

**ANNUAL STATEMENT**

**OF THE**

**AMERICAN HEALTH, INC.**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

Puerto Rico

FOR THE YEAR ENDED  
DECEMBER 31, 2011

HEALTH

**2011**



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011  
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

President and Chief Executive Officer Susan E. Rawlings Vice President of Finance Paul Barreras Díaz  
Senior Executive Vice President Carlos A. Carrero #

### OTHER

### DIRECTORS OR TRUSTEES

Luis A. Clavell Sergio Chevere Ramon M. Ruiz  
Socorro Rivas Jesus R. Sanchez Vicente J. Leon  
Susan E. Rawlings

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.

Susan E. Rawlings  
President and Chief Executive Officer

Carlos A. Carrero  
Senior Executive Vice President

Paul Barreras Díaz  
Vice President of Finance

Subscribed and sworn to before me this  
28 day of March 2012

- a. Is this an original filing? ..... Yes [ X ] No [ ]  
b. If no,  
1. State the amendment number.....  
2. Date filed .....03/30/2012  
3. Number of pages attached.....

Carmen M Lucca  
Notary  
For life

ANNUAL STATEMENT FOR THE YEAR 2011 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) .....	68,315,380		68,315,380	41,168,552
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 (\$ .....3,318,104, Schedule E - Part 1), cash equivalents (\$ ..... , Schedule E - Part 2) and short-term investments (\$ ..... , Schedule DA) .....	3,318,104		3,318,104	12,620,604
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	600,000	0	600,000	600,000
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	72,233,484	0	72,233,484	54,389,156
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	744,761	261,393	483,368	276,571
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	15,524,826	21,917	15,502,909	6,667,962
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 .....	155,015		155,015	547,328
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 .....	3,913,733		3,913,733	1,401,289
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	419,611	419,611	0	474,727
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 (\$ ..... ) .....	2,945	2,945	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 (\$ .....7,700,263 ) and other amounts receivable .....	8,596,871	896,608	7,700,263	5,304,415
25. Aggregate write-ins for other than invested assets .....	3,147,333	57,333	3,090,000	6,393
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	104,738,579	1,659,807	103,078,772	69,067,841
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	104,738,579	1,659,807	103,078,772	69,067,841
<b>DETAILS OF WRITE-INS</b>				
1101. Certificates of Deposit with Insurance Commissioner .....	600,000		600,000	600,000
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	600,000
2501. Prepaid Expense .....	57,333	57,333	0	0
2502. Prepaid Income Tax .....	3,090,000	0	3,090,000	
2503. Plan to Plan receivable .....			0	6,393
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) .....	3,147,333	57,333	3,090,000	6,393

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....0 reinsurance ceded) .....	48,022,399		48,022,399	40,342,904
2. Accrued medical incentive pool and bonus amounts .....	2,918,493		2,918,493	3,072,557
3. Unpaid claims adjustment expenses .....	449,315		449,315	268,743
4. Aggregate health policy reserves, including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act .....	3,746,569		3,746,569	1,650,000
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 .....	2,456,561		2,456,561	503,108
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....			0	1,289,548
10.2 Net deferred tax liability .....	0		0	0
11. Ceded reinsurance premiums payable .....			0	0
12. Amounts withheld or retained for the account of others .....			0	0
13. Remittance and items not allocated .....			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....			0	0
15. Amounts due to parent, subsidiaries and affiliates .....	27,116,505		27,116,505	4,186,489
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	600,000
24. Total liabilities (Lines 1 to 23) .....	85,309,842	0	85,309,842	51,913,349
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		
28. Gross paid in and contributed surplus .....	XXX	XXX	1,406,250	1,406,250
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	15,863,930	15,249,492
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	17,768,930	17,154,492
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	103,078,772	69,067,841
<b>DETAILS OF WRITE-INS</b>				
2301. Statutory Reserve .....	600,000		600,000	600,000
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	600,000
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	516,102	417,008
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	473,748,463	380,733,273
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	1,981	5,155
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	473,750,444	380,738,428
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		324,144,384	238,564,729
10. Other professional services .....		0	0
11. Outside referrals .....		0	0
12. Emergency room and out-of-area .....		0	0
13. Prescription drugs .....		85,477,597	73,329,715
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments, and bonus amounts .....		3,157,328	4,007,201
16. Subtotal (Lines 9 to 15) .....	0	412,779,309	315,901,645
<b>Less:</b>			
17. Net reinsurance recoveries .....		(256,820)	889,564
18. Total hospital and medical (Lines 16 minus 17) .....	0	413,036,129	315,012,081
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ ..... 4,270,155 cost containment expenses .....		4,270,155	3,406,842
21. General administrative expenses .....		57,382,441	50,540,769
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	474,688,725	368,959,692
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(938,281)	11,778,736
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		2,409,313	2,043,403
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(94,351)	(83,954)
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	2,314,962	1,959,449
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
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	1,376,681	13,738,185
31. Federal and foreign income taxes incurred .....	XXX	(122,895)	4,846,045
32. Net income (loss) (Lines 30 minus 31) .....	XXX	1,499,576	8,892,140
<b>DETAILS OF WRITE-INS</b>			
0601. Other Income .....	XXX	1,981	5,155
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	1,981	5,155
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.....	17,154,492	8,625,176
34. Net income or (loss) from Line 32.....	1,499,576	8,892,140
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....299,330.....	192,142	(192,142)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....		
39. Change in nonadmitted assets.....	(1,017,795)	(187,350)
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.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	0	16,668
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	(59,485)	0
48. Net change in capital and surplus (Lines 34 to 47).....	614,438	8,529,316
49. Capital and surplus end of reporting period (Line 33 plus 48)	17,768,930	17,154,492
<b>DETAILS OF WRITE-INS</b>		
4701. Correction of Prior Year Data.....	(59,485)	
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)	(59,485)	0

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	467,046,925	384,517,869
2. Net investment income .....	2,288,856	1,612,972
3. Miscellaneous income .....	1,981	5,155
4. Total (Lines 1 through 3) .....	469,337,762	386,135,996
5. Benefit and loss related payments .....	405,118,385	308,704,356
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	4,924,595	2,183,888
7. Commissions, expenses paid and aggregate write-ins for deductions .....	63,984,468	55,040,004
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	1,111,537	6,655,998
10. Total (Lines 5 through 9) .....	475,138,985	372,584,246
11. Net cash from operations (Line 4 minus Line 10) .....	(5,801,223)	13,551,750
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	39,844,282	5,724,739
12.2 Stocks .....	2,943,605	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 .....	0	16,668
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	42,787,887	5,741,407
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	69,161,659	24,259,256
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) .....	69,161,659	24,259,256
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) .....	(26,373,772)	(18,517,849)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	16,668
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) .....	22,872,495	2,633,213
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	22,872,495	2,649,881
<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) .....	(9,302,500)	(2,316,218)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	12,620,604	14,936,822
19.2 End of year (Line 18 plus Line 19.1) .....	3,318,104	12,620,604

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

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ANNUAL STATEMENT FOR THE YEAR 2011 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	473,748,463						473,748,463			
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	1,981	0	0	0	0	0	1,981	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)	473,750,444	0	0	0	0	0	473,750,444	0	0	0
8. Hospital/medical benefits	324,144,384						324,144,384			XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	85,477,597						85,477,597			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	3,157,328						3,157,328			XXX
15. Subtotal (Lines 8 to 14)	412,779,309	0	0	0	0	0	412,779,309	0	0	XXX
16. Net reinsurance recoveries	(256,820)						(256,820)			XXX
17. Total medical and hospital (Lines 15 minus 16)	413,036,129	0	0	0	0	0	413,036,129	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 4,270,155 cost containment expenses	4,270,155						4,270,155			
20. General administrative expenses	57,382,440	474,209					56,908,231			
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)	474,688,724	474,209	0	0	0	0	474,214,515	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	(938,280)	(474,209)	0	0	0	0	(464,071)	0	0	0
DETAILS OF WRITE-INS										
0501. Other Income	1,981						1,981	0		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)	1,981	0	0	0	0	0	1,981	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 2011 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
2. Medicare Supplement .....				0
3. Dental only .....				0
4. Vision only .....				0
5. Federal Employees Health Benefits Plan .....	0			0
6. Title XVIII - Medicare .....	473,748,463			473,748,463
7. Title XIX - Medicaid .....	0			0
8. Other health .....				0
9. Health subtotal (Lines 1 through 8) .....	473,748,463	0	0	473,748,463
10. Life .....	0			0
11. Property/casualty .....	0			0
12. Totals (Lines 9 to 11)	473,748,463	0	0	473,748,463

ANNUAL STATEMENT FOR THE YEAR 2011 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	401,942,487	(20,638)					401,963,125			
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	401,942,487	(20,638)	0	0	0	0	401,963,125	0	0	0
2. Paid medical incentive pools and bonuses	3,311,392						3,311,392			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	48,022,399	72,222	0	0	0	0	47,950,177	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	48,022,399	72,222	0	0	0	0	47,950,177	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	2,918,493						2,918,493			
6. Net healthcare receivables (a)	0									
7. Amounts recoverable from reinsurers December 31, current year	(256,819)						(256,819)			
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	40,342,904	51,584	0	0	0	0	40,291,320	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	40,342,904	51,584	0	0	0	0	40,291,320	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	3,072,557						3,072,557			
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	409,621,982	0	0	0	0	0	409,621,982	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	(256,819)	0	0	0	0	0	(256,819)	0	0	0
12.4 Net	409,878,801	0	0	0	0	0	409,878,801	0	0	0
13. Incurred medical incentive pools and bonuses	3,157,328	0	0	0	0	0	3,157,328	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2011 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 .....	15,060,608	0					15,060,608			
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	0									
1.4 Net .....	15,060,608	0	0	0	0	0	15,060,608	0	0	0
2. Incurred but Unreported:										
2.1 Direct .....	32,621,769	72,222					32,549,547			
2.2 Reinsurance assumed .....	0						0			
2.3 Reinsurance ceded .....	0									
2.4 Net .....	32,621,769	72,222	0	0	0	0	32,549,547	0	0	0
3. Amounts Withheld from Paid Claims and Capitulations:										
3.1 Direct .....	340,022	0					340,022			
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	340,022	0	0	0	0	0	340,022	0	0	0
4. TOTALS:										
4.1 Direct .....	48,022,399	72,222	0	0	0	0	47,950,177	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 .....	48,022,399	72,222	0	0	0	0	47,950,177	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 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) .....	(20,638)	0	72,222		51,584	51,584
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 .....	38,547,391	363,672,553	318,233	47,631,944	38,865,624	40,291,319
7. Title XIX - Medicaid .....					0	0
8. Other health .....					0	0
9. Health subtotal (Lines 1 to 8) .....	38,526,753	363,672,553	390,455	47,631,944	38,917,208	40,342,903
10. Healthcare receivables (a) .....					0	0
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	1,738,141	1,573,251	343,104	2,575,389	2,081,245	3,072,557
13. Totals (Lines 9 - 10 + 11 + 12)	40,264,894	365,245,804	733,559	50,207,333	40,998,453	43,415,460

(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 - Title XVIII**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior .....	0	0	0	0	
2.	2007 .....	0	8,365	0		
3.	2008 .....	XXX	156,648	21,453	25,017	
4.	2009 .....	XXX	XXX	186,853	276,950	
5.	2010 .....	XXX	XXX	XXX		38,547
6.	2011 .....	XXX	XXX	XXX	XXX	363,373

**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 2007	2 2008	3 2009	4 2010	5 2011
1.	Prior .....	0	0	0	0	
2.	2007 .....	0	0	0		
3.	2008 .....	XXX	0	21,453	25,017	0
4.	2009 .....	XXX	XXX	197,681	276,950	0
5.	2010 .....	XXX	XXX	XXX		351,703
6.	2011 .....	XXX	XXX	XXX	XXX	456,451

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

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. 2007 .....	0			0.0	0	0.0			0	0.0
2. 2008 .....	0			0.0	0	0.0			0	0.0
3. 2009 .....	0			0.0	0	0.0			0	0.0
4. 2010 .....		38,547		0.0	38,547	0.0			38,547	0.0
5. 2011 .....		363,373		0.0	363,373	0.0	50,940	449	414,762	0.0

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

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

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0	
2. 2007	0	8,365	0	0	0	
3. 2008	XXX	156,648	21,453	25,017	0	
4. 2009	XXX	XXX	186,853	276,950	0	
5. 2010	XXX	XXX	XXX	0	38,547	
6. 2011	XXX	XXX	XXX	XXX	363,373	

