



HEALTH QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2017
OF THE CONDITION AND AFFAIRS OF THE

SilverScript Insurance Company

NAIC Group Code 4667 (Current) 4667 (Prior) NAIC Company Code 12575 Employer's ID Number 20-2833904

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

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

Incorporated/Organized 05/11/2005 Commenced Business 01/01/2006

Statutory Home Office 445 Great Circle Road (Street and Number), Nashville, TN, US 37228 (City or Town, State, Country and Zip Code)

Main Administrative Office 445 Great Circle Road (Street and Number), Nashville, TN, US 37228 (City or Town, State, Country and Zip Code), 615-743-6600 (Area Code) (Telephone Number)

Mail Address 445 Great Circle Road (Street and Number or P.O. Box), Nashville, TN, US 37228 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 445 Great Circle Road (Street and Number), Nashville, TN, US 37228 (City or Town, State, Country and Zip Code), 615-743-6600 (Area Code) (Telephone Number)

Internet Website Address www.silverscript.com

Statutory Statement Contact Xiaoqi Glenn Wang (Name), 401-770-9669 (Area Code) (Telephone Number), Xiaoqi.Wang@CVSCaremark.com (E-mail Address), 401-733-0136 (FAX Number)

OFFICERS

President Todd Dean Meek

Secretary Michele Wugalter Buchanan

Treasurer Daniel Lee Zablocki #

Actuary Rebecca Conway Justice

OTHER

DIRECTORS OR TRUSTEES

Harold Neil Lund

Todd Dean Meek

Marsha Carolyn Moore

Mary Kristina Meyer

David Scott Azzolina

State of County of SS:

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.

Todd Dean Meek President

Michele Wugalter Buchanan Secretary

Daniel Lee Zablocki Treasurer

Subscribed and sworn to before me this day of

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

Yes [X] No []

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	3,002,887	500,292	2,502,595	1,149,984
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens.....			0	0
4. Real estate:				
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 (\$(5,003,093)), cash equivalents (\$) and short-term investments (\$1,395,238,790)	1,390,235,697		1,390,235,697	1,308,235,549
6. Contract loans (including \$ premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets			0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	1,393,238,584	500,292	1,392,738,292	1,309,385,533
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	611,925	36,398	575,527	404,631
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	22,399,622	17,639,355	4,760,267	16,298,775
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 (\$) and contracts subject to redetermination (\$81,741,862)	81,741,862		81,741,862	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	3,631,279
16.2 Funds held by or deposited with reinsured companies	126,510,078		126,510,078	27,142,349
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	1,363,056,830	1,738	1,363,055,092	507,170,302
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	61,851,326	5,950,411	55,900,915	55,900,915
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 (\$)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	567,293,130		567,293,130	614,889,240
24. Health care (\$829,133,701) and other amounts receivable	829,133,701		829,133,701	288,749,712
25. Aggregate write-ins for other than invested assets	15,857,830	15,857,830	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	4,461,694,888	39,986,024	4,421,708,864	2,823,572,736
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	4,461,694,888	39,986,024	4,421,708,864	2,823,572,736
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid Expenses	15,857,830	15,857,830	0	0
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	15,857,830	15,857,830	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 3,040,080 reinsurance ceded)	9,882,989		9,882,989	10,108,215
2. Accrued medical incentive pool and bonus amounts	610,346		610,346	556,410
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	277,750,213		277,750,213	259,907,736
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	212,716,655		212,716,655	4,918,858
9. General expenses due or accrued	9,958,684		9,958,684	9,362,538
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))	131,890,699		131,890,699	121,129,145
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	6,521,657		6,521,657	83,237,907
12. Amounts withheld or retained for the account of others			0	0
13. Remittances 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			0	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ 28,316,148 authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)	28,316,148		28,316,148	20,739,869
20. Reinsurance in unauthorized and certified (\$) 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	2,950,455,994		2,950,455,994	1,514,449,278
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	3,628,103,385	0	3,628,103,385	2,024,409,956
25. Aggregate write-ins for special surplus funds	XXX	XXX	45,000,000	0
26. Common capital stock	XXX	XXX	2,750,000	2,750,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	124,750,000	124,750,000
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	621,105,479	671,662,780
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	793,605,479	799,162,780
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	4,421,708,864	2,823,572,736
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0	0
2501. Section 9010 Special Surplus	XXX	XXX	45,000,000	0
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 through 2503 plus 2598)(Line 25 above)	XXX	XXX	45,000,000	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 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	XXX	40,539,800	37,323,930	50,159,973
2. Net premium income (including \$ non-health premium income).....	XXX	2,133,588,240	2,027,209,190	2,527,289,958
3. Change in unearned premium reserves and reserve for rate credits.....	XXX	63,899,384	(23,567,473)	(43,671,545)
4. Fee-for-service (net of \$ medical expenses).....	XXX			
5. Risk revenue	XXX			
6. Aggregate write-ins for other health care related revenues	XXX	12,904,638	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0	0
8. Total revenues (Lines 2 to 7)	XXX	2,210,392,262	2,003,641,717	2,483,618,413
Hospital and Medical:				
9. Hospital/medical benefits				
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs		2,419,266,761	1,891,142,196	2,188,243,660
14. Aggregate write-ins for other hospital and medical	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		21,417	157,271	827,202
16. Subtotal (Lines 9 to 15)	0	2,419,288,178	1,891,299,467	2,189,070,862
Less:				
17. Net reinsurance recoveries		483,365,017	375,162,795	435,968,413
18. Total hospital and medical (Lines 16 minus 17)	0	1,935,923,161	1,516,136,672	1,753,102,449
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$15,691,324 cost containment expenses		61,223,976	101,862,022	128,944,315
21. General administrative expenses		182,774,739	218,708,659	250,373,379
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				0
23. Total underwriting deductions (Lines 18 through 22).....	0	2,179,921,876	1,836,707,353	2,132,420,143
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	30,470,386	166,934,364	351,198,270
25. Net investment income earned		3,732,385	89,138	900,827
26. Net realized capital gains (losses) less capital gains tax of \$				(224,275)
27. Net investment gains (losses) (Lines 25 plus 26)	0	3,732,385	89,138	676,552
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$456,495) (amount charged off \$(3,911,965))].....		(3,455,470)	(3,249,469)	(24,632,619)
29. Aggregate write-ins for other income or expenses	0	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	30,747,301	163,774,033	327,242,203
31. Federal and foreign income taxes incurred	XXX	10,761,555	76,841,372	121,186,190
32. Net income (loss) (Lines 30 minus 31)	XXX	19,985,746	86,932,661	206,056,013
DETAILS OF WRITE-INS				
0601. Enhanced Medication Therapy Management (eMTM) revenue from CMS	XXX	12,904,638		0
0602.	XXX			
0603.	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	12,904,638	0	0
0701. ~	XXX			0
0702.	XXX			
0703.	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0	0
1401. ~				0
1402. ~				0
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901. CMS Penalty				0
2902. ~				0
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
CAPITAL AND SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year.....	799,162,780	613,714,968	613,714,968
34. Net income or (loss) from Line 32	19,985,746	86,932,661	206,056,013
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$			
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax		0	(11,981,896)
39. Change in nonadmitted assets	(25,543,047)	(185,959,154)	(8,626,305)
40. Change in unauthorized and certified reinsurance	0	0	0
41. Change in treasury stock	0	0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles.....			
44. Capital Changes:			
44.1 Paid in	0	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0	0
44.3 Transferred to surplus.....			
45. Surplus adjustments:			
45.1 Paid in	0	0	0
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	0	0	0
48. Net change in capital & surplus (Lines 34 to 47)	(5,557,301)	(99,026,493)	185,447,812
49. Capital and surplus end of reporting period (Line 33 plus 48)	793,605,479	514,688,475	799,162,780
DETAILS OF WRITE-INS			
4701.			0
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	2,337,431,300	2,228,891,258	2,499,431,361
2. Net investment income	3,486,206	28,136	419,638
3. Miscellaneous income	12,904,638	0	0
4. Total (Lines 1 to 3)	2,353,822,144	2,228,919,394	2,499,850,999
5. Benefit and loss related payments	2,473,835,015	2,003,348,641	2,095,671,456
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	(200,787,723)	(1,012,653,457)	(1,027,228,689)
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	0	0	157,017,504
10. Total (Lines 5 through 9)	2,273,047,292	990,695,184	1,225,460,271
11. Net cash from operations (Line 4 minus Line 10)	80,774,852	1,238,224,210	1,274,390,728
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	640,000	0	1,600,000
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	2,904,320	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,544,320	0	1,600,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	2,319,024	250,078	250,078
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,319,024	250,078	250,078
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	1,225,296	(250,078)	1,349,922
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	0	(21,810,240)	(21,810,240)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	0	(21,810,240)	(21,810,240)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	82,000,148	1,216,163,892	1,253,930,410
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	1,308,235,549	54,305,139	54,305,139
19.2 End of period (Line 18 plus Line 19.1)	1,390,235,697	1,270,469,031	1,308,235,549

