



ANNUAL STATEMENT

For the Year Ended December 31, 2013
of the Condition and Affairs of the

Express Scripts Insurance Company

NAIC Group Code..... , (Current Period) (Prior Period)
 Organized under the Laws of Arizona State of Domicile or Port of Entry Arizona Country of Domicile US
 Licensed as Business Type.....Life, Accident & Health Is HMO Federally Qualified? Yes [] No []
 Incorporated/Organized..... February 23, 1994 Commenced Business..... February 23, 1994
 Statutory Home Office 7909 South Hardy Drive..... Tempe AZ USA 85284
 (Street and Number) (City or Town, State, Country and Zip Code)
 Main Administrative Office 7909 South Hardy Drive..... Tempe AZ USA 85284 866-332-5455-345966
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
 Mail Address One Express Way, Mailstop HQ2E04..... Saint Louis MO USA 63121
 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)
 Primary Location of Books and Records One Express Way; Mailstop: HQ2E04..... St. Louis MO USA 63121 800-332-5455-345966
 (Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)
 Internet Web Site Address www.express-scripts.com
 Statutory Statement Contact Kelia D Clements 800-332-5455-345966
 (Name) (Area Code) (Telephone Number) (Extension)
 kdclements@express-scripts.com 866-276-7055
 (E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Britton Pim	President & Chief Executive Officer	2. Matthew Harper	Treasurer & Chief Financial Officer
3. Christopher Knibb	Vice President	4. Keith Ebling	Secretary

OTHER

Marty P Akins	Assistant Secretary
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DIRECTORS OR TRUSTEES

Pat McNamee	Ed Ignaczak	Keith Ebling	Matthew Harper
Britton Pim			

State of..... Missouri
 County of..... Saint Louis

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.

_____ (Signature) Britton Pim	_____ (Signature) Matthew Harper	_____ (Signature) Christopher Knibb
1. (Printed Name) President & Chief Executive Officer	2. (Printed Name) Treasurer & Chief Financial Officer	3. (Printed Name) Vice President
_____ (Title)	_____ (Title)	_____ (Title)

Subscribed and sworn to before me
 This 24th day of February 2014

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 _____

Robert B. Fuller, Notary Public
 St. Louis County, State of Missouri
 My Commission Expires 08/03/2015
 Commission Number 11423992

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).....			0	
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....1,543,131, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....24,443,913, Schedule DA).....	25,987,044		25,987,044	26,365,808
6. Contract loans (including \$.....0 premium notes).....			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	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	25,987,044	0	25,987,044	26,365,808
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....			0	1,177
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....			0	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums.....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....	83,273,334		83,273,334	20,318,830
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....	99,504		99,504	8,228
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).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	130,896,559		130,896,559	33,895,469
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other than invested assets.....	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	240,256,441	0	240,256,441	80,589,512
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTALS (Lines 26 and 27).....	240,256,441	0	240,256,441	80,589,512

DETAILS OF WRITE-INS

1101.....			0	
1102.....			0	
1103.....			0	
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.....			0	
2502.....			0	
2503.....			0	
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).....	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	255,600		255,600	151,000
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	4,300		4,300	3,000
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....			0	24,500
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	17,663,393		17,663,393	127,704
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	161,927,493		161,927,493	62,301,155
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	179,850,786	0	179,850,786	62,607,359
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	2,600,000	2,600,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	17,330,976	6,330,976
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	40,474,679	9,051,177
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	60,405,655	17,982,153
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	240,256,441	80,589,512

DETAILS OF WRITE-INS

2301.			0	
2302.			0	
2303.			0	
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.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	988,132	598,486
2. Net premium income (including \$.....0 non-health premium income).....	XXX	172,250,624	84,078,224
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	.0	.0
7. Aggregate write-ins for other non-health revenues.....	XXX	.0	.0
8. Total revenues (Lines 2 to 7).....	XXX	172,250,624	84,078,224
Hospital and Medical:			
9. Hospital/medical benefits.....			
10. Other professional services.....			
11. Outside referrals.....			
12. Emergency room and out-of-area.....			
13. Prescription drugs.....		139,693,835	102,299,814
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	.0	139,693,835	102,299,814
Less:			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....	.0	139,693,835	102,299,814
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....		4,300	3,000
21. General administrative expenses.....		(15,463,362)	(17,966,261)
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	.0	124,234,773	84,336,553
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	48,015,851	(258,329)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		3,743	5,219
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....			
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	3,743	5,219
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....	.0	.0	.0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	48,019,594	(253,110)
31. Federal and foreign income taxes incurred.....	XXX	16,687,369	(64,033)
32. Net income (loss) (Lines 30 minus 31).....	XXX	31,332,225	(189,077)