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

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0	
2. 2007	0	0	0	0	0	
3. 2008	XXX	0	21,453	25,017	0	
4. 2009	XXX	XXX	197,681	276,950	0	
5. 2010	XXX	XXX	XXX	0	351,703	
6. 2011	XXX	XXX	XXX	XXX	456,451	

**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. 2007	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2008	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2009	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2010	0	38,547	0	0.0	38,547	0.0	0	0	38,547	0.0
5. 2011	0	363,373	0	0.0	363,373	0.0	50,940	449	414,762	0.0

12.GT

**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) .....	3,746,569						3,746,569		
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) .....	3,746,569	0	0	0	0	0	3,746,569	0	0
7. Reinsurance ceded .....	0								
8. Totals (Net)(Page 3, Line 4) .....	3,746,569	0	0	0	0	0	3,746,569	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) .....			1,951,333		1,951,333
2. Salary, wages and other benefits .....			32,227,986		32,227,986
3. Commissions (less \$ ..... ceded plus \$ ..... assumed)			1,314,419		1,314,419
4. Legal fees and expenses .....			701,950		701,950
5. Certifications and accreditation fees .....					0
6. Auditing, actuarial and other consulting services .....			4,355,678		4,355,678
7. Traveling expenses .....					0
8. Marketing and advertising .....			4,203,065		4,203,065
9. Postage, express and telephone .....			1,735,821		1,735,821
10. Printing and office supplies .....			2,524,609		2,524,609
11. Occupancy, depreciation and amortization .....			3,916,869		3,916,869
12. Equipment .....					0
13. Cost or depreciation of EDP equipment and software .....					0
14. Outsourced services including EDP, claims, and other services .....	4,270,155				4,270,155
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....			537,985		537,985
17. Collection and bank service charges .....			297,565	0	297,565
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
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
25. Aggregate write-ins for expenses .....	0	0	3,615,161	0	3,615,161
26. Total expenses incurred (Lines 1 to 25) .....	4,270,155	0	57,382,441	0	(a) 61,652,596
27. Less expenses unpaid December 31, current year .....		449,315	2,456,561		2,905,876
28. Add expenses unpaid December 31, prior year .....	0	268,743	503,108		771,851
29. Amounts receivable relating to uninsured plans, prior year .....					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)	4,270,155	(180,572)	55,428,988	0	59,518,571
<b>DETAILS OF WRITE-INS</b>					
2501. Other Expense .....			3,615,161		3,615,161
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	3,615,161	0	3,615,161

(a) Includes management fees of \$ 56,908,231 to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds .....	(a) 1,944,643	2,258,594
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) .....	76,506	.....
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) 150,719	150,719
7. Derivative instruments .....	(f) .....	.....
8. Other invested assets .....	.....	.....
9. Aggregate write-ins for investment income .....	0	0
10. Total gross investment income .....	2,171,868	2,409,313
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) .....	.....	2,409,313
<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 \$ 5,759 accrual of discount less \$ 270,661 amortization of premium and less \$ 350,311 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	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	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) .....	(50,754)	0	(50,754)	404,060	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) .....	(43,597)	0	(43,597)	87,412	0
2.21 Common stocks of affiliates .....	0	0	0	0	0
3. Mortgage loans .....	.....	.....	.....	.....	.....
4. Real estate .....	.....	.....	.....	.....	.....
5. Contract loans .....	.....	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7. Derivative instruments .....	.....	.....	.....	.....	.....
8. Other invested assets .....	.....	.....	.....	.....	.....
9. Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10. Total capital gains (losses) .....	(94,351)	0	(94,351)	491,472	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 2011 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
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens .....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income .....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			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
14. Investment income due and accrued .....	261,393	82,831	(178,562)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	21,917	58,757	36,840
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....			0
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....	419,611	0	(419,611)
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....	2,945	4,908	1,963
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	896,608	430,161	(466,447)
25. Aggregate write-ins for other than invested assets .....	57,333	65,355	8,022
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	1,659,807	642,012	(1,017,795)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	1,659,807	642,012	(1,017,795)
<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	57,333	0
2502. Plan to Plan receivable .....		8,022	8,022
2503. ....			
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) .....	57,333	65,355	8,022

**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 .....	37,987	40,816	41,788	44,118	47,522	516,102
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	37,987	40,816	41,788	44,118	47,522	516,102
<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.....						
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	11,164,325	730,216	481,777	3,148,508	21,918	15,502,909
0499999. Premiums due and unpaid from Medicaid entities						
.....						
.....						
.....						
.....						
.....						
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.....						
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.....						
.....						
0599999 Accident and health premiums due and unpaid (Page 2, Line 15)	11,164,325	730,216	481,777	3,148,508	21,918	15,502,909

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

**EXHIBIT 3 - HEALTH CARE RECEIVABLES**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Caremark .....	669,479	651,554	645,919	5,147,692		7,114,644
0199998. Aggregate Pharmaceutical Rebate Receivables Not Individually Listed						
0199999. Total Pharmaceutical Rebate Receivables	669,479	651,554	645,919	5,147,692	0	7,114,644
0299998. Aggregate Claim Overpayment Receivables Not Individually Listed						
0299999. Total Claim Overpayment Receivables	0	0	0	0	0	0
0399998. Aggregate Loans and Advances to Providers Not Individually Listed						
0399999. Total Loans and Advances to Providers	0	0	0	0	0	0
0499998. Aggregate Capitation Arrangement Receivables Not Individually Listed						
0499999. Total Capitation Arrangement Receivables	0	0	0	0	0	0
0599998. Aggregate Risk Sharing Receivables Not Individually Listed						
0599999. Total Risk Sharing Receivables	0	0	0	0	0	0
Plan to Plan receivable .....	953	158		7,833	7,833	1,111
Hospice Recoveries .....				942,574	358,066	584,508
0699998. Aggregate Other Receivables Not Individually Listed						
0699999. Total Other Receivables	953	158	0	950,407	365,899	585,619
.....						
.....						
.....						
.....						
.....						
0799999 Gross health care receivables	670,432	651,712	645,919	6,098,099	365,899	7,700,263

**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	12,344,033	2,581,405	135,171	0	0	15,060,609
0499999. Subtotals	12,344,033	2,581,405	135,171	0	0	15,060,609
0599999. Unreported claims and other claim reserves						32,961,790
0699999. Total amounts withheld						
0799999. Total claims unpaid						48,022,399
.....						
.....						
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.....						
.....						
.....						
0899999 Accrued medical incentive pool and bonus amounts						2,918,493

**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 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 .....	3,377,971	0.8	71,192	149.8	3,377,971	
2. Intermediaries .....	0	0.0		0.0		
3. All other providers .....	16,385,283	4.1	587,281	1,235.8	16,385,283	
4. Total capitation payments .....	19,763,254	4.9	658,473	1,385.6	19,763,254	0
<b>Other Payments:</b>						
5. Fee-for-service .....	384,029,942	95.1	XXX	XXX	384,029,942	
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 .....	0	0.0	XXX	XXX		
12. Total other payments .....	384,029,942	95.1	XXX	XXX	384,029,942	0
13. TOTAL (Line 4 plus Line 12)	403,793,196	100%	XXX	XXX	403,793,196	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		2,945	2,945	2,945	
6. Total	5,890	0	2,945	2,945	2,945	0

# AMERICAN HEALTH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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### 1. Organization

#### *Nature of the Business*

American Health, Inc. (the Company), a wholly owned subsidiary of Socios Mayores en Salud, Inc. (the Parent Company), is a corporation organized under the laws of the Commonwealth of Puerto Rico on December 6, 2000 to provide health insurance coverage following the provisions of Chapter 19 of the Insurance Code of Puerto Rico (the Insurance Code).

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, 2011, and can be renewed annually for a period of one year, as defined in the contract agreement. The contract was renewed effective January 1, 2012 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, 2011 and can be renewed for a period of one year, as defined in the contract agreement. The contract was renewed effective January 1, 2012 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.

# AMERICAN HEATLH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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The non-admitted assets charged to surplus during 2011 and 2010 are as follows:

	<u>2011</u>	<u>2010</u>
Healthcare receivable and other receivable	\$ 1,150,168	\$ 512,992
Uncollected premiums	29,751	66,779
Deposit and other assets	476,943	57,333
Furniture and equipment	<u>2,945</u>	<u>4,908</u>
Total non-admitted assets	<u>\$ 1,659,807</u>	<u>\$ 642,012</u>

Depreciation expense on the related furniture and equipment designated as non-admitted assets amounted to approximately \$2,945 and \$4,908 for the years ended December 31, 2011 and 2010, respectively. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

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

The Company had short-term investments amounting to \$5,493,068 at December 31, 2010; consisting 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. There were no short-term investments at December 31, 2011.

### ***Investments***

Debt securities and government mutual funds 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, 2011 total investment in securities reported at amortized cost on the Statements of Admitted Assets, Liabilities, and Capital and Surplus amount to \$68,315,380 and fair market value on 2010 to \$41,168,522, respectively.

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 in this 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 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

# AMERICAN HEATLH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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estimates. Actual results could differ from these estimates. As additional information becomes available, the recorded estimate is revised and reflected in operating results.

### ***Medical Claims Payable***

Medical claims payable represent the estimated amounts to be paid to providers based on experience and accumulated statistical data and certain actuarial reports. The liability for medical claims payable 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 medical claims 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 revenues and expenses in the period determined.

### ***Fair Value***

The fair value information of financial instruments in the accompanying statutory 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.

### ***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 Tax***

Income tax is 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, claims liabilities, risk adjustments, Part D reinsurance and deferred tax asset. As additional information becomes available (or actual amounts are determinable), the recorded estimates



# AMERICAN HEALTH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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a different conclusion whether or not to impair a security if it had access to additional information about the investee. Additionally, it is possible that the investee's ability to meet future contractual obligations may be different than what the Company determined during its analysis, which may lead to a different impairment conclusion in future periods. If after monitoring and analyzing impaired securities, the Company determines that a decline in the estimated fair value of any available-for-sale security below cost is other-than-temporary, the carrying amount of the security is reduced to its fair value by the credit component of the other-than-temporary impairment. The new cost basis of an impaired security is not adjusted for subsequent increases in estimated fair value. In periods subsequent to the recognition of another-than-temporary impairment, the impaired security is accounted for as if it had been purchased on the measurement date of the impairment. For debt securities, the discount (or reduced premium) based on the new cost basis may be accreted into net investment income in future periods based on prospective changes in cash flow estimates, to reflect adjustments to the effective yield.

The Company continues to review the investment portfolios under the Company's impairment review policy. Given the current market conditions and the significant judgments involved, there is a continuing risk that further declines in fair value may occur and additional material other-than-temporary impairments may be recorded in future periods.

*U.S. Government and Commonwealth of Puerto Rico and its Instrumentalities Debt Securities* - The unrealized loss on the Company's investments in debt securities was mainly caused by fluctuations in interest rate and general market conditions. The contractual terms of these investments do not permit the issuer to settle the securities at a price less than the par value of the investment. In addition, most of these investments have investment grade ratings. Because the decline in fair value is attributable to changes in interest rates and not credit quality, and because the Company does to intend to sell the investments and it is not more likely than not that the Company will be required to sell the investments before recovery of their amortized cost basis, which may be maturity, and because the Company expects to collect all contractual cash flows, these investments are not considered other-than-temporarily impaired.

*Equity securities* - The Company owns Mortgage-backed securities representing collateralized mortgage obligations ("CMO's") which are explicitly or implicitly guaranteed by the Federal Government. The unrealized holding loss in the Company's equity securities was mainly due to cyclical weakness in the U.S. equity market. The Company evaluated the near-term prospects of the issuers in relation to the severity and duration of the impairments. Based on the Company's ability and intent to hold these investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Company does not consider these investments to be other-than-temporarily impaired at December 31, 2011.

Gross realized gains from the sale of investment securities available-for-sale were \$102,025 during this period. Gross realized losses totaled (\$196,377) for the same period.

Maturities of investment in securities classified as available for sale were as follows at December 31, 2011:

	<b>Amortized Cost</b>	<b>Fair Value</b>
Due in one year or less	\$ -	\$ -
Due after one year through five years	25,529,453	25,803,365
Due after five years through ten years	18,426,007	19,042,350
Due after ten years	10,475,703	11,174,356
CMO's	13,884,217	13,893,996
Total	<u>\$68,315,380</u>	<u>\$69,914,067</u>

# AMERICAN HEATLH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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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

Components of net investment income were as follows:

	Year ended December 31,	
	2011	2010
Debt Securities:		
Municipal bonds and notes	\$ 2,258,594	\$ 1,606,699
Cash and short term investments	150,719	436,704
Total	<u>\$ 2,409,313</u>	<u>\$ 2,043,403</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, 2011 and 2010.

