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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 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	Michele Wugalter Buchanan	Daniel Lee Zablocki
President	Secretary	Treasurer

Subscribed and sworn to before me this
day of

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

ASSETS

		Current Year			Prior Year
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1.	Bonds (Schedule D)	2,830,096	500,372	2,329,724	1,149,984
2.	Stocks (Schedule D):				
	2.1 Preferred stocks			0	0
	2.2 Common stocks			0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ (4,822,051) , Schedule E - Part 1), cash equivalents ($ 162,285,996 , Schedule E - Part 2) and short-term investments ($ 0 , Schedule DA)	157,463,945		157,463,945	1,308,235,549
6.	Contract loans, (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)			0	0
9.	Receivables for securities			0	0
10.	Securities lending reinvested collateral assets (Schedule DL)			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	160,294,041	500,372	159,793,669	1,309,385,533
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	307,543	41,866	265,677	404,631
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	51,704,310	24,600,470	27,103,840	16,298,775
	15.2 Deferred premiums and 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 ($ 3,698,136)	3,698,136		3,698,136	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers			0	3,631,279
	16.2 Funds held by or deposited with reinsured companies	127,992,947		127,992,947	27,142,349
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans	1,025,624,158	84,087	1,025,540,071	507,170,302
18.1	Current federal and foreign income tax recoverable and interest thereon			0	0
18.2	Net deferred tax asset	27,642,156	2,716,044	24,926,112	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	207,606,664		207,606,664	614,889,240
24.	Health care ($ 623,081,170) and other amounts receivable	498,464,936		498,464,936	288,749,712
25.	Aggregate write-ins for other than invested assets	119,367	119,367	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	2,103,454,258	28,062,206	2,075,392,052	2,823,572,736
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	2,103,454,258	28,062,206	2,075,392,052	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 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	Prepaid Expenses	119,367	119,367	0	0
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	119,367	119,367	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1	2	3	4
		Covered	Uncovered	Total	Total
1.	Claims unpaid (less $ 3,189,413 reinsurance ceded)	4,960,450		4,960,450	10,108,215
2.	Accrued medical incentive pool and bonus amounts	710,346		710,346	556,410
3.	Unpaid claims adjustment expenses			0	0
4.	Aggregate health policy reserves, including the liability of $ 0 for medical loss ratio rebate per the Public Health Service Act	34,277,266		34,277,266	259,907,736
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserves			0	0
7.	Aggregate health claim reserves			0	0
8.	Premiums received in advance	18,344,169		18,344,169	4,918,858
9.	General expenses due or accrued	7,209,211		7,209,211	9,362,538
10.1	Current federal and foreign income tax payable and interest thereon (including $ on realized capital gains (losses))	82,012,440		82,012,440	121,129,145
10.2	Net deferred tax liability			0	0
11.	Ceded reinsurance premiums payable	62,884,527		62,884,527	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 $ 27,317,370 authorized reinsurers, $ 0 unauthorized reinsurers and $ 0 certified reinsurers)	27,317,370		27,317,370	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	872,091,016		872,091,016	1,514,449,278
23.	Aggregate write-ins for other liabilities (including $ current)	0	0	0	0
24.	Total liabilities (Lines 1 to 23)	1,109,806,795	0	1,109,806,795	2,024,409,956
25.	Aggregate write-ins for special surplus funds	XXX	XXX	60,000,000	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	778,085,257	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	965,585,257	799,162,780
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,075,392,052	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 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501.	Section 9010 Special Surplus	XXX	XXX	60,000,000	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 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	60,000,000	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 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	XXX	54,092,424	50,159,973
2.	Net premium income (including $ non-health premium income)	XXX	2,633,698,155	2,527,289,958
3.	Change in unearned premium reserves and reserve for rate credits	XXX	229,328,608	(43,671,545)
4.	Fee-for-service (net of $ medical expenses)	XXX	0	
5.	Risk revenue	XXX	0	
6.	Aggregate write-ins for other health care related revenues	XXX	17,273,278	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	2,880,300,041	2,483,618,413
	Hospital and Medical:			
9.	Hospital/medical benefits		0	
10.	Other professional services		0	
11.	Outside referrals		0	
12.	Emergency room and out-of-area		0	
13.	Prescription drugs		2,814,618,657	2,188,243,660
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		146,417	827,202
16.	Subtotal (Lines 9 to 15)	0	2,814,765,074	2,189,070,862
	Less:			
17.	Net reinsurance recoveries		561,702,579	435,968,413
18.	Total hospital and medical (Lines 16 minus 17)	0	2,253,062,495	1,753,102,449
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 32,163,965 cost containment expenses		93,058,728	128,944,315
21.	General administrative expenses		239,168,857	250,373,379
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)		0	0
23.	Total underwriting deductions (Lines 18 through 22)	0	2,585,290,080	2,132,420,143
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	295,009,961	351,198,270
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		5,177,847	900,827
26.	Net realized capital gains (losses) less capital gains tax of $		(192,048)	(224,275)
27.	Net investment gains (losses) (Lines 25 plus 26)	0	4,985,799	676,552
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 529,237) (amount charged off $ (4,261,680))]		(3,732,443)	(24,632,619)
29.	Aggregate write-ins for other income or expenses	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	296,263,317	327,242,203
31.	Federal and foreign income taxes incurred	XXX	82,012,441	121,186,190
32.	Net income (loss) (Lines 30 minus 31)	XXX	214,250,876	206,056,013
	DETAILS OF WRITE-INS			
0601.	Enhanced Medication Therapy Management (eMTM) revenue from CMS	XXX	17,273,278	0
0602.		XXX		
0603		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	17,273,278	0
0701.	~	XXX		0
0702.		XXX		
0703		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.	~			0
1402.	~			0
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.	CMS Penalty			0
2902.	~			0
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	799,162,780	613,714,968
34.	Net income or (loss) from Line 32	214,250,876	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	(34,209,170)	(11,981,896)
39.	Change in nonadmitted assets	(13,619,229)	(8,626,305)
40	Change in unauthorized and certified reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	0	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
48.	Net change in capital and surplus (Lines 34 to 47)	166,422,477	185,447,812
49.	Capital and surplus end of reporting period (Line 33 plus 48)	965,585,257	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
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1 Current Year	2 Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	2,613,587,072	2,499,431,361
2. Net investment income	5,216,795	419,638
3. Miscellaneous income	17,273,278	0
4. Total (Lines 1 through 3)	2,636,077,145	2,499,850,999
5. Benefit and loss related payments	2,465,128,123	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	1,201,816,775	(1,027,228,689)
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	121,129,146	157,017,504
10. Total (Lines 5 through 9)	3,788,074,044	1,225,460,271
11. Net cash from operations (Line 4 minus Line 10)	(1,151,996,899)	1,274,390,728
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	640,000	1,600,000
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	2,904,320	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	3,544,320	1,600,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,319,025	250,078
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,319,025	250,078
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	1,225,295	1,349,922
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	0	(21,810,240)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	0	(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)	(1,150,771,604)	1,253,930,410
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,308,235,549	54,305,139
19.2 End of year (Line 18 plus Line 19.1)	157,463,945	1,308,235,549

