Column 12 .....	
4.	Accrual of discount .....	
5.	Unrealized valuation increase (decrease):	
5.1	Totals, Part 1, Column 13 .....	
5.2	Totals, Part 3, Column 9 .....	
6.	Total gain (loss) on disposals, Part 3, Column 19 .....	
7.	Deduct amounts received on disposals, Part 3, Column 16 .....	
8.	Deduct amortization of premium and depreciation .....	
9.	Total foreign exchange change in book/adjusted carrying value:	
9.1	Totals, Part 1, Column 17 .....	
9.2	Totals, Part 3, Column 14 .....	
10.	Deduct current year's other than temporary impairment recognized:	
10.1	Totals, Part 1, Column 15 .....	
10.2	Totals, Part 3, Column 11 .....	
11.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10) .....	
12.	Deduct total nonadmitted amounts .....	
13.	Statement value at end of current period (Line 11 minus Line 12) .....	

NONE

**SCHEDULE D - VERIFICATION BETWEEN YEARS**  
 Bonds and Stocks

1.	Book/adjusted carrying value, December 31 of prior year .....	22,916,188
2.	Cost of bonds and stocks acquired, Part 3, Column 7 .....	24,259,256
3.	Accrual of discount .....	144,990
4.	Unrealized valuation increase (decrease):	
4.1	Part 1, Column 12 .....	(314,986)
4.2	Part 2, Section 1, Column 15 .....	
4.3	Part 2, Section 2, Column 13 .....	
4.4	Part 4, Column 11 .....	0 (314,986)
5.	Total gain (loss) on disposals, Part 4, Column 19 .....	(83,954)
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....	5,724,739
7.	Deduct amortization of premium .....	28,203
8.	Total foreign exchange change in book/adjusted carrying value:	
8.1	Part 1, Column 15 .....	0
8.2	Part 2, Section 1, Column 19 .....	
8.3	Part 2, Section 2, Column 16 .....	
8.4	Part 4, Column 15 .....	0 0
9.	Deduct current year's other than temporary impairment recognized:	
9.1	Part 1, Column 14 .....	0
9.2	Part 2, Section 1, Column 17 .....	
9.3	Part 2, Section 2, Column 14 .....	
9.4	Part 4, Column 13 .....	0 0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9) .....	41,168,552
11.	Deduct total nonadmitted amounts .....	0
12.	Statement value at end of current period (Line 10 minus Line 11) .....	41,168,552

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States .....	0	0	0	0
	2. Canada .....				
	3. Other Countries				
	4. Totals	0	0	0	0
U.S. States, Territories and Possessions (Direct and guaranteed)	5. Totals	41,168,552	41,168,552	41,504,206	41,237,201
U.S. Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	6. Totals	0	0	0	0
U.S. Special revenue and special assessment obligations and all non- guaranteed obligations of agencies and authorities of governments and their political subdivisions	7. Totals	0	0	0	0
Industrial and Miscellaneous, Credit Tenant Loans and Hybrid Securities (unaffiliated)	8. United States .....				
	9. Canada .....				
	10. Other Countries				
	11. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	12. Totals	0	0	0	0
	13. Total Bonds	41,168,552	41,168,552	41,504,206	41,237,201
<b>PREFERRED STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	14. United States .....				
	15. Canada .....				
	16. Other Countries				
	17. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	18. Totals				
	19. Total Preferred Stocks	0	0	0	0
<b>COMMON STOCKS</b>					
Industrial and Miscellaneous (unaffiliated)	20. United States .....				
	21. Canada .....				
	22. Other Countries				
	23. Totals	0	0	0	0
Parent, Subsidiaries and Affiliates	24. Totals				
	25. Total Common Stocks	0	0	0	0
	26. Total Stocks	0	0	0	0
	27. Total Bonds and Stocks	41,168,552	41,168,552	41,504,206	

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 1A - SECTION 1**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
1. U.S. Governments											
1.1 Class 1						0	0.0	0	0.0		0
1.2 Class 2						0	0.0	0	0.0		0
1.3 Class 3						0	0.0	0	0.0		0
1.4 Class 4						0	0.0	0	0.0		0
1.5 Class 5						0	0.0	0	0.0		0
1.6 Class 6						0	0.0	0	0.0		0
1.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
2. All Other Governments											
2.1 Class 1						0	0.0	0	0.0		0
2.2 Class 2						0	0.0	0	0.0		0
2.3 Class 3						0	0.0	0	0.0		0
2.4 Class 4						0	0.0	0	0.0		0
2.5 Class 5						0	0.0	0	0.0		0
2.6 Class 6						0	0.0	0	0.0		0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
3. U.S. States, Territories and Possessions etc., Guaranteed											
3.1 Class 1		0	14,133,926			14,133,926	34.3	4,916,188	21.5		14,133,926
3.2 Class 2		21,518,654	5,515,972			27,034,626	65.7	18,000,000	78.5		27,034,626
3.3 Class 3			0			0	0.0	0	0.0		0
3.4 Class 4			0			0	0.0	0	0.0		0
3.5 Class 5			0			0	0.0	0	0.0		0
3.6 Class 6			0			0	0.0	0	0.0		0
3.7 Totals	0	21,518,654	19,649,898	0	0	41,168,552	100.0	22,916,188	100.0	0	41,168,552
4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed											
4.1 Class 1						0	0.0	0	0.0		0
4.2 Class 2						0	0.0	0	0.0		0
4.3 Class 3						0	0.0	0	0.0		0
4.4 Class 4						0	0.0	0	0.0		0
4.5 Class 5						0	0.0	0	0.0		0
4.6 Class 6						0	0.0	0	0.0		0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
5. U.S. Special Revenue & Special Assessment Obligations, etc., Non-Guaranteed											
5.1 Class 1						0	0.0	0	0.0		0
5.2 Class 2						0	0.0	0	0.0		0
5.3 Class 3						0	0.0	0	0.0		0
5.4 Class 4						0	0.0	0	0.0		0
5.5 Class 5						0	0.0	0	0.0		0
5.6 Class 6						0	0.0	0	0.0		0
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>6. Industrial &amp; Miscellaneous (Unaffiliated)</b>											
6.1 Class 1						0	0.0	0	0.0		0
6.2 Class 2						0	0.0	0	0.0		0
6.3 Class 3						0	0.0	0	0.0		0
6.4 Class 4						0	0.0	0	0.0		0
6.5 Class 5						0	0.0	0	0.0		0
6.6 Class 6						0	0.0	0	0.0		0
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>7. Credit Tenant Loans</b>											
7.1 Class 1						0	0.0	0	0.0		0
7.2 Class 2						0	0.0	0	0.0		0
7.3 Class 3						0	0.0	0	0.0		0
7.4 Class 4						0	0.0	0	0.0		0
7.5 Class 5						0	0.0	0	0.0		0
7.6 Class 6						0	0.0	0	0.0		0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Hybrid Securities</b>											
8.1 Class 1						0	0.0	0	0.0		0
8.2 Class 2						0	0.0	0	0.0		0
8.3 Class 3						0	0.0	0	0.0		0
8.4 Class 4						0	0.0	0	0.0		0
8.5 Class 5						0	0.0	0	0.0		0
8.6 Class 6						0	0.0	0	0.0		0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Class 1						0	0.0	0	0.0		0
9.2 Class 2						0	0.0	0	0.0		0
9.3 Class 3						0	0.0	0	0.0		0
9.4 Class 4						0	0.0	0	0.0		0
9.5 Class 5						0	0.0	0	0.0		0
9.6 Class 6						0	0.0	0	0.0		0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

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ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 1A - SECTION 1 (Continued)**

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations

Quality Rating per the NAIC Designation	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>10. Total Bonds Current Year</b>											
10.1 Class 1	(d) 0	0	14,133,926	0	0	14,133,926	34.3	XXX	XXX	0	14,133,926
10.2 Class 2	(d) 0	21,518,654	5,515,972	0	0	27,034,626	65.7	XXX	XXX	0	27,034,626
10.3 Class 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Class 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.5 Class 5	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.6 Class 6	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
10.7 Totals	0	21,518,654	19,649,898	0	0	(b) 41,168,552	100.0	XXX	XXX	0	41,168,552
10.8 Line 10.7 as a % of Col. 6	0.0	52.3	47.7	0.0	0.0	100.0	XXX	XXX	XXX	0.0	100.0
<b>11. Total Bonds Prior Year</b>											
11.1 Class 1	0	4,916,188	0	0	0	XXX	XXX	4,916,188	21.5	4,916,188	0
11.2 Class 2	0	18,000,000	0	0	0	XXX	XXX	18,000,000	78.5	18,000,000	0
11.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.5 Class 5	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
11.6 Class 6	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
11.7 Totals	0	22,916,188	0	0	0	XXX	XXX	(b) 22,916,188	100.0	22,916,188	0
11.8 Line 11.7 as a % of Col. 8	0.0	100.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Class 1	0	0	0	0	0	0	0.0	4,916,188	21.5	0	XXX
12.2 Class 2	0	0	0	0	0	0	0.0	18,000,000	78.5	0	XXX
12.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals	0	0	0	0	0	0	0.0	22,916,188	100.0	0	XXX
12.8 Line 12.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	0.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	0.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Class 1	0	0	14,133,926	0	0	14,133,926	34.3	0	0.0	XXX	14,133,926
13.2 Class 2	0	21,518,654	5,515,972	0	0	27,034,626	65.7	0	0.0	XXX	27,034,626
13.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals	0	21,518,654	19,649,898	0	0	41,168,552	100.0	0	0.0	XXX	41,168,552
13.8 Line 13.7 as a % of Col. 6	0.0	52.3	47.7	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	52.3	47.7	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0

(a) Includes \$ \_\_\_\_\_ freely tradable under SEC Rule 144 or qualified for resale under SEC Rule 144A.

(b) Includes \$ \_\_\_\_\_ current year, \$ \_\_\_\_\_ prior year of bonds with Z designations and \$ \_\_\_\_\_, current year \$ \_\_\_\_\_ prior year of bonds with Z\* designations. The letter "Z" means the NAIC designation was not assigned by the Securities Valuation Office (SVO) at the date of the statement. "Z\*" means the SVO could not evaluate the obligation because valuation procedures for the security class are under regulatory review.

(c) Includes \$ \_\_\_\_\_ current year, \$ \_\_\_\_\_ prior year of bonds with 5\* designations and \$ \_\_\_\_\_, current year \$ \_\_\_\_\_ prior year of bonds with 6\* designations. "5\*" means the NAIC designation was assigned by the (SVO) in reliance on the insurer's certification that the issuer is current in all principal and interest payments. "6\*" means the NAIC designation was assigned by the SVO due to inadequate certification of principal and interest payments.

(d) Includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ \_\_\_\_\_; NAIC 2 \$ \_\_\_\_\_; NAIC 3 \$ \_\_\_\_\_; NAIC 4 \$ \_\_\_\_\_; NAIC 5 \$ \_\_\_\_\_; NAIC 6 \$ \_\_\_\_\_.

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 1A - SECTION 2**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>1. U.S. Governments</b>											
1.1 Issuer Obligations						0	0.0	0	0.0		0
1.2 Single Class Mortgage-Backed /Asset Backed Securities						0	0.0	0	0.0		0
1.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>2. All Other Governments</b>											
2.1 Issuer Obligations						0	0.0	0	0.0		0
2.2 Single Class Mortgage-Backed /Asset Backed Securities						0	0.0	0	0.0		0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
2.3 Defined						0	0.0	0	0.0		0
2.4 Other						0	0.0	0	0.0		0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
2.5 Defined						0	0.0	0	0.0		0
2.6 Other						0	0.0	0	0.0		0
2.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>3. U.S. States, Territories and Possessions, Guaranteed</b>											
3.1 Issuer Obligations		21,518,654	19,649,898			41,168,552	100.0	22,916,188	100.0		41,168,552
3.2 Single Class Mortgage-Backed /Asset Backed Securities						0	0.0	0	0.0		0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
3.3 Defined						0	0.0	0	0.0		0
3.4 Other						0	0.0	0	0.0		0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
3.5 Defined						0	0.0	0	0.0		0
3.6 Other						0	0.0	0	0.0		0
3.7 Totals	0	21,518,654	19,649,898	0	0	41,168,552	100.0	22,916,188	100.0	0	41,168,552
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
4.1 Issuer Obligations						0	0.0	0	0.0		0
4.2 Single Class Mortgage-Backed /Asset Backed Securities						0	0.0	0	0.0		0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
4.3 Defined						0	0.0	0	0.0		0
4.4 Other						0	0.0	0	0.0		0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
4.5 Defined						0	0.0	0	0.0		0
4.6 Other						0	0.0	0	0.0		0
4.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations etc., Non-Guaranteed</b>											
5.1 Issuer Obligations						0	0.0	0	0.0		0
5.2 Single Class Mortgage-Backed /Asset Backed Securities						0	0.0	0	0.0		0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
5.3 Defined						0	0.0	0	0.0		0
5.4 Other						0	0.0	0	0.0		0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
5.5 Defined						0	0.0	0	0.0		0
5.6 Other						0	0.0	0	0.0		0
5.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations .....						0	0.0	0	0.0		0
6.2 Single Class Mortgage-Backed /Asset Backed Securities .....						0	0.0	0	0.0		0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
6.3 Defined .....						0	0.0	0	0.0		0
6.4 Other .....						0	0.0	0	0.0		0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
6.5 Defined .....						0	0.0	0	0.0		0
6.6 Other .....						0	0.0	0	0.0		0
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>7. Credit Tenant Loans</b>											
7.1 Issuer Obligations .....						0	0.0	0	0.0		0
7.2 Single Class Mortgage-Backed Securities .....						0	0.0	0	0.0		0
7.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Hybrid Securities</b>											
8.1 Issuer Obligations .....						0	0.0	0	0.0		0
8.2 Single Class Mortgage-Backed /Asset Backed Securities .....						0	0.0	0	0.0		0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
8.3 Defined .....						0	0.0	0	0.0		0
8.4 Other .....						0	0.0	0	0.0		0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
8.5 Defined .....						0	0.0	0	0.0		0
8.6 Other .....						0	0.0	0	0.0		0
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>9. Parent, Subsidiaries and Affiliates</b>											
9.1 Issuer Obligations .....						0	0.0	0	0.0		0
9.2 Single Class Mortgage-Backed /Asset Backed Securities .....						0	0.0	0	0.0		0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
9.3 Defined .....						0	0.0	0	0.0		0
9.4 Other .....						0	0.0	0	0.0		0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET- BACKED SECURITIES:											
9.5 Defined .....						0	0.0	0	0.0		0
9.6 Other .....						0	0.0	0	0.0		0
9.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 1A - SECTION 2 (Continued)**