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, 2011 and 2010, the management fee charged by the Parent Company to the Company for the above services amounted to approximately \$56,908,231 and \$49,568,368, respectively, which are included as operating expenses in accompanying statutory statements of revenues and expenses.

### 6. Fair Value Measurements

In the various investments related disclosures in the statutory financial statements there are none financial instruments disclosed at fair value.

# AMERICAN HEALTH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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### 7. Medical Claims Payable

The activity in medical claims payable during the years ended December 31, 2011 and 2010 were as follows:

Payments related to:		
Current period insured events	\$ 371,485,239	\$ 282,636,231
Prior period insured events	<u>33,046,082</u>	<u>27,139,430</u>
Total	<u>404,531,321</u>	<u>309,775,661</u>
Medical claims payable, end of year	<u>\$ 55,136,776</u>	<u>\$ 45,334,204</u>

### 2010

Medical claims payable, beginning of year \$ 36,690,9

### 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, 2011 and 2010.

In addition, the Company is authorized to issue 500 shares of class A common stock with no par value. At December 31, 2011 and 2010 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.

Effective January 5, 2010, the Commonwealth of Puerto Rico adopted Law No. 92 ("the Law") to add to Chapter 45 of the Insurance Code of Puerto Rico Risk Based Capital ("RBC") requirements to all insurance companies authorized to conduct business in Puerto Rico. Insurance companies are required to comply with the RBC requirements as adopted by the NAIC which includes the filing of an RBC report with the NAIC and the Commissioner each year on or before March 31 in order to determine compliance with such RBC requirements. The Law, which becomes effective for years beginning January 1, 2011 provides a RBC compliance transition period extending from 3 to 5 years. The Company is in the process of implementing a plan for the Company in order to ensure compliance with the requirements of the Law.

# AMERICAN HEALTH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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### 9. Income Tax

American Health, Inc. (“AHI”) files its income tax return under the Puerto Rico Internal Revenue Code Act 1 of January 31, 2011, generally effective for taxable years that commence after December 31, 2010. Act 1, among other changes, reduced the corporate income and alternative minimum tax rates. The effective tax rate for the Company differs from the statutory Puerto Rico rate of 30% primarily due to the recognition of previously disallowed ASC 718 benefits, alternative minimum tax and the valuation allowance on its deferred tax assets.

Additionally, the Government of Puerto Rico approved a comprehensive tax reform with Act 171 of November 15, 2010, which introduced certain changes that are effective for taxable years that commenced after December 31, 2009. In general it extends the carryover period of net operating losses carry forward from 7 to 10 years. The losses that are eligible for the extended period are those incurred in taxable years that commenced after December 31, 2004 and before December 31, 2012.

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:

	Year ended December 31,	
	2011	2010
Income before income tax	\$ 1,376,681	\$ 13,738,186
Statutory tax rate	30%	38%
Income tax expense at statutory rate	412,405	5,253,477
Increase (decrease) in income tax resulting from:		
Exempt interest income	(677,578)	(626,560)
Deferred tax asset on provision for doubtful receivables	142,278	219,128
Total statutory income tax expense	<u>\$ (122,895)</u>	<u>\$ 4,846,045</u>
Income tax incurred	\$ (55,166)	\$ 5,197,928
Change in net deferred income tax	(67,729)	(351,882)
Total statutory income tax expense	<u>\$ (122,895)</u>	<u>\$ 4,846,045</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, 2011 and 2010 amounted to approximately \$471,000,000 and \$372,000,000

# AMERICAN HEATLH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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respectively; and the related receivables at December 31, 2011 and 2010 amounted to approximately \$14,637,000 and \$5,271,000, respectively.

### 12. Subsequent Events

In connection with the preparation of the financial statements and in accordance with SFAS No. 165, management has evaluated and reviewed the affairs of the Company for subsequent events that would impact the financial statements for the twelve-month period ended December 31, 2011.

Management is not aware of any additional subsequent events that could significantly impact the Company's financial condition.

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

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 liability

# AMERICAN HEATLH, INC.

## NOTES TO STATUTORY FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2011

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

	<u>GAAP</u>	<u>SAP</u>
Total assets	\$ 157,345,445	\$ 103,078,772
Stockholder's equity	\$ 64,078,589	\$ 17,768,930
Net income	\$ (3,550,295)	\$ 1,499,576

	<u>2010</u>	
	<u>GAAP</u>	<u>SAP</u>
Total assets	\$ 69,709,853	\$ 69,067,841
Stockholder's equity	\$ 17,916,504	\$ 17,154,492
Net income	\$ 8,892,140	\$ 8,892,140

# 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? ..... Puerto Rico
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2008
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2008
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 12/31/2008
- 3.4 By what department or departments?  
Insurance Commissioner of PR .....
- 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

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

**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?  
Pricewaterhouse Cooper,LLP
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain  
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Milliman, Inc. ....
- 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**

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

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

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

**INVESTMENT**

- 24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3)..... Yes [ X ] No [ ]  
 24.2 If no, give full and complete information relating thereto  
 .....  
 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)  
 .....  
 24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? ..... Yes [ ] No [ ] N/A [ X ]  
 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. ....\$ .....  
 24.6 If answer to 24.4 is no, report amount of collateral for other programs. ....\$ .....  
 24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? ..... Yes [ ] No [ X ] N/A [ ]  
 24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? ..... Yes [ ] No [ X ] N/A [ ]  
 24.9 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? ..... Yes [ ] No [ X ] N/A [ ]

**GENERAL INTERROGATORIES**

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

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

	25.21 Subject to repurchase agreements .....	\$ .....
	25.22 Subject to reverse repurchase agreements .....	\$ .....
	25.23 Subject to dollar repurchase agreements .....	\$ .....
	25.24 Subject to reverse dollar repurchase agreements .....	\$ .....
	25.25 Pledged as collateral .....	\$ .....
	25.26 Placed under option agreements .....	\$ .....
	25.27 Letter stock or other securities restricted as to sale .....	\$ .....
	25.28 On deposit with state or other regulatory body .....	\$ 600,000
	25.29 Other .....	\$ .....

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

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

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

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

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

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

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

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of 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

**GENERAL INTERROGATORIES**

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

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	68,315,380	69,914,067	1,598,687
30.2 Preferred stocks .....	0		0
30.3 Totals	68,315,380	69,914,067	1,598,687

- 30.4 Describe the sources or methods utilized in determining the fair values:  
 Security Exchange Commission .....
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ X ] No [ ]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ X ] No [ ]
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
 .....
- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? ..... Yes [ X ] No [ ]
- 32.2 If no, list exceptions:  
 .....

**GENERAL INTERROGATORIES**

**OTHER**

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

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

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? .....\$ .....0

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

**GENERAL INTERROGATORIES**

**PART 2 - HEALTH INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]

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 .....	473,748,463	380,733,273
2.2 Premium Denominator .....	473,748,463	380,733,273
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	54,687,461	45,065,461
2.5 Reserve Denominator .....	54,687,461	45,065,461
2.6 Reserve Ratio (2.4/2.5) .....	1.000	1.000

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

3.2 If yes, give particulars:

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

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

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 ..... \$ \_\_\_\_\_ 150,000

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 ..... 5,170

8.2 Number of providers at end of reporting year ..... 5,914

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.....\$ 2,918,493
	10.22 Amount actually paid for year bonuses.....\$ 3,311,392
	10.23 Maximum amount payable withholds.....\$ 0
	10.24 Amount actually paid for year withholds.....\$ 0

11.1 Is the reporting entity organized as:

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

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

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

11.4 If yes, show the amount required. ....\$ 600,000

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

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 2011 OF THE AMERICAN HEALTH, INC.

**FIVE-YEAR HISTORICAL DATA**

	1 2011	2 2010	3 2009	4 2008	5 2007
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	103,078,772	69,067,841	50,895,202	37,210,714	12,445,517
2. Total liabilities (Page 3, Line 24) .....	85,309,842	51,913,349	42,270,026	34,649,244	10,565,700
3. Statutory surplus .....	600,000		0	0	0
4. Total capital and surplus (Page 3, Line 33) .....	17,768,930	17,154,492	8,625,176	2,561,470	1,879,817
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	473,750,444	380,738,428	265,846,374	221,516,366	162,359,812
6. Total medical and hospital expenses (Line 18) .....	413,036,129	315,012,081	217,957,396	188,960,752	156,973,978
7. Claims adjustment expenses (Line 20) .....	4,270,155	3,406,842	851,612	813,411	142,973
8. Total administrative expenses (Line 21) .....	57,382,441	50,540,769	37,722,380	30,566,855	2,157,974
9. Net underwriting gain (loss) (Line 24) .....	(938,281)	11,778,736	9,314,986	1,175,348	3,084,887
10. Net investment gain (loss) (Line 27) .....	2,314,962	1,959,449	792,688	437,252	117,011
11. Total other income (Lines 28 plus 29) .....	0	0	0	0	(330,618)
12. Net income or (loss) (Line 32) .....	1,499,576	8,892,140	5,841,169	968,863	1,741,280
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(5,801,223)	13,551,750	23,159,589	10,082,784	3,594,661
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	17,768,930	17,154,492	8,625,176	2,561,470	1,879,817
15. Authorized control level risk-based capital .....	15,968,973	12,339,269	8,562,238	8,838,879	8,707,117
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	47,522	37,987	28,866	20,479	32,119
17. Total members months (Column 6, Line 7) .....	516,102	417,008	295,613	259,385	270,121
<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) .....	87.2	82.7	82.0	85.3	96.7
20. Cost containment expenses .....	0.9	0.9	0.3	0.4	0.1
21. Other claims adjustment expenses .....	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23) .....	100.2	96.9	96.5	99.5	98.2
23. Total underwriting gain (loss) (Line 24) .....	(0.2)	3.1	3.5	0.5	1.9
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	40,998,453	27,825,514	23,720,561	8,696,044	1,863,314
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	43,415,460	36,690,941	31,085,944	8,492,051	1,896,101
<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
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....			0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....			0	0	0
30. Affiliated mortgage loans on real estate .....			0	0	0
31. All other affiliated .....			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 2011 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		2011							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 .....	37,987							37,987				
2. First Quarter .....	40,816							40,816				
3. Second Quarter .....	41,788							41,788				
4. Third Quarter .....	44,118							44,118				
5. Current Year .....	47,522							47,522				
6. Current Year Member Months	516,102							516,102				
<b>Total Member Ambulatory Encounters for Year:</b>												
7. Physician .....	371,020							371,020				
8. Non-Physician .....	49,612							49,612				
9. Total	420,632	0	0	0	0	0	0	420,632	0	0		
10. Hospital Patient Days Incurred	16,124							16,124				
11. Number of Inpatient Admissions	3,165							3,165				
12. Health Premiums Written (b) .....	473,748,463							473,748,463				
13. Life Premiums Direct	0											
14. Property/Casualty Premiums Written .....	0											
15. Health Premiums Earned .....	473,748,463							473,748,463				
16. Property/Casualty Premiums Earned	0											
17. Amount Paid for Provision of Health Care Services .....	403,793,196							403,793,196				
18. Amount Incurred for Provision of Health Care Services	412,779,309							412,779,309				

(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 2011 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	5	6	7	8	9	10
			2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other	
<b>Total Members at end of:</b>											
1. Prior Year	37,987	0	0	0	0	0	0	37,987	0	0	
2. First Quarter	40,816	0	0	0	0	0	0	40,816	0	0	
3. Second Quarter	41,788	0	0	0	0	0	0	41,788	0	0	
4. Third Quarter	44,118	0	0	0	0	0	0	44,118	0	0	
5. Current Year	47,522	0	0	0	0	0	0	47,522	0	0	
6. Current Year Member Months	516,102	0	0	0	0	0	0	516,102	0	0	
<b>Total Member Ambulatory Encounters for Year:</b>											
7. Physician	371,020	0	0	0	0	0	0	371,020	0	0	
8. Non-Physician	49,612	0	0	0	0	0	0	49,612	0	0	
9. Total	420,632	0	0	0	0	0	0	420,632	0	0	
10. Hospital Patient Days Incurred	16,124	0	0	0	0	0	0	16,124	0	0	
11. Number of Inpatient Admissions	3,165	0	0	0	0	0	0	3,165	0	0	
12. Health Premiums Written (b)	473,748,463	0	0	0	0	0	0	473,748,463	0	0	
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	
15. Health Premiums Earned	473,748,463	0	0	0	0	0	0	473,748,463	0	0	
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	
17. Amount Paid for Provision of Health Care Services	403,793,196	0	0	0	0	0	0	403,793,196	0	0	
18. Amount Incurred for Provision of Health Care Services	412,779,309	0	0	0	0	0	0	412,779,309	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 2011 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 Domiciliary Jurisdiction	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
16535	36-4233459	01/01/2011	Zurich American Insurance Company	NY	ASL/A/G				821,450	0	
0199999. U.S. Affiliates						0	0	0	821,450	0	0
0399999. Total - Affiliates						0	0	0	821,450	0	0
0699999. Total - Non-Affiliates						0	0	0	0	0	0
0799999. Total U.S. (Sum of 0199999 and 0499999)						0	0	0	821,450	0	0
0899999. Total Non-U.S. (Sum of 0299999 and 0599999)						0	0	0	0	0	0
0999999 - Totals						0	0	0	821,450	0	0