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

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	2,633,698,155								2,633,698,155	
2. Change in unearned premium reserves and reserve for rate credit	229,328,608								229,328,608	
3. Fee-for-service (net of $ .... medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	17,273,278	0	0	0	0	0	0	0	17,273,278	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	2,880,300,041	0	0	0	0	0	0	0	2,880,300,041	0
8. Hospital/medical benefits	0									XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	2,814,618,657								2,814,618,657	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	146,417								146,417	XXX
15. Subtotal (Lines 8 to 14)	2,814,765,074	0	0	0	0	0	0	0	2,814,765,074	XXX
16. Net reinsurance recoveries	561,702,579								561,702,579	XXX
17. Total medical and hospital (Lines 15 minus 16)	2,253,062,495	0	0	0	0	0	0	0	2,253,062,495	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $ 32,163,965 cost containment expenses	93,058,728								93,058,728	
20. General administrative expenses	239,168,857								239,168,857	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	2,585,290,080	0	0	0	0	0	0	0	2,585,290,080	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	295,009,961	0	0	0	0	0	0	0	295,009,961	0
DETAILS OF WRITE-INS										
0501. Ehanced MTM from CMS	17,273,278								17,273,278	XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	17,273,278	0	0	0	0	0	0	0	17,273,278	XXX
0601.	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)				0
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	0			0
7. Title XIX - Medicaid	0			0
8. Other health	3,292,391,006	(924,947)	657,767,904	2,633,698,155
9. Health subtotal (Lines 1 through 8)	3,292,391,006	(924,947)	657,767,904	2,633,698,155
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	3,292,391,006	(924,947)	657,767,904	2,633,698,155

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	3,079,723,366								3,079,723,366	
1.2 Reinsurance assumed	10,462,506								10,462,506	
1.3 Reinsurance ceded	572,621,426								572,621,426	
1.4 Net	2,517,564,446	0	0	0	0	0	0	0	2,517,564,446	0
2. Paid medical incentive pools and bonuses	(7,519)								(7,519)	
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	5,646,863	0	0	0	0	0	0	0	5,646,863	0
3.2 Reinsurance assumed	2,503,000	0	0	0	0	0	0	0	2,503,000	0
3.3 Reinsurance ceded	3,189,413	0	0	0	0	0	0	0	3,189,413	0
3.4 Net	4,960,450	0	0	0	0	0	0	0	4,960,450	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	710,346								710,346	
6. Net healthcare receivables (a)	259,500,604								259,500,604	
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	11,250,968	0	0	0	0	0	0	0	11,250,968	0
8.2 Reinsurance assumed	9,761,000	0	0	0	0	0	0	0	9,761,000	0
8.3 Reinsurance ceded	10,903,753	0	0	0	0	0	0	0	10,903,753	0
8.4 Net	10,108,215	0	0	0	0	0	0	0	10,108,215	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	556,410								556,410	
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	2,814,618,657	0	0	0	0	0	0	0	2,814,618,657	0
12.2 Reinsurance assumed	3,204,506	0	0	0	0	0	0	0	3,204,506	0
12.3 Reinsurance ceded	564,907,086	0	0	0	0	0	0	0	564,907,086	0
12.4 Net	2,252,916,077	0	0	0	0	0	0	0	2,252,916,077	0
13. Incurred medical incentive pools and bonuses	146,417	0	0	0	0	0	0	0	146,417	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	436,859								436,859	
1.2 Reinsurance assumed	2,503,000								2,503,000	
1.3 Reinsurance ceded	2,503,000								2,503,000	
1.4 Net	436,859	0	0	0	0	0	0	0	436,859	0
2. Incurred but Unreported:										
2.1 Direct	5,210,004								5,210,004	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	686,413								686,413	
2.4 Net	4,523,591	0	0	0	0	0	0	0	4,523,591	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	5,646,863	0	0	0	0	0	0	0	5,646,863	0
4.2 Reinsurance assumed	2,503,000	0	0	0	0	0	0	0	2,503,000	0
4.3 Reinsurance ceded	3,189,413	0	0	0	0	0	0	0	3,189,413	0
4.4 Net	4,960,450	0	0	0	0	0	0	0	4,960,450	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
Line of Business	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior 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	(344,314,073)	2,809,449,714	2,214,799	2,745,652	(342,099,274)	10,108,215
9. Health subtotal (Lines 1 to 8)	(344,314,073)	2,809,449,714	2,214,799	2,745,652	(342,099,274)	10,108,215
10. Healthcare receivables (a)	0	498,464,936			0	291,393,137
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	(32,519)	25,000	610,346	100,000	577,827	556,410
13. Totals (Lines 9 - 10 + 11 + 12)	(344,346,592)	2,311,009,778	2,825,145	2,845,652	(341,521,447)	(280,728,512)

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Other

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	(14,335)	(19,422)	(25,571)	(27,855)	(26,515)
2.	2013	2,361,536	2,497,752	2,495,277	2,495,647	2,496,793
3.	2014	XXX	1,939,436	2,004,054	2,012,251	1,993,741
4.	2015	XXX	XXX	1,698,701	1,679,596	1,667,518
5.	2016	XXX	XXX	XXX	1,817,099	1,792,247
6.	2017	XXX	XXX	XXX	XXX	2,311,010

Section B - Incurred Health Claims - Other

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	5,742	(14,151)	(22,824)	(27,409)	(26,425)
2.	2013	2,545,281	2,526,879	2,502,890	2,496,072	2,497,155
3.	2014	XXX	2,034,743	2,011,641	2,013,515	1,994,341
4.	2015	XXX	XXX	1,742,595	1,683,083	1,668,586
5.	2016	XXX	XXX	XXX	1,822,141	1,792,953
6.	2017	XXX	XXX	XXX	XXX	2,313,855

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Other

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2013	2,965,595	2,496,793	246,171	9.9	2,742,964	92.5	451	0	2,743,415	92.5
2.	2014	2,516,234	1,993,741	165,575	8.3	2,159,316	85.8	600	0	2,159,916	85.8
3.	2015	2,337,345	1,667,518	125,438	7.5	1,792,956	76.7	1,068	0	1,794,024	76.8
4.	2016	2,483,618	1,792,247	125,450	7.0	1,917,697	77.2	706	0	1,918,403	77.2
5.	2017	2,863,027	2,311,010	83,000	3.6	2,394,010	83.6	2,846	0	2,396,856	83.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

($000 Omitted)

Section A - Paid Health Claims - Grand Total

	Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	(14,335)	(19,422)	(25,571)	(27,855)	(26,515)
2.	2013	2,361,536	2,497,752	2,495,277	2,495,647	2,496,793
3.	2014	XXX	1,939,436	2,004,054	2,012,251	1,993,741
4.	2015	XXX	XXX	1,698,701	1,679,596	1,667,518
5.	2016	XXX	XXX	XXX	1,817,099	1,792,247
6.	2017	XXX	XXX	XXX	XXX	2,311,010

Section B - Incurred Health Claims - Grand Total

	Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	5,742	(14,151)	(22,824)	(27,409)	(26,425)
2.	2013	2,545,281	2,526,879	2,502,890	2,496,072	2,497,155
3.	2014	XXX	2,034,743	2,011,641	2,013,515	1,994,341
4.	2015	XXX	XXX	1,742,595	1,683,083	1,668,586
5.	2016	XXX	XXX	XXX	1,822,141	1,792,953
6.	2017	XXX	XXX	XXX	XXX	2,313,855