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Distribution by Type	1 1 Year or Less	2 Over 1 Year Through 5 Years	3 Over 5 Years Through 10 Years	4 Over 10 Years Through 20 Years	5 Over 20 Years	6 Total Current Year	7 Col. 6 as a % of Line 10.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>10. Total Bonds Current Year</b>											
10.1 Issuer Obligations .....	0	21,518,654	19,649,898	0	0	41,168,552	100.0	XXX	XXX	0	41,168,552
10.2 Single Class Mortgage-Backed /Asset Backed Securities .....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
10.3 Defined .....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.4 Other .....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
10.5 Defined .....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other .....	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.7 Totals .....	0	21,518,654	19,649,898	0	0	41,168,552	100.0	XXX	XXX	0	41,168,552
10.8 Line 10.7 as a % of Col. 6	0.0	52.3	47.7	0.0	0.0	100.0	XXX	XXX	XXX	0.0	100.0
<b>11. Total Bonds Prior Year</b>											
11.1 Issuer Obligations .....	0	22,916,188	0	0	0	XXX	XXX	22,916,188	100.0	22,916,188	0
11.2 Single Class Mortgage-Backed /Asset Backed Securities .....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
11.3 Defined .....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.4 Other .....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
11.5 Defined .....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Other .....	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.7 Totals .....	0	22,916,188	0	0	0	XXX	XXX	22,916,188	100.0	22,916,188	0
11.8 Line 11.7 as a % of Col. 8	0.0	100.0	0.0	0.0	0.0	XXX	XXX	100.0	XXX	100.0	0.0
<b>12. Total Publicly Traded Bonds</b>											
12.1 Issuer Obligations .....	0	0	0	0	0	0	0.0	22,916,188	100.0	0	XXX
12.2 Single Class Mortgage-Backed /Asset Backed Securities .....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
12.3 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.4 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
12.5 Defined .....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	0	XXX
12.7 Totals .....	0	0	0	0	0	0	0.0	22,916,188	100.0	0	XXX
12.8 Line 12.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	0.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	0.0	XXX
<b>13. Total Privately Placed Bonds</b>											
13.1 Issuer Obligations .....	0	21,518,654	19,649,898	0	0	41,168,552	100.0	0	0.0	XXX	41,168,552
13.2 Single Class Mortgage-Backed /Asset Backed Securities .....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES:											
13.3 Defined .....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.4 Other .....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES:											
13.5 Defined .....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.6 Other .....	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.7 Totals .....	0	21,518,654	19,649,898	0	0	41,168,552	100.0	0	0.0	XXX	41,168,552
13.8 Line 13.7 as a % of Col. 6	0.0	52.3	47.7	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	52.3	47.7	0.0	0.0	100.0	XXX	XXX	XXX	XXX	100.0

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Schedule DA - Verification - Short-Term Investments

**N O N E**

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

**N O N E**

Schedule DB - Part B - Verification - Futures Contracts

**N O N E**

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

**N O N E**

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

**N O N E**

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of  
Derivatives

**N O N E**

Schedule E - Verification - Cash Equivalents

**N O N E**

Schedule A - Part 1 - Real Estate Owned

**N O N E**

Schedule A - Part 2 - Real Estate Acquired and Additions Made

**N O N E**

Schedule A - Part 3 - Real Estate Disposed

**N O N E**

Schedule B - Part 1 - Mortgage Loans Owned

**N O N E**

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

**N O N E**

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

**N O N E**

Schedule BA - Part 1 - Other Long-Term Invested Assets Owned

**N O N E**

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made

**N O N E**

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 1**

Showing All Long-Term BONDS Owned December 31 of Current Year

1	2	Codes			6	7	Fair Value		10	11	Change in Book/Adjusted Carrying Value				Interest					Dates	
		3	4	5			8	9			12	13	14	15	16	17	18	19	20	21	22
CUSIP Identification	Description	C o d e	F o r e i g n	Bond Char	NAIC Des.	Actual Cost	Rate Used to Obtain Fair Value	Fair Value	Par Value	Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amor- tization) Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Rate of	Effective Rate of	When Paid	Admitted Amount Due and Accrued	Amount Received During Year	Acquired	Maturity
0399999. Total - U.S. Government Bonds						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
1099999. Total - All Other Government Bonds						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
745177-DW-2	GOVERNMENT DEVELOPMENT BANK	.0		1	.2	18,000,000	0.0000	18,012,760	18,000,000	18,012,760	12,760	0	0	0	5.100	5.100	MON	76,500	918,000	12/23/2009	02/01/2015
745177-EK-7	GOVERNMENT DEVELOPMENT BANK	.0		1	.2	3,500,000	0.0000	3,505,894	3,500,000	3,505,894	5,894	0	0	0	4.250	4.250	MON	12,396	61,979	07/23/2010	08/01/2014
745177-EM-3	GOVERNMENT DEVELOPMENT BANK	.0		1	.2	3,500,000	0.0000	3,509,706	3,500,000	3,509,706	9,706	0	0	0	5.250	5.250	MON	15,313	76,563	07/23/2010	08/01/2018
745177-EL-5	GOVERNMENT DEVELOPMENT BANK	.0		1	.2	2,000,000	0.0000	2,006,266	2,000,000	2,006,266	6,266	0	0	0	5.000	5.000	MON	8,333	41,667	07/23/2010	08/01/2016
87675W-10-0	TAX FREE PR TARGET FUND	.0		2	.1	1,986,793	9.7400	1,967,480	1,986,793	1,967,480	(19,313)	0	0	0	6.980	6.980	MON	0	91,157	04/12/2010	12/22/2016
396116-20-7	FIRST PR TAX EXEMPT TARGET	.0		2	.1	1,000,408	8.9800	953,676	1,000,408	953,676	(46,732)	0	0	0	6.300	6.300	MON	0	10,471	10/27/2010	06/30/2017
13063B-F0-0	CALIFORNIA GENERAL OBLIGATION	.0		1	.1	5,340,505	0.0000	5,257,950	5,000,000	5,257,950	(61,701)	(20,855)	0	0	5.750	4.660	FS	95,834	119,790	07/06/2010	03/01/2017
13063B-FT-4	CALIFORNIA GENERAL OBLIGATION	.0		1	.1	2,142,000	0.0000	2,098,740	2,000,000	2,098,740	(35,912)	(7,348)	0	0	5.950	4.520	FS	39,667	49,583	07/06/2010	03/01/2018
452151-LD-3	ILLINOIS GO PENSION	.0		1	.1	1,937,500	0.0000	1,918,380	2,000,000	1,918,380	(21,272)	2,152	0	0	4.350	4.630	MON	7,250	43,500	09/01/2010	06/01/2018
84552K-AY-7	ILLINOIS DEV AUTH SOLID WASTE	.0		1	.1	2,097,000	0.0000	1,937,700	2,250,000	1,937,700	(164,682)	5,382	0	0	6.050	7.010	FA	56,719	68,063	07/07/2010	08/01/2010
1199999. U.S. States, Territories and Possessions - Issuer Obligations						41,504,206	XXX	41,168,552	41,237,201	41,168,552	(314,986)	(20,669)	0	0	XXX	XXX	XXX	312,012	1,480,773	XXX	XXX
1799999. Total - U.S. States, Territories and Possessions Bonds						41,504,206	XXX	41,168,552	41,237,201	41,168,552	(314,986)	(20,669)	0	0	XXX	XXX	XXX	312,012	1,480,773	XXX	XXX
2499999. Total - U.S. Political Subdivisions Bonds						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
3199999. Total - U.S. Special Revenues Bonds						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
3899999. Total - Industrial and Miscellaneous (Unaffiliated) Bonds						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
4199999. Total - Credit Tenant Loans						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
4899999. Total - Hybrid Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
5599999. Total - Parent, Subsidiaries and Affiliates Bonds						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
7799999. Total - Issuer Obligations						41,504,206	XXX	41,168,552	41,237,201	41,168,552	(314,986)	(20,669)	0	0	XXX	XXX	XXX	312,012	1,480,773	XXX	XXX
7899999. Total - Single Class Mortgage-Backed/Asset-Backed Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
7999999. Total - Defined Multi-Class Residential Mortgage-Backed Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8099999. Total - Other Multi-Class Residential Mortgage-Backed Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8199999. Total - Defined Multi-Class Commercial Mortgage-Backed Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8299999. Total - Other Multi-Class Commercial Mortgage-Backed/Asset-Backed Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8399999 - Total Bonds						41,504,206	XXX	41,168,552	41,237,201	41,168,552	(314,986)	(20,669)	0	0	XXX	XXX	XXX	312,012	1,480,773	XXX	XXX

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Schedule D - Part 2 - Section 1 - Preferred Stocks Owned

**N O N E**

Schedule D - Part 2 - Section 2 - Common Stocks Owned

**N O N E**

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 3**

Showing All Long-Term Bonds and Stocks ACQUIRED During Current Year

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends
8767511-10-0	TAX FREE PR TARGET FUND		04/12/2010	VARIOUS		1,986,793	1,986,793	.0
745177-EK-7	GOVERNMENT DEVELOPMENT BANK		07/23/2010	PUERTO RICO GOVERNMENTS		3,500,000	3,500,000	12,396
745177-EM-3	GOVERNMENT DEVELOPMENT BANK		07/23/2010	PUERTO RICO GOVERNMENTS		3,500,000	3,500,000	15,313
745177-EL-5	GOVERNMENT DEVELOPMENT BANK		07/23/2010	PUERTO RICO GOVERNMENTS		2,000,000	2,000,000	8,333
745177-DD-4	GOVERNMENT DEVELOPMENT BANK		07/06/2010	PUERTO RICO GOVERNMENTS		755,050	750,000	10,313
13063B-F0-0	CALIFORNIA GENERAL OBLIGATION		07/06/2010	STATE OF CALIFORNIA		5,340,505	5,000,000	95,834
13063B-FT-4	CALIFORNIA GENERAL OBLIGATION		07/06/2010	STATE OF CALIFORNIA		2,142,000	2,000,000	39,667
452151-LD-3	ILLINOIS GO PENSION		09/01/2010	STATE OF ILLINOIS		1,937,500	2,000,000	7,250
84552K-AY-7	ILLINOIS DEV AUTH SOLID WASTE		07/07/2010	STATE OF ILLINOIS		2,097,000	2,250,000	56,719
336116-20-7	FIRST PR TAX EXEMPT TARGET		10/27/2010	VARIOUS		1,000,408	1,000,408	.0
1799999. Bonds - U.S. States, Territories and Possessions						24,259,256	23,987,201	245,825
8399997. Total - Bonds - Part 3								
8399998. Total - Bonds - Part 5						24,259,256	23,987,201	245,825
8399999. Total - Bonds								
8999997. Total - Preferred Stocks - Part 3						0	XXX	0
8999998. Total - Preferred Stocks - Part 5							XXX	
8999999. Total - Preferred Stocks						0	XXX	0
9799997. Total - Common Stocks - Part 3						0	XXX	0
9799998. Total - Common Stocks - Part 5							XXX	
9799999. Total - Common Stocks						0	XXX	0
9899999. Total - Preferred and Common Stocks						0	XXX	0
9999999 - Totals						24,259,256	XXX	245,825

ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 4**

Showing All Long-Term Bonds and Stocks SOLD, REDEEMED or Otherwise DISPOSED OF During Current Year

1 CUSIP Identi- fication	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Con- sideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	
										11 Unrealized Valuation Increase/ Decrease	12 Current Year's (Amor- tization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in Book/ Adjusted Carrying Value (11+12-13)	15 Total Foreign Exchange Change in Book/ Adjusted Carrying Value							
745291-KB-9	PUERTO RICO PUB FIN CORP		08/02/2010	PUERTO RICO GOVERNMENT		4,974,739	5,300,000	4,651,280	4,916,188	0	138,059	0	138,059	0	4,651,280	0	(79,508)	(79,508)	138,059	08/01/2011	
745177-DD-4	GOVERNMENT DEVELOPMENT BANK		10/01/2010	PUERTO RICO GOVERNMENT		750,000	750,000	755,050	0	0	(603)	0	(603)	0	755,050	0	(4,446)	(4,446)	10,313	02/01/2012	
1799999. Bonds - U.S. States, Territories and Possessions						5,724,739	6,050,000	5,406,330	4,916,188	0	137,456	0	137,456	0	5,406,330	0	(83,954)	(83,954)	148,372	XXX	
8399997. Total - Bonds - Part 4						5,724,739	6,050,000	5,406,330	4,916,188	0	137,456	0	137,456	0	5,406,330	0	(83,954)	(83,954)	148,372	XXX	
8399998. Total - Bonds - Part 5																				XXX	
8399999. Total - Bonds						5,724,739	6,050,000	5,406,330	4,916,188	0	137,456	0	137,456	0	5,406,330	0	(83,954)	(83,954)	148,372	XXX	
8999997. Total - Preferred Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
8999998. Total - Preferred Stocks - Part 5							XXX													XXX	
8999999. Total - Preferred Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799997. Total - Common Stocks - Part 4						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9799998. Total - Common Stocks - Part 5							XXX													XXX	
9799999. Total - Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX
9999999 - Totals						5,724,739	XXX	5,406,330	4,916,188	0	137,456	0	137,456	0	5,406,330	0	(83,954)	(83,954)	148,372	XXX	

Schedule D - Part 5 - Long Term Bonds and Stocks Acquired and Fully Disposed Of

**N O N E**

Schedule D-Part 6-Section 1-Valuation of Shares of Subsidiary, Controlled or Affiliated Companies

**N O N E**

Schedule D - Part 6 - Section 2

**N O N E**

Schedule DA - Part 1 - Short-Term Investments Owned

**N O N E**

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

**N O N E**

Schedule DB - Part A - Section 2 - Options, Caps, Floors, Collars, Swaps and Forwards Terminated

**N O N E**

Schedule DB - Part B - Section 1 - Futures Contracts Open

**N O N E**

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

**N O N E**

Schedule DB - Part B - Section 2 - Futures Contracts Terminated

**N O N E**

Schedule DB - Part B - Section 2B - Brokers with whom cash deposits have been made

**N O N E**

Schedule DB - Part D - Counterparty Exposure for Derivative Instruments Open

**N O N E**

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

**N O N E**

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

**N O N E**



**SCHEDULE E - PART 2 - CASH EQUIVALENTS**

Show Investments Owned December 31 of Current Year

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
<b>NONE</b>							
8699999 - Total Cash Equivalents							

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**SCHEDULE E - PART 3 - SPECIAL DEPOSITS**

States, Etc.	1 Type of Deposit	2 Purpose of Deposit	Deposits For the Benefit of All Policyholders		All Other Special Deposits	
			3 Book/Adjusted Carrying Value	4 Fair Value	5 Book/Adjusted Carrying Value	6 Fair Value
1. Alabama	AL					
2. Alaska	AK					
3. Arizona	AZ					
4. Arkansas	AR					
5. California	CA					
6. Colorado	CO					
7. Connecticut	CT					
8. Delaware	DE					
9. District of Columbia	DC					
10. Florida	FL					
11. Georgia	GA					
12. Hawaii	HI					
13. Idaho	ID					
14. Illinois	IL					
15. Indiana	IN					
16. Iowa	IA					
17. Kansas	KS					
18. Kentucky	KY					
19. Louisiana	LA					
20. Maine	ME					
21. Maryland	MD					
22. Massachusetts	MA					
23. Michigan	MI					
24. Minnesota	MN					
25. Mississippi	MS					
26. Missouri	MO					
27. Montana	MT					
28. Nebraska	NE					
29. Nevada	NV					
30. New Hampshire	NH					
31. New Jersey	NJ					
32. New Mexico	NM					
33. New York	NY					
34. North Carolina	NC					
35. North Dakota	ND					
36. Ohio	OH					
37. Oklahoma	OK					
38. Oregon	OR					
39. Pennsylvania	PA					
40. Rhode Island	RI					
41. South Carolina	SC					
42. South Dakota	SD					
43. Tennessee	TN					
44. Texas	TX					
45. Utah	UT					
46. Vermont	VT					
47. Virginia	VA					
48. Washington	WA					
49. West Virginia	WV					
50. Wisconsin	WI					
51. Wyoming	WY					
52. American Samoa	AS					
53. Guam	GU					
54. Puerto Rico	PR	C	STATE DEPOSIT HMO	600,000		
55. U.S. Virgin Islands	VI					
56. Northern Mariana Islands	MP					
57. Canada	CN					
58. Aggregate Alien and Other	OT	XXX	XXX	0	0	0
59. Subtotal	XXX	XXX		600,000	0	0
DETAILS OF WRITE-INS						
5801.						
5802.						
5803.						
5898. Summary of remaining write-ins for Line 58 from overflow page	XXX	XXX		0	0	0
5899. Totals (Lines 5801 thru 5803 plus 5898)(Line 58 above)	XXX	XXX		0	0	0



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR**

United States Policy Forms Direct Business Only  
 For The Year Ended December 31, 2010  
 (To Be Filed By April 1)

NAIC Group Code 0000.....