Schedule S - Part 3 - Section 2

**NONE**

Schedule S - Part 4

**NONE**

Schedule S - Part 4 - Bank Footnote

**NONE**

**SCHEDULE S - PART 5**

Five Year Exhibit of Reinsurance Ceded Business (000 Omitted)

	1 2011	2 2010	3 2009	4 2008	5 2007
<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
5. Total hospital and medical expenses .....	(257)	890	510	0	0
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable .....			0	0	0
7. Claims payable .....	0	0	0	0	0
8. Reinsurance recoverable on paid losses .....	155	547	131	37	0
9. Experience rating refunds due or unpaid .....			0	0	0
10. Commissions and reinsurance expense allowances unpaid .....			0	0	0
11. Unauthorized reinsurance offset .....			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) .....	72,233,484		72,233,484
2. Accident and health premiums due and unpaid (Line 15) .....	15,502,909		15,502,909
3. Amounts recoverable from reinsurers (Line 16.1) .....	155,015		155,015
4. Net credit for ceded reinsurance .....	XXX	0	0
5. All other admitted assets (Balance) .....	15,187,364		15,187,364
6. Total assets (Line 28)	103,078,772	0	103,078,772
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1) .....	48,022,399		48,022,399
8. Accrued medical incentive pool and bonus payments (Line 2) .....	2,918,493		2,918,493
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) .....	34,368,950		34,368,950
13. Total liabilities (Line 24) .....	85,309,842	0	85,309,842
14. Total capital and surplus (Line 33) .....	17,768,930	XXX	17,768,930
15. Total liabilities, capital and surplus (Line 34)	103,078,772	0	103,078,772
<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	473,748,463					473,748,463		
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	473,748,463	0	0	0	0	473,748,463	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX		0					0		
61. Total (Direct Business)	(a) 1	0	473,748,463	0	0	0	0	473,748,463	0	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.

0

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

0

**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**





**SCHEDULE Y**

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

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
0	66-0650587	Socios Mayores en Salud, Inc.	0	0	0	0	56,908,231	0	*	0	56,908,231	0
11152	66-0593034	American Health, Inc.					(56,908,231)				(56,908,231)	
9999999 Control Totals			0	0	0	0	0	0	XXX	0	0	0

# SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

	Responses
<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? .....	SEE EXPLANATION
<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
18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1? .....	NO
19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed electronically with the NAIC by March 1? .....	NO
20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1? .....	NO
<b>APRIL FILING</b>	
21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1? .....	NO
22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC? .....	NO
23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC? .....	NO
24. Will the Supplemental Health Care Exhibit (Parts 1, 2 and 3) be filed with the state of domicile and the NAIC by April 1? .....	NO
25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1? .....	NO
<b>AUGUST FILING</b>	
26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1? .....	NO

Explanations:  
Do not apply

- 7.
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.
- 21.
- 22.
- 23.
- 24.
- 25.
- 26.

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. Relief from the five-year rotation requirement for lead audit partner [Document Identifier 224]	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

- 19. Relief from the one-year cooling off period for independent CPA  
[Document Identifier 225] 
- 20. Relief from the Requirements for Audit Committees [Document Identifier 226] 
- 21. Long-Term Care Experience Reporting Forms [Document Identifier 306] 
- 22. Life Supplement [Document Identifier 211] 
- 23. Property/Casualty Supplement Insurance Expense Exhibit  
[Document Identifier 213] 
- 24. Supplemental Health Care Exhibit (Parts 1, 2 and 3) [Document Identifier 216] 
- 25. Supplemental Health Care Exhibit's Expense Allocation Report  
[Document Identifier 217] 
- 26. 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 Securities Lending Reinvested Collateral Amount	5 Total (Col. 3 + 4) Amount	6 Percentage
1. Bonds:						
1.1 U.S. treasury securities .....		0.000			0	0.000
1.2 U.S. government agency obligations (excluding mortgage-backed securities):						
1.21 Issued by U.S. government agencies .....		0.000			0	0.000
1.22 Issued by U.S. government sponsored agencies .....	13,884,217	19.221	13,884,217		13,884,217	19.221
1.3 Non-U.S. government (including Canada, excluding mortgaged-backed securities) .....		0.000			0	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 .....	54,431,163	75.354	54,431,163		54,431,163	75.354
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....		0.000			0	0.000
1.43 Revenue and assessment obligations .....		0.000			0	0.000
1.44 Industrial development and similar obligations .....		0.000			0	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	0.000
1.512 Issued or guaranteed by FNMA and FHLMC .....		0.000			0	0.000
1.513 All other .....		0.000			0	0.000
1.52 CMOs and REMICs:						
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....		0.000			0	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	0.000
1.523 All other .....		0.000			0	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	0.000
2.2 Unaffiliated non-U.S. securities (including Canada) .....		0.000			0	0.000
2.3 Affiliated securities .....		0.000			0	0.000
3. Equity interests:						
3.1 Investments in mutual funds .....		0.000			0	0.000
3.2 Preferred stocks:						
3.21 Affiliated .....		0.000			0	0.000
3.22 Unaffiliated .....		0.000			0	0.000
3.3 Publicly traded equity securities (excluding preferred stocks):						
3.31 Affiliated .....		0.000			0	0.000
3.32 Unaffiliated .....		0.000			0	0.000
3.4 Other equity securities:						
3.41 Affiliated .....		0.000			0	0.000
3.42 Unaffiliated .....		0.000			0	0.000
3.5 Other equity interests including tangible personal property under lease:						
3.51 Affiliated .....		0.000			0	0.000
3.52 Unaffiliated .....		0.000			0	0.000
4. Mortgage loans:						
4.1 Construction and land development .....		0.000			0	0.000
4.2 Agricultural .....		0.000			0	0.000
4.3 Single family residential properties .....		0.000			0	0.000
4.4 Multifamily residential properties .....		0.000			0	0.000
4.5 Commercial loans .....		0.000			0	0.000
4.6 Mezzanine real estate loans .....		0.000			0	0.000
5. Real estate investments:						
5.1 Property occupied by company .....	0	0.000	0		0	0.000
5.2 Property held for production of income (including \$ ..... of property acquired in satisfaction of debt) .....	0	0.000	0		0	0.000
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....	0	0.000	0		0	0.000
6. Contract loans .....	0	0.000	0		0	0.000
7. Derivatives .....	0	0.000	0		0	0.000
8. Receivables for securities .....	0	0.000	0		0	0.000
9. Securities Lending (Line 10, Asset Page reinvested collateral) .....	0	0.000	0	XXX	XXX	XXX
10. Cash, cash equivalents and short-term investments .....	3,318,104	4.594	3,318,104		3,318,104	4.594
11. Other invested assets .....	600,000	0.831	600,000		600,000	0.831
12. Total invested assets .....	72,233,484	100.000	72,233,484	0	72,233,484	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 2011 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 .....	41,809,390
2.	Cost of bonds and stocks acquired, Part 3, Column 7 .....	69,161,659
3.	Accrual of discount .....	5,759
4.	Unrealized valuation increase (decrease):	
4.1	Part 1, Column 12 .....	201,369
4.2	Part 2, Section 1, Column 15 .....	
4.3	Part 2, Section 2, Column 13 .....	
4.4	Part 4, Column 11 .....	290,103
		491,472
5.	Total gain (loss) on disposals, Part 4, Column 19 .....	(94,351)
6.	Deduction consideration for bonds and stocks disposed of, Part 4, Column 7 .....	42,787,887
7.	Deduct amortization of premium .....	270,661
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) .....	68,315,381
11.	Deduct total nonadmitted amounts .....	0
12.	Statement value at end of current period (Line 10 minus Line 11) .....	68,315,381

ANNUAL STATEMENT FOR THE YEAR 2011 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	54,431,163	56,457,903	54,645,047	52,590,000
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	13,884,217	13,893,997	13,901,011	12,854,745
Industrial and Miscellaneous 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	68,315,380	70,351,900	68,546,058	65,444,745
<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	68,315,380	70,351,900	68,546,058	

ANNUAL STATEMENT FOR THE YEAR 2011 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 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>1. U.S. Governments</b>											
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
<b>2. All Other Governments</b>											
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
<b>3. U.S. States, Territories and Possessions etc., Guaranteed</b>											
3.1 Class 1		25,529,453	12,426,007	10,475,703	0	48,431,163	70.9	14,133,926	34.3	48,431,163	0
3.2 Class 2		0	6,000,000	0	0	6,000,000	8.8	27,034,626	65.7	6,000,000	0
3.3 Class 3						0	0.0	0	0.0		0
3.4 Class 4						0	0.0	0	0.0		0
3.5 Class 5						0	0.0	0	0.0		0
3.6 Class 6						0	0.0	0	0.0		0
3.7 Totals	0	25,529,453	18,426,007	10,475,703	0	54,431,163	79.7	41,168,552	100.0	54,431,163	0
<b>4. U.S. Political Subdivisions of States, Territories and Possessions, Guaranteed</b>											
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
<b>5. U.S. Special Revenue &amp; Special Assessment Obligations, etc., Non-Guaranteed</b>											
5.1 Class 1					13,884,217	13,884,217	20.3	0	0.0	13,884,217	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	13,884,217	13,884,217	20.3	0	0.0	13,884,217	0

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ANNUAL STATEMENT FOR THE YEAR 2011 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 9.7	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. Hybrid Securities</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. Parent, Subsidiaries and Affiliates</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

ANNUAL STATEMENT FOR THE YEAR 2011 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 9.7	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed (a)
<b>9. Total Bonds Current Year</b>											
9.1 Class 1	(d) 0	25,529,453	12,426,007	10,475,703	13,884,217	62,315,380	91.2	XXX	XXX	62,315,380	0
9.2 Class 2	(d) 0	0	6,000,000	0	0	6,000,000	8.8	XXX	XXX	6,000,000	0
9.3 Class 3	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.4 Class 4	(d) 0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.5 Class 5	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
9.6 Class 6	(d) 0	0	0	0	0	(c) 0	0.0	XXX	XXX	0	0
9.7 Totals	0	25,529,453	18,426,007	10,475,703	13,884,217	(b) 68,315,380	100.0	XXX	XXX	68,315,380	0
9.8 Line 9.7 as a % of Col. 6	0.0	37.4	27.0	15.3	20.3	100.0	XXX	XXX	XXX	100.0	0.0
<b>10. Total Bonds Prior Year</b>											
10.1 Class 1	0	0	14,133,926	0	0	XXX	XXX	14,133,926	34.3	0	14,133,926
10.2 Class 2	0	21,518,654	5,515,972	0	0	XXX	XXX	27,034,626	65.7	0	27,034,626
10.3 Class 3	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.4 Class 4	0	0	0	0	0	XXX	XXX	0	0.0	0	0
10.5 Class 5	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
10.6 Class 6	0	0	0	0	0	XXX	XXX	(c) 0	0.0	0	0
10.7 Totals	0	21,518,654	19,649,898	0	0	XXX	XXX	(b) 41,168,552	100.0	0	41,168,552
10.8 Line 10.7 as a % of Col. 8	0.0	52.3	47.7	0.0	0.0	XXX	XXX	100.0	XXX	0.0	100.0
<b>11. Total Publicly Traded Bonds</b>											
11.1 Class 1		25,529,453	12,426,007	10,475,703	13,884,217	62,315,380	91.2	0	0.0	62,315,380	XXX
11.2 Class 2			6,000,000			6,000,000	8.8	0	0.0	6,000,000	XXX
11.3 Class 3						0	0.0	0	0.0	0	XXX
11.4 Class 4						0	0.0	0	0.0	0	XXX
11.5 Class 5						0	0.0	0	0.0	0	XXX
11.6 Class 6						0	0.0	0	0.0	0	XXX
11.7 Totals	0	25,529,453	18,426,007	10,475,703	13,884,217	68,315,380	100.0	0	0.0	68,315,380	XXX
11.8 Line 11.7 as a % of Col. 6	0.0	37.4	27.0	15.3	20.3	100.0	XXX	XXX	XXX	100.0	XXX
11.9 Line 11.7 as a % of Line 9.7, Col. 6, Section 9	0.0	37.4	27.0	15.3	20.3	100.0	XXX	XXX	XXX	100.0	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Class 1	0	0	0	0	0	0	0.0	14,133,926	34.3	XXX	0
12.2 Class 2	0	0	0	0	0	0	0.0	27,034,626	65.7	XXX	0
12.3 Class 3	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.4 Class 4	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.5 Class 5	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.6 Class 6	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.7 Totals	0	0	0	0	0	0	0.0	41,168,552	100.0	XXX	0
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	XXX	0.0
12.9 Line 12.7 as a % of Line 9.7, Col. 6, Section 9	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