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

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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	4,285,967	0	0	0	0	0	0	0	0	4,285,967
2. First Quarter	4,533,327	0	0	0	0	0	0	0	0	4,533,327
3. Second Quarter	4,457,011	0	0	0	0	0	0	0	0	4,457,011
4. Third Quarter	4,499,642									4,499,642
5. Current Year	0									
6. Current Year Member Months	40,539,800									40,539,800
Total Member Ambulatory Encounters for Period:										
7. Physician	0									
8. Non-Physician	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written (a)	2,666,993,221									2,666,993,221
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	2,749,020,615									2,749,020,615
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services.....	3,093,019,489									3,093,019,489
18. Amount Incurred for Provision of Health Care Services	2,419,288,178									2,419,288,178

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$2,666,993,221

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

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

[illegible]

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UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
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					0	0
7. Title XIX - Medicaid					0	0
8. Other health	(353,136,789)	2,827,004,323	7,734,669	2,148,319	(345,402,120)	10,108,215
9. Health subtotal (Lines 1 to 8)	(353,136,789)	2,827,004,323	7,734,669	2,148,319	(345,402,120)	10,108,215
10. Healthcare receivables (a)		829,133,701			0	291,393,137
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	(32,519)		610,346		577,827	556,410
13. Totals (Lines 9-10+11+12)	(353,169,308)	1,997,870,622	8,345,015	2,148,319	(344,824,293)	(280,728,512)

(a) Excludes \$ 0 loans or advances to providers not yet expensed.

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

SilverScript Insurance Company (the “Company”), a Tennessee domiciled insurance company, is a wholly owned subsidiary of Part D Holding Company, L.L.C. (the “Parent”), and a wholly owned indirect subsidiary of CVS Health Corporation (the “Ultimate Parent”). The financial statements of the Company are presented on the basis of accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (the “Department”).

The Department recognizes only statutory accounting practices prescribed or permitted by the State of Tennessee for determining and reporting the financial condition and results of operations of an insurance company and for determining its solvency under Tennessee Insurance Law. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* has been adopted as a component of prescribed or permitted practices by the State of Tennessee.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and its practices prescribed and permitted by the State of Tennessee is shown below:

<u>NET INCOME:</u>	<u>SSAP#</u>	<u>F/S Page</u>	<u>F/S Line#</u>	<u>Nine Months Ending September 30, 2017</u>	<u>Year Ending December 31, 2016</u>
(1) SilverScript State Basis (Page 4, Line 32, Column 2 & 4)				\$ 19,985,746	\$ 206,056,013
(2) State Prescribed Practices that increase (decrease) NAIC SAP				-	-
(3) State Permitted Practices that increase (decrease) NAIC SAP				-	-
(4) NAIC SAP (1-2- 3=4)				\$ 19,985,746	\$ 206,056,013
<u>SURPLUS:</u>				<u>September 30, 2017</u>	<u>December 31, 2016</u>
(5) SilverScript State Basis (Page 3, Line 33, Column 3 & 4)				\$ 793,605,479	\$ 799,162,780
(6) State Prescribed Practices that increase (decrease) NAIC SAP					
(7) State Permitted Practices that increase (decrease) NAIC SAP	4	2-Assets	1	(500,292)	(115,005)
(8) NAIC SAP (5-6- 7=8)				\$ 794,105,771	\$ 799,277,785

The Company owns a special revenue bond with the U.S. territory of Puerto Rico. Based on Tennessee Code Ann. §56-1-405, the Company is required to non-admit special deposits held for the benefit of a specific state’s policyholders to the extent that the deposit exceeds liabilities associated with that state’s policyholders. Accordingly, the Company non-admitted its special deposit with Puerto Rico of \$500 thousand and \$115 thousand as of September 30, 2017 and December 31, 2016, respectively.

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

The preparation of financial statements in conformity with the *Quarterly Statement Instructions* and Statutory Accounting Principles requires management to make estimates and assumptions that affect amounts reported on the financial statements and accompanying notes. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period.

C. Accounting Policy

The Company has adopted accounting policies with respect to particular accounts or transactions which could materially affect its assets, liabilities, capital and surplus or results of operations as follows:

Notes to Financial Statement

1. Summary of Significant Accounting Policies and Going Concern (continued)

- (1) Short-term investments include money market holdings that are stated at fair value. In addition, bonds with an original purchase maturity date of less than one year are stated at amortized cost using the straight-line method of amortization on premiums or discounts and are classified as short-term investments.
- (2) Bonds with an original purchase maturity date greater than one year are stated at amortized cost using the straight-line method of amortization on premiums or discounts. None of the Company's bonds became impaired during the nine months ending September 30, 2017. The Company recognized a capital loss of \$224 thousand as a result of the impairment of the Puerto Rico bond during the year ending December 31, 2016.
- (3) As of September 30, 2017 and December 31, 2016, the Company had 10.0 million shares, (\$1 par), of Class A common capital stock authorized, and 2.75 million of such shares issued and outstanding.
- (4) Preferred Stocks: None
- (5) Mortgage Loans: None
- (6) Loan-backed Securities: None
- (7) Investment in Subsidiaries, Controlled and Affiliated Companies: None
- (8) Joint Ventures, Partnerships, and Limited Liability Companies: None
- (9) Derivatives: None
- (10) The Company does not utilize anticipated investment income as a factor in determining premium deficiencies.
- (11) The Company has recorded estimates of incurred but not reported claims for claims paid by external entities and subsequently billed to the Company such as claims paid by state pharmaceutical assistance programs and for paper claims. Incurred but not reported claims are estimated based on historical experience.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Amounts recorded in the Company's financial statements for pharmaceutical rebates are determined based on the amounts CVS Caremark Part D Services, L.L.C. ("Part D Services") an affiliates of the Parent Company, expects to collect from various pharmaceutical manufacturers.

D. Going Concern: Not Applicable

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory Purchase Method: None

B. Statutory Merger: None

C. Assumption Reinsurance:

- (1) For the nine months ending September 30, 2017, there were no acquisitions. Effective July 1, 2016, the Company acquired certain assets and liabilities from First United American Life Insurance ("First United American") and its affiliate United American Insurance Company ("United American") related to their Medicare Part D business. This transaction qualifies as Assumption Reinsurance as defined in SSAP No. 61.
- (2) The Company purchased First United American and United American Insurance Company's Medicare Part D business for the 2016 contract year, as well as their on-going Medicare Part D Contract with the Centers for Medicare and Medicaid Services ("CMS").
- (3) The Company paid \$21.8 million in cash for the business, which was recorded as an intangible asset with zero goodwill being recorded at the time of purchase. The Purchase Price was adjusted based on actual 2017 Prescription Drug Plan ("PDP") enrollee number. The Company wrote off \$21.8 million of the intangible asset to the general administrative expense line of the Statement of Revenue and Expenses as of December 31, 2016.
- (4) Not applicable

D. Impairment Loss: None

4. Discontinued Operations

None

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

5. Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans: None
- B. Debt Restructuring: None
- C. Reverse Mortgages: None
- D. Loan Backed Securities: None
- E. Repurchase Agreements and/or Securities Lending Transactions: None
- F. Real Estate: None
- G. Low-Income Housing Tax Credits (“LIHTC”): None
- H. Restricted Assets:

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase/(Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets	7 Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.000 %	0.000 %
b. Collateral held under security lending agreements	0	0	0	0	0	0.000	0.000
c. Subject to repurchase agreements	0	0	0	0	0	0.000	0.000
d. Subject to reverse repurchase agreements	0	0	0	0	0	0.000	0.000
e. Subject to dollar repurchase agreements	0	0	0	0	0	0.000	0.000
f. Subject to dollar reverse repurchase agreements	0	0	0	0	0	0.000	0.000
g. Placed under option contracts	0	0	0	0	0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	0	0	0	0	0	0.000	0.000
i. FHLB capital stock	0	0	0	0	0	0.000	0.000
j. On deposit with states	3,436,075	3,334,509	101,566	0	3,436,075	0.077	0.078
k. On deposit with other regulatory bodies	500,292	115,005	385,287	500,292	0	0.011	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements)	0	0	0	0	0	0.000	0.000
m. Pledged as collateral not captured in other categories	0	0	0	0	0	0.000	0.000
n. Other restricted assets	0	0	0	0	0	0.000	0.000
o. Total Restricted Assets	\$ 3,936,367	\$ 3,449,514	\$ 486,853	\$ 500,292	\$ 3,436,075	0.088%	0.078%

- (2) Detail of Assets Pledged as Collateral Not Captured in Other categories: None
- (3) Detail of Other Restricted Assets: None
- (4) Collateral received and reflected as assets within the reporting entity’s financial statements: None

- I. Working Capital Finance Investments: None
- J. Offsetting and Netting of Assets and Liabilities: None
- K. Structured Notes: None

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

5. Investments (continued)

L. 5* Securities: None

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write-down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:
- All investment income due and accrued with amounts over 90 days past due are excluded from surplus.
- B. The total amount excluded was: None

8. Derivative Instruments

None

9. Income Taxes

No material changes

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A., B., C. During the nine months ending September 30, 2017 and the year ending December 31, 2016, the Company did not have any material transfer of assets to affiliates.
- D. The Company reported a receivable of \$567.3 million and \$614.9 million from affiliates on line 23 of page 2 as of September 30, 2017 and December 31, 2016, respectively.
- E. The Company does not have any guarantees or undertakings for the benefit of an affiliate, which result in a material contingent exposure of the Company’s or any related party’s assets or liabilities.
- F. The following is a description of management and service contracts and cost sharing agreements involving the Company and any related party:

In general, the Company relies on its Parent Company and other affiliates under common control of the Ultimate Parent for all support and operations functions. For specific owner/affiliate relationships, refer to the Legal Entities Organizational Chart contained in Schedule Y.

Except for amounts due to PDPs, all claims paid and incurred are based on amounts billed by the Parent Company and its affiliates for pharmacy claims filled by pharmacies in the Parent Company’s pharmacy network or claims submitted to the Parent Company for pharmacy claims paid by state agencies.

Additionally, all pharmaceutical rebates are received or are recorded as a receivable from Part D Services, which contracts with pharmaceutical manufacturers for such rebates.

As of September 30, 2017, the Company reported a net receivable from the Parent Company and its affiliates of \$421.0 million. As of December 31, 2016, the Company reported a net receivable from the Parent Company and its affiliates of \$403.5 million.

The following is a summary of the financial statement presentation of amounts due from and to the Company’s Parent and affiliates.

Assets, Liabilities, Capital and Surplus	September 30, 2017	December 31, 2016
Taxes payable (lines 9 & 10.1)	\$ 139,726,246	\$ 128,169,830
Ceded reinsurance premiums payable (line 11)	6,521,657	83,237,907
Amounts due (from) to parent, subsidiaries and affiliates (line 23)	(567,293,130)	(614,889,240)
	<u>\$ (421,045,227)</u>	<u>\$ (403,481,503)</u>

Amounts due (from) and to parent, subsidiaries and affiliates is primarily comprised of amounts due for uninsured pharmacy claims processed, management fees from Part D Services and intercompany funding. As of September 30, 2017, the Company reported a receivable from affiliates of \$567.3 million, primarily as a result of prefunding of claims activity from Part D Services. The prefunding amount was released with the claims payments in the beginning of October 2017. Ceded reinsurance premiums payable is related to the Company’s reinsurance agreement with CVS Caremark Indemnity, Ltd., an affiliate of the Company.

The Company pays Part D Services a management fee for sales, accounting, tax, legal, information technology, compliance, claims processing and other administrative functions

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties (continued)

under a management services agreement that has been filed with the Department. The management fee is assessed on a per-member, per-month ("pmpm") and a per claim basis.

In addition, related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., the Company recognizes a reduction of expenses related to ceded expenses.

The following is a summary of the financial statement presentation of management fees incurred from Part D Services and reinsurance expenses ceded to the CVS Caremark Indemnity, Ltd.:

Statement of Revenue and Expenses	<u>September 30, 2017</u>		<u>September 30, 2016</u>	
Management fee				
Claims adjustment expenses(line 20)	\$	95,445,037	\$	159,303,010
General and administrative expenses (line 21)		213,264,544		159,656,553
Total management fee	\$	308,709,581	\$	318,959,562
Reinsurance expenses ceded				
Claims adjustment expenses(line 20)	\$	16,123,774	\$	23,501,126
General and administrative expenses (line 21)		47,754,388		49,892,008
Total reinsurance expenses ceded	\$	63,878,162	\$	73,393,133

Payment terms require the Company to settle with Part D Services all invoiced amounts for claims and service fees thirty days in arrears after the Company receives an invoice. The settlement of rebates happens within sixty days of the beginning of the calendar quarter following receipt of such rebates by Part D Services.

The Company has a written tax-sharing agreement with the Ultimate Parent, and its allocation of the Ultimate Parent's federal and state income and premium taxes is based on the Company's federal and state tax liability determined as if the Company were filing its own separate tax return each year. The Company's tax sharing agreement with the Ultimate Parent provides that the Ultimate Parent will pay the Company for its net operating losses to the extent that such net operating loss is utilized in the reduction of the consolidated federal income tax liability.

As of September 30, 2017 and December 31, 2016, the Company owed the Ultimate Parent \$131.9 million and \$121.1 million, respectively, for federal income taxes, which is reported as *current federal and foreign income tax payable* in the Statement of Liabilities, Capital and Surplus. As of September 30, 2017 and December 31, 2016, the Company owed the Ultimate Parent \$7.8 million and \$7.0 million, for state taxes, which is reported as *general expenses due or accrued* in the Statement of Liabilities, Capital and Surplus. Intercompany tax balances are settled annually.

- G. All outstanding shares of the Company are owned by the Parent Company.
- H. The Company does not own shares of stock of its Parent Company.
- I. The Company does not hold any interest in another company or limited partnership.
- J. The Company did not recognize any impairment write-down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- K. The Company does not have any investments in a foreign insurance subsidiary.
- L. The Company did not have any investments in a downstream non-insurance holding company.
- M. The Company does not have any subsidiary, controlled and affiliated (SCA) investments.
- N. The Company does not have any investments in insurance SCA's.

11. Debt

None

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

No change.

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

- (1) As of September 30, 2017 and December 31, 2016, the Company had 10.0 million shares, (\$1 par); of Class A *common capital stock* authorized and 2.75 million of such shares issued and outstanding.
- (2) The Company has no preferred stock outstanding.

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations (continued)

- (3) Without prior approval of the domiciliary commissioner, dividends to shareholders are limited by the laws of Tennessee and are based on the restrictions relating to statutory surplus.
- (4) No dividends were paid by the Company during the nine months ending September 30, 2017 and year ending December 31, 2016.
- (5) The portion of the Company’s profits that may be paid as ordinary dividends are limited by the laws of Tennessee. Tennessee law states that ordinary dividends must follow Tennessee Code Ann. § 56-11-105(e) and Tennessee Code Ann. § 56-11-106(b) for extraordinary dividends. Ordinary dividends from the previous twelve months are limited to the greater of ten percent of surplus or the net gain from operations.