DETAILS OF WRITE-INS

0601.	XXX		
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	.0	.0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	.0	.0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	.0	.0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0	.0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.0	.0	.0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	.0	.0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	.0	.0	.0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	17,982,153	18,165,028
34. Net income or (loss) from Line 32.....	31,332,225	(189,077)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	91,276	6,202
39. Change in nonadmitted assets.....		
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	11,000,000	
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).....	42,423,501	(182,875)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	60,405,655	17,982,153

DETAILS OF WRITE-INS

4701. Independent Auditor's Adjustment as Stated in Audit including tax provision true-up.....		
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

Express Scripts Insurance Company CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	172,250,624	84,078,224
2. Net investment income.....	4,920	5,018
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	172,255,544	84,083,242
5. Benefit and loss related payments.....	139,589,235	102,465,014
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	(52,107,696)	(56,936,678)
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(848,320)	2,632,604
10. Total (Lines 5 through 9).....	86,633,219	48,160,940
11. Net cash from operations (Line 4 minus Line 10).....	85,622,325	35,922,302
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....		
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	.0	.0
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	.0	.0
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	.0	.0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	11,000,000	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(97,001,089)	(38,331,513)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(86,001,089)	(38,331,513)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	(378,764)	(2,409,211)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	26,365,808	28,775,019
19.2 End of year (Line 18 plus Line 19.1).....	25,987,044	26,365,808

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	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
6. Title XVIII - Medicare.....				0
7. Title XIX - Medicaid.....				0
8. Other health.....	172,250,624			172,250,624
9. Health subtotal (Lines 1 through 8).....	172,250,624	0	0	172,250,624
10. Life.....				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11).....	172,250,624	0	0	172,250,624

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	139,589,235								139,589,235	
1.2 Reinsurance assumed.....	.0									
1.3 Reinsurance ceded.....	.0									
1.4 Net.....	139,589,235	.0	.0	.0	.0	.0	.0	.0	139,589,235	.0
2. Paid medical incentive pools and bonuses.....	.0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	255,600								255,600	
3.2 Reinsurance assumed.....	.0									
3.3 Reinsurance ceded.....	.0									
3.4 Net.....	255,600	.0	.0	.0	.0	.0	.0	.0	255,600	.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.....	.0									
6. Net healthcare receivables (a).....	.0									
7. Amounts recoverable from reinsurers December 31, current year.....	.0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	151,000								151,000	
8.2 Reinsurance assumed.....	.0									
8.3 Reinsurance ceded.....	.0									
8.4 Net.....	151,000	.0	.0	.0	.0	.0	.0	.0	151,000	.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.....	.0									
11. Amounts recoverable from reinsurers December 31, prior year.....	.0									
12. Incurred benefits:										
12.1 Direct.....	139,693,835	.0	.0	.0	.0	.0	.0	.0	139,693,835	.0
12.2 Reinsurance assumed.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.4 Net.....	139,693,835	.0	.0	.0	.0	.0	.0	.0	139,693,835	.0
13. Incurred medical incentive pools and bonuses.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	255,600								255,600	
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	255,600	0	0	0	0	0	0	0	255,600	0
2. Incurred but unreported:										
2.1 Direct.....	0									
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	0	0	0	0	0	0	0	0	0	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.....	255,600	0	0	0	0	0	0	0	255,600	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	255,600	0	0	0	0	0	0	0	255,600	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 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		
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	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....	16,161	139,573,074		255,600	16,161	151,000
9. Health subtotal (Lines 1 to 8).....	16,161	139,573,074	0	255,600	16,161	151,000
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	16,161	139,573,074	0	255,600	16,161	151,000