(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 2011 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 9.5	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 Residential Mortgage-Backed Securities .....						0	0.0		0.0		0
1.3 Commercial Mortgage-Backed Securities .....						0	0.0		0.0		0
1.4 Other Loan-Backed and Structured Securities .....						0	0.0		0.0		0
1.5 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 Residential Mortgage-Backed Securities .....						0	0.0		0.0		0
2.3 Commercial Mortgage-Backed Securities .....						0	0.0		0.0		0
2.4 Other Loan-Backed and Structured Securities .....						0	0.0		0.0		0
2.5 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 .....		25,529,453	18,426,007	10,475,703	0	54,431,163	79.7	41,168,552	100.0	54,431,163	0
3.2 Residential Mortgage-Backed Securities .....						0	0.0		0.0		0
3.3 Commercial Mortgage-Backed Securities .....						0	0.0		0.0		0
3.4 Other Loan-Backed and Structured Securities .....						0	0.0		0.0		0
3.5 Totals	0	25,529,453	18,426,007	10,475,703	0	54,431,163	79.7	41,168,552	100.0	54,431,163	0
<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 Residential Mortgage-Backed Securities .....						0	0.0		0.0		0
4.3 Commercial Mortgage-Backed Securities .....						0	0.0		0.0		0
4.4 Other Loan-Backed and Structured Securities .....						0	0.0		0.0		0
4.5 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 .....					13,884,217	13,884,217	20.3	0	0.0	13,884,217	0
5.2 Residential Mortgage-Backed Securities .....						0	0.0		0.0		0
5.3 Commercial Mortgage-Backed Securities .....						0	0.0		0.0		0
5.4 Other Loan-Backed and Structured Securities .....						0	0.0		0.0		0
5.5 Totals	0	0	0	0	13,884,217	13,884,217	20.3	0	0.0	13,884,217	0
<b>6. Industrial and Miscellaneous</b>											
6.1 Issuer Obligations .....						0	0.0	0	0.0		0
6.2 Residential Mortgage-Backed Securities .....						0	0.0		0.0		0
6.3 Commercial Mortgage-Backed Securities .....						0	0.0		0.0		0
6.4 Other Loan-Backed and Structured Securities .....						0	0.0		0.0		0
6.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>7. Hybrid Securities</b>											
7.1 Issuer Obligations .....						0	0.0	0	0.0		0
7.2 Residential Mortgage-Backed Securities .....						0	0.0		0.0		0
7.3 Commercial Mortgage-Backed Securities .....						0	0.0		0.0		0
7.4 Other Loan-Backed and Structured Securities .....						0	0.0		0.0		0
7.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0
<b>8. Parent, Subsidiaries and Affiliates</b>											
8.1 Issuer Obligations .....						0	0.0	0	0.0		0
8.2 Residential Mortgage-Backed Securities .....						0	0.0		0.0		0
8.3 Commercial Mortgage-Backed Securities .....						0	0.0		0.0		0
8.4 Other Loan-Backed and Structured Securities .....						0	0.0		0.0		0
8.5 Totals	0	0	0	0	0	0	0.0	0	0.0	0	0

ANNUAL STATEMENT FOR THE YEAR 2011 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 9.5	8 Total from Col. 6 Prior Year	9 % From Col. 7 Prior Year	10 Total Publicly Traded	11 Total Privately Placed
<b>9. Total Bonds Current Year</b>											
9.1 Issuer Obligations	0	25,529,453	18,426,007	10,475,703	13,884,217	68,315,380	100.0	XXX	XXX	68,315,380	0
9.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	XXX	XXX	0	0
9.5 Totals	0	25,529,453	18,426,007	10,475,703	13,884,217	68,315,380	100.0	XXX	XXX	68,315,380	0
9.6 Line 9.5 as a % of Col. 6	0.0	37.4	27.0	15.3	20.3	100.0	XXX	XXX	XXX	100.0	0.0
<b>10. Total Bonds Prior Year</b>											
10.1 Issuer Obligations	0	21,518,654	19,649,898	0	0	XXX	XXX	41,168,552	100.0	0	41,168,552
10.2 Residential Mortgage-Backed Securities						XXX	XXX	0	0.0	0	0
10.3 Commercial Mortgage-Backed Securities						XXX	XXX	0	0.0	0	0
10.4 Other Loan-Backed and Structured Securities						XXX	XXX	0	0.0	0	0
10.5 Totals	0	21,518,654	19,649,898	0	0	XXX	XXX	41,168,552	100.0	0	41,168,552
10.6 Line 10.5 as a % of Col. 8	0.0	52.3	47.7	0.0	0.0	XXX	XXX	100.0	XXX	0.0	100.0
<b>11. Total Publicly Traded Bonds</b>											
11.1 Issuer Obligations		25,529,453	18,426,007	10,475,703	13,884,217	68,315,380	100.0	0	0.0	68,315,380	XXX
11.2 Residential Mortgage-Backed Securities						0	0.0	0	0.0	0	XXX
11.3 Commercial Mortgage-Backed Securities						0	0.0	0	0.0	0	XXX
11.4 Other Loan-Backed and Structured Securities						0	0.0	0	0.0	0	XXX
11.5 Totals	0	25,529,453	18,426,007	10,475,703	13,884,217	68,315,380	100.0	0	0.0	68,315,380	XXX
11.6 Line 11.5 as a % of Col. 6	0.0	37.4	27.0	15.3	20.3	100.0	XXX	XXX	XXX	100.0	XXX
11.7 Line 11.5 as a % of Line 9.5, Col. 6, Section 9	0.0	37.4	27.0	15.3	20.3	100.0	XXX	XXX	XXX	100.0	XXX
<b>12. Total Privately Placed Bonds</b>											
12.1 Issuer Obligations	0	0	0	0	0	0	0.0	41,168,552	100.0	XXX	0
12.2 Residential Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.3 Commercial Mortgage-Backed Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.4 Other Loan-Backed and Structured Securities	0	0	0	0	0	0	0.0	0	0.0	XXX	0
12.5 Totals	0	0	0	0	0	0	0.0	41,168,552	100.0	XXX	0
12.6 Line 12.5 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
12.7 Line 12.5 as a % of Line 9.5, Col. 6, Section 9	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0

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 2011 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	B o n d C h a r	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
0599999. 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
13062T-ZV-9	California St Taxable			2	.1FE	7,652,985	.105.0000	7,610,615	7,250,000	7,585,279	.0	(67,706)	.0	.0	5.100	1.752	FA	154,063	.0	10/07/2011	08/01/2014
13063B-F0-0	California St Taxable-Var Purp				.1FE	5,340,505	.112.0000	5,606,100	5,000,000	5,273,406	162,179	(42,723)	.0	.0	5.750	4.550	MS	95,833	287,500	07/06/2010	03/01/2017
13063B-FT-4	California St Taxable-Var Purp				.1FE	2,142,000	.114.0000	2,284,200	2,000,000	2,118,473	39,190	(14,937)	.0	.0	5.950	4.828	MS	39,667	119,000	07/06/2010	03/01/2018
452151-8U-0	Illinois St taxable				.1FE	5,061,950	.103.0000	5,159,450	5,000,000	5,046,083	.0	(15,867)	.0	.0	4.071	3.589	JJ	101,775	101,775	04/04/2011	01/01/2014
452152-H0-7	Illinois St BAB Taxable				.1FE	10,175,900	.105.0000	10,484,100	10,000,000	10,153,310	.0	(22,590)	.0	.0	4.511	3.988	MS	150,367	214,273	06/28/2011	03/01/2015
605580-6V-6	Mississippi St Taxable-SER C			2	.1FE	4,930,130	.103.0000	5,173,300	5,000,000	4,930,613	.0	483	.0	.0	4.053	4.174	AO	36,590	.0	10/28/2011	10/01/2027
60636W-NI-1	Missouri St Hwys & Trans Comm				.1FE	3,337,350	.112.0000	3,352,770	3,000,000	3,330,128	.0	(7,222)	.0	.0	4.443	2.550	MN	22,215	.0	11/02/2011	05/01/2018
64970K-A2-3	New York City Muni WTR FIN			1	.1FE	2,750,525	.110.0000	2,759,875	2,500,000	2,744,781	.0	(5,744)	.0	.0	5.000	0.960	JD	5,556	62,500	12/06/2011	06/15/2014
88283L-HU-3	Texas St Trans Comm			2	.1FE	5,549,702	.118.0000	6,206,937	5,240,000	5,545,090	.0	(4,613)	.0	.0	5.178	4.699	AO	67,832	129,450	10/28/2011	04/01/2030
745177-EW-1	Puerto Rico Comwlth Govt Dev				.2FE	6,000,000	.102.0000	6,120,780	6,000,000	6,000,000	.0	.0	.0	.0	3.670	3.670	MN	36,700	94,808	05/12/2011	05/01/2014
74529J-AC-9	Puerto Rico sales Tax Fin corp			1	.1FE	1,704,000	.106.0000	1,699,776	1,600,000	1,704,000	.0	.0	.0	.0	6.050	4.771	MGN	8,067	.0	12/30/2011	08/01/2017
1199999. Subtotal - Bonds - U.S. States, Territories and Possessions - Issuer Obligations						54,645,047	XXX	56,457,903	52,590,000	54,431,163	201,369	(180,919)	0	0	XXX	XXX	XXX	718,665	1,009,306	XXX	XXX
1799999. Total - U.S. States, Territories and Possessions Bonds						54,645,047	XXX	56,457,903	52,590,000	54,431,163	201,369	(180,919)	0	0	XXX	XXX	XXX	718,665	1,009,306	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
3133XC-QE-6	Federal Home Loan bank FHLB			2	.1FE	1,218,906	.107.0000	1,212,383	1,128,290	1,215,708	.0	(3,198)	.0	.0	5.250	1.441	MON	494	14,809	09/26/2011	04/01/2035
3133XE-X7-9	Federal Home Bank			2	.1FE	2,111,950	.111.0000	2,132,284	1,919,410	2,109,526	.0	(2,424)	.0	.0	5.770	1.644	MON	1,846	27,687	09/26/2011	01/01/2036
3133XN-CA-5	Federal Home Loan Bank			2	.1FE	10,570,155	.108.0000	10,549,330	9,807,045	10,558,963	.0	(11,172)	.0	.0	5.250	1.899	MON	22,883	128,717	09/26/2011	12/25/2037
2599999. Subtotal - Bonds - U.S. Special Revenues - Issuer Obligations						13,901,011	XXX	13,893,997	12,854,745	13,884,217	0	(16,794)	0	0	XXX	XXX	XXX	25,223	171,213	XXX	XXX
3199999. Total - U.S. Special Revenues Bonds						13,901,011	XXX	13,893,997	12,854,745	13,884,217	0	(16,794)	0	0	XXX	XXX	XXX	25,223	171,213	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
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						68,546,058	XXX	70,351,900	65,444,745	68,315,380	201,369	(197,713)	0	0	XXX	XXX	XXX	743,888	1,180,519	XXX	XXX
7899999. Total - Residential Mortgage-Backed Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
7999999. Total - Commercial Mortgage-Backed Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8099999. Total - Other Loan-Backed and Structured Securities						0	XXX	0	0	0	0	0	0	0	XXX	XXX	XXX	0	0	XXX	XXX
8399999 - Total Bonds						68,546,058	XXX	70,351,900	65,444,745	68,315,380	201,369	(197,713)	0	0	XXX	XXX	XXX	743,888	1,180,519	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 2011 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	
13062T-ZV-9	CALIFORNIA ST TAXABLE		08/23/2011	MERRILL LYNCH		3,173,580	3,000,000	10,625	
13062T-ZV-9	CALIFORNIA ST TAXABLE		09/22/2011	BANK OF AMERICA		2,638,125	2,500,000	19,833	
13062T-ZV-9	CALIFORNIA ST TAXABLE		10/07/2011	BANK OF AMERICA		1,841,280	1,750,000	17,850	
452151-8U-0	ILLINOIS ST TAXABLE		04/04/2011	MORGAN KEEGAN		5,061,950	5,000,000	54,280	
452152-HQ-7	ILLINOIS ST BAB TAXABLE		04/01/2011	MORGAN KEEGAN		5,005,450	5,000,000	16,290	
452152-HQ-7	ILLINOIS ST BAB TAXABLE		06/28/2011	UBS WARBURG LLC		5,170,450	5,000,000	69,545	
605580-6V-6	MISSISSIPPI ST TAXABLE SER C		10/07/2011	MORGAN KEEGAN		2,978,130	3,000,000	.0	
605580-6V-6	MISSISSIPPI ST TAXABLE SER C		10/28/2011	MORGAN KEEGAN		1,952,000	2,000,000	1,351	
60636W-NH-1	MISSOURI ST HIWYS & TRANS COMM BUILD AMERICA BONDS		11/02/2011	MERRILL LYNCH		3,337,350	3,000,000	2,222	
64970K-A2-3	NEW YORK CITY NY MUNI WTR FIN SER B		12/06/2011	CITIGROUP GLOBAL MKT		2,750,525	2,500,000	60,417	
745177-EW-1	PUERTO RICO COMINTLTH GOVT DEV REVENUE BOND		05/12/2011	MERRILL LYNCH		6,000,000	6,000,000	.0	
74529J-AC-9	PUERTO RICO SALES TAX FIN CORP SALES TAX REV SERIES B		12/30/2011	UBS WARBURG LLC		1,704,000	1,600,000	7,798	
88283L-HU-3	TEXAS ST TRANS COMM TAXABLE FIRST TIER SER B		06/24/2011	UBS WARBURG LLC		5,281,800	5,000,000	63,287	
88283L-HU-3	TEXAS ST TRANS COMM TAXABLE FIRST TIER SER B		10/28/2011	MORGAN KEEGAN		267,902	240,000	1,070	
<b>1799999. Subtotal - Bonds - U.S. States, Territories and Possessions</b>							47,162,542	45,590,000	324,568
3133XC-QE-6	FEDERAL HOME LOAN BANK FHLB SD-2015 1		09/26/2011	MORGAN KEEGAN		1,218,906	1,128,290	165	
3133XE-X7-9	FEDERAL HOME LOAN BANK		09/26/2011	MORGAN KEEGAN		2,111,950	1,919,410	1,231	
3133XN-CA-5	FEDERAL HOME LOAN BANK		09/26/2011	MORGAN KEEGAN		10,570,155	9,807,045	20,023	
<b>3199999. Subtotal - Bonds - U.S. Special Revenues</b>							13,901,011	12,854,745	21,419
<b>8399997. Total - Bonds - Part 3</b>							61,063,553	58,444,745	345,987
<b>8399998. Total - Bonds - Part 5</b>							8,098,106	8,080,000	4,324
<b>8399999. Total - Bonds</b>							69,161,659	66,524,745	350,311
<b>8999997. Total - Preferred Stocks - Part 3</b>							0	XXX	0
<b>8999998. Total - Preferred Stocks - Part 5</b>							0	XXX	0
<b>8999999. Total - Preferred Stocks</b>							0	XXX	0
<b>9799997. Total - Common Stocks - Part 3</b>							0	XXX	0
<b>9799998. Total - Common Stocks - Part 5</b>							0	XXX	0
<b>9799999. Total - Common Stocks</b>							0	XXX	0
<b>9899999. Total - Preferred and Common Stocks</b>							0	XXX	0
<b>9999999 - Totals</b>							69,161,659	XXX	350,311