The amount of ordinary dividends that may be paid out during any given period is subject to certain restrictions as specified by state statute.
- (6) The Company is subject to certain Risk-Based Capital (“RBC”) requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a life/health insurance company is to be determined based on the various risk factors related to it. As of September 30, 2017 and December 31, 2016, there were no restrictions placed on the unassigned funds (surplus).
- (7) The Company has no mutual reciprocals or any similarly organized entities.
- (8) The Company does not hold any stock of the Ultimate Parent, including stock of affiliated entities for special purposes.
- (9) The Company had a special surplus of \$45.0 million and \$0 million as of September 30, 2017 and December 31, 2016, respectively. The balance reported as special surplus funds is due to health plan fees incurred under Section 9010 of the Affordable Care Act (“ACA”). There was no special surplus for the period ending December 31, 2016 due to the Consolidated Appropriations Act, 2016 (Public Law No: 114-113), which was signed into law on December 18, 2015. This Appropriations Act imposes a moratorium on the health plan fees for calendar year 2017 by amending the effective date of section 9010(j) of ACA to exclude calendar year 2017. Per NAIC *INT - 16-01: ACA Section 9010 Assessment 2017 Moratorium*, no segregation of special surplus is needed for the net written premium in 2016 data year.
- (10) As of September 30, 2017 and December 31, 2016, the Company had no unrealized gains or losses.
- (11) The Company did not issue any surplus debenture of similar obligations.
- (12) The Company did not experience an impact of any restatement due to prior quasi-reorganization.
- (13) Not applicable.

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments: None
- B. Assessments: None
- C. Gain Contingencies: None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: None
- E. Joint and Several Liabilities: None
- F. All Other Contingencies:
 - a. Bad debt write-offs, net of recoveries, totaled \$3.5 million and \$3.2 million for nine months ending September 30, 2017 and 2016, respectively. These balances were previously reported as non-admitted assets.

15. Leases

- A. Lessee Operating Lease: None
- B. Lessor Leases: None

16. Information about Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

- A. Transfers of Receivables Reported as Sales: None

Notes to Financial Statement

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities (continued)

- B. Transfer and Servicing of Financial Assets: None
- C. Wash Sales: None

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

- A. ASO Plans: None
- B. ASC Plans

The Company has several Administrative Services Contracts (“ASC”) with Self-Funded Employer Group Waiver Plans (“SF EGWPs”). An Amendment was filed with the State of Tennessee to retain a percentage of per member per month (PMPM) fees collected from SF EGWPs, effective January 1, 2017. There was no retention of PMPM fees from SF EGWPs in 2016 and prior years.

For the nine months ending September 30, 2017 and 2016, the gain from operations from ASC uninsured plans is as follows:

September 30, 2017

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical costs incurred	\$ 2,223,025,965	\$ -	\$ 2,223,025,965
b. Gross administrative fees accrued	62,938,153	-	62,938,153
c. Other income or expense (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	(2,283,965,692)	-	(2,283,965,692)
e. Total Net Operations	\$ 1,998,426	\$ -	\$ 1,998,426

September 30, 2016

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical costs incurred	\$ 2,087,872,184	\$ -	\$ 2,087,872,184
b. Gross administrative fees accrued	71,353,362	-	71,353,362
c. Other income or expense (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	(2,159,225,546)	-	(2,159,225,546)
e. Total Net Operations	\$ -	\$ -	\$ -

C. Medicare and other Similarly Structured Cost Based Reimbursement Contract:

- (1) Revenue and prescription drug amounts for the nine months ending September 30, 2017 and 2016, exclude \$8,109.5 million and \$7,466.4 million, respectively, in subsidies from the Centers for Medicare and Medicaid Services (“CMS”) for catastrophic reinsurance subsidies, low income cost sharing subsidies (“LICS”) and the coverage gap discount program (“CGDP”) pursuant to the Company’s contracts with CMS.
- (2) As of September 30, 2017 and December 31, 2016, the admitted amounts receivable relating to uninsured plans includes the following:

	09/30/2017	12/31/2016
CMS settlement-2011	\$ -	\$ 1,590,415
CMS settlement-2015	-	21,451,139
First United American & United American CMS settlement	28,316,148	20,739,869
Coverage gap discount receivable	472,981,976	324,340,588
Unbilled group receivable	126,164,767	138,859,175
Billed group receivable	174,971	189,116
Rx Rebate Receivable for uninsured plan	735,417,230	-
Total amounts receivable related to uninsured plans	\$ 1,363,055,092	\$ 507,170,302

Notes to Financial Statement

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans (continued)

The Company collected the 2015 CMS settlement in the amount of \$21.5 million on March 31, 2017. The Company also collected the 2011 CMS settlement on January 3, 2017 in the amount of \$1.6 million. The Company has also recorded a receivable from CMS for \$28.3 million for the settlements due to First United American and United American as part of the reinsurance agreement effective July 1, 2016. There is an offsetting payable in the reinsurance payable line of the balance sheet.

Coverage gap discount receivable represents amounts invoiced or to be invoiced by CMS to pharmaceutical manufacturers on the Company’s behalf. Fluctuations in this balance are due to timing of when CMS invoices the pharmaceutical manufacturers and when collections are received by the Company.

Unbilled group receivables represents the last week of claims for the month that are billed to the respective groups the first week of the following month.

As of September 30, 2017, there was an Rx rebate receivable of \$735.4 million related to uninsured plans, which include SF EGWPs and CMS’ catastrophic reinsurance program. There was no Rx rebate receivable related to uninsured plan as of December 31, 2016.

As of September 30, 2017 and December 31, 2016, amounts payable relating to uninsured plans includes the following:

	<u>09/30/2017</u>	<u>12/31/2016</u>
CMS settlement - 2016	\$ 113,825,165	\$ 99,641,382
CMS settlement - 2017	1,528,389,330	-
Reopener payables	59,368,649	67,814,091
SF EGWP client payables	1,248,872,849	1,233,265,067
Coverage gap discount payable	-	110,097,460
Other	-	3,631,279
Total amounts payable related to uninsured plans	\$ 2,950,455,994	\$ 1,514,449,278

Settlement amounts due to or from CMS for a plan year for LICS and drugs covered by the catastrophic reinsurance feature are typically settled in the fourth quarter of the following year. As of September 30, 2017, the Company has a CMS settlement payable of \$1,528.4 million and \$113.8 million for plan years 2017 and 2016, respectively. These settlements are related to LICS and drugs covered by the catastrophic reinsurance feature. For the 2017 plan year, the company is in a net payable due back to CMS for 2017 settlement. The amount reported as of September 30, 2017 also includes the October’s plan pay dollars that were prepaid by CMS, due to the first of October falling on a weekend. The total amount of the pre-payment included in the CMS settlement - 2017 line above is \$984 million. For the plan year 2016, the Company ended in a net payable due back to CMS for the settlement as a result of higher subsidies received in comparison with the claims incurred during the year.

Reopener payables represent accruals for prior plan year’s that are due back to CMS, and are the result of retro-activity that happens after the initial settlement with CMS. Reopeners are settled with CMS according to CMS time table which is approximately 5 years after the initial settlement with CMS.

SF EGWP client payables represent the amounts due back to SF EGWP clients for LICS and reinsurance subsidies the Company will collect from CMS on their behalf. The Company expects to collect the LICS and reinsurance subsidies in the fourth quarter of the following plan year and the Company will settle the payable to SF EGWPs at that time. The balance also includes the rebates collected from pharmaceutical manufacturers on the client’s behalf.

Coverage gap discount payable represents the amounts due back to CMS after invoices have been send to pharmaceutical manufacturers.

- (3) As of September 30, 2017 and December 31, 2016, there were no allowances or reserves for adjustment of recorded revenues.
- (4) The Company has made no adjustment to revenue resulting from audits of receivables related to revenues recorded in the prior period.

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

None

20. Fair Value Measurements

SSAP 100, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States, and enhances disclosures about fair value measurements. SSAP 100 provides guidance on how to measure fair value when required under existing accounting standards.

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

20. Fair Value Measurements (continued)

The statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels (“Level 1, 2 and 3”).

Level 1 inputs are observable inputs that reflect quoted prices for identical assets or liabilities in active markets the Company has the ability to access at the measurement date. Level 2 inputs are observable inputs, other than quoted prices included in Level 1, for the asset or liability. Level 3 inputs are unobservable inputs reflecting the Company’s estimates of the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The hierarchy requires the use of market observable information when available for assessing fair value. As the fair value of the Company’s U.S. Treasury securities are based on unadjusted market prices, they are classified within Level 1.