NAIC Company Code 11152.....

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2+3)/1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>A. INDIVIDUAL BUSINESS</b>							
1. Comprehensive Major Medical				0.0			
1.1 With Contract Reserves .....				0.0			
1.2 Without Contract Reserves .....				0.0			
1.3 Subtotal	0	0	0	0.0	0	0	0
2. Short-Term Medical				0.0			
2.1 With Contract Reserves .....				0.0			
2.2 Without Contract Reserves .....				0.0			
2.3 Subtotal	0	0	0	0.0	0	0	0
3. Other Medical (Non-Comprehensive)				0.0			
3.1 With Contract Reserves .....				0.0			
3.2 Without Contract Reserves .....				0.0			
3.3 Subtotal	0	0	0	0.0	0	0	0
4. Specified/Named Disease				0.0			
4.1 With Contract Reserves .....				0.0			
4.2 Without Contract Reserves .....				0.0			
4.3 Subtotal	0	0	0	0.0	0	0	0
5. Limited Benefit				0.0			
5.1 With Contract Reserves .....				0.0			
5.2 Without Contract Reserves .....				0.0			
5.3 Subtotal	0	0	0	0.0	0	0	0
6. Student				0.0			
6.1 With Contract Reserves .....				0.0			
6.2 Without Contract Reserves .....				0.0			
6.3 Subtotal	0	0	0	0.0	0	0	0
7. Accident Only or AD&D				0.0			
7.1 With Contract Reserves .....				0.0			
7.2 Without Contract Reserves .....				0.0			
7.3 Subtotal	0	0	0	0.0	0	0	0
8. Disability Income - Short - Term				0.0			
8.1 With Contract Reserves .....				0.0			
8.2 Without Contract Reserves .....				0.0			
8.3 Subtotal	0	0	0	0.0	0	0	0

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**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR**

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2+3)/1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>A. INDIVIDUAL BUSINESS (Continued)</b>							
9. Disability Income - Long - Term							
9.1 With Contract Reserves .....				0.0			
9.2 Without Contract Reserves .....				0.0			
9.3 Subtotal	0	0	0	0.0	0	0	0
10. Long-Term Care							
10.1 With Contract Reserves .....				0.0			
10.2 Without Contract Reserves .....				0.0			
10.3 Subtotal	0	0	0	0.0	0	0	0
11. Medicare Supplement (Medigap)							
11.1 With Contract Reserves .....				0.0			
11.2 Without Contract Reserves .....				0.0			
11.3 Subtotal	0	0	0	0.0	0	0	0
12. Dental							
12.1 With Contract Reserves .....				0.0			
12.2 Without Contract Reserves .....				0.0			
12.3 Subtotal	0	0	0	0.0	0	0	0
13. State Children's Health Insurance Program							
13.1 With Contract Reserves .....				0.0			
13.2 Without Contract Reserves .....				0.0			
13.3 Subtotal	0	0	0	0.0	0	0	0
14. Medicare							
14.1 With Contract Reserves .....				0.0			
14.2 Without Contract Reserves .....	380,733,273	316,101,644		83.0	37,987		
14.3 Subtotal	380,733,273	316,101,644	0	83.0	37,987	0	0
15. Medicaid							
15.1 With Contract Reserves .....				0.0			
15.2 Without Contract Reserves .....				0.0			
15.3 Subtotal	0	0	0	0.0	0	0	0
16. Medicare Part D - Stand-Alone							
16.1 With Contract Reserves .....				0.0			
16.2 Without Contract Reserves .....				0.0			
16.3 Subtotal	0	0	0	0.0	0	0	0
17. Other Individual Business							
17.1 With Contract Reserves .....				0.0			
17.2 Without Contract Reserves .....				0.0			
17.3 Subtotal	0	0	0	0.0	0	0	0
18. Total Individual Business							
18.1 With Contract Reserves .....	0	0	0	0.0	0	0	0
18.2 Without Contract Reserves .....	380,733,273	316,101,644	0	83.0	37,987	0	0
19. Grand Total Individual	380,733,273	316,101,644	0	83.0	37,987	0	0

**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR**

	1	2	3	4	5	6	7
	Premiums Earned	Incurred Claims Amount	Change in Contract Reserves	Loss Ratio (2+3)/1	Number of Policies or Certificates as of Dec. 31	Number of Covered Lives as of Dec. 31	Member Months
<b>B. GROUP BUSINESS</b>							
Comprehensive Major Medical							
1. Single Employer							
1.1 Small Employer .....				0.0			
1.2 Other Employer .....		(200,000)		0.0			
1.3 Single Employer Subtotal .....	0	(200,000)	0	0.0	0	0	0
2. Multiple Employer Assns and Trusts .....				0.0			
3. Other Associations and Discretionary Trusts .....				0.0			
4. Other Comprehensive Major Medical .....				0.0			
5. Comprehensive/Major Medical Subtotal .....	0	(200,000)	0	0.0	0	0	0
Other Medical (Non-Comprehensive)							
6. Specified/Named Disease .....				0.0			
7. Limited Benefit .....				0.0			
8. Student .....				0.0			
9. Accident Only or AD&D .....				0.0			
10. Disability Income - Short-term .....				0.0			
11. Disability Income - Long-term .....				0.0			
12. Long-Term Care .....				0.0			
13. Medicare Supplement (Medigap) .....				0.0			
14. Federal Employees Health Benefit Plans .....				0.0			
15. Tricare .....				0.0			
16. Dental .....				0.0			
17. Medicare .....				0.0			
18. Medicare Part D - Stand-Alone.....				0.0			
19. Other Group Care .....				0.0			
20. Grand Total Group Business .....	0	(200,000)	0	0.0	0	0	0
<b>C. OTHER BUSINESS</b>							
1. Credit (Individual and Group) .....				0.0			
2. Stop Loss/Excess Loss .....				0.0			
3. Administrative Services Only .....	XXX	XXX	XXX	XXX			
4. Administrative Services Contracts .....	XXX	XXX	XXX	XXX			
5. Grand Total Other Business .....	0	0	0	0.0	0	0	0
<b>D. TOTAL BUSINESS</b>							
1. Total Non U.S. Policy Forms .....				0.0			
2. Grand Total Individual, Group and Other Business .....	380,733,273	315,901,644	0	83.0	37,987	0	0

**ACCIDENT AND HEALTH POLICY EXPERIENCE EXHIBIT FOR YEAR  
PART 1 – INDIVIDUAL POLICIES  
SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2+3)/1
1. U.S. Forms Direct Business .....	380,733,273	315,212,081		82.8
2. Other Forms Direct Business .....				0.0
3. Total Direct Business .....	380,733,273	315,212,081	0	82.8
4. Reinsurance Assumed .....				0.0
5. Less Reinsurance Ceded .....		889,564		0.0
6. Total .....	380,733,273	314,322,517	0	82.6

**PART 2 – GROUP POLICIES  
SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2+3)/1
1. U.S. Forms Direct Business .....		(200,000)		0.0
2. Other Forms Direct Business .....				0.0
3. Total Direct Business .....	0	(200,000)	0	0.0
4. Reinsurance Assumed .....				0.0
5. Less Reinsurance Ceded .....				0.0
6. Total .....	0	(200,000)	0	0.0

**PART 3 – CREDIT POLICIES (Individual and Group)  
SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2+3)/1
1. U.S. Forms Direct Business .....				0.0
2. Other Forms Direct Business .....				0.0
3. Total Direct Business .....	0	0	0	0.0
4. Reinsurance Assumed .....				0.0
5. Less Reinsurance Ceded .....				0.0
6. Total .....	0	0	0	0.0

**PART 4 – ALL INDIVIDUAL, GROUP AND CREDIT POLICIES  
SUMMARY**

Description	1 Premiums Earned	2 Incurred Claims Amount	3 Change in Contract Reserves	4 Loss Ratio (2+3)/1
1. U.S. Forms Direct Business .....	380,733,273	315,012,081	0	82.7
2. Other Forms Direct Business .....	0			0.0
3. Total Direct Business .....	380,733,273	315,012,081	0	82.7
4. Reinsurance Assumed .....	0	0	0	0.0
5. Less Reinsurance Ceded .....	0	889,564	0	0.0
6. Total .....	380,733,273	314,122,517	0	82.5



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1**

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION

2.

NAIC Group Code	BUSINESS IN THE STATE OF	Puerto Rico		DURING THE YEAR						2010		(LOCATION)							
				Comprehensive Health Coverage			4		5		6		7		8		9		
				1	2	3	Government Business (excluded by statute)		Other Business (excluded by statute)		Other Health		Subtotal (Cols. 1 through 6)		Uninsured Plans		Total 7 + 8		
Individual	Small Group Employer	Large Group Employer																	
1. Premium:																			
1.1 Health premiums earned (From Part 2, Line 1.8)																			XXX
1.2 Federal high risk pools																			XXX
1.3 State high risk pools																			XXX
1.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)																			XXX
1.5 Federal taxes and federal assessments																			
1.6 State insurance, premium and other taxes (Similar local taxes of \$ )																			
1.7 Regulatory authority licenses and fees																			
1.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)																			XXX
1.9 Net Assumed less Ceded reinsurance premiums earned																			XXX
1.10 Other Adjustments due to MLR calculations - Premiums																			XXX
1.11 Risk Revenue																			XXX
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)																			XXX
2. Claims:																			
2.1 Incurred claims excluding prescription drugs																			XXX
2.2 Prescription drugs																			XXX
2.3 Pharmaceutical rebates																			XXX
2.4 State stop loss, market stabilization and claim/census based assessments																			XXX
3. Incurred medical incentive pools and bonuses																			XXX
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)																			
5. 5.0 Total Incurred Claims (Lines 2.1 + 2.2 - 2.3 - 2.4 + 3) (From Part 2, Line 2.10)																			XXX
5.1 Net Assumed less Ceded reinsurance claims incurred																			XXX
5.2 Other Adjustments due to MLR calculations - Claims																			XXX
5.3 Rebates paid																			XXX
5.4 Estimated rebates unpaid prior year																			XXX
5.5 Estimated rebates unpaid current year																			XXX
5.6 Fee for service and co-pay revenue																			XXX
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)																			XXX
6. Improving Health Care Quality Expenses Incurred:																			
6.1 Type A. Expenses for health improvements other than Health Information Technology																			
6.2 Type B. Health Information Technology expenses related to health improvement																			
6.3 Total of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 + 6.2)																			
7. Preliminary Medical Loss Ratio: MLR ((Lines 4 + 5.0 + 6.3)/Line 1.8)									XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8. Claims Adjustment Expenses:																			
8.1 Cost containment expenses not included in quality of care expenses in Line 6.3																			
8.2 All other claims adjustment expenses																			
8.3 Total claims adjustment expenses (Lines 8.1 + 8.2)																			
9. Claims Adjustment Expense Ratio (Line 8.3/Line 1.8)																			XXX
10. General and Administrative (G&A) Expenses:																			
10.1 Direct sales salaries and benefits																			
10.2 Agents and brokers fees and commissions																			
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)																			
10.4 Other general and administrative expenses																			
10.5 Total general and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)																			
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.3 - 8.3 - 10.5)																			XXX
12. Income from fees of uninsured plans									XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Net investment and other gain/(loss)									XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
14. Federal income taxes (excluding taxes on Line 1.5 above)																			
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)									XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16. ICD-10 Implementation Expenses (informational only; already included in general expenses)																			
OTHER INDICATORS:																			
1. Number of certificates/policies																			
2. Number of Covered Lives																			
3. Number of Groups																			XXX
4. Member Months																			

NONE

NONE

216.1.PR



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2**

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION

2.

NAIC Group Code	BUSINESS IN THE STATE OF	Puerto Rico		DURING THE YEAR				(LOCATION)		
				2010				NAIC Company Code		
				Comprehensive Health Coverage			4	5	6	7
				1	2	3	Government Business (excluded by statute)	Other Business (excluded by statute)	Other Health	Total
				Individual	Small Group Employer	Large Group Employer				
1. Health Premiums Earned:										
1.1 Direct premiums written .....										
1.2 Unearned premium prior year .....										
1.3 Unearned premium current year .....										
1.4 Change in unearned premium (Lines 1.2 - 1.3) .....										
1.5 Reserve for rate credits prior year .....										
1.6 Reserve for rate credits current year .....										
1.7 Change in reserve for rate credits (Lines 1.5 - 1.6) .....										
1.8 Total direct premiums earned (Lines 1.1 + 1.4) less \$ ..... write offs)										
1.9 Assumed premiums earned from non-affiliates .....										
1.10 Net Assumed less Ceded premiums earned from affiliates .....										
1.11 Ceded premiums earned to non-affiliates .....										
1.12 Other Adjustments due to MLR calculation - Premiums .....										
1.13 Net premiums earned (Lines 1.8 + 1.9 + 1.10 - 1.11 + 1.12)										
2. Direct Claims Incurred:										
2.1 Paid claims during the year .....										
2.2 Direct claim liability current year .....										
2.3 Direct claim liability prior year .....										
2.4 Direct claim reserves current year .....										
2.5 Direct claim reserves prior year .....										
2.6 Direct contract reserves current year .....										
2.7 Direct contract reserves prior year .....										
2.8 Incurred medical incentive pools and bonuses (Lines 2.8a + 2.8b - 2.8c) .....										
2.8a Paid medical incentive pools and bonuses current year .....										
2.8b Accrued medical incentive pools and bonuses current year .....										
2.8c Accrued medical incentive pools and bonuses prior year .....										
2.9 Net healthcare receivables (Lines 2.9a - 2.9b) .....										
2.9a Healthcare receivables current year .....										
2.9b Healthcare receivables prior year .....										
2.10 Total Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 - 2.9) .....										
2.11 Assumed Incurred Claims from non-affiliates .....										
2.12 Net Assumed less Ceded Incurred Claims from affiliates .....										
2.13 Ceded Incurred Claims to non-affiliates .....										
2.14 Other Adjustments due to MLR calculation - Claims .....										
2.15 Net Incurred Claims (Lines 2.10 + 2.11 + 2.12 - 2.13 + 2.14)										
3. Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)										

NONE

216.2.PR



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3**

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION

2.

NAIC Group Code		BUSINESS IN THE STATE OF	Puerto Rico		DURING THE YEAR						(LOCATION) NAIC Company Code	
3A	All Expenses			Improving Health Care Quality Expenses						Claims Adjustment Expenses		
		1	2	3	4	5	6	7	8	9	10	
		Improve Health Outcomes	Activities to Prevent Hospital Readmissions	Improve Patient Safety and Reduce Medical Errors	Wellness & Health Promotion Activities	HIT Expenses	Total (1 to 5)	Cost Containment Expenses	Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)	
1.	Individual Comprehensive Coverage Expenses:											
	1.1 Salaries (including \$ ..... for affiliated services) .....											
	1.2 Outsourced Services .....											
	1.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....											
	1.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....											
	1.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX						
	1.6 Other Expenses (incl \$ ..... for affiliated services) .....											
	1.7 Subtotal before Reimbursements and Taxes (Lines 1.1 to 1.6) .....											
	1.8 Reimbursements by uninsured plans and fiscal intermediaries .....											
	1.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
	1.10 Total (1.7 to 1.9) .....											
	1.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....											
2.	Small Group Comprehensive Coverage Expenses:	NONE										
	2.1 Salaries (including \$ ..... for affiliated services) .....											
	2.2 Outsourced Services .....											
	2.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....											
	2.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....											
	2.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XX	XX	XXX	XXX						
	2.6 Other Expenses (incl \$ ..... for affiliated services) .....											
	2.7 Subtotal before Reimbursements and Taxes (Lines 2.1 to 2.6) .....											
	2.8 Reimbursements by uninsured plans and fiscal intermediaries .....											
	2.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
	2.10 Total (2.7 to 2.9) .....											
	2.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....											
3.	Large Group Comprehensive Coverage Expenses:											
	3.1 Salaries (including \$ ..... for affiliated services) .....											
	3.2 Outsourced Services .....											
	3.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....											
	3.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....											
	3.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX						
	3.6 Other Expenses (incl \$ ..... for affiliated services) .....											
	3.7 Subtotal before Reimbursements and Taxes (Lines 3.1 to 3.6) .....											
	3.8 Reimbursements by uninsured plans and fiscal intermediaries .....											
	3.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
	3.10 Total (3.7 to 3.9) .....											
	3.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....											

