

AMERIGROUP CORPORATION AUDIT COMMITTEE CHARTER

ROLE

The Audit Committee of the Board of Directors assists the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the company, and such other duties as directed by the Board. The Committee's role includes a particular focus on the qualitative aspects of financial reporting to shareholders, and on the company's processes to manage business and financial risk, and for compliance with significant applicable legal, ethical, and regulatory requirements. The Committee is directly responsible for the selection, appointment, compensation, and oversight of the public accounting firm engaged to prepare or issue an audit report on the financial statements of the company.

MEMBERSHIP

The membership of the Committee shall consist of at least three directors as determined by the Board who are generally knowledgeable in financial and auditing matters, including at least one member with accounting or related financial management expertise. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgement. Applicable laws and regulations shall be followed in evaluating a member's independence. The chairperson shall be appointed by the full Board.

COMMUNICATIONS/REPORTING

The public accounting firm shall report directly to the Committee. The Committee is expected to maintain free and open communication with the public accounting firm, the internal auditors, and the company's management. This communication shall include private executive sessions, at least annually, with each of these parties. The Committee chairperson shall report on Audit Committee activities to the full Board.

EDUCATION

The company is responsible for providing the Committee with educational resources related to accounting principles and procedures, current accounting topics pertinent to the company and other material as may be requested by the Committee. The company shall assist the Committee in maintaining appropriate financial literacy.

AUTHORITY

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention, with full power to retain outside counsel or other experts for this purpose.

RESPONSIBILITIES

The Committee's specific responsibilities in carrying out its oversight role are delineated in the Audit Committee Responsibilities Checklist. The responsibilities checklist will be updated annually to reflect changes in regulatory requirements, authoritative guidance, and evolving oversight practices. As the compendium of Committee responsibilities, the most recently updated responsibilities checklist will be considered to be an addendum to this charter.

The Committee relies on the expertise and knowledge of management, the internal auditors, and the public accounting firm in carrying out its oversight responsibilities. Management of the company is responsible for determining the company's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. The public accounting firm is responsible for auditing the company's financial statements. It is not the duty of the Committee to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles, to conduct investigations, or to assure compliance with laws and regulations or the company's internal policies, procedures, and controls.

AMERIGROUP CORPORATION
AUDIT COMMITTEE RESPONSIBILITIES CHECKLIST
Fiscal Year 2005

		Spring	Summer	Fall	Winter	A/N*
1	Verify the Committee consists of a minimum of three members who are generally knowledgeable in financial and auditing matters, including at least one member with accounting or related financial management expertise.	X				X
2	Verify that no member of the Audit Committee shall receive any compensation from the Corporation, other than fees for serving on the Board of Directors or any of its Committees.		X			
3	Meet four times per year or more frequently as circumstances require and ensure accurate records and minutes of Committee activities are maintained. The Committee may ask members of management or others to attend the meeting and provide pertinent information as necessary.	X	X	X	X	X
4	Prepare the agenda for Committee meetings in consultation between the Committee Chair (with input from the Committee members), Finance management, the General Auditor, and the public accounting firm.	X	X	X	X	X
5	Provide an open avenue of communication between the internal auditors, the public accounting firm, Finance management and the Board of Directors. Report Committee actions to the Board of Directors with such recommendations as the Committee deems appropriate.					X
6	Review and update the Audit Committee Charter and Responsibilities Checklist annually.	X				
7	Select, appoint, approve the compensation of, and provide oversight of the public accounting firm.	X				
8	Approve in advance the audit and non-audit work to be performed by the public accounting firm. Between meetings the Chair may act on behalf of the Committee.	X				X
9	Ensure that the public accounting firm submit annually an Auditor's Statement and discuss any relationships or services disclosed that may impact the quality of their services or their objectivity and independence.	X				
10	Review with the General Auditor, the public accounting firm and Finance management the audit scope and plan, and coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, the effective use of audit resources, and the use of independent public accountants other than the appointed auditors.		X	X		
11	Review with Finance management and the public accounting firm at the completion of the annual audit: A. The Company's annual financial statements and related footnotes. B. The public accounting firm's audit of the financial statements and its report thereon. C. Any significant changes required in the public accounting firm's audit plan. D. Any serious difficulties or disputes with management encountered during the course of the audit. E. Other matters related to the conduct of the audit which are to be communicated to the Committee under generally accepted auditing standards.				X	
12	Consider annually the public accountant's judgments regarding the quality and appropriateness of the Company's accounting policies and consider and approve significant changes.				X	
13	Review and concur in the appointment, replacement, reassignment, dismissal and annually the compensation of the General Auditor.				X	X
14	Annually approve the budget and staffing of the Internal Audit Department		X			
15	Review and approve the charter of the Internal Audit Department		X			
16	Consider and review with management and the General Auditor: A. Significant findings noted during the year and management's response thereto. B. Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work, access required information or what they reported. C. Any significant changes required in planned scope of their audit plan.	X		X		X
17	Consider and review with the General Auditor and the public accounting firm: A. The adequacy of the Company's internal controls including computerized information system controls and security. B. Any related significant findings and recommendations of the independent public accountants and internal audit together with management's response.	X		X		X