The following methods and assumptions were used by the Company in estimating the “fair value” disclosures for financial instruments in the accompanying financial statements and notes thereto:

Cash and short-term investments: The carrying amounts reported in the accompany balance sheets for these financial instruments approximate their fair values.

Investment Securities: Fair values for bonds are based on the price that would be received to sell an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company utilizes the three-level valuation hierarchy for the recognition and disclosure of fair value measurements. The categorization of assets and liabilities within this hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy consist of the following.

- *Level 1* - Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- *Level 2* - Inputs to the valuation methodology are quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.
- *Level 3* - Inputs to the valuation methodology are unobservable inputs based upon management’s best estimate of inputs market participants could use in pricing the asset or liability at the measurement date, including assumptions about risk.

A. (1) Fair Value Measurements at Reporting Date:

September 30, 2017

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Cash	\$ (5,003,093)	\$ -	\$ -	\$ (5,003,093)
Short-Term investments	1,395,238,790	-	-	1,395,238,790
Total Assets at fair value	\$ 1,390,235,697	\$ -	\$ -	\$ 1,390,235,697

December 31, 2016

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Cash	\$ (5,681,742)	\$ -	\$ -	\$ (5,681,742)
Short-Term investments	1,313,917,291	-	-	1,313,917,291
Total Assets at fair value	\$ 1,308,235,549	\$ -	\$ -	\$ 1,308,235,549

There have been no transfers between Level 1 and Level 2 of the Fair Value Hierarchy in the current reporting period.

- (2) Fair Value Measurement (Level 3) of the Fair Value Hierarchy: Not Applicable
- (3) Fair Value Measurement (Level 3) Transfers: Not Applicable
- (4) Inputs for Valuation of Fair Value of Level 2 and Level 3 Investments: Bank valuation provided in monthly statements is utilized to estimate fair market value.
- (5) Fair Value of Derivative Assets and Liabilities: Not Applicable

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

20. Fair Value Measurements (continued)

- B. Other Accounting Pronouncements: Not Applicable
- C. Aggregate fair value for all financial instruments at reporting date:

September 30, 2017

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 2,987,830	\$ 2,502,595	\$ 2,987,830	\$ -	\$ -	\$ -
Cash	\$ (5,003,093)	\$ (5,003,093)	\$ (5,003,093)	\$ -	\$ -	\$ -
Short Term Investments	\$ 1,395,238,790	\$ 1,395,238,790	\$ 1,395,238,790	\$ -	\$ -	\$ -

December 31, 2016

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	\$ 1,263,122	\$ 1,149,984	\$ 1,263,122	\$ -	\$ -	\$ -
Cash	\$ (5,681,742)	\$ (5,681,742)	\$ (5,681,742)	\$ -	\$ -	\$ -
Short Term Investments	\$ 1,313,917,291	\$ 1,313,917,291	\$ 1,313,917,291	\$ -	\$ -	\$ -

- D. Not Practicable to Estimate Fair Value

As of September 30, 2017 and 2016, the Company did not own any financial instruments that were not practicable to estimate fair value.

Money market funds in active markets are classified within Level 1 as fair values are based on quoted market prices.

As of September 30, 2017, bonds, and short-term investments with an admitted asset value of \$2.3 million, and \$1.2 million, respectively, were on deposit with state insurance and other departments to satisfy regulatory requirements.

As of December 31, 2016, bonds, and short-term investments with an admitted asset value of \$1.1 million, and \$2.2 million, respectively, were on deposit with state insurance and other departments to satisfy regulatory requirements.

Management regularly reviews the value of the Company’s investments. If the value of any investment falls below its cost basis, the decline is analyzed to determine whether it is an other-than-temporary decline in value. To make this determination for each security, the following is considered:

- The length of time and the extent to which the fair value has been below cost;
- The financial condition and near-term prospects of the issuer of the security, including any specific events that may affect its operations or earnings potential; and
- Management’s intent and ability to hold the security long enough for it to recover its value.

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized investment gains (losses) in the statements of operations in the period the determination is made. For the nine months ending September 30, 2017, the management determined that none of the Company’s investments had sustained an other-than temporary decline in value. For the year ending December 31, 2016, the Company recognized a capital loss of \$224 thousand as a result of the impairment of the Puerto Rico bond.

21. Other Items

- A. Unusual or Infrequent Items: As of September 30, 2017, the Company recorded \$212.7 million of premium received in advance in the balance sheet, compared to \$4.9 million as of December 31, 2016. The fluctuation happened after the monthly payment from CMS in the amount of \$1.2 billion for October 2017 was received on September 29, 2017, due to the first of October falling on a weekend. The prepayment includes the funding for the premiums for Direct and Low Income Premium Subsidies, and other claims related subsidies.
- B. Troubled Debt Restructuring - Debtors: None
- C. Other Disclosures: None
- D. Business Interruption Insurance Recoveries: None

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

21. Other Items (continued)

- E. State Transferable and Non-transferable Tax Credits: None
- F. Subprime-Mortgage-Related Risk Exposure: None
- G. Retained Assets: None
- H. Insurance Linked Securities (ILS) Contracts: None

22. Events Subsequent

The Company has assessed and concluded that there were no other material subsequent events, through October 13, 2017, the date which the financial statements were available to be issued.

23. Reinsurance

A. Ceded Reinsurance Report

The Company entered into a reinsurance agreement with FirstCare, an unaffiliated authorized insurance company, effective July 11, 2014 in which the Company cedes 100% of the business on an acquired contract to FirstCare. Effective January 1, 2015, the FirstCare membership was novated into the Company and the FirstCare contract (S5766) is no longer an active contract with CMS. The Company did not cede any premiums during both the nine months ending September 30, 2017 and the year ending December 31, 2016.

Neither the Company nor any of its related parties control, directly or indirectly, First Care. No policies to First Care issued by the Company have been reinsured with a foreign company, which is controlled, either directly or indirectly, by a party not primarily engaged in the business of insurance. The Company does not have any reinsurance agreements in effect under which First Care may unilaterally cancel the agreement. As of September 30, 2017 there are no reinsurance agreements in effect such that the amount of losses paid or accrued exceed the total direct premium collected for First Care.

The Company purchased the Medicare Part D business (CMS contracts S5755 and S5580) from First United American and its affiliate United American on July 1, 2016. As of July 1, the parties separately entered into a novation agreement, pursuant to which SilverScript assumed responsibility as the sponsor of the individual Medicare PDPs of First United American and United American.

The individual PDPs continued in force without an interruption in benefits or services. For the remainder of the 2016 PDP plan year only, First United American and United American assumed as reinsurer, pursuant to the Reinsurance Agreement, and continued to operate the PDP business. The Reinsurance Agreement provides that First United American and United American shall assume one hundred percent (100%) of the 2016 PDP Plan liabilities on an indemnity reinsurance basis.

The Company has a quota share reinsurance agreement with an affiliate of the Parent Company, CVS Caremark Indemnity, Ltd., a Bermuda domiciled insurer. Under the terms of this agreement, the Company cedes 20% of the Company's share of the risk associated with individual and group premiums and claims. This agreement was approved by the Department on August 15, 2011, and was retroactive to January 1, 2011.