3B	Quality Improvement Expenses Only	Improving Health Care Quality Expenses				
		1	2	3	4	5
		Improve Health Outcomes	Activities to Prevent Hospital Readmissions	Improve Patient Safety and Reduce Medical Errors	Wellness & Health Promotion Activities	Total (1 to 4)
1.	Individual Comprehensive Coverage Expenses:					
	1.1 HIT Expenses .....					
	1.2 Other than HIT expenses .....					
2.	Small Group Comprehensive Coverage Expenses:	NONE				
	2.1 HIT Expenses .....					
	2.2 Other than HIT expenses .....					
3.	Large Group Comprehensive Coverage Expenses:	NONE				
	3.1 HIT Expenses .....					
	3.2 Other than HIT expenses .....					
4.	Subtotals/Totals:	NONE				
	4.1 Subtotal HIT expenses (Lines 1.1 + 2.1 + 3.1) .....					
	4.2 Subtotal Other than HIT expenses (Lines 1.2 + 2.2 + 3.2) .....					
	4.3 Total (Lines 4.1 + 4.2) .....					

216.3.PR



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 1**  
 (To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION

2.

NAIC Group Code	BUSINESS IN THE STATE OF	Grand Total	DURING THE YEAR							2010	(LOCATION)										
			Comprehensive Health Coverage			4		5			6		7		8		9				
			1	2	3	Government Business (excluded by statute)	Other Business (excluded by statute)	Other Health	Subtotal (Cols. 1 through 6)		Uninsured Plans	Total 7 + 8	NAIC Company Code	NAIC Company Code							
1. Premium:																					
1.1 Health premiums earned (From Part 2, Line 1.8)																					XXX
1.2 Federal high risk pools																					XXX
1.3 State high risk pools																					XXX
1.4 Premiums earned including state and federal high risk programs (Lines 1.1 + 1.2 + 1.3)																					XXX
1.5 Federal taxes and federal assessments																					
1.6 State insurance, premium and other taxes (Similar local taxes of \$ )																					
1.7 Regulatory authority licenses and fees																					
1.8 Adjusted Premiums Earned (Lines 1.4 - 1.5 - 1.6 - 1.7)																					XXX
1.9 Net Assumed less Ceded reinsurance premiums earned																					XXX
1.10 Other Adjustments due to MLR calculations - Premiums																					XXX
1.11 Risk Revenue																					XXX
1.12 Net adjusted premiums earned after reinsurance (Lines 1.8 + 1.9 + 1.10 + 1.11)																					XXX
2. Claims:																					
2.1 Incurred claims excluding prescription drugs																					XXX
2.2 Prescription drugs																					XXX
2.3 Pharmaceutical rebates																					XXX
2.4 State stop loss, market stabilization and claim/census based assessments																					XXX
3. Incurred medical incentive pools and bonuses																					XXX
4. Deductible Fraud and Abuse Detection/Recovery Expenses (for MLR use only)																					
5. 5.0 Total Incurred Claims (Lines 2.1 + 2.2 - 2.3 - 2.4 + 3) (From Part 2, Line 2.10)																					XXX
5.1 Net Assumed less Ceded reinsurance claims incurred																					XXX
5.2 Other Adjustments due to MLR calculations - Claims																					XXX
5.3 Rebates paid																					XXX
5.4 Estimated rebates unpaid prior year																					XXX
5.5 Estimated rebates unpaid current year																					XXX
5.6 Fee for service and co-pay revenue																					XXX
5.7 Net incurred claims after reinsurance (Lines 5.0 + 5.1 + 5.2 + 5.3 - 5.4 + 5.5 - 5.6)																					XXX
6. Improving Health Care Quality Expenses Incurred:																					
6.1 Type A. Expenses for health improvements other than Health Information Technology																					
6.2 Type B. Health Information Technology expenses related to health improvement																					
6.3 Total of Defined Expenses Incurred for Improving Health Care Quality (Lines 6.1 + 6.2)																					
7. Preliminary Medical Loss Ratio: MLR ((Lines 4 + 5.0 + 6.3)/Line 1.8)									XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
8. Claims Adjustment Expenses:																					
8.1 Cost containment expenses not included in quality of care expenses in Line 6.3																					
8.2 All other claims adjustment expenses																					
8.3 Total claims adjustment expenses (Lines 8.1 + 8.2)																					
9. Claims Adjustment Expense Ratio (Line 8.3/Line 1.8)																					XXX
10. General and Administrative (G&A) Expenses:																					
10.1 Direct sales salaries and benefits																					
10.2 Agents and brokers fees and commissions																					
10.3 Other taxes (excluding taxes on Lines 1.5 through 1.7 and Line 14 below)																					
10.4 Other general and administrative expenses																					
10.5 Total general and administrative (Lines 10.1 + 10.2 + 10.3 + 10.4)																					
11. Underwriting Gain/(Loss) (Lines 1.12 - 5.7 - 6.3 - 8.3 - 10.5)																					XXX
12. Income from fees of uninsured plans									XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
13. Net investment and other gain/(loss)									XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
14. Federal income taxes (excluding taxes on Line 1.5 above)																					
15. Net gain or (loss) (Lines 11 + 12 + 13 - 14)									XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
16. ICD-10 Implementation Expenses (informational only; already included in general expenses)																					
OTHER INDICATORS:																					
1. Number of certificates/policies																					
2. Number of Covered Lives																					
3. Number of Groups																					XXX
4. Member Months																					

NONE

NONE

216.1.GT



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 2**

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION

2.

NAIC Group Code	BUSINESS IN THE STATE OF	Grand Total	DURING THE YEAR 2010					(LOCATION)	
			Comprehensive Health Coverage			4	5	6	7
			1	2	3	Government Business (excluded by statute)	Other Business (excluded by statute)	Other Health	Total
			Individual	Small Group Employer	Large Group Employer				
1. Health Premiums Earned:									
1.1 Direct premiums written .....									
1.2 Unearned premium prior year .....									
1.3 Unearned premium current year .....									
1.4 Change in unearned premium (Lines 1.2 - 1.3) .....									
1.5 Reserve for rate credits prior year .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
1.6 Reserve for rate credits current year .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
1.7 Change in reserve for rate credits (Lines 1.5 - 1.6) .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
1.8 Total direct premiums earned (Lines 1.1 + 1.4) less \$ ..... write offs)									
1.9 Assumed premiums earned from non-affiliates .....									
1.10 Net Assumed less Ceded premiums earned from affiliates .....									
1.11 Ceded premiums earned to non-affiliates .....									
1.12 Other Adjustments due to MLR calculation - Premiums .....									
1.13 Net premiums earned (Lines 1.8 + 1.9 + 1.10 - 1.11 + 1.12)									
2. Direct Claims Incurred:									
2.1 Paid claims during the year .....									
2.2 Direct claim liability current year .....									
2.3 Direct claim liability prior year .....									
2.4 Direct claim reserves current year .....									
2.5 Direct claim reserves prior year .....									
2.6 Direct contract reserves current year .....									
2.7 Direct contract reserves prior year .....									
2.8 Incurred medical incentive pools and bonuses (Lines 2.8a + 2.8b - 2.8c) .....									
2.8a Paid medical incentive pools and bonuses current year .....									
2.8b Accrued medical incentive pools and bonuses current year .....									
2.8c Accrued medical incentive pools and bonuses prior year .....									
2.9 Net healthcare receivables (Lines 2.9a - 2.9b) .....									
2.9a Healthcare receivables current year .....									
2.9b Healthcare receivables prior year .....									
2.10 Total Incurred Claims (Lines 2.1 + 2.2 - 2.3 + 2.4 - 2.5 + 2.6 - 2.7 + 2.8 - 2.9) .....									
2.11 Assumed Incurred Claims from non-affiliates .....									
2.12 Net Assumed less Ceded Incurred Claims from affiliates .....									
2.13 Ceded Incurred Claims to non-affiliates .....									
2.14 Other Adjustments due to MLR calculation - Claims .....									
2.15 Net Incurred Claims (Lines 2.10 + 2.11 + 2.12 - 2.13 + 2.14)									
3. Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)									

NONE

216.2.GT



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3**

(To Be Filed by April 1 - Not for Rebate Purposes)

REPORT FOR: 1. CORPORATION

2.

3A	NAIC Group Code	BUSINESS IN THE STATE OF	Grand Total	DURING THE YEAR						(LOCATION)			
				2010						NAIC Company Code			
				1	2	3	4	5	6	7	8	9	10
			All Expenses	Improve Health Outcomes	Activities to Prevent Hospital Readmissions	Improve Patient Safety and Reduce Medical Errors	Wellness & Health Promotion Activities	HIT Expenses	Total (1 to 5)	Cost Containment Expenses	Other Claims Adjustment Expenses	General Administrative Expenses	Total Expenses (6 to 9)
1.	Individual Comprehensive Coverage Expenses:												
	1.1 Salaries (including \$ ..... for affiliated services) .....												
	1.2 Outsourced Services .....												
	1.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....												
	1.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....												
	1.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....												
	1.6 Other Expenses (incl \$ ..... for affiliated services) .....												
	1.7 Subtotal before Reimbursements and Taxes (Lines 1.1 to 1.6) .....												
	1.8 Reimbursements by uninsured plans and fiscal intermediaries .....												
	1.9 Taxes, Licenses and Fees (in total, for tying purposes) .....												
	1.10 Total (1.7 to 1.9) .....												
	1.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....												
2.	Small Group Comprehensive Coverage Expenses:												
	2.1 Salaries (including \$ ..... for affiliated services) .....												
	2.2 Outsourced Services .....												
	2.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....												
	2.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....												
	2.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....												
	2.6 Other Expenses (incl \$ ..... for affiliated services) .....												
	2.7 Subtotal before Reimbursements and Taxes (Lines 2.1 to 2.6) .....												
	2.8 Reimbursements by uninsured plans and fiscal intermediaries .....												
	2.9 Taxes, Licenses and Fees (in total, for tying purposes) .....												
	2.10 Total (2.7 to 2.9) .....												
	2.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....												
3.	Large Group Comprehensive Coverage Expenses:												
	3.1 Salaries (including \$ ..... for affiliated services) .....												
	3.2 Outsourced Services .....												
	3.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....												
	3.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....												
	3.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....												
	3.6 Other Expenses (incl \$ ..... for affiliated services) .....												
	3.7 Subtotal before Reimbursements and Taxes (Lines 3.1 to 3.6) .....												
	3.8 Reimbursements by uninsured plans and fiscal intermediaries .....												
	3.9 Taxes, Licenses and Fees (in total, for tying purposes) .....												
	3.10 Total (3.7 to 3.9) .....												
	3.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....												

NONE

3B	Quality Improvement Expenses Only	Improving Health Care Quality Expenses				
		1	2	3	4	5
		Improve Health Outcomes	Activities to Prevent Hospital Readmissions	Improve Patient Safety and Reduce Medical Errors	Wellness & Health Promotion Activities	Total (1 to 4)
1.	Individual Comprehensive Coverage Expenses:					
	1.1 HIT Expenses .....					
	1.2 Other than HIT expenses .....					
2.	Small Group Comprehensive Coverage Expenses:					
	2.1 HIT Expenses .....					
	2.2 Other than HIT expenses .....					
3.	Large Group Comprehensive Coverage Expenses:					
	3.1 HIT Expenses .....					
	3.2 Other than HIT expenses .....					
4.	Subtotals/Totals:					
	4.1 Subtotal HIT expenses (Lines 1.1 + 2.1 + 3.1) .....					
	4.2 Subtotal Other than HIT expenses (Lines 1.2 + 2.2 + 3.2) .....					
	4.3 Total (Lines 4.1 + 4.2) .....					

NONE

216.3.GT

Supplemental Health Care Exhibit's Expense Allocation Report - Description of Allocation Methodology

**N O N E**

Supplemental Health Care Exhibit's Expense Allocation Report - Desc of Quality Improvement Expenses

**N O N E**



## Audited Financial Information

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## Accountant's Letter of Qualifications

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## Communication of Internal Control Related Matters Noted in Audit

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# Management's Report of Internal Control Over Financial Reporting

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# SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2010  
(To Be Filed by April 1)

Of The AMERICAN HEALTH, INC. ....  
 ADDRESS (City, State and Zip Code) Guaynabo , PR 00969 .....  
 NAIC Group Code 0000 ..... NAIC Company Code 11152 ..... Federal Employer's Identification Number (FEIN) 66-0593034 .....

The Investment Risks Interrogatories are to be filed by April 1. They are also to be included with the Audited Statutory Financial Statements.

Answer the following interrogatories by reporting the applicable U.S. dollar amounts and percentages of the reporting entity's total admitted assets held in that category of investments.

1. Reporting entity's total admitted assets as reported on Page 2 of this annual statement. .... \$ ..... 69,067,841

2. Ten largest exposures to a single issuer/borrower/investment.

	1	2	3	4
	Issuer	Description of Exposure	Amount	Percentage of Total Admitted Assets
2.01	GOVERNMENT DEVELOPMENT BANK	COLLATERIZED BY THE PR GOVERNMENT	\$ 18,012,760	26.1 %
2.02	GOVERNMENT DEVELOPMENT BANK	COLLATERIZED BY THE PR GOVERNMENT	\$ 3,505,894	5.1 %
2.03	GOVERNMENT DEVELOPMENT BANK	COLLATERIZED BY THE PR GOVERNMENT	\$ 3,509,706	5.1 %
2.04	GOVERNMENT DEVELOPMENT BANK	COLLATERIZED BY THE PR GOVERNMENT	\$ 2,006,266	2.9 %
2.05	TAX FREE PR TARGET FUND	COLLATERIZED BY THE PR GOVERNMENT	\$ 1,967,480	2.8 %
2.06	FIRST PR TAX EXEMPT TARGET	COLLATERIZED BY THE PR GOVERNMENT	\$ 953,676	1.4 %
2.07	CALIFORNIA GENERAL OBLIGATION	COLLATERIZED BY THE US GOVERNMENT	\$ 5,257,950	7.6 %
2.08	CALIFORNIA GENERAL OBLIGATION	COLLATERIZED BY THE US GOVERNMENT	\$ 2,098,740	3.0 %
2.09	ILLINOIS GO PENSION	COLLATERIZED BY THE US GOVERNMENT	\$ 1,918,380	2.8 %
2.10	ILLINOIS DEV AUTH SOLID WASTE	COLLATERIZED BY THE US GOVERNMENT	\$ 1,937,700	2.8 %

3. Amounts and percentages of the reporting entity's total admitted assets held in bonds and preferred stocks by NAIC rating.