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Fiscal Year 2005

		Spring	Summer	Fall	Winter	A/N*
18	Discuss annually the guidelines and policies governing the process by which senior management and the relevant functions identify, assess and manage the Company's exposure to risk.	X				
19	Inquire of Finance management, the General Auditor, and the public accounting firm about the significant risks or exposures and assess the steps management has taken to minimize such risk to the Company.	X		X		
20	Review with Finance management any significant changes to GAAP and/or SAP policies or standards.					X
21	Review policies and procedures with respect to transactions between the Company and officers and directors, or affiliates of officers or directors, or transactions that are not a normal part of the Company's business.					X
22	Participate in a telephonic meeting among Finance management, the public accounting firm and the General Auditor prior to earnings releases.	X	X	X	X	
23	Review the periodic reports of the Company with Finance management, the public accounting firm and the General Auditor prior to filing of the reports with the SEC.	X	X	X	X	
24	In connection with each periodic report of the Company review: A. Management's disclosure under Section 302 & 404 of the Sarbanes-Oxley Act. B. The contents of the Chief Executive Officer and the Chief Financial Officer certificates to be filed under Sections 302 and 906 of the Act.	X	X	X	X	
25	Review filings (including interim reporting) with SEC and other published documents containing the Company's financial statements and consider whether the information contained in these documents is consistent with the information contained in the financial statements before it is filed with the SEC or other regulators.	X	X	X	X	
26	Monitor the appropriate standards adopted as a code of conduct for AMERIGROUP Corporation. Review with Finance management and the General Counsel the results of the review of the Company's monitoring compliance with such standards and its compliance policies.	X				
27	Review legal and regulatory matters that may have material impact on the financial statements, related Company policies, and programs including securities trading policies and reports received from regulators.					X
28	Meet with the public accounting firm in executive sessions to discuss any matters that the Committee or the public accounting firm believe should be discussed privately with the Audit Committee.	X	X	X	X	
29	Meet with the General Auditor in executive sessions to discuss any matters that the Committee or the General Auditor believes should be discussed privately with the Committee.		X			
30	Meet with Finance management in executive session to discuss any matters that the Committee or Finance management believes should be discussed with the Audit Committee.			X	X	
31	Review and insure that there are in place processes and procedures which allow for the confidential and anonymous submission of complaints by employees.		X			X
32	Review procedures for the treatment of complaints received by the Corporation regarding accounting matters.		X			X
33	The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.					X
34	Annually perform a self assessment of the performance of the Committee.	X				
35	Annually report to the Board of Directors on the performance, activities and actions of the Committee.	X ¹				
36	Prepare the SEC required report regarding Audit Committee members and activities for inclusion in the Company's annual proxy statement.	X				
37	Review hiring policies for employees or former employees of the independent auditors.					X
38	The Committee will perform such other functions as assigned by law, the Company's charter or bylaws, or the Board of Directors.					X

1) Report on 2004 Activities in May of 2005