The following is a financial summary of the ceded amounts and related expenses under this agreement:

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

23. Reinsurance (continued)

	<u>Nine months ending</u> <u>September 30, 2017</u>		<u>Year ending</u> <u>December 31, 2016</u>	
Statement of Revenue and Expense:				
Premiums and other revenue	\$	554,759,150	\$	621,499,408
Benefits		(483,365,017)		(435,968,413)
Commissions expense		(64,258,814)		(117,474,989)
Interest expense		380,652		643,443
Total revenue and expense ceded	\$	7,515,971	\$	68,699,449
Balance Sheet:				
Claims unpaid	\$	537,080	\$	1,142,753
Aggregate health policy reserves		49,187,762		46,566,694
Accrued retrospective premiums		(20,749,067)		-
Premiums received in advance		52,987,639		1,292,540
Premiums receivable		(1,190,067)		(4,074,694)
Accrued incentive pool		-		117,786
Rebates Receivable		(207,283,425)		(72,187,428)
Total ceded balance sheet Items	\$	(126,510,078)	\$	(27,142,349)
Unsettled Prior Year Balance	\$	(994,314)	\$	14,538,458
Funds held by or deposited with reinsured companies	\$	635,376,070	\$	665,927,390
Funds held under reinsurance treaties with unauthorized reinsurers		(755,364,491)		(609,831,832)
Amount due to CVS Caremark Indemnity, Ltd.	\$	(119,988,421)	\$	56,095,558

- B. Uncollectible Reinsurance: None
- C. Commutation of Ceded Reinsurance:

The Company did not commute any ceded reinsurance nor did it enter into or engage in any agreement that reinsures policies or contracts that were in-force or had existing reserves as of the effective date of such agreements.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company's Medicare Part D contract with CMS contains a risk corridor feature. Due to the risk corridor feature, the Company’s business is accounted for as a retrospectively rated contract. The Company estimates retrospective premium adjustments using a mathematical approach based on the Company’s underwriting experience. As of September 30, 2017 and December 31, 2016 accrued retroactive premium adjustments were reported as an *aggregate health policy reserves* in the amount of \$277.8 million and \$259.9 million, respectively, and as *accrued retrospective premiums and contracts subject to redetermination* of \$81.7 million and \$0, respectively.
- B. The Company records the risk corridor adjustment as an adjustment to earned premiums.
- C. The amount of net direct premiums written by the Company during the nine months ending September 30, 2017 and 2016 that was subject to the retrospective rating feature was \$2,610.7 million and \$2,452.8 million, respectively, which represented 98%, and 97%, respectively, of the total premiums written, excluding risk corridor adjustment.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act: As of December 31, 2015, the Company recorded a liability of \$3.4 million to CMS for the 2014 FirstCare MLR, which was settled in June 2017. There was no MLR recorded during both the first nine months of 2017 and the year ending December 31, 2016.
- E. Risk Sharing Provisions of the ACA: The Company only offers health insurance coverage under Medicare Part D and is not a qualified health plan under the definition of the ACA.

25. Change in Incurred Claims and Claim Adjustment Expenses

The following table provides a reconciliation of the beginning and ending balances of claims unpaid, accruals for medical incentive pool and bonus, and health care receivables as follows:

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

25. Change in Incurred Claims and Claim Adjustment Expenses (continued)

	Nine Months Ending September 30, 2017		Year Ending December 31, 2016	
Balances as of January 1:				
Reserves for unpaid claims	\$	10,108,215	\$	32,386,168
Health Care Receivable		(291,393,137)		-
Reserve for incentive pools		<u>556,410</u>		<u>29,454,327</u>
	\$	<u><u>(280,728,512)</u></u>	\$	<u><u>61,840,495</u></u>
Incurred related to:				
Current year	\$	2,000,018,942	\$	1,822,140,994
Prior year		<u>(64,095,781)</u>		<u>(69,038,545)</u>
	\$	<u><u>1,935,923,161</u></u>	\$	<u><u>1,753,102,449</u></u>
Paid (received) related to:				
Current year	\$	2,827,004,323	\$	2,105,848,550
Prior year		<u>(353,169,308)</u>		<u>(10,177,094)</u>
	\$	<u><u>2,473,835,015</u></u>	\$	<u><u>2,095,671,456</u></u>
Balances as of September 30, 2017 and December 31, 2016:				
Reserves for unpaid claims	\$	9,882,989	\$	10,108,215
Health Care Receivable		(829,133,701)		(291,393,137)
Reserve for incentive pools		<u>610,346</u>		<u>556,410</u>
	\$	<u><u>(818,640,366)</u></u>	\$	<u><u>(280,728,512)</u></u>

Changes in prior year reserves are generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding claims. It is at least reasonably possible that a further change in the incurred but not reported claims could occur within one year from the date of these financial statements and that such a change in these estimates could be material to the financial statements.

During the first nine months of 2017 and the year of 2016, the Company experienced \$64.1 million and \$69.0 million, respectively of favorable prior year claims development, all of which related to retrospectively rated policies. This favorable development occurred due primarily to favorable pharmaceutical rebates related to the prior year credits to the Company by Part D Services. In addition, there were changes in the valuation of settlement amounts with CMS and favorable claim run out activity related to prior year.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

The following is a summary of the Company’s *Health Care and Other Amounts Receivable* as of September 30, 2017 and December 31, 2016, respectively. The amounts are presented net of reinsurance ceded:

	09/30/2017		12/31/2016	
Pharmaceutical Rebates Receivable	\$	590,878,054	\$	46,616,730
Performance Network Rebate Receivable		238,255,647		244,776,407
Total Health Care and Other Amounts Receivable	\$	829,133,701	\$	291,393,137

A. Pharmaceutical Rebates Receivables:

The Company has contracted with Part D Services for pharmaceutical rebates. Amounts recorded in the Company’s financial statements are determined based on the amounts the Part D Services has collected or expects to collect as invoiced or otherwise confirmed by Part D Services. The Company reported a health care receivable of \$590.9 million and \$46.6 million as of September 30, 2017 and December 31, 2016, respectively. All rebates are determined to be received within 90 days after Part D Services receives the payments from manufactures. The pharmaceutical rebates receivables reported below are gross of reinsurance ceded.

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

Notes to Financial Statement

28. Health Care Receivables (continued)

Quarter	Estimated Pharmacy Rebates Pertaining to Current Quarter Scripts Filled and as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
9/30/2017	\$ 1,468,927,054	\$ 1,468,927,054	\$ -	\$ -	\$ -
6/30/2017	1,499,381,807	1,496,914,729	1,491,826,986	-	-
3/31/2017	1,418,953,584	1,467,391,360	1,467,391,360	-	-
12/31/2016	1,512,431,283	1,508,186,755	1,508,186,755	-	-
9/30/2016	1,559,780,406	1,561,935,366	1,480,006,737	-	81,928,629
6/30/2016	1,523,948,498	1,536,202,897	1,536,202,897	-	-
3/31/2016	1,396,246,218	1,482,460,673	1,482,460,673	-	-
12/31/2015	1,350,151,915	1,377,373,846	1,377,373,846	-	-
9/30/2015	1,301,148,795	1,326,805,830	1,326,805,830	-	-
6/30/2015	1,240,858,947	1,252,476,487	1,252,476,487	-	-
3/31/2015	1,137,920,337	1,160,050,266	1,160,050,266	-	-
12/31/2014	1,048,350,504	1,056,769,123	1,056,769,123	-	-

B. Risk Sharing Receivables:

None

Other Healthcare Receivables:

CVS Part D Services, the Company’s pharmacy benefit manager, has a pharmacy network that includes a retrospective performance network rebate (PNR). The PNR is performance based upon whether the participating pharmacies have met certain pre-established criteria in the contract. The PNR is calculated by multiplying the applicable claims with a variable network rate based on the actual performance. The PNR agreements for both 2017 and 2016 have three performance measurement periods (measurement period), ending April 30, August 31, and December 31, respectively. The PNR receivables fit the category of Other Health Care Receivables per SSAP No. 84 *Health Care and Government Insured Plan Receivables*.

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [☐] No [☒]
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes [☐] No [☐]
- 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 [☒]
- 2.2

If yes, date of change:
- 3.1

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?

If yes, complete Schedule Y, Parts 1 and 1A.

Yes [☒] No [☐]
- 3.2

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [☐] No [☒]
- 3.3

If the response to 3.2 is yes, provide a brief description of those changes.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [☐] No [☒]
- 4.2

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	2	3
Name of Entity	NAIC Company Code	State of Domicile
5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes [☐] No [☒] N/A [☐]

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2013
- 6.2

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.

12/31/2013
- 6.3

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).

06/17/2015
- 6.4

By what department or departments?
State of Tennessee, Department of Commerce & Insurance
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes [☐] No [☐] N/A [☒]
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [☒] No [☐] N/A [☐]
- 7.1

Has this 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 [☒]
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [☐] No [☒]
- 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 [☒]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

- 9.1

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?
(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.