	Bonds	1	2	Preferred Stocks	3	4
3.01	NAIC-1	\$ 14,133,926	20.5 %	3.07 P/RP-1	\$	0.0 %
3.02	NAIC-2	\$ 27,034,626	39.1 %	3.08 P/RP-2	\$	0.0 %
3.03	NAIC-3	\$ 0	0.0 %	3.09 P/RP-3	\$	0.0 %
3.04	NAIC-4	\$ 0	0.0 %	3.10 P/RP-4	\$	0.0 %
3.05	NAIC-5	\$ 0	0.0 %	3.11 P/RP-5	\$	0.0 %
3.06	NAIC-6	\$ 0	0.0 %	3.12 P/RP-6	\$	0.0 %

4. Assets held in foreign investments:

4.01 Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets? ..... Yes [ ] No [ X ]  
 If response to 4.01 above is yes, responses are not required for interrogatories 5 - 10.  
 4.02 Total admitted assets held in foreign investments ..... \$ ..... 0.0 %  
 4.03 Foreign-currency-denominated investments ..... \$ ..... 0.0 %  
 4.04 Insurance liabilities denominated in that same foreign currency ..... \$ ..... 0.0 %

SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

	1	2
5.01 Countries rated NAIC-1 .....	\$ .....	.....0.0 %
5.02 Countries rated NAIC-2 .....	\$ .....	.....0.0 %
5.03 Countries rated NAIC-3 or below .....	\$ .....	.....0.0 %

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign rating:

	1	2
Countries rated NAIC - 1:		
6.01 Country 1: .....	\$ .....	.....0.0 %
6.02 Country 2: .....	\$ .....	.....0.0 %
Countries rated NAIC - 2:		
6.03 Country 1: .....	\$ .....	.....0.0 %
6.04 Country 2: .....	\$ .....	.....0.0 %
Countries rated NAIC - 3 or below:		
6.05 Country 1: .....	\$ .....	.....0.0 %
6.06 Country 2: .....	\$ .....	.....0.0 %

	1	2
7. Aggregate unhedged foreign currency exposure .....	\$ .....	.....0.0 %

8. Aggregate unhedged foreign currency exposure categorized by NAIC sovereign rating:

	1	2
8.01 Countries rated NAIC-1 .....	\$ .....	.....0.0 %
8.02 Countries rated NAIC-2 .....	\$ .....	.....0.0 %
8.03 Countries rated NAIC-3 or below .....	\$ .....	.....0.0 %

9. Largest unhedged foreign currency exposures by country, categorized by the country's NAIC sovereign rating:

	1	2
Countries rated NAIC - 1:		
9.01 Country 1: .....	\$ .....	.....0.0 %
9.02 Country 2: .....	\$ .....	.....0.0 %
Countries rated NAIC - 2:		
9.03 Country 1: .....	\$ .....	.....0.0 %
9.04 Country 2: .....	\$ .....	.....0.0 %
Countries rated NAIC - 3 or below:		
9.05 Country 1: .....	\$ .....	.....0.0 %
9.06 Country 2: .....	\$ .....	.....0.0 %

10. Ten largest non-sovereign (i.e. non-governmental) foreign issues:

	1 Issuer	2 NAIC Rating	3	4
10.01 .....			\$ .....	.....0.0 %
10.02 .....			\$ .....	.....0.0 %
10.03 .....			\$ .....	.....0.0 %
10.04 .....			\$ .....	.....0.0 %
10.05 .....			\$ .....	.....0.0 %
10.06 .....			\$ .....	.....0.0 %
10.07 .....			\$ .....	.....0.0 %
10.08 .....			\$ .....	.....0.0 %
10.09 .....			\$ .....	.....0.0 %
10.10 .....			\$ .....	.....0.0 %

SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

11. Amounts and percentages of the reporting entity's total admitted assets held in Canadian investments and unhedged Canadian currency exposure:

11.01	Are assets held in Canadian investments less than 2.5% of the reporting entity's total admitted assets? .....	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
If response to 11.01 is yes, detail is not required for the remainder of interrogatory 11.			
		<u>1</u>	<u>2</u>
11.02	Total admitted assets held in Canadian investments .....	\$ .....	.....0.0 %
11.03	Canadian-currency-denominated investments .....	\$ .....	.....0.0 %
11.04	Canadian-denominated insurance liabilities .....	\$ .....	.....0.0 %
11.05	Unhedged Canadian currency exposure .....	\$ .....	.....0.0 %

12. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments with contractual sales restrictions:

12.01	Are assets held in investments with contractual sales restrictions less than 2.5% of the reporting entity's total admitted assets? .....	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
If response to 12.01 is yes, responses are not required for the remainder of Interrogatory 12.			
		<u>1</u>	<u>2</u>
12.02	Aggregate statement value of investments with contractual sales restrictions .....	\$ .....	.....0.0 %
Largest three investments with contractual sales restrictions:			
12.03	.....	\$ .....	.....0.0 %
12.04	.....	\$ .....	.....0.0 %
12.05	.....	\$ .....	.....0.0 %

13. Amounts and percentages of admitted assets held in the ten largest equity interests:

13.01	Are assets held in equity interests less than 2.5% of the reporting entity's total admitted assets? .....	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
If response to 13.01 above is yes, responses are not required for the remainder of Interrogatory 13.			
		<u>1</u>	<u>2</u>
		Issuer	<u>3</u>
13.02	.....	\$ .....	.....0.0 %
13.03	.....	\$ .....	.....0.0 %
13.04	.....	\$ .....	.....0.0 %
13.05	.....	\$ .....	.....0.0 %
13.06	.....	\$ .....	.....0.0 %
13.07	.....	\$ .....	.....0.0 %
13.08	.....	\$ .....	.....0.0 %
13.09	.....	\$ .....	.....0.0 %
13.10	.....	\$ .....	.....0.0 %
13.11	.....	\$ .....	.....0.0 %

**SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.**

14. Amounts and percentages of the reporting entity's total admitted assets held in nonaffiliated, privately placed equities:

14.01 Are assets held in nonaffiliated, privately placed equities less than 2.5% of the reporting entity's total admitted assets? ..... Yes [ ] No [ X ]

If response to 14.01 above is yes, responses are not required for the remainder of Interrogatory 14.

	<u>1</u>	<u>2</u>	<u>3</u>
14.02 Aggregate statement value of investments held in nonaffiliated, privately placed equities .....	\$ .....		0.0 %
Largest three investments held in nonaffiliated, privately placed equities:			
14.03 .....	\$ .....		0.0 %
14.04 .....	\$ .....		0.0 %
14.05 .....	\$ .....		0.0 %

15. Amounts and percentages of the reporting entity's total admitted assets held in general partnership interests:

15.01 Are assets held in general partnership interests less than 2.5% of the reporting entity's total admitted assets? ..... Yes [ ] No [ X ]

If response to 15.01 above is yes, responses are not required for the remainder of Interrogatory 15.

	<u>1</u>	<u>2</u>	<u>3</u>
15.02 Aggregate statement value of investments held in general partnership interests .....	\$ .....		0.0 %
Largest three investments in general partnership interests:			
15.03 .....	\$ .....		0.0 %
15.04 .....	\$ .....		0.0 %
15.05 .....	\$ .....		0.0 %

16. Amounts and percentages of the reporting entity's total admitted assets held in mortgage loans:

16.01 Are mortgage loans reported in Schedule B less than 2.5% of the reporting entity's total admitted assets? ..... Yes [ ] No [ X ]

If response to 16.01 above is yes, responses are not required for the remainder of Interrogatory 16 and Interrogatory 17.

	<u>1</u>	<u>2</u>	<u>3</u>
	Type (Residential, Commercial, Agricultural)		
16.02 .....	\$ .....		0.0 %
16.03 .....	\$ .....		0.0 %
16.04 .....	\$ .....		0.0 %
16.05 .....	\$ .....		0.0 %
16.06 .....	\$ .....		0.0 %
16.07 .....	\$ .....		0.0 %
16.08 .....	\$ .....		0.0 %
16.09 .....	\$ .....		0.0 %
16.10 .....	\$ .....		0.0 %
16.11 .....	\$ .....		0.0 %

**SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.**

Amount and percentage of the reporting entity's total admitted assets held in the following categories of mortgage loans:

		<u>Loans</u>	
16.12 Construction loans .....	\$ .....	.....	.00 %
16.13 Mortgage loans over 90 days past due .....	\$ .....	.....	.00 %
16.14 Mortgage loans in the process of foreclosure .....	\$ .....	.....	.00 %
16.15 Mortgage loans foreclosed .....	\$ .....	.....	.00 %
16.16 Restructured mortgage loans .....	\$ .....	.....	.00 %

17. Aggregate mortgage loans having the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

<u>Loan to Value</u>	Residential		Commercial		Agricultural	
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>
17.01 above 95%..... \$ .....	.....	.00 %	\$ .....	.00 %	\$ .....	.00 %
17.02 91 to 95%..... \$ .....	.....	.00 %	\$ .....	.00 %	\$ .....	.00 %
17.03 81 to 90%..... \$ .....	.....	.00 %	\$ .....	.00 %	\$ .....	.00 %
17.04 71 to 80%..... \$ .....	.....	.00 %	\$ .....	.00 %	\$ .....	.00 %
17.05 below 70%..... \$ .....	.....	.00 %	\$ .....	.00 %	\$ .....	.00 %

18. Amounts and percentages of the reporting entity's total admitted assets held in each of the five largest investments in real estate:

18.01 Are assets held in real estate reported less than 2.5% of the reporting entity's total admitted assets? ..... Yes [  ] No [  ]

If response to 18.01 above is yes, responses are not required for the remainder of Interrogatory 18.

Largest five investments in any one parcel or group of contiguous parcels of real estate.

	<u>Description</u>		<u>2</u>	<u>3</u>
	<u>1</u>			
18.02 .....	.....	.....	\$ .....	.00 %
18.03 .....	.....	.....	\$ .....	.00 %
18.04 .....	.....	.....	\$ .....	.00 %
18.05 .....	.....	.....	\$ .....	.00 %
18.06 .....	.....	.....	\$ .....	.00 %

19. Report aggregate amounts and percentages of the reporting entity's total admitted assets held in investments held in mezzanine real estate loans:

19.01 Are assets held in investments held in mezzanine real estate loans less than 2.5% of the reporting entity's total admitted assets? ..... Yes [  ] No [  ]

If response to 19.01 is yes, responses are not required for the remainder of Interrogatory 19.

	<u>1</u>	<u>2</u>	<u>3</u>
19.02 Aggregate statement value of investments held in mezzanine real estate loans: .....	\$ .....	.....	.00 %
Largest three investments held in mezzanine real estate loans:			
19.03 .....	\$ .....	.....	.00 %
19.04 .....	\$ .....	.....	.00 %
19.05 .....	\$ .....	.....	.00 %

SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

20. Amounts and percentages of the reporting entity's total admitted assets subject to the following types of agreements:

	At Year End		1st Quarter 3	At End of Each Quarter	
	1	2		2nd Quarter 4	3rd Quarter 5
20.01 Securities lending agreements (do not include assets held as collateral for such transactions)	\$ .....	.....0.0 %	\$ .....	\$ .....	\$ .....
20.02 Repurchase agreements	\$ .....	.....0.0 %	\$ .....	\$ .....	\$ .....
20.03 Reverse repurchase agreements	\$ .....	.....0.0 %	\$ .....	\$ .....	\$ .....
20.04 Dollar repurchase agreements	\$ .....	.....0.0 %	\$ .....	\$ .....	\$ .....
20.05 Dollar reverse repurchase agreements	\$ .....	.....0.0 %	\$ .....	\$ .....	\$ .....

21. Amounts and percentages of the reporting entity's total admitted assets for warrants not attached to other financial instruments, options, caps, and floors:

	Owned			Written	
	1	2	3	4	5
21.01 Hedging	\$ .....	.....0.0 %	\$ .....	.....0.0 %	\$ .....
21.02 Income generation	\$ .....	.....0.0 %	\$ .....	.....0.0 %	\$ .....
21.03 Other	\$ .....	.....0.0 %	\$ .....	.....0.0 %	\$ .....

22. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for collars, swaps, and forwards:

	At Year End		1st Quarter 3	At End of Each Quarter	
	1	2		2nd Quarter 4	3rd Quarter 5
22.01 Hedging	\$ .....0	.....0.0 %	\$ .....	\$ .....	\$ .....
22.02 Income generation	\$ .....0	.....0.0 %	\$ .....	\$ .....	\$ .....
22.03 Replications	\$ .....0	.....0.0 %	\$ .....	\$ .....	\$ .....
22.04 Other	\$ .....0	.....0.0 %	\$ .....	\$ .....	\$ .....

23. Amounts and percentages of the reporting entity's total admitted assets of potential exposure for futures contracts:

	At Year End		At End of Each Quarter		
	1	2	1st Quarter 3	2nd Quarter 4	3rd Quarter 5
23.01 Hedging	\$ .....0	.....0.0 %	\$ .....	\$ .....	\$ .....
23.02 Income generation	\$ .....	.....0.0 %	\$ .....	\$ .....	\$ .....
23.03 Replications	\$ .....	.....0.0 %	\$ .....	\$ .....	\$ .....
23.04 Other	\$ .....	.....0.0 %	\$ .....	\$ .....	\$ .....



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**LONG-TERM CARE EXPERIENCE REPORTING FORM 1**  
**ACTUAL VS. EXPECTED CLAIMS AND PERSISTENCY**

REPORTING YEAR 2010  
 (To Be Filed By April 1)

NAIC Group Code 0000.....

NAIC Company Code 11152.....

	1 Earned Premiums	2 Incurred Claims	3 Valuation Expected Incurred Claims	4 Actual to Expected Incurred Claims	5 Open Claim Count	6 New Claim Count	7 Lives Inforce End of Year	8 Expected Lives Inforce End of Year	9 Actual to Expected Lives Inforce
<b>A. Individual</b>									
Comprehensive:									
1. Current .....									
2. Prior .....									
3. 2nd Prior .....									
4. 3rd Prior .....									
5. 4th Prior .....									
6. 5th Prior .....									
7. Form Inception-to-Date .....									
8. Total Inception-to-Date .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Institutional Only:									
9. Current .....									
10. Prior .....									
11. 2nd Prior .....									
12. 3rd Prior .....									
13. 4th Prior .....									
14. 5th Prior .....									
15. Form Inception-to-Date .....									
16. Total Inception-to-Date .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Non-Institutional Only:									
17. Current .....									
18. Prior .....									
19. 2nd Prior .....									
20. 3rd Prior .....									
21. 4th Prior .....									
22. 5th Prior .....									
23. Form Inception-to-Date .....									
24. Total Inception-to-Date .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
<b>B. Group</b>									
Comprehensive:									
1. Current .....									
2. Prior .....									
3. 2nd Prior .....									
4. 3rd Prior .....									
5. 4th Prior .....									
6. 5th Prior .....									
7. Form Inception-to-Date .....									
8. Total Inception-to-Date .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Institutional Only:									
9. Current .....									
10. Prior .....									
11. 2nd Prior .....									
12. 3rd Prior .....									
13. 4th Prior .....									
14. 5th Prior .....									
15. Form Inception-to-Date .....									
16. Total Inception-to-Date .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
Non-Institutional Only:									
17. Current .....									
18. Prior .....									
19. 2nd Prior .....									
20. 3rd Prior .....									
21. 4th Prior .....									
22. 5th Prior .....									
23. Form Inception-to-Date .....									
24. Total Inception-to-Date .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX
<b>C. Summary</b>									
7. Form Inception-to-Date .....									
8. Total Inception-to-Date .....			XXX	XXX	XXX	XXX	XXX	XXX	XXX

NONE



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**LONG-TERM CARE EXPERIENCE REPORTING FORM 2**  
**EXPERIENCE RESERVE VS. REPORTED RESERVE BY CALENDAR YEAR**  
 REPORTING YEAR 2010  
 (To Be Filed By April 1)

NAIC Group Code 0000.....

NAIC Company Code 11152.....