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

	Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1.	2013	2,965,595	2,496,793	246,171	9.9	2,742,964	92.5	451	0	2,743,415	92.5
2.	2014	2,516,234	1,993,741	165,575	8.3	2,159,316	85.8	600	0	2,159,916	85.8
3.	2015	2,337,345	1,667,518	125,438	7.5	1,792,956	76.7	1,068	0	1,794,024	76.8
4.	2016	2,483,618	1,792,247	125,450	7.0	1,917,697	77.2	706	0	1,918,403	77.2
5.	2017	2,863,027	2,311,010	83,000	3.6	2,394,010	83.6	2,846	0	2,396,856	83.7

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	0								
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ ....) for investment income	43,008,266								43,008,266
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	43,008,266	0	0	0	0	0	0	0	43,008,266
7. Reinsurance ceded	8,731,000								8,731,000
8. Totals (Net)(Page 3, Line 4)	34,277,266	0	0	0	0	0	0	0	34,277,266
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ ....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ .... for occupancy of own building)					0
2. Salary, wages and other benefits			25,000		25,000
3. Commissions (less $ .... ceded plus $ .... assumed)			66,761,283		66,761,283
4. Legal fees and expenses					0
5. Certifications and accreditation fees			67,600		67,600
6. Auditing, actuarial and other consulting services			500,004		500,004
7. Traveling expenses			2,191		2,191
8. Marketing and advertising					0
9. Postage, express and telephone					0
10. Printing and office supplies			41,639		41,639
11. Occupancy, depreciation and amortization					0
12. Equipment					0
13. Cost or depreciation of EDP equipment and software					0
14. Outsourced services including EDP, claims, and other services	2,345,757	10,120	2,015,133		4,371,010
15. Boards, bureaus and association fees					0
16. Insurance, except on real estate					0
17. Collection and bank service charges			1,422		1,422
18. Group service and administration fees					0
19. Reimbursements by uninsured plans	(9,841,095)	(19,767,027)	(55,289,208)		(84,897,330)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			4,719,623		4,719,623
23.2 State premium taxes					0
23.3 Regulatory authority licenses and fees			4,190,761		4,190,761
23.4 Payroll taxes					0
23.5 Other (excluding federal income and real estate taxes)					0
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	39,659,303	80,651,670	216,133,409	0	336,444,382
26. Total expenses incurred (Lines 1 to 25)	32,163,965	60,894,763	239,168,857	0	(a) 332,227,585
27. Less expenses unpaid December 31, current year			7,209,211		7,209,211
28. Add expenses unpaid December 31, prior year			9,362,538		9,362,538
29. Amounts receivable relating to uninsured plans, prior year	550,088	3,823,188	4,387,083		8,760,359
30. Amounts receivable relating to uninsured plans, current year	851,135	1,709,607	4,781,843		7,342,585
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	32,465,012	58,781,182	241,716,944	0	332,963,138
DETAILS OF WRITE-INS					
2501. Related party PBM Management fees	47,913,968	96,279,899	269,641,672		413,835,539
2502. CMS fees			10,924,385		10,924,385
2503. Captive Reinsurance Expense ceded-related party	(8,254,665)	(15,628,229)	(61,528,328)		(85,411,222)
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	(2,904,320)	0	(2,904,320)
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	39,659,303	80,651,670	216,133,409	0	336,444,382

(a) Includes management fees of $ 413,835,539 to affiliates and $ .... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 28,057	24,978
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a) 0	98,918
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5	Contract Loans		
6	Cash, cash equivalents and short-term investments	(e) 5,192,475	5,053,951
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	5,220,532	5,177,847
11.	Investment expenses		(g) 0
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		0
17.	Net investment income (Line 10 minus Line 16)		5,177,847
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ 78,902 accrual of discount less $ 772 amortization of premium and less $ 3,660 paid for accrued interest on purchases.

(b) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued dividends on purchases.

(c) Includes $ accrual of discount less $ amortization of premium and less $ paid for accrued interest on purchases.

(d) Includes $ for company's occupancy of its own buildings; and excludes $ interest on encumbrances.

(e) Includes $ 623 accrual of discount less $ amortization of premium and less $ 1,379 paid for accrued interest on purchases.

(f) Includes $ accrual of discount less $ amortization of premium.

(g) Includes $. investment expenses and $ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ interest on surplus notes and $ interest on capital notes.

(i) Includes $ depreciation on real estate and $ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	0	0	0	0	0
1.1	Bonds exempt from U.S. tax			0		
1.2	Other bonds (unaffiliated)	0	(192,048)	(192,048)	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans		0	0	0	0
4.	Real estate		0	0		0
5.	Contract loans			0		
6.	Cash, cash equivalents and short-term investments			0		
7.	Derivative instruments			0		
8.	Other invested assets		0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	0	(192,048)	(192,048)	0	0
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	500,372	115,005	(385,367)
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	500,372	115,005	(385,367)
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued	41,866	19,991	(21,875)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	24,600,470	5,601,581	(18,998,889)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums and contracts subject to redetermination			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	84,087	4,804	(79,283)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	2,716,044	5,950,411	3,234,367
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable		2,643,425	2,643,425
25. Aggregate write-ins for other than invested assets	119,367	107,760	(11,607)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	28,062,206	14,442,977	(13,619,229)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	28,062,206	14,442,977	(13,619,229)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501. Prepaid expenses	119,367	107,760	(11,607)
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	119,367	107,760	(11,607)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	4,285,967	4,533,327	4,457,011	4,499,642	4,519,889	54,092,424
7. Total	4,285,967	4,533,327	4,457,011	4,499,642	4,519,889	54,092,424
DETAILS OF WRITE-INS						
0601. Medicare Part D	4,285,967	4,533,327	4,457,011	4,499,642	4,519,889	54,092,424
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	4,285,967	4,533,327	4,457,011	4,499,642	4,519,889	54,092,424

Notes to Financial Statements

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:

NET INCOME:	**SSAP#**	**F/S Page**	**F/S Line#**	**Year Ending December 31, 2017**	**Year Ending December 31, 2016**
(1) SilverScript State Basis (Page 4, Line 32, Column 2 & 4)				$ 214,250,876	$ 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)				$ 214,250,876	$ 206,056,013
SURPLUS:				**December 31, 2017**	**December 31, 2016**
(5) SilverScript State Basis (Page 3, Line 33, Column 3 & 4)				$ 965,585,257	$ 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	(500,372)	(115,005)
(8) NAIC SAP (5-6-7=8)				$ 966,085,629	$ 799,277,785

The Company owns a U.S Treasury 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 December 31, 2017 and 2016, respectively.

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

The preparation of financial statements in conformity with the *Annual 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 Statements

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

(1) Short-term investments include bonds with an original purchase maturity date of less than one year but greater than three months are stated at amortized cost using the straight-line method of amortization on premiums or discounts. Cash Equivalents include money market holdings that are stated at fair value, and bonds with an original purchase maturity date of less than three months are stated at amortized cost using the straight-line method of amortization on premiums or discounts and are classified as cash equivalents.

(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. The Company recognized a capital loss of $192 thousand and $224 thousand as a result of the impairment of the Puerto Rico bond as of December 31, 2017 and 2016, respectively..