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior.....	(6,809)	(7,096)	(7,096)	(7,096)	
2. 2009.....	16,667	102			
3. 2010.....	XXX	27,385	288		
4. 2011.....	XXX	XXX	43,963	63	
5. 2012.....	XXX	XXX	XXX	102,402	16
6. 2013.....	XXX	XXX	XXX	XXX	139,573

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior.....					
2. 2009.....	17,043	102			
3. 2010.....	XXX	27,258	288		
4. 2011.....	XXX	XXX	44,030	63	
5. 2012.....	XXX	XXX	XXX	102,237	16
6. 2013.....	XXX	XXX	XXX	XXX	139,678

12.GT

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009.....	20,649	6,906		0.0	6,906	33.4			6,906	33.4
2. 2010.....	30,472	16,769	4	0.0	16,773	55.0			16,773	55.0
3. 2011.....	44,774	27,674		0.0	27,674	61.8			27,674	61.8
4. 2012.....	84,078	102,418		0.0	102,418	121.8			102,418	121.8
5. 2013.....	172,251	139,573		0.0	139,573	81.0	256	4	139,833	81.2

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Hospital & Medical
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Hospital & Medical
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Hospital & Medical
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Dental
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Dental
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Dental
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior.....	NONE				
2. 2009.....					
3. 2010.....	XXX				
4. 2011.....	XXX	XXX			
5. 2012.....	XXX	XXX	XXX		
6. 2013.....	XXX	XXX	XXX	XXX	

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior.....	NONE				
2. 2009.....					
3. 2010.....	XXX				
4. 2011.....	XXX	XXX			
5. 2012.....	XXX	XXX	XXX		
6. 2013.....	XXX	XXX	XXX	XXX	

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XIX - MEDICAID

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009.....					NONE					.0
2. 2010.....				0.0	0	0.0			0	0.0
3. 2011.....				0.0	0	0.0			0	0.0
4. 2012.....				0.0	0	0.0			0	0.0
5. 2013.....				0.0	0	0.0			0	0.0

12.XI

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS
 (000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2009	2 2010	3 2011	4 2012	5 2013
1. Prior.....	(6,809)	(7,096)	(7,096)	(7,096)	
2. 2009.....	16,667	102			
3. 2010.....	XXX	27,385	288		
4. 2011.....	XXX	XXX	43,963	63	
5. 2012.....	XXX	XXX	XXX	102,402	16
6. 2013.....	XXX	XXX	XXX	XXX	139,573

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 2009	2 2010	3 2011	4 2012	5 2013
1. Prior.....					
2. 2009.....	17,043	102			
3. 2010.....	XXX	27,258	288		
4. 2011.....	XXX	XXX	44,030	63	
5. 2012.....	XXX	XXX	XXX	102,237	16
6. 2013.....	XXX	XXX	XXX	XXX	139,678

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SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2009.....	20,649	6,906		0.0	6,906	33.4			6,906	33.4
2. 2010.....	30,472	16,769	4	0.0	16,773	55.0			16,773	55.0
3. 2011.....	44,774	27,674		0.0	27,674	61.8			27,674	61.8
4. 2012.....	84,078	102,418		0.0	102,418	121.8			102,418	121.8
5. 2013.....	172,251	139,573		0.0	139,573	81.0	256	4	139,833	81.2

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	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 \$.....0) for investment income.....	0								
5. Aggregate write-ins for other policy reserves.....	0	0	0	0	0	0	0	0	0
6. Totals (gross).....	0	0	0	0	0	0	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	0	0	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