Reporting Year	1 Policy Form	2 First Year Issue	3 Last Year Issue	4 Earned Premiums	5 Incurred Claims	6 Loss Ratio	7 Annual Net/ Annual Gross Premiums	8 Current Year Net Premiums	9 Inforce Count Beginning of Year	10 New Issues Current Year	11 Inforce Count End of Year	12 Persistency Rate	13 Experience Policy Reserves	14 Reported Policy Reserves	15 Experience/Reported Ratio
<b>A. Individual</b>															
1. Current .....						0.0						0.000			0.0
2. Prior .....						0.0						0.000			0.0
3. 2nd Prior .....						0.0						0.000			0.0
1. Current .....															
2. Prior .....															
3. 2nd Prior .....															
1. Current .....															
2. Prior .....															
3. 2nd Prior .....															
<b>B. Group</b>															
1. Current .....															
2. Prior .....															
3. 2nd Prior .....															
1. Current .....															
2. Prior .....															
3. 2nd Prior .....															
1. Current .....															
2. Prior .....															
3. 2nd Prior .....															
<b>C. Summary</b>															
1. Total Current - Individual .....						XXX	XX					XXX			XXX
2. Total Prior - Individual .....						XX	XX					XXX			XXX
3. Total 2nd Prior - Individual .....						XX	XX					XXX			XXX
4. Total Current - Group .....						XX	XX					XXX			XXX
5. Total Prior - Group .....						XXX	XX					XXX			XXX
6. 2nd Prior - Group .....						XXX	XXX					XXX			XXX
7. Current Year Total .....															

NONE

Long-Term Care Experience Reporting Form 3 - Individual - Part 1

**N O N E**

Long-Term Care Experience Reporting Form 3 - Individual - Part 2

**N O N E**

Long-Term Care Experience Reporting Form 3 - Individual - Part 3

**N O N E**

Long-Term Care Experience Reporting Form 3 - Individual - Part 4

**N O N E**

Long-Term Care Experience Reporting Form 3 - Group - Part 1

**N O N E**

Long-Term Care Experience Reporting Form 3 - Group - Part 2

**N O N E**

Long-Term Care Experience Reporting Form 3 - Group - Part 3

**N O N E**

Long-Term Care Experience Reporting Form 3 - Group - Part 4

**N O N E**

Long-Term Care Experience Reporting Form 3 - Summary - Part 1

**N O N E**

Long-Term Care Experience Reporting Form 3 - Summary - Part 2

**N O N E**

Long-Term Care Experience Reporting Form 3 - Summary - Part 3

**N O N E**

Long-Term Care Experience Reporting Form 3 - Summary - Part 4

**N O N E**

Long-Term Care Experience Reporting Form 4

**N O N E**



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

# LONG-TERM CARE EXPERIENCE REPORTING FORM 5 EXPERIENCE IN THE STATE OF

REPORTING YEAR 2010  
(To Be Filed By April 1)

NAIC Group Code 0000

NAIC Company Code 11152

	1 Earned Premiums	2 Incurred Claims	3 Inforce Count End of Year
1. Individual .....	<b>NONE</b>		
2. Group .....			
3. Total .....			
4. Actual total reported experience through prior year .....			XXX
5. Actual total reported experience through statement year .....			XXX

## Management's Discussion and Analysis

---

American Health, Inc. is a corporation organized under the laws of the Commonwealth of Puerto Rico on December 6, 2000. On July 1, 2001, American Health was approved and licensed by the Puerto Rico Commissioner of Insurance to operate a health plan in this jurisdiction. During the year ended December 31, 2004, beginning on August 1, 2004 the company devoted all its efforts in obtaining a membership base emphasizing the government employee segment.

Effective January 1, 2006 the Company was granted a Medicare Advantage contract. The Medicare Advantage Plan was first implemented in 44 municipalities across the island. Effective January 1, 2007 the Company was granted a renewal of the CMS contract and also received approval for the expansion of its service areas to an additional 34 municipalities, effectively covering the entire island of Puerto Rico. On December 31, 2007 the Company was acquired by Socios Mayores en Salud, Inc. (a corporation organized under the laws of the Commonwealth of Puerto Rico) which is a subsidiary of Socios Mayores en Salud Holdings, Inc (a corporation organized under the laws of the state of Delaware).

The Company was granted annual renewals of the CMS contract to cover all municipalities for the years beginning January 1, 2008 through 2011.

The Company continues to operate as a separate health plan organization.

## **Management's Discussion and Analysis**



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT**

For The Year Ended December 31, 2010  
 (To Be Filed by March 1)

FOR THE STATE OF .....  
 NAIC Group Code ..... NAIC Company Code .....  
 ADDRESS (City, State and Zip Code) .....  
 Person Completing This Exhibit .....  
 Title ..... Telephone Number .....

NONE

NONE

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	11 Premiums Earned	Policies Issued Through 2007		14 Number of Covered Lives	Policies Issued in 2008; 2009; 2010				
											12 Incurred Claims			15 Premiums Earned	16 Incurred Claims		18 Number of Covered Lives	
											Amount	13 Percent of Premiums Earned			Amount	17 Percent of Premiums Earned		

- GENERAL INTERROGATORIES
1. If response in Column 1 is no, give full and complete details
  2. Claims address and contact person provided to the Secretary of Health and Human Services as required by 42 U.S.C. 1395a-12(a)(2) for this state.  
 2.1 Address: .....  
 2.2 Contact Person and Phone Number: .....
  3. Billing address and contact person for user fees established under 41 U.S.C. 1395u(h)(3)(B).  
 3.1 Address: .....  
 3.2 Contact Person and Phone Number: .....
  4. Explain any policies identified above as policy type "O". .....



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**MEDICARE PART D COVERAGE SUPPLEMENT**  
 (Net of Reinsurance)

NAIC Group Code 0000

(To Be Filed by March 1)

NAIC Company Code 11152

	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		XXX		XXX	
1.12 Without Reinsurance Coverage		XXX		XXX	
1.13 Risk-Corridor Payment Adjustments		XXX		XXX	
1.2 Supplemental Benefits		XXX		XXX	
2. Premiums Due and Uncollected-change					
2.1 Standard Coverage					
2.11 With Reinsurance Coverage		XXX		XXX	XXX
2.12 Without Reinsurance Coverage		XXX		XXX	XXX
2.2 Supplemental Benefits		XXX		XXX	XXX
3. Unearned Premium and Advance Premium-change					
3.1 Standard Coverage					
3.11 With Reinsurance Coverage		XXX		XXX	XXX
3.12 Without Reinsurance Coverage		XXX		XXX	XXX
3.2 Supplemental Benefits		XXX		XXX	XXX
4. Risk-Corridor Payment Adjustments-change					
4.1 Receivable		XXX		XXX	XXX
4.2 Payable		XXX		XXX	XXX
5. Earned Premiums					
5.1 Standard Coverage					
5.11 With Reinsurance Coverage		XXX		XXX	XXX
5.12 Without Reinsurance Coverage		XXX		XXX	XXX
5.13 Risk-Corridor Payment Adjustments		XXX		XXX	XXX
5.2 Supplemental Benefits		XXX		XXX	XXX
6. Total Premiums		XXX		XXX	
7. Claims Paid					
7.1 Standard Coverage					
7.11 With Reinsurance Coverage		XXX		XXX	
7.12 Without Reinsurance Coverage		XXX		XXX	
7.2 Supplemental Benefits		XXX		XXX	
8. Claim Reserves and Liabilities-change					
8.1 Standard Coverage					
8.11 With Reinsurance Coverage		XXX		XXX	XXX
8.12 Without Reinsurance Coverage		XXX		XXX	XXX
8.2 Supplemental Benefits		XXX		XXX	XXX
9. Health Care Receivables-change					
9.1 Standard Coverage					
9.11 With Reinsurance Coverage		XXX		XXX	XXX
9.12 Without Reinsurance Coverage		XXX		XXX	XXX
9.2 Supplemental Benefits		XXX		XXX	XXX
10. Claims Incurred					
10.1 Standard Coverage					
10.11 With Reinsurance Coverage		XXX		XXX	XXX
10.12 Without Reinsurance Coverage		XXX		XXX	XXX
10.2 Supplemental Benefits		XXX		XXX	XXX
11. Total Claims		XXX		XXX	
12. Reinsurance Coverage and Low Income Cost Sharing					
12.1 Claims Paid - Net of Reimbursements Applied	XXX		XXX		
12.2 Reimbursements Received but Not Applied-change	XXX		XXX		
12.3 Reimbursements Receivable-change	XXX		XXX		XXX
12.4 Health Care Receivables-change	XXX		XXX		XXX
13. Aggregate Policy Reserves-change					XXX
14. Expenses Paid		XXX		XXX	
15. Expenses Incurred		XXX		XXX	XXX
16. Underwriting Gain/Loss		XXX		XXX	XXX
17. Cash Flow Results	XXX	XXX	XXX	XXX	

NONE



## Non-Guaranteed Opinion for Exhibit 5

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## Participating Opinion for Exhibit 5

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# NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

## SCHEDULES SIS

### STOCKHOLDER INFORMATION SUPPLEMENT

For The Year Ended December 31, 2010

(To Be Filed by March 1)

REQUIRED BY THE APPLICABLE QUESTION ON THE SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES  
FOR THE PROPERTY/CASUALTY, LIFE ACCIDENT AND HEALTH, TITLE AND HEALTH INSURANCE BLANKS

TO THE ANNUAL STATEMENT OF THE  
AMERICAN HEALTH, INC.

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COMPANY

**FINANCIAL REPORTING TO STOCKHOLDERS**

1. Did the company distribute to its stockholders prior to the Annual Meeting during the year an Annual Report for the previous year?

Answer .....Yes .....

If answer is "Yes" attach copy. If answer is "No" explain in detail below. Attach separate sheet if necessary.

2. Will the company distribute to its stockholders prior to the Annual Meeting during the following year an Annual Report for the current year?

Answer .....Yes .....

If answer is "Yes" a copy of the report shall be forwarded to the Insurance Commissioner of the company's domiciliary state at the same time as it is distributed to stockholders. If answer is "No" explain in detail below. Attach separate sheet if necessary.

3. If an Annual Report to stockholders was distributed for the previous year; (1) was such distribution prior to or contemporaneous with the solicitation of proxies in respect to the Annual Meeting?

Answer .....Yes .....

If the answer is "No" explain in detail below. Attach separate sheet if necessary.

(2) Did it contain the following financial statements (indicate answer in Column A) and were such financial statements prepared substantially on the basis (individual or consolidated) as required to be present in the Company's Annual Statement (indicate answer in Column B)?

	Column A		Column B	
	Yes	No	Yes	No
<b>To be answered by Life and A &amp; H Companies:</b>				
a. Statement of Assets, Liabilities, Surplus and Other Funds.....		X		X
b. Summary of Operations.....		X		X
c. Surplus Account.....		X		X
<b>To be answered by Property and Casualty Companies:</b>				
a. Statement of Assets, Liabilities, Surplus and Other Funds.....		X		X
b. Statement of Income.....		X		X
c. Capital and Surplus Account.....		X		X
<b>To be answered by Title Insurance Companies:</b>				
a. Statement of Assets, Liabilities, Surplus and Other Funds.....		X		X
b. Statement of Income - Operations and Investment Exhibit.....		X		X
c. Capital and Surplus Account.....		X		X
<b>To be answered by Health Insurance Companies:</b>				
a. Statement of Assets, Liabilities, Capital and Surplus.....	X		X	
b. Statement of Revenue and Expenses.....	X		X	
c. Capital and Surplus Account.....	X		X	

Schedule SIS III

**NONE**

Schedule SIS IV

**NONE**

**American Health, Inc.**  
**Statement of Actuarial Opinion**  
**December 31, 2010**

**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**

I, John P. Burke, am associated with the firm of Milliman, Inc. I am a member of the American Academy of Actuaries and have been retained by the American Health, Inc. with regard to loss reserves, actuarial liabilities and related items. I meet the Academy qualification standards for rendering the opinion.

### Scope

I have examined the assumptions and methods used in determining loss reserves, actuarial liabilities and related items listed below, as shown in the annual statement of the organization as prepared for filing with state regulatory officials, as of December 31, 2010.

#### Actuarial Liability Summary December 31, 2010

A. Claims Unpaid (Page 3, Line 1)	\$40,342,904
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2)	\$ 3,072,557
C. Unpaid claims adjustment expenses (Page 3, Line 3)	\$268,743
D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D	\$1,650,000
E. Aggregate life policy reserves (Page 3, Line 5)	—
F. Property/casualty unearned premium reserves (Page 3, Line 6)	—
G. Aggregate health claim reserves (Page 3, Line 7)	—
H. Any other loss reserves, actuarial reserves or liabilities, or related items presented as liabilities in the annual statement, and not included in the items above	N/A
I. Specified actuarial items presented as assets in the annual statement	N/A

### Reliance

In forming my opinion on unpaid claims, unpaid claims adjustment expenses, premium deficiency reserves and Medicare Part D risk sharing liability, I relied upon data prepared by Elaine Schweitzer, Chief Financial Officer, as certified in the attached statements. I evaluated that data for reasonableness and consistency. I also reconciled that data to the Underwriting and Investment Exhibit - Part 2B of the company's 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.

### Opinion

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

- A. Are in accordance with accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles,
- B. Are based on actuarial assumptions relevant to contract provisions and appropriate to the purpose for which the statement was prepared,
- C. Meet the requirements of the laws of Puerto Rico and are at least as great as the minimum aggregate amounts required by the state in which this statement is filed,
- D. Make a good and sufficient provision for all unpaid claims and other actuarial liabilities of the organization under the terms of its contracts and agreements,

- E. 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,
- F. Include appropriate provision for all actuarial items that ought to be established.

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 standards form the basis of this statement of opinion.

### Relevant Comments

I have not examined American Health Inc.'s assets, and I formed no opinion as to their validity or value. My review included an assessment of the need to perform cash flow testing. I concluded that the completion of cash flow testing was not necessary because of the short term nature of the liabilities.

My opinion that the actuarial items make good and sufficient provision in the aggregate for the unpaid obligations identified rests upon the assumption that all liabilities are backed by valid assets which have suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

It should be emphasized that the actuarial items referred to in this opinion are estimates. The exact liabilities will be determined only after a significant passage of time.

This opinion has been prepared solely for the management of American Health and for filing with regulatory agencies of Puerto Rico, and may not be used for any other purpose.



---

Signature of Actuary

John P. Burke, F.S.A., M.A.A.A.

---

Printed Name of Actuary

Milliman, Inc.  
1550 Liberty Ridge Drive, Suite 200  
Wayne, PA 19087

---

Address of Actuary

610.975.8093

---

Telephone number of Actuary

March 29, 2011

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Date Opinion was Rendered

## American Health, Inc.

## Statements Regarding Accuracy and Completeness of Underlying Data Sources

## December 31, 2010 Annual Statement

I, Elaine Schweitzer, of American Health, Inc., hereby affirm that actuarial certification of actuarial reserves is required only for the items listed below. With regard to these actuarial items, I also affirm that to the best of my knowledge and belief the Company has no obligations or commitments with respect to which actuarial reserves are required or appropriate, except those for which reserves and liabilities are included in the following portions of the Company's December 31, 2010 Annual Statement:

**Actuarial Liability Summary  
December 31, 2010**

A. Claims Unpaid (Page 3, Line 1)	\$40,342,904
B. Accrued medical incentive pool and bonus payments (Page 3, Line 2)	\$ 3,072,557
C. Unpaid claims adjustment expenses (Page 3, Line 3)	\$268,743
D. Aggregate health policy reserves (Page 3, Line 4) including unearned premium reserves and additional policy reserves from the Underwriting and Investment Exhibit – Part 2D	\$1,650,000
E. Aggregate life policy reserves (Page 3, Line 5)	—
F. Property/casualty unearned premium reserves (Page 3, Line 6)	—
G. Aggregate health claim reserves (Page 3, Line 7)	—
H. Any other loss reserves, actuarial reserves or liabilities, or related items presented as liabilities in the annual statement, and not included in the items above	N/A
I. Specified actuarial items presented as assets in the annual statement	N/A

I also affirm that the underlying data sources relied upon by Milliman, Inc., Consulting Actuaries, for use in preparing the December 31, 2010 Statement of Actuarial Opinion, were prepared under my direction and that, to the best of my knowledge and belief, are accurate and complete and the same as, or derived from, the data sources which form the basis of the annual statement for the year ended December 31, 2010.