Yes [X] No []
- 9.11

If the response to 9.1 is No, please explain:
- 9.2

Has the code of ethics for senior managers been amended?

Yes [] No [X]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [] No [X]
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [X] No []
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....0

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes [] No [X]
- 11.2

If yes, give full and complete information relating thereto:
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$.....0
13.

Amount of real estate and mortgages held in short-term investments:

\$.....0
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes [] No [X]
- 14.2

If yes, please complete the following:
- | | 1 | 2 |
|---|---|--|
| | Prior Year-End
Book/Adjusted
Carrying Value | Current Quarter
Book/Adjusted
Carrying Value |
| 14.21 Bonds | \$.....0 | \$..... |
| 14.22 Preferred Stock | \$.....0 | \$..... |
| 14.23 Common Stock | \$.....0 | \$..... |
| 14.24 Short-Term Investments | \$.....0 | \$..... |
| 14.25 Mortgage Loans on Real Estate | \$.....0 | \$..... |
| 14.26 All Other | \$.....0 | \$..... |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | \$.....0 | \$.....0 |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | \$..... | \$..... |
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes [] No [X]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes [] No [X]

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

16.3 Total payable for securities lending reported on the liability page.
- \$

\$

\$
- 0

0

0

17. 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
- []

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

1 Name of Custodian(s)	2 Custodian Address
Bank of America, N.A.	1655 Grant Street, Concord, CA 94520
Bank of America, N.A.	200 N College Street, Charlotte, NC 28255
Regions Bank	400 West Capitol, Little Rock, AR 72201
Wells Fargo Bank, N.A.	1021 E. Carry Street, MAC R3529-062 Richmond, VA 23219
US Bank	225 Water Street, Ste. 700, Jacksonville, FL 32202
Xerox State & Local Solutions, Inc.	100 Hancock Street, 10th Floor, Quincy, MA 02171

- 17.2 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)

- 17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?
- Yes
- []
- No
- [X]

- 17.4 If yes, give full information relating thereto:

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

- 17.5 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation

- 17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?
- Yes
- []
- No
- []

- 17.5098 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's assets?
- Yes
- []
- No
- []

- 17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

- 18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?
- Yes
- [X]
- No
- []

- 18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- 1.1 A&H loss percent

88.8 %
- 1.2 A&H cost containment percent

0.7 %
- 1.3 A&H expense percent excluding cost containment expenses

10.4 %
- 2.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date

\$
- 2.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date

\$

Showing All New Reinsurance Treaties - Current Year to Date

NONE

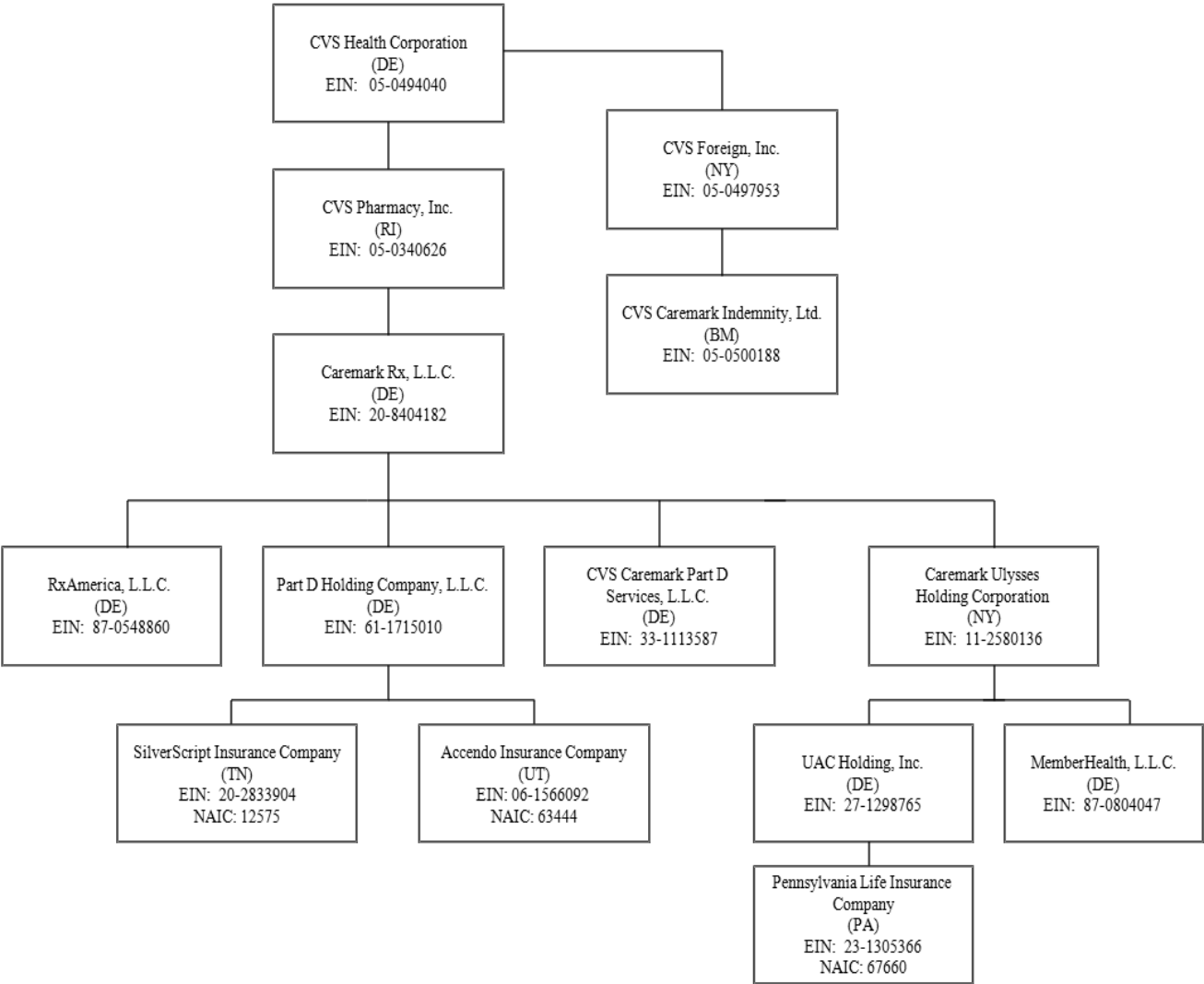
STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories										
		1	Direct Business Only							
		Active Status	2	3	4	5	6	7	8	9
States, etc.			Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	L	46,229,703					46,229,703	
2.	Alaska	AK	L	1,086,104					1,086,104	
3.	Arizona	AZ	L	29,338,349					29,338,349	
4.	Arkansas	AR	L	38,467,744					38,467,744	
5.	California	CA	L	301,103,966					301,103,966	
6.	Colorado	CO	L	19,479,013					19,479,013	
7.	Connecticut	CT	L	37,140,226					37,140,226	
8.	Delaware	DE	L	8,377,305					8,377,305	
9.	District of Columbia	DC	L	4,948,908					4,948,908	
10.	Florida	FL	L	158,699,028					158,699,028	
11.	Georgia	GA	L	90,055,847					90,055,847	
12.	Hawaii	HI	L	4,359,724					4,359,724	
13.	Idaho	ID	L	12,195,958					12,195,958	
14.	Illinois	IL	L	86,346,714					86,346,714	
15.	Indiana	IN	L	58,253,536					58,253,536	
16.	Iowa	IA	L	35,565,770					35,565,770	
17.	Kansas	KS	L	32,013,560					32,013,560	
18.	Kentucky	KY	L	51,154,747					51,154,747	
19.	Louisiana	LA	L	53,707,264					53,707,264	
20.	Maine	ME	L	5,863,858					5,863,858	
21.	Maryland	MD	L	47,796,018					47,796,018	
22.	Massachusetts	MA	L	87,331,032					87,331,032	
23.	Michigan	MI	L	68,151,480					68,151,480	
24.	Minnesota	MN	L	41,032,062					41,032,062	
25.	Mississippi	MS	L	49,694,097					49,694,097	
26.	Missouri	MO	L	82,491,463					82,491,463	
27.	Montana	MT	L	10,618,087					10,618,087	
28.	Nebraska	NE	L	20,394,709					20,394,709	
29.	Nevada	NV	L	9,140,007					9,140,007	
30.	New Hampshire	NH	L	9,111,528					9,111,528	
31.	New Jersey	NJ	L	89,900,820					89,900,820	
32.	New Mexico	NM	L	16,916,566					16,916,566	
33.	New York	NY	L	162,165,913					162,165,913	
34.	North Carolina	NC	L	109,823,837					109,823,837	
35.	North Dakota	ND	L	10,786,922					10,786,922	
36.	Ohio	OH	L	110,094,808					110,094,808	
37.	Oklahoma	OK	L	47,154,848					47,154,848	
38.	Oregon	OR	L	22,141,596					22,141,596	
39.	Pennsylvania	PA	L	122,893,376					122,893,376	
40.	Rhode Island	RI	L	8,804,444					8,804,444	
41.	South Carolina	SC	L	46,884,913					46,884,913	
42.	South Dakota	SD	L	10,140,523					10,140,523	
43.	Tennessee	TN	L	55,408,105					55,408,105	
44.	Texas	TX	L	143,685,044					143,685,044	
45.	Utah	UT	L	9,287,365					9,287,365	
46.	Vermont	VT	L	10,773,527					10,773,527	
47.	Virginia	VA	L	60,541,258					60,541,258	
48.	Washington	WA	L	46,991,128					46,991,128	
49.	West Virginia	WV	L	26,471,495					26,471,495	
50.	Wisconsin	WI	L	50,317,363					50,317,363	
51.	Wyoming	WY	L	5,333,986					5,333,986	
52.	American Samoa	AS	N						0	
53.	Guam	GU	L	11,339					11,339	
54.	Puerto Rico	PR	L	285,206					285,206	
55.	U.S. Virgin Islands	VI	L	28,420					28,420	
56.	Northern Mariana Islands	MP	L	2,612					2,612	
57.	Canada	CAN	N						0	
58.	Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0
59.	Subtotal	XXX	2,666,993,221	0	0	0	0	0	2,666,993,221	0
60.	Reporting Entity Contributions for Employee Benefit Plans	XXX							0	
61.	Totals (Direct Business)	(a) 55	2,666,993,221	0	0	0	0	0	2,666,993,221	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	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.
(a) Insert the number of L responses except for Canada and Other Alien.