NONE

13

DETAILS OF WRITE-INS

0501.	0								
0502.	0								
0503.	0								
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.	0								
1102.	0								
1103.	0								
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 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....					0
2. Salaries, wages and other benefits.....					0
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....					0
4. Legal fees and expenses.....					0
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....			97,625		97,625
7. Traveling expenses.....					0
8. Marketing and advertising.....			1,128,522		1,128,522
9. Postage, express and telephone.....					0
10. Printing and office supplies.....			98		98
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....			5,135		5,135
14. Outsourced services including EDP, claims, and other services.....		4,300	30,701,532		30,705,832
15. Boards, bureaus and association fees.....					0
16. Insurance, except on real estate.....					0
17. Collection and bank service charges.....			12,000		12,000
18. Group service and administration fees.....			4,259,909		4,259,909
19. Reimbursements by uninsured plans.....			(52,117,991)		(52,117,991)
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....			449,808		449,808
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....					0
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	0	4,300	(15,463,362)	0	(a)....(15,459,062)
27. Less expenses unpaid December 31, current year.....		4,300			4,300
28. Add expenses unpaid December 31, prior year.....		3,000	24,500		27,500
29. Amounts receivable relating to uninsured plans, prior year.....			20,318,830		20,318,830
30. Amounts receivable relating to uninsured plans, current year.....			83,273,334		83,273,334
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	0	3,000	47,515,642	0	47,518,642

DETAILS OF WRITE-INS

2501.					0
2502.					0
2503.					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	0	0	0	0

(a) Includes management fees of \$.....30,705,832 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....	.....
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....	.....
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....	.....
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e)..... 3,743	..... 3,743
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	..... 0	..... 0
10. Total gross investment income.....	..... 3,743	..... 3,743
11. Investment expenses.....	.....	(g).....
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....
14. Depreciation on real estate and other invested assets.....	.....	(i)..... 0
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).....	.....	..... 3,743

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 \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 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	.....	.....
1.1 Bonds exempt from U.S. tax..... 0	.....	.....
1.2 Other bonds (unaffiliated)..... 0	.....	.....
1.3 Bonds of affiliates..... 0	.....	.....
2.1 Preferred stocks (unaffiliated)..... 0	.....	.....
2.11 Preferred stocks of affiliates..... 0	.....	.....
2.2 Common stocks (unaffiliated)..... 0	.....	.....
2.21 Common stocks of affiliates..... 0	.....	.....
3. Mortgage loans..... 0	.....	.....
4. Real estate..... 0	.....	.....
5. Contract loans..... 0	.....	.....
6. Cash, cash equivalents and short-term investments..... 0	.....	.....
7. Derivative instruments..... 0	.....	.....
8. Other invested assets..... 0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	..... 0	..... 0	..... 0	..... 0	..... 0
10. Total capital gains (losses).....	..... 0	..... 0	..... 0	..... 0	..... 0

NONE

DETAILS OF WRITE-INS

0901. ....	.....	.....	..... 0	.....	.....
0902. ....	.....	.....	..... 0	.....	.....
0903. ....	.....	.....	..... 0	.....	.....
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 NONADMITTED 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).....			.0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.0
2.2 Common stocks.....			.0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.0
3.2 Other than first liens.....			.0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.0
4.2 Properties held for the production of income.....			.0
4.3 Properties held for sale.....			.0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.0
6. Contract loans.....			.0
7. Derivatives (Schedule DB).....			.0
8. Other invested assets (Schedule BA).....			.0
9. Receivables for securities.....			.0
10. Securities lending reinvested collateral assets (Schedule DL).....			.0
11. Aggregate write-ins for invested assets.....	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.0	.0	.0
13. Title plants (for Title insurers only).....			.0
14. Investment income due and accrued.....			.0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			.0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.0
15.3 Accrued retrospective premiums.....			.0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.0
16.2 Funds held by or deposited with reinsured companies.....			.0
16.3 Other amounts receivable under reinsurance contracts.....			.0
17. Amounts receivable relating to uninsured plans.....			.0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0
18.2 Net deferred tax asset.....			.0
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. Receivables from parent, subsidiaries and affiliates.....			.0
24. Health care and other amounts receivable.....			.0
25. Aggregate write-ins for other than invested assets.....	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.0	.0	.0
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0
28. TOTALS (Lines 26 and 27).....	.0	.0	.0

NONE

DETAILS OF WRITE-INS

1101.....			.0
1102.....			.0
1103.....			.0
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.....			.0
2502.....			.0
2503.....			.0
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).....	.0	.0	.0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....						
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	153,524	266,139	238,125	240,428	243,440	988,132
7. Total.....	153,524	266,139	238,125	240,428	243,440	988,132