March 29, 2011  
Date

Elaine Schweitzer  
Signature

American Health, Inc.  
December 31, 2010 IBNR Review  
List of Data Sources

1. Claims Lag Tables paid through December 2010
2. Monthly Member Counts for 2010
3. Balance Sheet, Income Statement, and Underwriting Exhibits as of December 31, 2010 (Pages 2-4 of NAIC Statement) and Supporting Documentation
4. Reconciliation Claims Lag To Gen Ledger as of Dec 2010
5. Support for Non-Lag Claim Liabilities
6. Projected Income Statement for 2010
7. Hospital Bed Days Report for 2010
8. Claims Inventory Reports
9. Pharmacy Data
  - 2010 PDE Files
  - 2010 Caremark Monthly Claims Files
  - CMS Monthly Membership Reports (MMRs) for Jan-10 thru Jan-11
  - 2010 Part D Bids
  - Caremark 2010 Rebate Guarantee

March 29, 2011

Date



Signature

American Health, Inc.  
Statement Regarding Cash Flow Requirements  
2010 Annual Statement

I, Elaine Schweitzer, of American Health, Inc., hereby affirm that, to the best of my knowledge and belief, the Company's unpaid claims liabilities are backed by valid assets which have suitably scheduled maturities and/or adequate liquidity to meet cash flow requirements.

March 29, 2011  
Date

Elaine Schweitzer  
Signature



ANNUAL STATEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**SUPPLEMENTAL COMPENSATION EXHIBIT**

For the Year Ended December 31, 2010

(To be filed by March 1)

**PART 1 - INTERROGATORIES**

1. The reporting insurer is a member of a group of insurers or other holding company system: Yes [  ] No [  ] If yes, do the amounts below represent 1) total gross compensation paid to each individual by or on behalf of all companies which are part of the group: Yes [  ]; or 2) allocation to each insurer: Yes [  ]
2. Did any person while an officer, director, or trustee of the reporting entity receive directly or indirectly, during the period covered by this statement any commission on the business transactions of the reporting entity? Yes [  ] No [  ]
3. Except for retirement plans generally applicable to its staff employees, has the reporting entity any agreement with any person, other than contracts with its agents for the payment of commissions whereby it agrees that for any service rendered or to be rendered, that he/she shall receive directly or indirectly, any salary, compensation or emolument that will extend beyond the period of 12 months from the date of the agreement? Yes [  ] No [  ]

**PART 2 - OFFICERS AND EMPLOYEES COMPENSATION**

1 Name and Principal Position	2 Year	Annual Compensation			6 Totals
		3 Salary	4 Bonus	5 All Other Compensation	
Chief Executive Officer .....	2010.	300,000			300,000
Joseph Driscoll, Chief Executive Officer .....	2009.	300,000	50,579		350,579
Joseph Driscoll, Chief Executive Officer .....	2008.	153,461			153,461
1. Earl Harper, Chief Operations Officer .....	2010.	239,400	10,000		249,400
Earl Harper, Chief Operations Officer .....	2009.	230,906	26,839		257,745
Earl Harper, Chief Operations Officer .....	2008.	121,875			121,875
2. Ken Wiens, Chief Information Officer .....	2010.	175,259	10,000		185,259
Ken Wiens, Chief Information Officer .....	2009.	169,331	11,595	0	180,926
Ken Wiens, Chief Information Officer .....	2008.	124,350	0	0	124,350
3. Ivonne Vega, Chief Medical Officer .....	2010.	199,100	0		199,100
Ivonne Vega, Chief Medical Officer .....	2009.	175,030	0		175,030
Ivonne Vega, Chief Medical Officer .....	2008.	164,005	0		164,005
4. Kevin Grace, Chief Sales Officer .....	2010.	215,873	5,000		220,873
Kevin Grace, Chief Sales Officer .....	2009.	209,613	17,676		227,289
Kevin Grace, Chief Sales Officer .....	2008.	196,039	0		196,039
5. Elaine Schweitzer, Chief Financial Officer .....	2010.	233,862	10,000		243,862
Elaine Schweitzer, Chief Financial Officer .....	2009.	220,133	17,832		237,965
Elaine Schweitzer, Chief Financial Officer .....	2008.	205,970	600		206,570
6. Jose Maldonado, Vice President of Claims .....	2010.	164,638	10,000		174,638
Jose Maldonado, Vice President of Claims .....	2009.	157,944	10,329		168,273
.....	2008.	0			0
7. Maritza Vazquez, Vice President of Network .....	2010.	138,546	10,000		148,546
Maritza Vazquez, Vice President of Network .....	2009.	130,750	5,648		136,398
.....	2008.	0			0
8. Maria Del C. Rosario, Chief Legal Officer .....	2010.	128,300	10,000		138,300
Maria Del C. Rosario, Chief Legal Officer .....	2009.	120,421	9,460		129,881
.....	2008.				0
9. Yumac Velez, Controller .....	2010.	105,412	10,000		115,412
.....	2009.				0
.....	2008.				0

**PART 3 - DIRECTOR COMPENSATION**

1 Name and Principal Position or Occupation	2 Compensation Paid or Deferred for Services as Director	3 All Other Compensation Paid or Deferred	4 Totals
.....			
.....			
.....			



# LIFE SUPPLEMENTS

For The Year Ended December 31, 2010

(To Be Filed By March 1)

Of The AMERICAN HEALTH, INC.....

ADDRESS (City, State and Zip Code) San Juan , PR 00922-1320 .....

NAIC Group Code 0000 ..... NAIC Company Code 11152 ..... Employer's ID Number 66-0593034 .....

Life Supplement - Exhibit 5 - Aggregate Reserve for Life Contracts

**N O N E**

Life Supplement - Exhibit 5 - Interrogatories

**N O N E**

Life Supplement - Exhibit 7 - Deposit-Type Contracts

**N O N E**

Schedule S - Part 1 - Section 1

**N O N E**

Schedule S - Part 3 - Section 1

**N O N E**



**SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.**

DIRECT BUSINESS IN THE STATE OF Puerto Rico

DURING THE YEAR 2010

NAIC Group Code 0000

**LIFE INSURANCE**

NAIC Company Code 11152

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance					0
2. Annuity considerations					0
3. Deposit-type contract funds		XXX		XXX	0
4. Other considerations					0
5. Totals (Sum of Lines 1 to 4)	0	0	0	0	0
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit					0
6.2 Applied to pay renewal premiums					0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period					0
6.4 Other					0
6.5 Totals (sum of Line 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit					0
7.2 Applied to provide paid-up annuities					0
7.3 Other					0
7.4 Totals (sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits					0
10. Matured endowments					0
11. Annuity benefits					0
12. Surrender values and withdrawals for life contracts					0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health					0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind.Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year									0	0
17. Incurred during current year									0	0
Settled during current year:										
18.1 By payment in full									0	0
18.2 By payment on compromised claims									0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise									0	0
18.5 Amount rejected									0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>					No. of Policies					
20. In force December 31, prior year			(a)						0	0
21. Issued during year									0	0
22. Other changes to in force (Net)									0	0
23. In force December 31 of current year	0	0	0 (a)	0	0	0	0	0	0	0

(a) Includes Individual Credit Life Insurance prior year \$ \_\_\_\_\_, current year \$ \_\_\_\_\_  
 Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year \$ \_\_\_\_\_, current year \$ \_\_\_\_\_  
 Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year \$ \_\_\_\_\_, current year \$ \_\_\_\_\_

**ACCIDENT AND HEALTH INSURANCE**

	1	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies (b)				220,638	(200,000)
24.1 Federal Employees Health Benefits Program premium (b)					
24.2 Credit (Group and Individual)					
24.3 Collectively renewable policies (b)					
24.4 Medicare Title XVIII exempt from state taxes or fees Other Individual Policies:	380,733,273	380,733,273		303,770,759	314,322,517
25.1 Non-cancelable (b)					
25.2 Guaranteed renewable (b)					
25.3 Non-renewable for stated reasons only (b)					
25.4 Other accident only					
25.5 All other (b)					
25.6 Totals (sum of Lines 25.1 to 25.5)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6)	380,733,273	380,733,273	0	303,991,397	314,122,517

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products \_\_\_\_\_ and number of persons  
 insured under indemnity only products \_\_\_\_\_.



**SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.**

DIRECT BUSINESS IN THE STATE OF Grand Total  
 NAIC Group Code 0000

DURING THE YEAR 2010  
 NAIC Company Code 11152

**LIFE INSURANCE**

DIRECT PREMIUMS AND ANNUITY CONSIDERATIONS	1	2	3	4	5
	Ordinary	Credit Life (Group and Individual)	Group	Industrial	Total
1. Life insurance	0	0	0	0	0
2. Annuity considerations	0	0	0	0	0
3. Deposit-type contract funds	0	XXX	0	XXX	0
4. Other considerations	0	0	0	0	0
5. Totals (Sum of Lines 1 to 4)	0	0	0	0	0
<b>DIRECT DIVIDENDS TO POLICYHOLDERS</b>					
Life insurance:					
6.1 Paid in cash or left on deposit	0	0	0	0	0
6.2 Applied to pay renewal premiums	0	0	0	0	0
6.3 Applied to provide paid-up additions or shorten the endowment or premium-paying period	0	0	0	0	0
6.4 Other	0	0	0	0	0
6.5 Totals (sum of Line 6.1 to 6.4)	0	0	0	0	0
Annuities:					
7.1 Paid in cash or left on deposit	0	0	0	0	0
7.2 Applied to provide paid-up annuities	0	0	0	0	0
7.3 Other	0	0	0	0	0
7.4 Totals (sum of Lines 7.1 to 7.3)	0	0	0	0	0
8. Grand Totals (Lines 6.5 plus 7.4)	0	0	0	0	0
<b>DIRECT CLAIMS AND BENEFITS PAID</b>					
9. Death benefits	0	0	0	0	0
10. Matured endowments	0	0	0	0	0
11. Annuity benefits	0	0	0	0	0
12. Surrender values and withdrawals for life contracts	0	0	0	0	0
13. Aggregate write-ins for miscellaneous direct claims and benefits paid	0	0	0	0	0
14. All other benefits, except accident and health	0	0	0	0	0
15. Totals	0	0	0	0	0
<b>DETAILS OF WRITE-INS</b>					
1301.					
1302.					
1303.					
1398. Summary of Line 13 from overflow page	0	0	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0

DIRECT DEATH BENEFITS AND MATURED ENDOWMENTS INCURRED	Ordinary		Credit Life (Group and Individual)		Group		Industrial		Total	
	1	2	3	4	5	6	7	8	9	10
	No.	Amount	No. of Ind.Pols. & Gr. Certifs.	Amount	No. of Certifs.	Amount	No.	Amount	No.	Amount
16. Unpaid December 31, prior year	0	0	0	0	0	0	0	0	0	0
17. Incurred during current year	0	0	0	0	0	0	0	0	0	0
Settled during current year:										
18.1 By payment in full	0	0	0	0	0	0	0	0	0	0
18.2 By payment on compromised claims	0	0	0	0	0	0	0	0	0	0
18.3 Totals paid	0	0	0	0	0	0	0	0	0	0
18.4 Reduction by compromise	0	0	0	0	0	0	0	0	0	0
18.5 Amount rejected	0	0	0	0	0	0	0	0	0	0
18.6 Total settlements	0	0	0	0	0	0	0	0	0	0
19. Unpaid Dec. 31, current year (16+17-18.6)	0	0	0	0	0	0	0	0	0	0
<b>POLICY EXHIBIT</b>										
20. In force December 31, prior year	0	0	0	(a) 0	No. of Policies 0	0	0	0	0	0
21. Issued during year	0	0	0	0	0	0	0	0	0	0
22. Other changes to in force (Net)	0	0	0	0	0	0	0	0	0	0
23. In force December 31 of current year	0	0	0	(a) 0	0	0	0	0	0	0

(a) Includes Individual Credit Life Insurance prior year \$ 0 , current year \$ 0  
 Includes Group Credit Life Insurance Loans less than or equal to 60 months at issue, prior year \$ 0 , current year \$ 0  
 Loans greater than 60 months at issue BUT NOT GREATER THAN 120 MONTHS, prior year \$ 0 , current year \$ 0

**ACCIDENT AND HEALTH INSURANCE**

	1	2	3	4	5
	Direct Premiums	Direct Premiums Earned	Dividends Paid Or Credited On Direct Business	Direct Losses Paid	Direct Losses Incurred
24. Group Policies (b)	0	0	0	220,638	(200,000)
24.1 Federal Employees Health Benefits Program premium (b)	0	0	0	0	0
24.2 Credit (Group and Individual)	0	0	0	0	0
24.3 Collectively renewable policies (b)	0	0	0	0	0
24.4 Medicare Title XVIII exempt from state taxes or fees Other Individual Policies:	380,733,273	380,733,273	0	303,770,759	314,322,517
25.1 Non-cancelable (b)	0	0	0	0	0
25.2 Guaranteed renewable (b)	0	0	0	0	0
25.3 Non-renewable for stated reasons only (b)	0	0	0	0	0
25.4 Other accident only	0	0	0	0	0
25.5 All other (b)	0	0	0	0	0
25.6 Totals (sum of Lines 25.1 to 25.5)	0	0	0	0	0
26. Totals (Lines 24 + 24.1 + 24.2 + 24.3 + 24.4 + 25.6)	380,733,273	380,733,273	0	303,991,397	314,122,517

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0 .



LIFE, HEALTH & ANNUITY GUARANTY ASSOCIATION MODEL ACT
ASSESSMENT BASE RECONCILIATION EXHIBIT

FOR THE YEAR ENDED DECEMBER 31, 2010
(To Be Filed by April 1)

OF THE AMERICAN HEALTH, INC. NAIC COMPANY CODE 11152

DIRECT BUSINESS IN THE STATE OF: Puerto Rico

Table with 5 columns: Description, 1 Life Insurance Premiums, 2 Annuity Considerations, 3 A & H Premiums, 4 Deposit-Type Contract Funds and Other Considerations. Rows include Premiums, Considerations and Deposits; Development of Amounts Included in Lines 1 through 5; and Model Act Base (Line 5 minus Line 10).