(3) As of December 31, 2017 and 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

Accounting Changes: Due to the revisions in SSAP No. 2R – Cash, Cash Equivalents, Drafts, and Short-Term Investments, starting with 2017 Annual Statement reporting, all money market mutual funds should be reported as cash equivalents on Schedule E, Part 2. Based on NAIC’s guidance, the money market mutual funds owned at the end of 3rd Quarter 2017 and reported on Schedule DA Part 1 need to be disposed on Schedule DA - Verification, and be acquired on Schedule E – Part 2- Verification Between Years of 2017 Annual Statement. The Company disposed $1,395.2 million on line 6, column 4 of Schedule DA – Verification and acquired $1,395.2 million on line 2, column 3 of Schedule E – Part 2 Verification between years in 2017 Annual Statement related to these accounting changes.

Corrections of Errors: None

3. Business Combinations and Goodwill

A. Statutory Purchase Method: None

B. Statutory Merger: None

C. Assumption Reinsurance:

(1) For the year ending December 31, 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

Notes to Financial Statements

4. Discontinued Operations

None

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. Dollar Repurchase Agreements and/or Securities Lending Transactions: None

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing: None

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing: None

H. Repurchase Agreements Transactions Accounted for as a Sale: None

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale: None

J. Real Estate: None

K. Low-Income Housing Tax Credits (“LIHTC”): None

L. Restricted Assets:

(1) Restricted Assets (Including Pledged)

Notes to Financial Statements

5. Investments (continued)

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	3,436,023	3,334,509	101,514	0	3,436,023	0.163	0.166
k. On deposit with other regulatory bodies	500,372	115,005	385,367	500,372	0	0.024	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	$ 3,936,395	$ 3,449,514	$ 486,881	$ 500,372	$ 3,436,023	0.187%	0.166%

(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

M. Working Capital Finance Investments: None

N. Offsetting and Netting of Assets and Liabilities: None

O. Structured Notes: None

P. 5* Securities: None

Q. Short Sales: None

R. Prepayment Penalty and Acceleration Fees: None

Notes to Financial Statements

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

A. Components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs):

(1) DTA/DTL Components

	Description	2017 Ordinary	2016 Ordinary	Change Ordinary
(a)	Gross deferred tax assets	$ 27,722,267	$ 62,000,866	$ (34,278,599)
(b)	Statutory valuation allowance adjustment	-	-	-
(c)	Adjusted gross deferred tax assets	27,722,267	62,000,866	(34,278,599)
(d)	Adjusted gross deferred tax assets non-admitted	(2,716,044)	(5,950,411)	3,234,367
(e)	Sub-total admitted adjusted gross deferred tax asset	25,006,223	56,050,455	(31,044,232)
(f)	Gross deferred tax liabilities	(80,111)	(149,540)	69,429
(g)	Net admitted deferred tax asset/(liability)	$ 24,926,112	$ 55,900,915	$ (30,974,803)

(2) Admission calculation components:

	Description	2017 Ordinary	2016 Ordinary	Change Ordinary
	Admission calculation under ¶11.a.-¶11.c.			
(a)	Admitted pursuant to ¶11.a. (loss carrybacks)	$ 24,926,112	$ 55,900,915	$ (30,974,803)
(b)	Admitted pursuant to ¶11.b. (Realization)	-	-	-
	Realization per ¶11.b.i.	-	-	-
	Limitation per ¶11.b.ii.	137,573,431	108,848,824	28,724,607
(c)	Admitted pursuant to ¶11.c.	80,111	149,540	(69,429)
	Deferred tax liabilities	(80,111)	(149,540)	69,429
(d)	Total admitted adjusted gross deferred tax asset	$ 25,006,223	$ 56,050,455	$ (31,044,233)

(3) Used in ¶11.b

(a) Applicable ratio for realization limitation threshold table 1,356.15% and 1,150.60% for 2017 and 2016, respectively.

(4) There is no impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs.

B. The Company does not have any unrecorded DTLs

C. Significant components of income taxes incurred.

(1) Current income taxes incurred consist of the following major components:

Notes to Financial Statements

9. Income Taxes (continued)

	Description	2017	2016
(a)	Current federal income tax expense / (benefit)	$ 82,012,441	$ 121,129,145
(b)	Foreign Income tax expense / (benefit)	-	-
(c)	Subtotal	82,012,441	121,129,145
(d)	Tax expense / (benefit) on realized capital gains / (losses)	-	-
(e)	Utilization of capital loss carryforwards	-	-
(f)	Other, including prior year underaccrual (overaccrual)	-	57,045
(g)	Federal and foreign income taxes incurred	$ 82,012,441	$ 121,186,190

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities are as follows:

(2) DTAs Resulting From

	Book/Tax Differences In	December 31, 2017	December 31, 2016	Change
(a)	**Ordinary**			
(1)	Discounting of unpaid losses and LAE	$ 7,522	$ 27,277	$ (19,755)
(2)	Unearned premiums	770,455	344,320	426,135
(3)	Intangibles	3,656,790	7,601,559	(3,944,769)
(4)	Allowance-Manufacturer	17,728,206	50,782,072	(33,053,867)
(5)	Nonadmitted Assets	5,322,694	2,972,398	2,350,296
(6)	Net operating loss carryforward	-	-	-
(7)	Accrued Medical Incentive Pool	149,173	194,744	(45,571)
	Substotal - Gross ordinary DTAs	$ 27,634,840	$ 61,922,370	$ (34,287,531)
(b)	Statutory valuation adjustment adjustment - ordinary (-)	-	-	-
(c)	Nonadmitted ordinary DTAs (-)	(2,628,617)	(5,871,915)	3,243,298
(d)	Admitted ordinary DTAs	$ 25,006,223	$ 56,050,455	$ (31,044,232)
(e)	**Capital**			
(1)	Investments	$ 87,428	$ 78,496	$ 8,932
	Gross Capital DTAs	87,428	78,496	8,932
(f)	Statutory valuation adjustment	-	-	-
(g)	Nonadmitted capital DTAs (-)	(87,428)	(78,496)	(8,932)
(h)	Admitted capital DTAs	-	-	-
	Admitted DTAs	$ 25,006,223	$ 56,050,455	$ (31,044,232)

(3) DTLs Resulting From

	Book/Tax Differences In	December 31, 2017	December 31, 2016	Change
(a)	**Ordinary**			
	(1) Goodwill	$ (80,111)	$ (149,540)	$ 69,429
	(99) Ordinary DTLs	$ (80,111)	$ (149,540)	$ 69,429
(c)	**DTLs**	$ (80,111)	$ (149,540)	$ 69,429
(4)	**Net deferred tax assets/liabilities**	$ 24,926,112	$ 55,900,915	$ (30,974,803)

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of non-admitted assets as the Change in Non-admitted Assets is reported separately from the Change in Net Deferred Income Taxes in the surplus section of the Annual Statement):

Notes to Financial Statements

9. Income Taxes (continued)

	December 31, 2017	December 31, 2016	Bal. Sheet Change
Total deferred tax assets	$ 27,722,267	$ 62,000,866	$ (34,278,599)
Total deferred tax liabilities	(80,111)	(149,540)	$ 69,429
Net deferred tax assets/liabilities	$ 27,642,156	$ 61,851,326	$ (34,209,170)
Statutory valuation allowance adjustment	-	-	-
Net deferred tax assets/liabilities after SVA	$ 27,642,156	$ 61,851,326	$ (34,209,170)
Tax effect of unrealized gains/(losses)			-
Statutory valuation allowance adjustment allocated to unrealized (+)			-
Other intra-period allocation of deferred tax movement			-
Change in net deferred income tax (charge)/benefit			$ (34,209,170)

D. Reconciliation of total statutory income taxes reported to tax at statutory tax rate:

The provisions for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes including realized capital gains/losses.