ANNUAL STATEMENT FOR THE YEAR 2011 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	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/Decrease	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/Adjusted Carrying Value (11+12-13)	Total Foreign Exchange Change in Book/Adjusted Carrying Value	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	
452151-LD-3	ILLINOIS ST TAXABLE PENSION		06/16/2011	JUAN J ROMAN		1,962,660	2,000,000	1,940,196	1,942,990	61,916	2,794		64,710		1,942,990		19,670	19,670	48,333	06/01/2018	
745177-DW-2	PUERTO RICO COMWILTH GOVT		07/01/2011	CALL 100.0000		10,000,000	10,000,000	10,000,000	10,000,000	(8,200)			(8,200)		10,000,000				467,500	02/01/2015	
745177-DW-2	PUERTO RICO COMWILTH GOVT		07/01/2011	CALL 100.0000		4,000,000	4,000,000	4,000,000	4,000,000	(1,720)			(1,720)		4,000,000				187,000	02/01/2015	
745177-DW-2	PUERTO RICO COMWILTH GOVT		07/01/2011	CALL 100.0000		4,000,000	4,000,000	4,000,000	4,000,000	(1,720)			(1,720)		4,000,000				187,000	02/01/2015	
745177-EK-7	PUERTO RICO COMWILTH GOVT		09/26/2011	UBS WARBURG LLC		1,151,035	1,150,000	1,150,000	1,150,000	(610)			(610)		1,150,000		1,035	1,035	36,385	08/01/2014	
745177-EK-7	PUERTO RICO COMWILTH GOVT		09/26/2011	UBS WARBURG LLC		850,765	850,000	850,000	850,000	(451)			(451)		850,000		765	765	26,893	08/01/2014	
745177-EK-7	PUERTO RICO COMWILTH GOVT		09/29/2011	UBS WARBURG LLC		300,270	300,000	300,000	300,000	(159)			(159)		300,000		270	270	9,527	08/01/2014	
745177-EK-7	PUERTO RICO COMWILTH GOVT		09/29/2011	UBS WARBURG LLC		700,630	700,000	700,000	700,000	(1,036)			(1,036)		700,000		630	630	22,230	08/01/2014	
745177-EK-7	PUERTO RICO COMWILTH GOVT		11/01/2011	MERRILL LYNCH		500,500	500,000	500,000	500,000	(740)			(740)		500,000		500	500	17,885	08/01/2014	
745177-EL-5	PUERTO RICO COMWILTH GOVT		09/23/2011	UBS WARBURG LLC		700,770	700,000	700,000	700,000	(2,422)			(2,422)		700,000		770	770	40,542	08/01/2016	
745177-EL-5	PUERTO RICO COMWILTH GOVT		09/23/2011	UBS WARBURG LLC		650,715	650,000	650,000	650,000	(689)			(689)		650,000		715	715	37,646	08/01/2016	
745177-EL-5	PUERTO RICO COMWILTH GOVT		09/23/2011	UBS WARBURG LLC		650,715	650,000	650,000	650,000	(689)			(689)		650,000		716	716	37,646	08/01/2016	
745177-EM-3	PUERTO RICO COMWILTH GOVT		05/19/2011	SANTANDER SECURITIES		1,200,000	1,200,000	1,200,000	1,200,000	(3,552)			(3,552)		1,200,000				51,450	08/01/2018	
745177-EM-3	PUERTO RICO COMWILTH GOVT		05/19/2011	SANTANDER SECURITIES		300,000	300,000	300,000	300,000	(129)			(129)		300,000				12,863	08/01/2018	
745177-EM-3	PUERTO RICO COMWILTH GOVT		05/19/2011	MERRILL LYNCH		850,000	850,000	850,000	850,000	(366)			(366)		850,000				36,320	08/01/2018	
745177-EM-3	PUERTO RICO COMWILTH GOVT		05/19/2011	MERRILL LYNCH		1,150,000	1,150,000	1,150,000	1,150,000	(495)			(495)		1,150,000				49,139	08/01/2018	
84552K-AY-7	SOUTHWESTERN ILL DEV AUTH REF TAXABLE LAACLEDE		04/27/2011	MORGAN KEEGAN		1,953,000	2,250,000	2,103,298	2,105,780	163,753	2,482		166,235		2,105,780		(152,780)	(152,780)	101,338	08/01/2020	
<b>1799999. Subtotal - Bonds - U.S. States, Territories and Possessions</b>						<b>30,921,060</b>	<b>31,250,000</b>	<b>31,043,494</b>	<b>31,048,770</b>	<b>202,691</b>	<b>5,276</b>	<b>0</b>	<b>207,967</b>	<b>0</b>	<b>31,048,770</b>	<b>0</b>	<b>(127,709)</b>	<b>(127,709)</b>	<b>1,369,697</b>	<b>XXX</b>	
3133XC-QE-6	FEDERAL HOME LOAN BANK		10/28/2011	PAYDOWN		29,232	29,232	31,580					(2,348)		29,232				128	04/01/2035	
3133XC-QE-6	FEDERAL HOME LOAN BANK		11/28/2011	PAYDOWN		38,950	38,950	42,078					(3,128)		38,950				341	04/01/2035	
3133XC-QE-6	FEDERAL HOME LOAN BANK		12/28/2011	PAYDOWN		36,713	36,713	39,662					(2,949)		36,713				482	04/01/2035	
3133XE-X7-9	FEDERAL HOME LOAN BANK		10/25/2011	PAYDOWN		42,160	42,160	46,390					(4,229)		42,160				203	01/01/2036	
3133XE-X7-9	FEDERAL HOME LOAN BANK		11/25/2011	PAYDOWN		49,945	49,945	54,955					(5,010)		49,945				480	01/01/2036	
3133XE-X7-9	FEDERAL HOME LOAN BANK		12/25/2011	PAYDOWN		54,798	54,798	60,295					(5,497)		54,798				790	01/01/2036	
3133XN-CA-5	FEDERAL HOME LOAN BANK		10/15/2011	PAYDOWN		102,355	102,355	110,319					(7,964)		102,355				448	12/25/2037	
3133XN-CA-5	FEDERAL HOME LOAN BANK		11/15/2011	PAYDOWN		147,581	147,581	159,065					(11,484)		147,581				1,291	12/25/2037	
3133XN-CA-5	FEDERAL HOME LOAN BANK		12/15/2011	PAYDOWN		256,338	256,338	276,284					(19,946)		256,338				3,364	12/25/2037	
<b>3199999. Subtotal - Bonds - U.S. Special Revenues</b>						<b>758,072</b>	<b>758,072</b>	<b>820,628</b>	<b>0</b>	<b>0</b>	<b>(62,555)</b>	<b>0</b>	<b>(62,555)</b>	<b>0</b>	<b>758,072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,527</b>	<b>XXX</b>	
<b>8399997. Total - Bonds - Part 4</b>						<b>31,679,132</b>	<b>32,008,072</b>	<b>31,864,122</b>	<b>31,048,770</b>	<b>202,691</b>	<b>(57,279)</b>	<b>0</b>	<b>145,412</b>	<b>0</b>	<b>31,806,842</b>	<b>0</b>	<b>(127,709)</b>	<b>(127,709)</b>	<b>1,377,224</b>	<b>XXX</b>	
<b>8399998. Total - Bonds - Part 5</b>						<b>8,165,150</b>	<b>8,080,000</b>	<b>8,098,106</b>	<b>0</b>	<b>0</b>	<b>(9,910)</b>	<b>0</b>	<b>(9,910)</b>	<b>0</b>	<b>8,088,195</b>	<b>0</b>	<b>76,955</b>	<b>76,955</b>	<b>165,786</b>	<b>XXX</b>	
<b>8399999. Total - Bonds</b>						<b>39,844,282</b>	<b>40,088,072</b>	<b>39,962,228</b>	<b>31,048,770</b>	<b>202,691</b>	<b>(67,189)</b>	<b>0</b>	<b>135,502</b>	<b>0</b>	<b>39,895,037</b>	<b>0</b>	<b>(50,754)</b>	<b>(50,754)</b>	<b>1,543,010</b>	<b>XXX</b>	
<b>8999997. Total - Preferred Stocks - Part 4</b>						<b>0</b>	<b>XXX</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XXX</b>
<b>8999998. Total - Preferred Stocks - Part 5</b>						<b>0</b>	<b>XXX</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XXX</b>
<b>8999999. Total - Preferred Stocks</b>						<b>0</b>	<b>XXX</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>XXX</b>
336116-20-7	FIRST PR TAX EXEMPT TARGET SANTANDER ASSET MGMT		06/09/2011	SANTANDER SECURITIES	102,264,000	947,987		963,329	48,066	48,066			48,066		963,329		(15,342)	(15,342)	24,013		
336116-20-7	FIRST PR TAX EXEMPT TARGET SANTANDER ASSET MGMT		06/09/2011	SANTANDER SECURITIES	3,936,000	36,487		37,079	1,852	1,852			1,852		37,079		(592)	(592)	924		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/26/2011	UBS WARBURG LLC	215,000	2,086		2,096	22	22			22		2,096		(11)	(11)	49		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/26/2011	UBS WARBURG LLC	15,000,000	145,500		146,250	1,500	1,500			1,500		146,250		(750)	(750)	3,400		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/26/2011	UBS WARBURG LLC	13,397,000	129,951		130,621	1,340	1,340			1,340		130,621		(670)	(670)	3,037		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/21/2011	UBS WARBURG LLC	14,016,000	135,955		139,324	4,069	4,069			4,069		139,324		(3,368)	(3,368)	3,177		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/21/2011	UBS WARBURG LLC	200,000	1,940		1,988	58	58			58		1,988		(48)	(48)	45		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/25/2011	UBS WARBURG LLC	100,000	970		994	29	29			29		994		(24)	(24)	23		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/26/2011	UBS WARBURG LLC	2,459,000	23,852		24,443	714	714			714		24,443		(591)	(591)	557		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/20/2011	UBS WARBURG LLC	3,000,000	29,100		29,520	570	570			570		29,520		(420)	(420)	680		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/26/2011	UBS WARBURG LLC	41,603,000	403,549		409,375	7,906	7,906			7,906		409,375		(5,826)	(5,826)	9,431		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		04/26/2011	UBS WARBURG LLC	10,010,000	97,097		98,499	1,902	1,902			1,902		98,499		(1,402)	(1,402)	2,269		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		05/13/2011	UBS WARBURG LLC	25,000,000	242,500		246,001	4,751	4,751			4,751		246,001		(3,501)	(3,501)	7,084		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		05/23/2011	UBS WARBURG LLC	20,040,000	194,188		197,194	3,808	3,808			3,808		197,194		(3,007)	(3,007)	5,678		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		05/23/2011	UBS WARBURG LLC	100,000	970		984	19	19			19		984		(14)	(14)	28		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		05/24/2011	UBS WARBURG LLC	50,000,000	485,000		492,002	9,502	9,502			9,502		492,002		(7,002)	(7,002)	14,167		
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		05/24/2011	UBS WARBURG LLC	5,031,000	48,750		49,505	956	956			956		49,505		(755)	(755)	1,426		