# ADJUSTMENTS TO THE LIFE, HEALTH & ANNUITY GUARANTY ASSOCIATION MODEL ACT ASSESSMENT BASE RECONCILIATION EXHIBIT

FOR THE YEAR ENDED DECEMBER 31, 2010  
(To Be Filed by April 1)

OF THE AMERICAN HEALTH, INC. NAIC COMPANY CODE 11152

**DIRECT BUSINESS IN THE STATE OF: Puerto Rico**

	1 Life Insurance Premiums	2 Allocated Annuity and Other Allocated Fund Deposits	3 Accident & Health Premium	4 Unallocated Annuity & Other Unallocated Fund Deposits
1. MODEL ACT BASE ( Line 11 of the Reconciliation Exhibit)	0	0	380,733,273	0
<b>AMOUNTS REQUIRED TO DETERMINE THIS STATE'S ASSESSMENT BASE</b>				
2. Enter in Column 2, as a positive number, and Column 4, as a negative number, the total of all amounts received to fund allocated contracts established under Section 403(b) of the U.S. Internal Revenue Code that are included in Column 4, Line 1 above	XXX		XXX	
3. Unallocated funding obligations that do NOT fund government lotteries or employee, union, or association of natural persons benefit plans:				
3.1 Amounts NOT in excess of \$1 million per contract	XXX	XXX	XXX	
3.2 All amounts	XXX	XXX	XXX	
4. Unallocated funding obligations issued to fund government lotteries or employee, union, or association of natural persons benefit plans which are NOT:				
(a) governmental retirement plans established under Sections 401, 403(b) or 457 of the U.S. Internal Revenue Code, or				
(b) protected by the Federal Pension Benefit Guaranty Corporation:				
4.1 Amounts NOT in excess of \$1 million per contract	XXX	XXX	XXX	
4.2 Amounts in excess of \$1 million but NOT in excess of \$5 million per contract	XXX	XXX	XXX	
4.3 Amounts in excess of \$5 million per contract	XXX	XXX	XXX	0
4.4 Total (Lines 4.1 + 4.2 + 4.3)	XXX	XXX	XXX	0
4.5 Amounts up to \$7.5 million, per contract (Minnesota only)	XXX	XXX	XXX	
5. Unallocated funding obligations issued to fund governmental retirement plans established under Sections 401 and 457 of the U.S. Internal Revenue Code:				
5.1 Amounts in excess of \$1 million per contract	XXX	XXX	XXX	
5.2 All amounts	XXX	XXX	XXX	
5.3 Amounts in excess of \$2 million per contract (New Jersey Only)	XXX	XXX	XXX	
5.4 Amounts not in excess of \$7.5 million per contract (Minnesota Only)	XXX	XXX	XXX	
6. Unallocated funding obligations issued to fund governmental retirement plans established under Sections 403(b) of the U.S. Internal Revenue Code:				
6.1 Amounts NOT in excess of \$1 million per contract	XXX	XXX	XXX	
6.2 Amounts in excess of \$1 million per contract	XXX	XXX	XXX	
6.3 Total (Lines 6.1 + 6.2)	XXX	XXX	XXX	0
6.4 Amounts in excess of \$2 million per contract (New Jersey Only)	XXX	XXX	XXX	
6.5 Amounts not in excess of \$7.5 million per contract (Minnesota Only)	XXX	XXX	XXX	
7. Unallocated funding obligations that fund employee, union, or association of natural persons benefit plans protected by the Federal Pension Benefit Guaranty Corporation:				
7.1 Amounts NOT in excess of \$1 million per contract	XXX	XXX	XXX	
7.2 All amounts	XXX	XXX	XXX	
7.3 Amounts NOT in excess of \$2 million per contract (New Jersey only)	XXX	XXX	XXX	
8. Unallocated funding obligations issued to fund government lotteries NOT in excess of \$5 million per contractholder (New Jersey Only)	XXX	XXX	XXX	
9. Unallocated funding obligations that fund employee or association of natural persons benefit plans in excess of \$2 million but NOT in excess of \$5 million per contract (New Jersey Only)	XXX	XXX	XXX	
10. Aggregate write-ins for other deductions	0	0	0	0
BASE				
11. Current Year (2010)	0	0	380,733,273	0
<b>DETAILS OF WRITE-INS</b>				
1001.				
1002.				
1003.				
1098. Summary of remaining write-ins for Line 10 from overflow page	0	0	0	0
1099. Totals (Lines 1001 thru 1003 plus 1098)(Line 10 above)	0	0	0	0



# LIFE, HEALTH & ANNUITY GUARANTY ASSOCIATION MODEL ACT ASSESSMENT BASE RECONCILIATION EXHIBIT

FOR THE YEAR ENDED DECEMBER 31, 2010  
(To Be Filed by April 1)

OF THE AMERICAN HEALTH, INC. NAIC COMPANY CODE 11152

**DIRECT BUSINESS IN THE STATE OF: Grand Total**

	1 Life Insurance Premiums	2 Annuity Considerations	3 A & H Premiums	4 Deposit-Type Contract Funds and Other Considerations
<b>PREMIUMS, CONSIDERATIONS AND DEPOSITS</b>				
1. Premiums, considerations and deposits from Schedule T	0	0	380,733,273	0
2. Premiums, considerations and deposits NOT reported in Schedule T, including investment contract receipts credited to a liability account	0	0	0	0
2.1 Contract fees for variable contracts with guarantees	0	0	0	0
2.2 Any other premiums, considerations and deposits not reported in Schedule T	0	0	0	0
3. Amounts, if applicable, that were deducted prior to determining amounts included in Lines 1 or 2 which are in the following categories:				
3.1 Transfers to guaranteed Separate Accounts	0	0	0	0
3.2 Roll over of GICs or annuities into other companies	0	0	0	0
3.3 Surrenders or other benefits paid out	0	0	0	0
3.4 Excess interest credited to accounts	0	0	0	0
3.5 Aggregate write-ins for other amounts deducted prior to determining amounts included in Lines 1 or 2	0	0	0	0
3.99 Total (Lines 3.1 through 3.5)	0	0	0	0
4. Transfers:				
4.1 Enter in Column 2, as a negative number, and Column 4, as a positive number, the total of all amounts received to fund contracts established under Section 403(b) of the U.S. Internal Revenue Code, that are included in Column 2, Lines 1, 2 and 3.99	0	0	0	0
4.2 Enter in Column 2, as a positive number, and Column 4, as a negative number, any amounts reported in Column 4, Lines 1, 2 and 3.99 that are allocated. (Note: amounts received to fund contracts established under Section 403(b) of the U.S. Internal Revenue Code, should not be included in line 4.2)	0	0	0	0
4.3 Enter in Column 4, as a positive number, and Column 2, as a negative number, any amounts reported in Column 2, Lines 1, 2 and 3.99 that are unallocated	0	0	0	0
4.99 Total (Lines 4.1 + 4.2 + 4.3)	0	0	0	0
5. Total (Lines 1 + 2 + 3.99 + 4.99)	0	0	380,733,273	0
<b>DEVELOPMENT OF AMOUNTS INCLUDED IN LINES 1 THROUGH 5 THAT SHOULD BE DEDUCTED IN DETERMINING THE BASE</b> Do not include any amount more than once in Lines 6 through 9				
6. Aggregate write-ins for amounts where the insurer is not subject to risk. Premiums for portions of policies or contracts NOT guaranteed or under which the entire investment risk is borne by the policyholder. (Please specify such deductions and indicate where such amounts were reported in the Annual Statement)	0	0	0	0
7. Amounts NOT allocated to individuals or individual certificate holders or amounts received for such contracts in excess of limits:				
7.1 Unallocated funding obligations that do NOT fund government lotteries or employee, union, or association of natural persons benefit plans	XXX	XXX	XXX	0
7.2 Unallocated funding obligations that fund any employee, union, or association of natural persons benefit plans protected by the Federal Pension Benefit Guaranty Corporation	XXX	XXX	XXX	0
7.3 Unallocated funding obligations that fund governmental lotteries or employee, union, or association of natural persons benefit plans in excess of \$5 million per contract which are NOT: (a) government retirement plans established under Sections 401, 403(b) or 457 of the U.S. Internal Revenue Code, or (b) protected by the Federal Pension Benefit Guaranty Corporation	XXX	XXX	XXX	0
7.4 Total (Lines 7.1 + 7.2 + 7.3)	XXX	XXX	XXX	0
8. Dividends/Experience rating credits paid or credited, but only if NOT guaranteed in advance (include only amounts NOT already deducted in determining Lines 1 and 2)	0	0	0	0
9. Aggregate write-ins for Other Deductions	0	0	0	0
10. Total (Lines 6 + 7.4 + 8 + 9)	0	0	0	0
<b>MODEL ACT BASE (Line 5 minus Line 10)</b>				
11. Current Year	0	0	380,733,273	0
<b>DETAILS OF WRITE-INS</b>				
3.501.				
3.502.				
3.503.				
3.598. Summary of remaining write-ins for Line 3.5 from overflow page	0	0	0	0
3.599. Totals (Lines 3.501 thru 3.503 plus 3.598)(Line 3.5 above)	0	0	0	0
0601.				
0602.				
0603.				
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	0	0	0	0
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)	0	0	0	0

Life Supplement - Analysis of Annuity Operations by Lines of Business

**N O N E**

Life Supplement - Analysis of Increase in Annuity Reserves During the Year

**N O N E**



# PROPERTY/CASUALTY SUPPLEMENTS

For The Year Ended December 31, 2010

(To Be Filed On Or Before March 1)

Of The AMERICAN HEALTH, INC.....

ADDRESS (City, State and Zip Code) San Juan , PR 00922-1320 .....

NAIC Group Code 0000 ..... NAIC Company Code 11152 ..... Employer's ID Number 66-0593034 .....

P&C Supplement - Schedule F - Part 1

**N O N E**

P&C Supplement - Schedule F - Part 3

**N O N E**

P&C Supplement - Schedule P - Part 1 - Summary

**N O N E**

P&C Supplement - Schedule P - Part 1A - Homeowners/Farmowners

**N O N E**

P&C Supplement - Schedule P - Part 1B - Private Passenger Auto Liability/Medical

**N O N E**

P&C Supplement - Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical

**N O N E**

P&C Supplement - Schedule P - Part 1D - Workers' Compensation

**N O N E**

P&C Supplement - Schedule P - Part 1E - Commercial Multiple Peril

**N O N E**

P&C Supplement - Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence

**N O N E**

P&C Supplement - Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made

**N O N E**

P&C Supplement - Schedule P - Part 1G - Special Liability (Ocean Marine, Aircraft (all perils), Boiler and Machinery)

**N O N E**

P&C Supplement - Schedule P - Part 1H - Section 1 - Other Liability - Occurrence

**N O N E**

P&C Supplement - Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made

**N O N E**

P&C Supplement - Schedule P - Part 1I - Special Property (Fire, Allied Lines...)

**N O N E**

P&C Supplement - Schedule P - Part 1J - Auto Physical Damage

**N O N E**

P&C Supplement - Schedule P - Part 1K - Fidelity/Surety

**N O N E**

P&C Supplement - Schedule P - Part 1L - Other (Including Credit, Accident and Health)

**N O N E**

P&C Supplement - Schedule P - Part 1M - International

**N O N E**

P&C Supplement - Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property

**N O N E**

P&C Supplement - Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability

**N O N E**

P&C Supplement - Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines

**N O N E**

P&C Supplement - Schedule P - Part 1R - Section 1 - Products Liability - Occurrence

**N O N E**

P&C Supplement - Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made

**N O N E**

P&C Supplement - Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty

**N O N E**

P&C Supplement - Schedule P - Part 1T - Warranty

**N O N E**

P&C Supplement - Schedule P - Part 2 - Summary

**N O N E**

P&C Supplement - Schedule P - Part 2A - Homeowners/Farmowners

**N O N E**

P&C Supplement - Schedule P - Part 2B - Private Passenger Auto Liability/Medical

**N O N E**

P&C Supplement - Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical

**N O N E**

P&C Supplement - Schedule P - Part 2D - Workers' Compensation

**N O N E**

P&C Supplement - Schedule P - Part 2E - Commercial Multiple Peril

**N O N E**

P&C Supplement - Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence

**N O N E**

P&C Supplement - Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made

**N O N E**

P&C Supplement - Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (all perils), Boiler and Machinery)

**N O N E**

P&C Supplement - Schedule P - Part 2H - Section 1 - Other Liability - Occurrence

**N O N E**

P&C Supplement - Schedule P - Part 2H - Section 2- Other Liability - Claims-Made

**N O N E**

P&C Supplement - Schedule P - Part 2I - Special Property

**N O N E**

P&C Supplement - Schedule P - Part 2J - Auto Physical Damage

**N O N E**

P&C Supplement - Schedule P - Part 2K - Fidelity/Surety

**N O N E**

P&C Supplement - Schedule P - Part 2L - Other (Including Credit, Accident and Health)

**N O N E**

P&C Supplement - Schedule P - Part 2M - International

**N O N E**

P&C Supplement - Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property

**N O N E**

P&C Supplement - Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability

**N O N E**

P&C Supplement - Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines

**N O N E**

P&C Supplement - Schedule P - Part 2R - Section 1 - Products Liability - Occurrence

**N O N E**

P&C Supplement - Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made

**N O N E**

P&C Supplement - Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty

**N O N E**

P&C Supplement - Schedule P - Part 2T - Warranty

**N O N E**



SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.  
**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14 Data)**

NAIC Group Code 0000

Direct Business in the state of

During the Year 2010

NAIC Company Code 11152

Line of Business	Gross Premiums, Including Policy and Membership Fees, Less Return Premiums and Premiums on Policies not Taken		3 Dividends Paid or Credited to Policyholders on Direct Business	4 Direct Unearned Premium Reserves	5 Direct Losses Paid (deducting salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Direct Defense and Cost Containment Expense Paid	9 Direct Defense and Cost Containment Expense Incurred	10 Direct Defense and Cost Containment Expense Unpaid	11 Commissions and Brokerage Expenses	12 Taxes, Licenses and Fees
	1 Direct Premiums Written	2 Direct Premiums Earned										
1. Fire .....												
2.1 Allied lines .....												
2.2 Multiple peril crop .....												
2.3 Federal flood .....												
3. Farmowners multiple peril .....												
4. Homeowners multiple peril .....												
5.1 Commercial multiple peril (non-liability portion) .....												
5.2 Commercial multiple peril (liability portion) .....												
6. Mortgage guaranty .....												
8. Ocean marine .....												
9. Inland marine .....												
10. Financial guaranty .....												
11. Medical professional liability .....												
12. Earthquake .....												
13. Group accident and health (b) .....												
14. Credit accident and health (group and individual) .....												
15.1 Collectively renewable accident and health (b) .....												
15.2 Non-cancelable accident and health(b) .....												
15.3 Guaranteed renewable accident and health(b) .....												
15.4 Non-renewable for stated reasons only (b) .....												
15.5 Other accident only .....												
15.6 Medicare Title XVIII exempt from state .....												
15.7 All other accident and health (b) .....												
15.8 Federal employees health benefits program premium (b) .....												
16. Workers' compensation .....												
17.1 Other liability - occurrence .....												
17.2 Other liability - claims-made .....												
17.3 Excess workers' compensation .....												
18. Products liability .....												
19.1 Private passenger auto no-fault (personal injury protection) .....												
19.2 Other private passenger auto liability .....												
19.3 Commercial auto no-fault (personal injury protection) .....												
19.4 Other commercial auto liability .....												
21.1 Private passenger auto physical damage .....												
21.2 Commercial auto physical damage .....												
22. Aircraft (all perils) .....												
23. Fidelity .....												
24. Surety .....												
26. Burglary and theft .....												
27. Boiler and machinery .....												
28. Credit .....												
30. Warranty .....												
34. Aggregate write-ins for other lines of business .....												
35. TOTALS (a) .....												
<b>DETAILS OF WRITE-INS</b>												
3401. ....												
3402. ....												
3403. ....												
3498. Summary of remaining write-ins for Line 34 from overflow page .....												
3499. Totals (Lines 3401 thru 3403 plus 3498)(Line 34 above) .....												

**NONE**

(a) Finance and service charges no included in Line 1 to 35 \$ .....

(b) For health business on indicated lines report: Number of persons insured under PPO managed care products ..... and number of persons insured under indemnity only products .....

PS208



# INSURANCE EXPENSE EXHIBIT

FOR THE YEAR ENDED DECEMBER 31, 2010

(To Be Filed by April 1)

Of The (Name) AMERICAN HEALTH, INC. ....

ADDRESS (City, State and Zip Code) San Juan , PR 00922-1320 .....

NAIC Group Code 0000 ..... NAIC Company Code 11152 ..... Federal Employer's Identification Number (FEIN) 66-0593034 .....

Contact Person Yumac ..... Title Controller ..... Telephone 787-620-1919 .....

P&C Supplement - Insurance Expense Exhibit - Interrogatories

**N O N E**

P&C Supplement - Insurance Expense Exhibit - Part I - Allocation to Expense Groups

**N O N E**

P&C Supplement - Insurance Expense Exhibit - Part II

**N O N E**

P&C Supplement - Insurance Expense Exhibit - Part III

**N O N E**

SUPPLEMENT FOR THE YEAR 2010 OF THE AMERICAN HEALTH, INC.

**OVERFLOW PAGE FOR WRITE-INS**