The significant items causing this difference are as follows:

Description	Amount	Statutory 35% Tax Effect	Effective Tax Rate
Income Before Taxes (including all realized capital gains / (losses))	$296,263,317	$ 103,692,161	35.00%
ACA fee	-	-	0.00%
Tax-Exempt Interest	-	-	0.00%
Dividends Received Deduction	-	-	-
Meals & Entertainment, Lobbying Expenses, etc	296	104	0.00%
Statutory Valuation Allowance Adjustment	-	-	-
Foreign tax rate differential	-	-	-
Change in Tax Rate	87,752,878	18,428,104	6.22%
Impact of Non-Admitted Assets	(16,853,596)	(5,898,759)	-1.99%
Other, Including Prior Year True-Up	1	1	0.00%
Total	$367,162,895	$ 116,221,612	39.23%

Federal income taxed incurred expense/(benefit)	82,012,441	27.68%
Change in net deferred income tax charge/(benefit)	34,209,170	11.55%
Total statutory income taxes	$ 116,221,611	39.23%

E. Carryforwards, recoverable taxes, and IRC §6603 deposits:

The Company has no net operating losses, capital loss carryforwards or AMT credit carryforwards.

The income tax expense for 2017 and 2016 that is available for recoupment in the event of future net losses is $82,012,441 and $121,129,145

No deposits are admitted under IRC §6603.

F. Income tax loss contingencies

The Company does not have any income tax loss contingencies

G. The Company's federal income tax return is consolidated with the following entities:

The Company's federal income tax return is consolidated with that of the Ultimate Parent and subsidiaries. The Company has a written tax sharing agreement with the Ultimate Parent, and its allocation of the Ultimate Parent's federal income taxes is based on the Company's federal 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 SilverScript 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.

Notes to Financial Statement

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

A., B., C. During the year ending December 31, 2017 and 2016, the Company did not have any material transfer of assets to affiliates.

D. The Company reported a receivable of $207.6 million and $614.9 million from affiliates on line 23 of page 2 as of December 31, 2017 and 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 December 31, 2017, the Company reported a net receivable from the Parent Company and its affiliates of $57.5 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	**December 31, 2017**	**December 31, 2016**
Taxes payable (lines 9 &10.1)	$ 87,189,823	$ 128,169,830
Ceded reinsurance premiums payable (line 11)	62,884,527	83,237,907
Amounts due (from) to parent, subsidiaries and affiliates (line 23)	(207,606,664)	(614,889,240)
	$ (57,532,314)	$ (403,481,503)

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 December 31, 2017, the Company reported a receivable from affiliates of $207.6 million, primarily as a result of prefunding of claims activity from Part D Services. The prefunding amount was released with the claims payments in January 2018. *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 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.:

Notes to Financial Statement

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

Statement of Revenue and Expenses		**December 31, 2017**		**December 31, 2016**
Management fee				
Claims adjustment expenses(line 20)	$	144,193,867	$	213,396,655
General and administrative expenses (line 21)		269,641,672		213,870,165
Total management fee	$	413,835,539	$	427,266,820
Reinsurance expenses ceded				
Claims adjustment expenses(line 20)	$	23,882,894	$	39,181,847
General and administrative expenses (line 21)		61,528,328		77,649,699
Total reinsurance expenses ceded	$	85,411,222	$	116,831,546

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 ninety 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 December 31, 2017 and 2016, the Company owed the Ultimate Parent $82.0 million and $121.1 million, respectively, for federal income taxes, which is reported as *current federal and foreign income tax payabl*e in the Statement of Liabilities, Capital and Surplus. As of December 31, 2017 and 2016, the Company owed the Ultimate Parent $5.2 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.

M. 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 December 31, 2017 and 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.

(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 year ending December 31, 2017 and 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

Notes to Financial Statement

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

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 December 31, 2017 and 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 $60.0 million and $0 million as of December 31, 2017 and 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 December 31, 2017 and 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 $3.7 million and $24.6 million as of December 31, 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

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

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 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 year ending December 31, 2017 and 2016, the gain from operations from ASC uninsured plans is as follows:

December 31, 2017

		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a.	Gross reimbursement for medical costs incurred	$ 2,999,514,083	$ -	$ 2,999,514,083
b.	Gross administrative fees accrued	84,837,026	-	84,837,026
c.	Other income or expense (including interest paid to or received from plans)	-	-	-
d.	Gross expenses incurred (claims and administrative)	(3,081,661,633)	-	(3,081,661,633)
e	Total Net Operations	$ 2,689,476	$ -	$ 2,689,476

December 31, 2016

		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a.	Gross reimbursement for medical costs incurred	$ 2,808,741,447	$ -	$ 2,808,741,447
b.	Gross administrative fees accrued	95,026,934	-	95,026,934
c.	Other income or expense (including interest paid to or received from plans)	-	-	-
d.	Gross expenses incurred (claims and administrative)	(2,903,768,381)	-	(2,903,768,381)
e	Total Net Operations	$ -	$ -	$ -

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

(1) Revenue and prescription drug amounts for the year ending December 31, 2017 and 2016, exclude $11,375.0 million and $10,465.3 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 December 31, 2017 and 2016, the admitted *amounts receivable relating to uninsured plans* includes the following:

	12/31/2017	12/31/2016
CMS settlement-2011	$ -	$ 1,590,415
CMS settlement-2015	-	21,451,139
CMS settlement-2017	8,250,410	-
First United American & United American CMS settlement	27,317,370	20,739,869
Coverage gap discount receivable	305,651,934	324,340,588
Unbilled group receivable	119,476,797	138,859,175
Billed group receivable	162,108	189,116
Rx Rebate Receivable for uninsured plan	564,681,452	-
Total amounts receivable related to uninsured plans	$ 1,025,540,071	$ 507,170,302

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. These settlements are related to LICS and drugs covered by the catastrophic reinsurance feature. As of December 31, 2017, the Company recorded a CMS settlement receivable of $8.3 million for the plan year 2017. The Company collected settlement amounts of $1.6 million and $21.5 million from CMS for plan year 2011 and 2015 on January 3 and Mach 31, 2017, respectively. The Company has also recorded a receivable from CMS for $27.3 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.

Notes to Financial Statement

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

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 December 31, 2017, there was an Rx rebate receivable of $564.7 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 December 31, 2017 and December 31, 2016, *amounts payable relating to uninsured plans* includes the following:

	12/31/2017	12/31/2016
CMS settlement - 2016	$ -	$ 99,641,382
Reopener payables	49,361,410	67,814,091
SF EGWP client payables	767,781,783	1,233,265,067
Coverage gap discount payable	-	110,097,460
Other	54,947,823	3,631,279
Total amounts payable related to uninsured plans	$ 872,091,016	$ 1,514,449,278

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 as of December 31, 2016. The payable was settled in the fourth quarter of 2017.

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 December 31, 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.