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



This organizational chart reflects the insurance entity reporting system and identifies the relationship between the ultimate parent and all member insurers. The ultimate controlling company is a Fortune 7 company with numerous subsidiaries, the majority of which do not interact with the insurance entities.

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

[illegible]

Asterisk	Explanation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your 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.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

YES

Explanation:

Bar Code:

NONE

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage investment and commitment fees		
9. Total foreign exchange change in book value/recorded investment including accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
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)		

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,264,989	2,768,519
2. Cost of bonds and stocks acquired	2,319,024	250,078
3. Accrual of discount	59,452	79,386
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration for bonds and stocks disposed of	640,000	1,600,000
7. Deduct amortization of premium	578	8,719
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		224,275
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	3,002,887	1,264,989
11. Deduct total nonadmitted amounts	500,292	115,005
12. Statement value at end of current period (Line 10 minus Line 11)	2,502,595	1,149,984

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	1,352,706,793	1,551,319,330	1,506,467,478	244	1,437,507,829	1,352,706,793	1,397,558,889	1,314,557,274
2. NAIC 2 (a)	0				0	0	0	0
3. NAIC 3 (a)	0				0	0	0	0
4. NAIC 4 (a)	0				0	0	0	0
5. NAIC 5 (a)	0				0	0	0	0
6. NAIC 6 (a)	153,527			19,261	134,266	153,527	172,788	115,005
7. Total Bonds	1,352,860,320	1,551,319,330	1,506,467,478	19,505	1,437,642,095	1,352,860,320	1,397,731,677	1,314,672,279
PREFERRED STOCK								
8. NAIC 1	0				0	0	0	0
9. NAIC 2	0				0	0	0	0
10. NAIC 3	0				0	0	0	0
11. NAIC 4	0				0	0	0	0
12. NAIC 5	0				0	0	0	0
13. NAIC 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	1,352,860,320	1,551,319,330	1,506,467,478	19,505	1,437,642,095	1,352,860,320	1,397,731,677	1,314,672,279

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$; NAIC 2 \$; NAIC 3 \$ NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year-to-Date	Paid for Accrued Interest Year-to-Date
9199999 Totals	1,395,238,790	xxx	1,395,238,790	4,029,704	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,313,917,291	56,821,646
2. Cost of short-term investments acquired	4,836,807,503	4,012,961,615
3. Accrual of discount	623	178
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	4,755,486,627	2,755,866,148
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,395,238,790	1,313,917,291
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	1,395,238,790	1,313,917,291

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 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 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 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

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
912828-U7-3	US Treasury Bond		07/31/2017	Regions Bank		169,887	170,000	294	1
912828-U7-3	US Treasury Bond		07/31/2017	Regions Bank		1,529,104	1,530,000	2,644	1
912828-U7-3	US Treasury Bond		07/31/2017	Xerox State & Local Solutions, Inc.		119,972	120,000	212	1
0599999. Subtotal - Bonds - U.S. Governments						1,818,963	1,820,000	3,150	XXX
8399997. Total - Bonds - Part 3						1,818,963	1,820,000	3,150	XXX
8399998. Total - Bonds - Part 5						XXX	XXX	XXX	XXX
8399999. Total - Bonds						1,818,963	1,820,000	3,150	XXX
8999997. Total - Preferred Stocks - Part 3						0	XXX	0	XXX
8999998. Total - Preferred Stocks - Part 5						XXX	XXX	XXX	XXX
8999999. Total - Preferred Stocks						0	XXX	0	XXX
9799997. Total - Common Stocks - Part 3						0	XXX	0	XXX
9799998. Total - Common Stocks - Part 5						XXX	XXX	XXX	XXX
9799999. Total - Common Stocks						0	XXX	0	XXX
9899999. Total - Preferred and Common Stocks						0	XXX	0	XXX
9999999 - Totals						1,818,963	XXX	3,150	XXX

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

[illegible]

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues.....

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open
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 D - Section 1 - Counterparty Exposure for Derivative Instruments Open
N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged By
N O N E

Schedule DB - Part D-Section 2 - Collateral for Derivative Instruments Open - Pledged To
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 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
					First Month	Second Month	Third Month	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date				*
Bank of America Concord, CA					1,252,719	2,122,437	378,022	XXX
Bank of America Concord, CA					(8,203,780)	(7,589,509)	(5,381,115)	XXX
Regions Bank Birmingham, AL					(97,928)	0	0	XXX
0199998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX						XXX
0199999. Totals - Open Depositories	XXX	XXX	0	0	(7,048,989)	(5,467,072)	(5,003,093)	XXX
0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX						XXX
0299999. Totals - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	(7,048,989)	(5,467,072)	(5,003,093)	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999. Total - Cash	XXX	XXX	0	0	(7,048,989)	(5,467,072)	(5,003,093)	XXX

STATEMENT AS OF SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

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



SUPPLEMENT FOR THE QUARTER ENDING SEPTEMBER 30, 2017 OF THE SilverScript Insurance Company

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 4667

NAIC Company Code 12575

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected	2,338,586,722	XXX	11,749,216	XXX	2,350,335,938
2. Earned Premiums	2,200,030,852	XXX	10,361,410	XXX	XXX
3. Claims Paid	2,467,987,079	XXX	5,847,936	XXX	2,473,835,015
4. Claims Incurred	1,931,003,894	XXX	4,919,267	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	(1,496,503,016)	XXX	(60,666,210)	(1,557,169,226)
6. Aggregate Policy Reserves - Change	0	XXX	0	XXX	XXX
7. Expenses Paid	257,937,838	XXX	1,214,801	XXX	259,152,639
8. Expenses Incurred	242,854,950	XXX	1,143,766	XXX	XXX
9. Underwriting Gain or Loss	26,172,008	XXX	4,298,377	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	1,174,517,510

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ due from CMS or \$1,701,583,145 due to CMS