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ANNUAL STATEMENT FOR THE YEAR 2011 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	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	
										11	12	13	14	15							
CUSIP Identification	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ Decrease	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in Book/ Adjusted Carrying Value (11+12-13)	Total Foreign Exchange Change in Book/ Adjusted Carrying Value	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Maturity Date	
87675W-10-0	TAX FREE PR TARGET MATURITY UBS		05/24/2011	UBS WARBURG LLC	1,829,000	17,723		17,997	348	348			348		17,997		(274)	(274)		518	
9299999	Subtotal - Common Stocks - Mutual Funds					2,943,605	XXX	2,987,201	87,412	87,412	0	0	87,412	0	2,987,201	0	(43,597)	(43,597)	76,506	XXX	
9799997	Total - Common Stocks - Part 4					2,943,605	XXX	2,987,201	87,412	87,412	0	0	87,412	0	2,987,201	0	(43,597)	(43,597)	76,506	XXX	
9799998	Total - Common Stocks - Part 5					0	XXX	0		0	0	0	0	0	0	0	0	0	0	XXX	
9799999	Total - Common Stocks					2,943,605	XXX	2,987,201	87,412	87,412	0	0	87,412	0	2,987,201	0	(43,597)	(43,597)	76,506	XXX	
9899999	Total - Preferred and Common Stocks					2,943,605	XXX	2,987,201	87,412	87,412	0	0	87,412	0	2,987,201	0	(43,597)	(43,597)	76,506	XXX	
9999999	Totals					42,787,887	XXX	42,949,429	31,136,182	290,103	(67,189)	0	222,914	0	42,882,238	0	(94,351)	(94,351)	1,619,516	XXX	

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

**SCHEDULE D - PART 5**

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

1 CUSIP Identification	2 Description	3 For- eign	4 Date Acquired	5 Name of Vendor	6 Disposal Date	7 Name of Purchaser	8 Par Value (Bonds) or Number of Shares (Stock)	9 Actual Cost	10 Consid- eration	11 Book/ Adjusted Carrying Value at Disposal	Change in Book/Adjusted Carrying Value					17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Interest and Dividends Received During Year	21 Paid for Accrued Interest and Dividends
											12 Unrealized Valuation Increase/ (Decrease)	13 Current Year's (Amort- ization)/ Accretion	14 Current Year's Other Than Temporary Impairment Recognized	15 Total Change in Book/ Adjusted Carrying Valu (12 + 13 - 14)	16 Total Foreign Exchange Change in Book/ Adjusted Carrying Value					
745177-EK-7	PUERTO RICO COMILTH GOVT		05/13/2011	MERRILL LYNCH	11/01/2011	MERRILL LYNCH	500,000	502,750	500,500	500,000		(2,750)		(2,750)		500	500	10,802	1,003	
745177-EK-7	PUERTO RICO COMILTH GOVT		05/13/2011	UBS WARBURG LLC	11/02/2011	POPULAR SECURITIES INC	500,000	502,750	500,500	500,000		(2,750)		(2,750)		500	500	10,979	1,003	
745177-EK-7	PUERTO RICO COMILTH GOVT		05/13/2011	UBS WARBURG LLC	11/02/2011	POPULAR SECURITIES INC	500,000	502,750	500,500	500,000		(2,750)		(2,750)		500	500	10,979	1,003	
745177-EW-1	PUERTO RICO COMILTH GOVT		05/12/2011	MERRILL LYNCH	12/19/2011	MERRILL LYNCH	3,000,000	3,000,000	3,028,500	3,000,000				0		28,500	28,500	63,002		
745177-EW-1	PUERTO RICO COMILTH GOVT		05/12/2011	MERRILL LYNCH	12/20/2011	UBS WARBURG LLC	1,000,000	1,000,000	1,010,000	1,000,000				0		10,000	10,000	21,103		
745177-EW-1	PUERTO RICO COMILTH GOVT		05/26/2011	CITIGROUP GLOBAL MKT	11/29/2011	MERRILL LYNCH	2,580,000	2,589,856	2,625,150	2,588,195		(1,660)		(1,660)		36,955	36,955	48,921	1,315	
<b>1799999. Subtotal - Bonds - U.S. States, Territories and Possessions</b>							<b>8,080,000</b>	<b>8,098,106</b>	<b>8,165,150</b>	<b>8,088,195</b>	<b>0</b>	<b>(9,910)</b>	<b>0</b>	<b>(9,910)</b>	<b>0</b>	<b>76,955</b>	<b>76,955</b>	<b>165,786</b>	<b>4,324</b>	
<b>8399998. Total - Bonds</b>							<b>8,080,000</b>	<b>8,098,106</b>	<b>8,165,150</b>	<b>8,088,195</b>	<b>0</b>	<b>(9,910)</b>	<b>0</b>	<b>(9,910)</b>	<b>0</b>	<b>76,955</b>	<b>76,955</b>	<b>165,786</b>	<b>4,324</b>	
<b>8999998. Total - Preferred Stocks</b>							<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9799998. Total - Common Stocks</b>							<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9899999. Total - Preferred and Common Stocks</b>							<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>9999999 - Totals</b>							<b>8,080,000</b>	<b>8,098,106</b>	<b>8,165,150</b>	<b>8,088,195</b>	<b>0</b>	<b>(9,910)</b>	<b>0</b>	<b>(9,910)</b>	<b>0</b>	<b>76,955</b>	<b>76,955</b>	<b>165,786</b>	<b>4,324</b>	

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							

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

**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 2011 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, 2011  
 (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							
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							
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)							
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							
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							
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							
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							
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							
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 .....	473,748,463	412,779,309		87.1			
14.3 Subtotal	473,748,463	412,779,309	0	87.1	0	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 .....	473,748,463	412,779,309	0	87.1	0	0	0
19. Grand Total Individual	473,748,463	412,779,309	0	87.1	0	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 .....		0		0.0			
1.3 Single Employer Subtotal .....	0	0	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	0	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	0	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 .....	473,748,463	412,779,309	0	87.1	0	0	0

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**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 .....	473,748,463	412,779,309		87.1
2. Other Forms Direct Business .....				0.0
3. Total Direct Business .....	473,748,463	412,779,309	0	87.1
4. Reinsurance Assumed .....				0.0
5. Less Reinsurance Ceded .....		(256,820)		0.0
6. Total .....	473,748,463	413,036,129	0	87.2

**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 .....				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 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 .....	473,748,463	412,779,309	0	87.1
2. Other Forms Direct Business .....	0	0	0	0.0
3. Total Direct Business .....	473,748,463	412,779,309	0	87.1
4. Reinsurance Assumed .....	0	0	0	0.0
5. Less Reinsurance Ceded .....	0	(256,820)	0	0.0
6. Total .....	473,748,463	413,036,129	0	87.2





SUPPLEMENT FOR THE YEAR 2011 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

AMERICAN HEALTH, INC.

2. PO Box 11320 San Juan, PR 00922-1320

NAIC Group Code	0000 BUSINESS IN THE STATE OF		Business Subject to MLR					DURING THE YEAR					(LOCATION)			
								2011					NAIC Company Code		11152	
								1	2	3	4	5	6	7	8	9
Comprehensive Health Coverage			Mini-Med Plans			Expatriate Plans	Government Business (excluded by statute)	Other Business (excluded by statute)	Other Health	Aggregate (2% rule)	Total					
Individual	Small Group Employer	Large Group Employer	Individual	Small Group Employer	Large Group Employer											
1. Health Premiums Earned:																
1.1												0				
1.2												0				
1.3												0				
1.4	0	0	0	0	0	0	0	0	0	0	0	0				
1.5												0				
1.6												0				
1.7												0				
1.8	0	0	0	0	0	0	0	0	0	0	0	0				
1.9												0				
1.10												0				
1.11	0	0	0	0	0	0	0	0	0	0	0	0				
1.12												0				
1.13												0				
1.14												0				
1.15												0				
1.16	0	0	0	0	0	0	0	0	0	0	0	0				
2. Direct Claims Incurred:																
2.1												0				
2.2												0				
2.3												0				
2.4												0				
2.5												0				
2.6												0				
2.7												0				
2.8												0				
2.9												0				
2.10												0				
2.11	0	0	0	0	0	0	0	0	0	0	0	0				
2.11a												0				
2.11b												0				
2.11c												0				
2.12	0	0	0	0	0	0	0	0	0	0	0	0				
2.12a												0				
2.12b												0				
2.13												0				
2.14												0				
2.15	0	0	0	0	0	0	0	0	0	0	0	0				
2.16												0				
2.17												0				
2.18												0				
2.19												0				
2.20	0	0	0	0	0	0	0	0	0	0	0	0				
3. Fraud and Abuse Recoveries that Reduced PAID Claims in Line 2.1 above (informational only)														0		

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SUPPLEMENT FOR THE YEAR 2011 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

AMERICAN HEALTH, INC.