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:

Notes to Financial Statement

20. Fair Value Measurements (continued)

Cash, cash equivalents 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:

December 31, 2017

Description for each class of asset or liability	**(Level 1)**	**(Level 2)**	**(Level 3)**	**Total**
Assets at fair value				
Cash	$ (4,822,051)	$ -	$ -	$ (4,822,051)
Cash equivalents and Short-Term Investments	162,285,996	-	-	162,285,996
Total Assets at fair value	$ 157,463,945	$ -	$ -	$ 157,463,945

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)
Cash equivalents and 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

B. Other Accounting Pronouncements: Not Applicable

C. Aggregate fair value for all financial instruments at reporting date:

Notes to Financial Statement

20. Fair Value Measurements (continued)

December 31, 2017

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	$ 2,805,678	$ 2,329,724	$ 2,805,678	$ -	$ -	$ -
Cash	$ (4,822,051)	$ (4,822,051)	$ (4,822,051)	$ -	$ -	$ -
Cash equivalents and Short-Term	$ 162,285,996	$ 162,285,996	$ 162,285,996	$ -	$ -	$ -

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)	$ -	$ -	$ -
Cash equivalents and Short-Term	$ 1,313,917,291	$ 1,313,917,291	$ 1,313,917,291	$ -	$ -	$ -

D. Not Practicable to Estimate Fair Value

As of December 31, 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 December 31, 2017, bonds and cash equivalents 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 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 year ending December 31, 2017 and 2016, the Company recognized a capital loss of $192 thousand and $224 thousand as a result of the impairment of the Puerto Rico bond.

21. Other Items

A. Unusual or Infrequent Items: None

B. Troubled Debt Restructuring - Debtors: None

C. Other Disclosures: None

D. Business Interruption Insurance Recoveries: None

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

Notes to Financial Statement

22. Events Subsequent

During the year ending December 31, 2017, the company has segregated from *unassigned funds* $60.0 million as a write-in to *Aggregate write-ins for special surplus*. There were no amounts segregated to special surplus for the year ending December 31, 2016 as a result of the Appropriations Act. This rule 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.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act?	YES	YES
B.	ACA fee assessment payable for the upcoming year	$ 60,000,000	$ -
C.	ACA fee assessment paid	$ -	$ 55,772,751
D.	Premium written subject to ACA 9010 assessment	$ 3,292,391,006	$ 3,154,884,797
E.	Total Adjusted Capital before surplus adjustment	$ 965,585,257	$ 799,162,780
F.	Total Adjusted Capital after surplus adjustment	$ 905,585,257	$ 799,162,780
G.	Authorized Control Level after surplus adjustment	$ 69,362,321	$ 64,597,696
H.	Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)?	No	No

The Company has assessed and concluded that there were no other material subsequent events, through February 26, 2018, the date which the financial statements were available to be issued.

23. Reinsurance

A. Ceded Reinsurance Report

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.

Notes to Financial Statement

23. Reinsurance (continued)

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

		Year ending December 31, 2017		Year ending December 31, 2016
Statement of Revenue and Expense:				
Premiums and other revenue	$	710,992,642	$	621,499,408
Benefits		(561,702,579)		(435,968,413)
Commissions expense		(85,983,837)		(117,474,989)
Interest expense		572,615		643,443
Total revenue and expense ceded	$	63,878,841	$	68,699,449
Balance Sheet:				
Claims unpaid	$	686,413	$	1,142,753
Aggregate health policy reserves		-		46,566,694
Accrued retrospective premiums		(1,414,766)		-
Premiums received in advance		4,102,600		1,292,540
Premiums receivable		(6,775,960)		(4,074,694)
Accrued incentive pool		25,000		117,786
Rebates Receivable		(124,616,234)		(72,187,428)
Total ceded balance sheet Items	$	(127,992,947)	$	(27,142,349)
Unsettled Prior Year Balance	$	(994,314)	$	14,538,458
Funds held by or deposited with reinsured companies	$	707,477,131	$	665,927,390
Funds held under reinsurance treaties with unauthorized reinsurers		(772,585,551)		(609,831,832)
Amount due to CVS Caremark Indemnity, Ltd.	$	(65,108,420)	$	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 December 31, 2017 and 2016 accrued retroactive premium adjustments were reported as an *aggregate health policy reserves* in the amount of $34.3 million and $259.9 million, respectively, and as *accrued retrospective premiums and contracts subject to redetermination* of $3.7 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 year ending December 31, 2017 and 2016 that was subject to the retrospective rating feature was $3,463.7 million and $3,270.4 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 the year ending December 31, 2017 and 2016, respectively.

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.

Notes to Financial Statement

25. Change in Incurred Claims and Claim Adjustment Expenses

A. 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:

		Year Ending December 31, 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		556,410		29,454,327
	$	(280,728,512)	$	61,840,495
Incurred related to:				
Current year	$	2,313,855,430	$	1,822,140,994
Prior year		(60,792,935)		(69,038,545)
	$	2,253,062,495	$	1,753,102,449
Paid (received) related to:				
Current year	$	2,809,474,715	$	2,105,848,550
Prior year		(344,346,592)		(10,177,094)
	$	2,465,128,123	$	2,095,671,456
Balances as of December 31, 2017 and December 31, 2016:				
Reserves for unpaid claims	$	4,960,450	$	10,108,215
Health Care Receivable		(498,464,936)		(291,393,137)
Reserve for incentive pools		710,346		556,410
	$	(492,794,140)	$	(280,728,512)

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 year 2017 and 2016, the Company experienced $60.8 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.

B. There were no significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses, including reasons for the change and the effects on the financial statements for the most recent reporting period presented.

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 December 31, 2017 and 2016, respectively. The amounts are presented gross of non-admitted receivable but net of reinsurance ceded:

		12/31/2017		12/31/2016
Pharmaceutical Rebates Receivable	$	281,956,969	$	46,616,730
Performance Network Rebate Receivable		216,507,967		244,776,407
Total Health Care and Other Amounts Receivable	**$**	**498,464,936**	**$**	**291,393,137**

Notes to Financial Statement

28. Health Care Receivables (continued)

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 $282.0 million and $46.6 million as of December 31, 2017 and 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.

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
12/31/2017	$ 1,513,146,853	$ 1,513,146,853	$ 596,019,190	$ -	$ -
9/30/2017	1,468,927,054	1,463,073,301	1,463,073,301	-	-
6/30/2017	1,499,381,807	1,497,352,528	1,497,352,528	-	-
3/31/2017	1,418,953,584	1,468,659,673	1,468,659,673	-	-
12/31/2016	1,512,431,283	1,508,186,746	1,508,186,746	-	-
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	1,482,460,815	1,482,460,815	-	-
12/31/2015	1,350,151,915	1,377,395,076	1,377,395,076	-	-
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	1,160,312,222	1,160,312,222	-	-

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1, 1A and 2

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? Tennessee

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/17/2015

3.4 By what department or departments?
State of Tennessee, Department of Commerce and Insurance

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [ ] No [X]
4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [X]

8.4 If response to 8.3 is yes, please provide 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 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC

9\. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, 200 Clarendon St. Boston, MA 02116

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [ ] No [ ] N/A [X]

10.6 If the response to 10.5 is no or n/a, please explain
Exempt status per DOI

11\. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Tony Cheng, Actuary, CVS Health, 29100 Aurora Rd. Solon OH 44139

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If, yes provide explanation:

13\. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]

(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $
- 20.12 To stockholders not officers $
- 20.13 Trustees, supreme or grand (Fraternal Only) $

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $
- 20.22 To stockholders not officers $
- 20.23 Trustees, supreme or grand (Fraternal Only) $

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [ ] No [X]

24.02 If no, give full and complete information relating thereto
Silverscript Insurance Company has Statutory Deposits with several states

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $

24.06 If answer to 24.04 is no, report amount of collateral for other programs. $

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0

24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 $ 0

24.103 Total payable for securities lending reported on the liability page. $ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No [ ]

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

25.21 Subject to repurchase agreements $

25.22 Subject to reverse repurchase agreements $

25.23 Subject to dollar repurchase agreements $

25.24 Subject to reverse dollar repurchase agreements $

25.25 Placed under option agreements $

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock $

25.27 FHLB Capital Stock $

25.28 On deposit with states $ 3,436,023

25.29 On deposit with other regulatory bodies $ 500,372

25.30 Pledged as collateral - excluding collateral pledged to an FHLB $

25.31 Pledged as collateral to FHLB - including assets backing funding agreements $

25.32 Other $

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of America, N.A.	2000 Clayton Rd. 5th floor, 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	1021 E. Cary Steet, 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

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

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

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

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

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

GENERAL INTERROGATORIES

28.05 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

28.0597 For those firms/individuals listed in the table for Question 28.05, 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 [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes [ ] No [X]

28.06 For those firms or individuals listed in the table for 28.05 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

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

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	2,329,725	2,805,678	475,953
30.2 Preferred stocks	0		0
30.3 Totals	2,329,725	2,805,678	475,953

30.4 Describe the sources or methods utilized in determining the fair values:
Fair Value is determined by a broker or custodian

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

33. By self-designating 5*GI securities, the reporting entity is certifying the following elements of each self-designated 5*GI security:
    a. Documentation necessary to permit a full credit analysis of the security does not exist.
    b. Issuer or obligor is current on all contracted interest and principal payments.
    c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.
    Has the reporting entity self-designated 5*GI securities? Yes [ ] No [X]

OTHER

34.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 67,600

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

1 Name	2 Amount Paid
A.M Best Company	67,600

35.1 Amount of payments for legal expenses, if any? $ 0

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

1.2 If yes, indicate premium earned on U.S. business only. $

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $ 0

1.6 Individual policies:

Most current three years:
- 1.61 Total premium earned $ 0
- 1.62 Total incurred claims $ 0
- 1.63 Number of covered lives 0

All years prior to most current three years:
- 1.64 Total premium earned $ 0
- 1.65 Total incurred claims $ 0
- 1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:
- 1.71 Total premium earned $ 0
- 1.72 Total incurred claims $ 0
- 1.73 Number of covered lives 0

All years prior to most current three years:
- 1.74 Total premium earned $ 0
- 1.75 Total incurred claims $ 0
- 1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	2,633,698,155	2,539,480,800
2.2	Premium Denominator	2,633,698,155	2,527,289,958
2.3	Premium Ratio (2.1/2.2)	1.000	1.005
2.4	Reserve Numerator	39,948,062	270,572,361
2.5	Reserve Denominator	39,948,062	270,572,361
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:
The Company has a quota share reinsurance agreement with an affiliate of the Parent Company.

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

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

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

7.2 If no, give details

8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year 68,000
- 8.2 Number of providers at end of reporting year 68,000

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

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

GENERAL INTERROGATORIES

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

10.2 If yes:

10.21 Maximum amount payable bonuses $ 146,417
10.22 Amount actually paid for year bonuses $ (7,519)
10.23 Maximum amount payable withholds $
10.24 Amount actually paid for year withholds $

11.1 Is the reporting entity organized as:

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

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No [ ]
11.3 If yes, show the name of the state requiring such minimum capital and surplus. Wisconsin
11.4 If yes, show the amount required. $ 202,794,758
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]
11.6 If the amount is calculated, show the calculation
2,633,698,155 (total premiums) x .07= 184,358,871 x 110% = 202,794,758

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

1 Name of Service Area
All States listed in Schedule T

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

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

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

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

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [X] No [ ] N/A [ ]
14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5 Letters of Credit	6 Trust Agreements	7 Other
First United American Life Insurance Company	74101	NY				
United American Insurance Company	92916	NE				

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written $
15.2 Total Incurred Claims $
15.3 Number of Covered Lives

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

FIVE-YEAR HISTORICAL DATA

		1 2017	2 2016	3 2015	4 2014	5 2013
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	2,075,392,052	2,823,572,736	2,385,680,862	2,764,215,754	2,479,404,546
2.	Total liabilities (Page 3, Line 24)	1,109,806,795	2,024,409,956	1,771,965,894	2,316,137,741	2,147,542,442
3.	Statutory minimum capital and surplus requirement	202,794,758	195,540,022	179,510,074	194,025,430	239,611,852
4.	Total capital and surplus (Page 3, Line 33)	965,585,257	799,162,780	613,714,968	448,078,013	331,862,104
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	2,880,300,041	2,483,618,413	2,337,344,758	2,516,234,178	2,965,594,606
6.	Total medical and hospital expenses (Line 18)	2,253,062,495	1,753,102,449	1,686,828,389	1,996,448,374	2,525,936,349
7.	Claims adjustment expenses (Line 20)	93,058,728	128,944,315	128,037,369	171,353,561	243,655,860
8.	Total administrative expenses (Line 21)	239,168,857	250,373,379	210,782,881	101,788,780	65,589,644
9.	Net underwriting gain (loss) (Line 24)	295,009,961	351,198,270	311,696,119	246,643,463	130,412,753
10.	Net investment gain (loss) (Line 27)	4,985,799	676,552	68,509	24,029	33,267
11.	Total other income (Lines 28 plus 29)	(3,732,443)	(24,632,619)	(111,911,726)	(24,714,285)	(4,085,909)
12.	Net income or (loss) (Line 32)	214,250,876	206,056,013	37,989,272	124,561,216	82,054,431
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	(1,151,996,899)	1,274,390,728	(9,537,316)	14,830,496	(376,083,659)
	Risk-Based Capital Analysis					
14.	Total adjusted capital	965,585,257	799,162,780	613,714,968	448,078,013	331,862,104
15.	Authorized control level risk-based capital	69,362,321	64,597,696	41,243,080	62,762,625	68,425,625
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	4,519,889	4,285,967	3,485,708	2,994,368	3,354,748
17.	Total members months (Column 6, Line 7)	54,092,424	50,159,973	41,238,109	36,635,427	41,765,543
	Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	78.7	70.6	72.2	79.3	85.2
20.	Cost containment expenses	1.1	0.7	1.1	0.0	0.0
21.	Other claims adjustment expenses	2.1	4.5	4.4	6.8	8.2
22.	Total underwriting deductions (Line 23)	90.3	85.9	86.7	90.2	95.6
23.	Total underwriting gain (loss) (Line 24)	10.3	14.1	13.3	9.8	4.4
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	(341,521,447)	(7,198,050)	73,939,168	165,527,512	5,742,170
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	(280,728,512)	61,840,495	129,705,462	203,822,464	25,086,908
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate					
31.	All other affiliated					
32.	Total of above Lines 26 to 31	0	0	0	0	0
33.	Total investment in parent included in Lines 26 to 31 above.					