2. PO Box 11320 San Juan, PR 00922-1320

NAIC Group Code		0000		BUSINESS IN THE STATE OF		DURING THE YEAR		2011		(LOCATION) NAIC Company Code		11152	
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) .....						.0				.0		
	1.2 Outsourced Services .....						.0				.0		
	1.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....						.0				.0		
	1.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....						.0				.0		
	1.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX	.0				.0		
	1.6 Other Expenses (incl \$ ..... for affiliated services) .....						.0				.0		
	1.7 Subtotal before Reimbursements and Taxes (Lines 1.1 to 1.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
	1.8 Reimbursements by uninsured plans and fiscal intermediaries .....						.0				.0		
	1.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX		.0		
	1.10 Total (1.7 to 1.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
	1.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....						.0				.0		
2.	Small Group Comprehensive Coverage Expenses:												
	2.1 Salaries (including \$ ..... for affiliated services) .....						.0				.0		
	2.2 Outsourced Services .....						.0				.0		
	2.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....						.0				.0		
	2.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....						.0				.0		
	2.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX	.0				.0		
	2.6 Other Expenses (incl \$ ..... for affiliated services) .....						.0				.0		
	2.7 Subtotal before Reimbursements and Taxes (Lines 2.1 to 2.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
	2.8 Reimbursements by uninsured plans and fiscal intermediaries .....						.0				.0		
	2.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX		.0		
	2.10 Total (2.7 to 2.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
	2.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....						.0				.0		
3.	Large Group Comprehensive Coverage Expenses:												
	3.1 Salaries (including \$ ..... for affiliated services) .....						.0				.0		
	3.2 Outsourced Services .....						.0				.0		
	3.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....						.0				.0		
	3.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....						.0				.0		
	3.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX	.0				.0		
	3.6 Other Expenses (incl \$ ..... for affiliated services) .....						.0				.0		
	3.7 Subtotal before Reimbursements and Taxes (Lines 3.1 to 3.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
	3.8 Reimbursements by uninsured plans and fiscal intermediaries .....						.0				.0		
	3.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX		.0		
	3.10 Total (3.7 to 3.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
	3.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....						.0				.0		
4.	Individual Mini-Med Plans Expenses:												
	4.1 Salaries (including \$ ..... for affiliated services) .....						.0				.0		
	4.2 Outsourced Services .....						.0				.0		
	4.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....						.0				.0		
	4.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....						.0				.0		
	4.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX	.0				.0		
	4.6 Other Expenses (incl \$ ..... for affiliated services) .....						.0				.0		
	4.7 Subtotal before Reimbursements and Taxes (Lines 4.1 to 4.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
	4.8 Reimbursements by uninsured plans and fiscal intermediaries .....						.0				.0		
	4.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX		.0		
	4.10 Total (4.7 to 4.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0		
	4.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....						.0				.0		

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SUPPLEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

**SUPPLEMENTAL HEALTH CARE EXHIBIT - PART 3 (Continued)**

	All Expenses	Improving Health Care Quality Expenses					Claims Adjustment Expenses		9	10
		1 Improve Health Outcomes	2 Activities to Prevent Hospital Readmissions	3 Improve Patient Safety and Reduce Medical Errors	4 Wellness & Health Promotion Activities	5 HIT Expenses	6 Total (1 to 5)	7 Cost Containment Expenses		
5.	Small Group Mini-Med Plans Expenses:									
	5.1 Salaries (including \$ ..... for affiliated services) .....						.0			.0
	5.2 Outsourced Services .....						.0			.0
	5.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....						.0			.0
	5.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....						.0			.0
	5.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX	.0			.0
	5.6 Other Expenses (incl \$ ..... for affiliated services) .....						.0			.0
	5.7 Subtotal before Reimbursements and Taxes (Lines 5.1 to 5.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	5.8 Reimbursements by uninsured plans and fiscal intermediaries .....						.0			.0
	5.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX	.0
	5.10 Total (5.7 to 5.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	5.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....						.0			.0
6.	Large Group Mini-Med Plans Expenses:									
	6.1 Salaries (including \$ ..... for affiliated services) .....						.0			.0
	6.2 Outsourced Services .....						.0			.0
	6.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....						.0			.0
	6.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....						.0			.0
	6.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX	.0			.0
	6.6 Other Expenses (incl \$ ..... for affiliated services) .....						.0			.0
	6.7 Subtotal before Reimbursements and Taxes (Lines 6.1 to 6.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	6.8 Reimbursements by uninsured plans and fiscal intermediaries .....						.0			.0
	6.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX	.0
	6.10 Total (6.7 to 6.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	6.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....						.0			.0
7.	Expatriate Plans Expenses:									
	7.1 Salaries (including \$ ..... for affiliated services) .....						.0			.0
	7.2 Outsourced Services .....						.0			.0
	7.3 EDP Equipment and Software (incl \$ ..... for affiliated services) .....						.0			.0
	7.4 Other Equipment (excl. EDP) (incl \$ ..... for affiliated services) .....						.0			.0
	7.5 Accreditation and Certification (incl \$ ..... for affiliated services) .....		XXX	XXX	XXX	XXX	.0			.0
	7.6 Other Expenses (incl \$ ..... for affiliated services) .....						.0			.0
	7.7 Subtotal before Reimbursements and Taxes (Lines 7.1 to 7.6) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.8 Reimbursements by uninsured plans and fiscal intermediaries .....						.0			.0
	7.9 Taxes, Licenses and Fees (in total, for tying purposes) .....	XXX	XXX	XXX	XXX	XXX	.0	XXX	XXX	.0
	7.10 Total (7.7 to 7.9) .....	.0	.0	.0	.0	.0	.0	.0	.0	.0
	7.11 Total Fraud and Abuse Detection/Recovery Expenses included in Column 7 (informational only) .....						.0			.0

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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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**Relief from the five-year rotation requirement for lead audit partner**

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## **Relief from the one-year cooling off period for independent CPA**

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## Relief from the Requirements for Audit Committees

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# SUPPLEMENTAL INVESTMENT RISKS INTERROGATORIES

For The Year Ended December 31, 2011  
(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. .... \$ .....103,078,772

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	State of California	Bonds	\$ 14,977,158	14.5 %
2.02	State of Illinois	Bonds	\$ 15,199,393	14.7 %
2.03	State of Mississippi	Bonds	\$ 4,930,613	4.8 %
2.04	State of Missouri	Bonds	\$ 3,330,128	3.2 %
2.05	New York City	Bonds	\$ 2,744,781	2.7 %
2.06	State of Texas	Bonds	\$ 5,545,090	5.4 %
2.07	Puerto Rico	Bonds	\$ 7,704,000	7.5 %
2.08			\$	0.0 %
2.09			\$	0.0 %
2.10			\$	0.0 %

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	\$ 62,315,380	60.5 %	3.07 P/RP-1	\$	0.0 %
3.02	NAIC-2	\$ 6,000,000	5.8 %	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 [ X ] No [ ]  
 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 2011 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 2011 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 checked="" type="checkbox"/>	No	<input 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 checked="" type="checkbox"/>	No	<input 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 checked="" type="checkbox"/>	No	<input 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>	
		<u>Issuer</u>		<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 2011 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 [ X ] No [ ]

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 [ X ] No [ ]

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 [ X ] No [ ]

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 2011 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 [ X ] 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>1</u>	<u>2</u>	<u>3</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 [ X ] 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 2011 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		1st Quarter 3	At End of Each Quarter	
	1	2		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 2011 OF THE AMERICAN HEALTH, INC.  
**LONG-TERM CARE EXPERIENCE REPORTING FORM 1**  
**ACTUAL VS. EXPECTED CLAIMS AND PERSISTENCY**

REPORTING YEAR 2011  
 (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 2011 OF THE AMERICAN HEALTH, INC.  
**LONG-TERM CARE EXPERIENCE REPORTING FORM 2**  
**EXPERIENCE RESERVE VS. REPORTED RESERVE BY CALENDAR YEAR**  
 REPORTING YEAR 2011  
 (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 2011 OF THE AMERICAN HEALTH, INC.

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

REPORTING YEAR 2011  
(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 .....			
2. Group .....			
3. Total.....	0	0	0
4. Actual total reported experience through prior year .....			XXX
5. Actual total reported experience through statement year	0	0	XXX

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

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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).

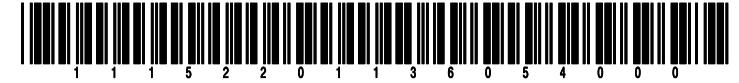
On February 7, 2011, Triple-S Salud, Inc. acquired 100% of the outstanding capital stock of Socios Mayores en Salud Holdings, Inc. Triple-S, Inc. is a wholly owned subsidiary of Triple-S Management Corporation.

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.

ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

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



SUPPLEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.  
**MEDICARE SUPPLEMENT INSURANCE EXPERIENCE EXHIBIT**

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

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

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	12 Policies Issued Through 2008		14 Number of Covered Lives	15 Premiums Earned	16 Policies Issued in 2009; 2010; 2011		18 Number of Covered Lives
											13 Incurred Claims				17 Incurred Claims		
											12 Amount	13 Percent of Premiums Earned			16 Amount	17 Percent of Premiums Earned	

NONE

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)(A) 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 2011 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, 2011

(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**

Supplemental Compensation Exhibit  
**\*\*\* Not Authorized \*\*\***



# LIFE SUPPLEMENTS

For The Year Ended December 31, 2011

(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 2011 OF THE AMERICAN HEALTH, INC.

DIRECT BUSINESS IN THE STATE OF

DURING THE YEAR 2011

NAIC Group Code 0000

LIFE INSURANCE

NAIC Company Code 11152

Table with 5 columns: Ordinary, Credit Life (Group and Individual), Group, Industrial, Total. Rows include Direct Premiums and Annuity Considerations, Direct Dividends to Policyholders, Direct Claims and Benefits Paid, and Details of Write-ins.

Table with 10 columns: Ordinary (No., Amount), Credit Life (No. of Ind. Pols. & Gr. Certifs., Amount), Group (No. of Certifs., Amount), Industrial (No., Amount), Total (No., Amount). Rows include Direct Death Benefits and Matured Endowments Incurred and Policy Exhibit.

(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

Table with 5 columns: Direct Premiums, Direct Premiums Earned, Dividends Paid Or Credited On Direct Business, Direct Losses Paid, Direct Losses Incurred. Rows include Group Policies (b) and Medicare Title XVIII exempt from state taxes or fees.

(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 ...



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

FOR THE YEAR ENDED DECEMBER 31, 2011
(To Be Filed by April 1)

OF THE AMERICAN HEALTH, INC. NAIC COMPANY CODE 11152

DIRECT BUSINESS IN THE STATE OF:

Table with 5 columns: PREMIUMS, CONSIDERATIONS AND DEPOSITS; 1 Life Insurance Premiums; 2 Annuity Considerations; 3 A & H Premiums; 4 Deposit-Type Contract Funds and Other Considerations. Rows include various premium categories, transfers, and deductions, ending with a MODEL ACT BASE calculation.



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

FOR THE YEAR ENDED DECEMBER 31, 2011  
(To Be Filed by April 1)

OF THE AMERICAN HEALTH, INC. NAIC COMPANY CODE 11152

**DIRECT BUSINESS IN THE STATE OF:**

	1	2	3	4
	Life Insurance Premiums	Allocated Annuity and Other Allocated Fund Deposits	Accident & Health Premium	Unallocated Annuity & Other Unallocated Fund Deposits
1. MODEL ACT BASE ( Line 11 of the Reconciliation Exhibit)	0	0	0	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 (2011)	0	0	0	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 Supplement - Analysis of Annuity Operations by Lines of Business

**N O N E**

Life Supplement - Analysis of Annuity Operations by Lines of Business Overflow Page

**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, 2011

(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 (Excluding Excess 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 (Excluding Excess 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 2011 OF THE AMERICAN HEALTH, INC.  
**EXHIBIT OF PREMIUMS AND LOSSES (Statutory Page 14)**

NAIC Group Code 0000

Direct Business in the state of

During the Year 2011

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

P&C Supplement - Insurance Expense Exhibit - Cover

**N O N E**

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**

P&C Supplement - Insurance Expense Exhibit - Overflow Page for Write-Ins

**N O N E**

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ANNUAL STATEMENT FOR THE YEAR 2011 OF THE AMERICAN HEALTH, INC.

**Prior Year Validation Data**

1.	XXASU900029	PYPPage ASSETS L28C3 = ASSETS L28C4.....	69,067,841
2.	XXASN000272	PYPPage REVEX2 L49C1 = REVEX2 L33C1.....	17,154,492
3.	XXASU900102	PYPPage ASSETS L05 C1 = CASH L19.1C1.....	12,620,604
4.	XXASU900066	PYPPage SCAVER L09C2 = SCAVER L01C2.....	
5.	XXASU900067	PYPPage SCBVER L11C2 = SCBVER L01C2.....	
6.	XXASU900068	PYPPage SCBAVER L11C2 = SCBAVER L01C2.....	
7.	XXASU090298	PYPPage SCDVER L10C2 = SCDVER L01C2.....	41,168,552
8.	XXASU095082	PYPPage SCDAPT1 L9199999C8 = SCDAVER L01C1.....	
9.	XXASU099985	PYPPage SCDBPTCSN2 L07C9 = SCDBPTCSN2 L01C1.....	
10.	XXASU099986	PYPPage SCDBPTCSN2 L07C10 = SCDBPTCSN2 L01C2.....	
11.	XXASU900058	PYPPage SCEPT2 L8699999C6 = SCEVER L01C1.....	
12.	XXASN000339	PYPPage REVEX1 L02C2 = GENINTPT2 L02.2C5.....	380,733,273
13.	XXASN000341	PYPPage LIAB L01C3 + L02C3 + L04C3 + L07C3 = GENINTPT2 L02.5C5.....	45,065,461
14.	XXAAU900307	PYPPage SHCEPT1 - GT L05.5C9 = SHCEPT1 - GT L05.4C14 L02.5C18.....	