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

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, etc.	1 Active Status	Direct Business Only: 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	L	57,773,133						57,773,133	
2. Alaska AK	L	1,448,175						1,448,175	
3. Arizona AZ	L	38,856,072						38,856,072	
4. Arkansas AR	L	51,055,718						51,055,718	
5. California CA	L	355,409,101						355,409,101	
6. Colorado CO	L	24,288,190						24,288,190	
7. Connecticut CT	L	45,877,797						45,877,797	
8. Delaware DE	L	9,606,770						9,606,770	
9. District of Columbia DC	L	5,542,499						5,542,499	
10. Florida FL	L	195,362,654						195,362,654	
11. Georgia GA	L	112,264,621						112,264,621	
12. Hawaii HI	L	4,044,594						4,044,594	
13. Idaho ID	L	16,188,171						16,188,171	
14. Illinois IL	L	110,242,619						110,242,619	
15. Indiana IN	L	72,463,652						72,463,652	
16. Iowa IA	L	46,124,064						46,124,064	
17. Kansas KS	L	40,839,756						40,839,756	
18. Kentucky KY	L	63,389,208						63,389,208	
19. Louisiana LA	L	69,074,071						69,074,071	
20. Maine ME	L	7,062,394						7,062,394	
21. Maryland MD	L	55,220,247						55,220,247	
22. Massachusetts MA	L	107,506,398						107,506,398	
23. Michigan MI	L	78,563,890						78,563,890	
24. Minnesota MN	L	53,244,159						53,244,159	
25. Mississippi MS	L	62,349,835						62,349,835	
26. Missouri MO	L	104,271,279						104,271,279	
27. Montana MT	L	13,813,603						13,813,603	
28. Nebraska NE	L	26,461,152						26,461,152	
29. Nevada NV	L	11,202,025						11,202,025	
30. New Hampshire NH	L	10,812,671						10,812,671	
31. New Jersey NJ	L	105,662,365						105,662,365	
32. New Mexico NM	L	22,206,340						22,206,340	
33. New York NY	L	208,647,424						208,647,424	
34. North Carolina NC	L	134,538,348						134,538,348	
35. North Dakota ND	L	14,015,932						14,015,932	
36. Ohio OH	L	140,787,457						140,787,457	
37. Oklahoma OK	L	59,152,400						59,152,400	
38. Oregon OR	L	28,322,643						28,322,643	
39. Pennsylvania PA	L	153,546,191						153,546,191	
40. Rhode Island RI	L	10,273,478						10,273,478	
41. South Carolina SC	L	55,911,464						55,911,464	
42. South Dakota SD	L	13,145,278						13,145,278	
43. Tennessee TN	L	69,487,461						69,487,461	
44. Texas TX	L	164,687,795						164,687,795	
45. Utah UT	L	12,296,235						12,296,235	
46. Vermont VT	L	13,311,909						13,311,909	
47. Virginia VA	L	72,919,760						72,919,760	
48. Washington WA	L	59,805,018						59,805,018	
49. West Virginia WV	L	32,998,204						32,998,204	
50. Wisconsin WI	L	62,922,079						62,922,079	
51. Wyoming WY	L	6,964,282						6,964,282	
52. American Samoa AS	N							0	
53. Guam GU	L	14,832						14,832	
54. Puerto Rico PR	L	375,109						375,109	
55. U.S. Virgin Islands VI	L	37,646						37,646	
56. Northern Mariana Islands MP	L	2,838						2,838	
57. Canada CAN	N							0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	3,292,391,006	0	0	0	0	0	3,292,391,006	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 55	3,292,391,006	0	0	0	0	0	3,292,391,006	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.

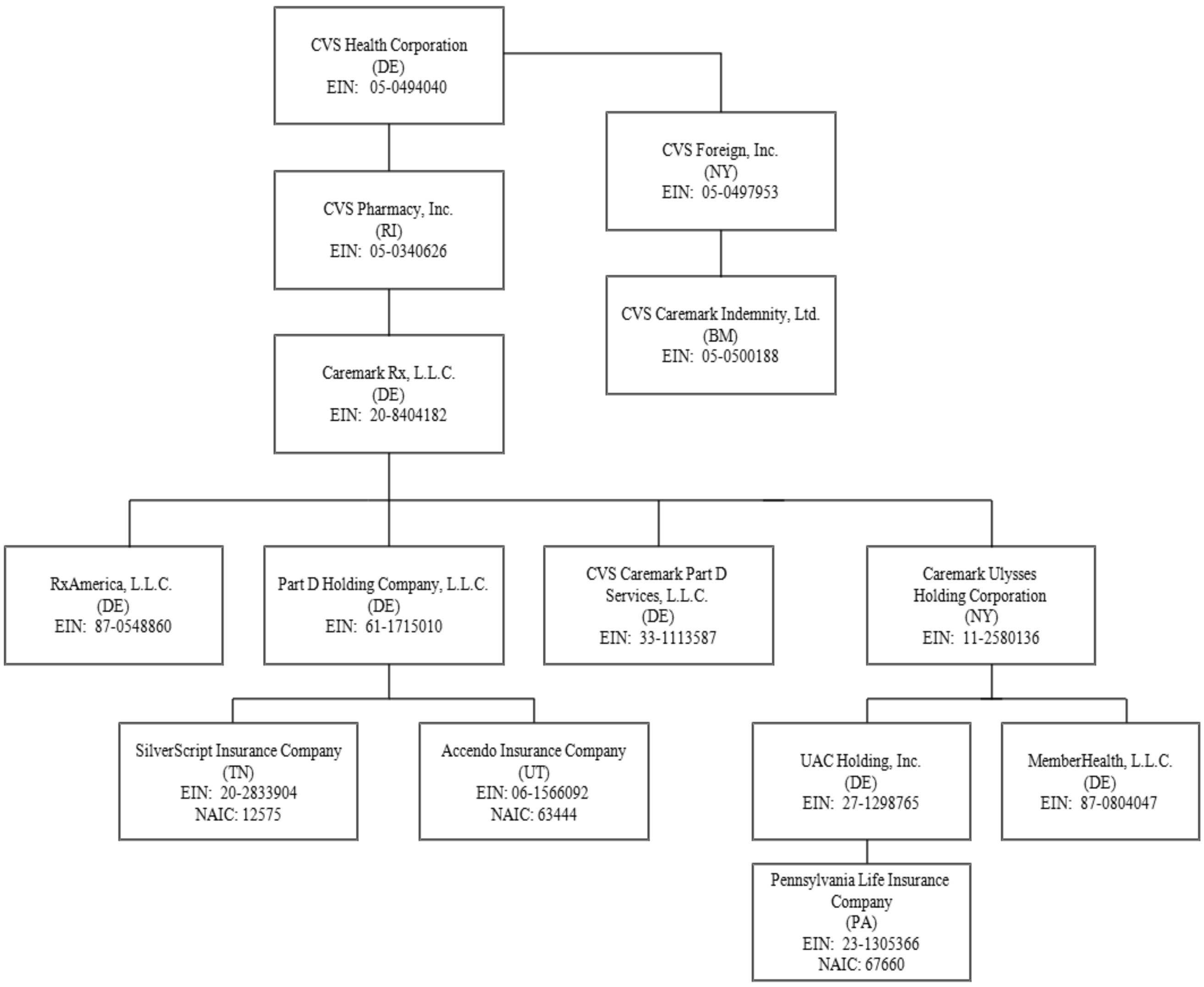
Explanation of basis of allocation by states, premiums by state, etc.

The premiums allocations are based on the situs of the contract

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

The premiums allocations are based on the situs of the contract

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.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Amortization of goodwill			(2,904,320)		(2,904,320)
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	(2,904,320)	0	(2,904,320)

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

ANNUAL STATEMENT BLANK (Continued)