DETAILS OF WRITE-INS

0601. Stand-alone Medicare Part D Prescription Drug Provider.....	153,524	266,139	238,125	240,428	243,440	988,132
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).....	153,524	266,139	238,125	240,428	243,440	988,132

EXHIBIT 3A - ANALYSIS OF HEALTH CARE RECEIVABLES COLLECTED AND ACCRUED

Type of Health Care Receivable	Health Care Receivables Collected During the Year		Heath Care Receivables Accrued as of December 31 of Current Year		5	6
	1 On Amounts Accrued Prior to January 1 of Current Year	2 On Amounts Accrued During the Year	3 On Amounts Accrued December 31 of Prior Year	4 On Amounts Accrued During the Year	Health Care Receivables in Prior Years (Columns 1 + 3)	Estimated Health Care Receivables Accrued as of December 31 of Prior Year
1. Pharmaceutical rebate receivables.....					0	
2. Claim overpayment receivables.....					0	
3. Loans and advances to providers.....					0	
4. Capitation arrangement receivables.....					0	
5. Risk sharing receivables.....					0	
6. Other health care receivables.....					0	
7. Totals (Lines 1 through 6).....	0	0	0	0	0	0

NONE

Note that the accrued amounts in Columns 3, 4, and 6 are the total health care receivables, not just the admitted portion.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

A. Accounting Principles

The financial statements of Express Scripts Insurance Company are presented on the basis of accounting practices prescribed or permitted by the State of Arizona Department of Insurance (the "Department").

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

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. 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. Actual results could differ from those estimates.

C. Accounting Policy

Balance Sheet

Cash and Cash Equivalents - Cash and cash equivalents include highly liquid investments that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash also includes savings accounts, Department (as defined above) deposits and certificates of deposit with original maturities of three months or less. In compliance with the state of Arizona's regulations (AR 20-535) the Company continues to monitor its diversification methodologies. The balances of these accounts as of December 31, 2013 are as follows:

Cash:

Bank of America Fixed Income 12 month CD (Restricted AR)	\$	100,071
JP Morgan Chase Bank - Chicago, Illinois		1,335,307
US Bank - Fixed Income 12 month CD (Restricted GA)		35,008
US Bank – FDIC Insured Commercial Checking (Unrestricted OR)		22,564
Wells Fargo - FDIC Insured Commercial Checking (Restricted CA)		50,181
Total Cash	\$	<u>1,543,131</u>

Short-Term Investments - Short-term investments include investments in U.S. Treasury Bills with a maturity of twelve months or less. The investments maintained in an account with Union Bank are to fulfill the minimum account balances required for the Company's Certificate of Authority with the state of Arizona as well as other states with which the Company has applied for licenses. The account with Union Bank has restrictions on access to the funds. The state of North Carolina has refunded \$200,000 of the restricted amount to the company due to the agreements set forth at the time of licensure. The balances of these accounts as of December 31, 2013 are as follows:

Short-term Investments:

Bank of America Federated US Treasury 125 Fund (Restricted NH)	\$	250,057
Citibank ISD Global Concentration (Restricted MA)		100,000
SunTrust Ridgeworth US Treasury (Restricted VA)		500,000
US Bank – First American Treasury (Restricted NC)		400,007
Union Bank – U S Treasury Bill (Restricted AZ - Others)		1,578,622
US Bank – US Treasury Bills (Unrestricted OR & Others)		4,999,595
JPM Funds – US Govt Sec		1,501,414
Federated Funds – US Treas Cash Res Fund		1,500,204
Federated Funds – US Treas Prime Cash Obligation		1,503,356
Federated Funds – US Treas Govt Obligation		1,550,583
Federated Funds – US Treas Treas Obligation		1,551,143
Dreyfus Funds – Cash Management Participant Shares		1,500,957
Dreyfus Funds – Institutional Cash Adv Inst Shares		1,555,917
Goldman Funds – Prime Mutual		1,500,560
Goldman Funds – Government		1,500,514
Goldman Funds – Money Market Mutual Fund		1,500,600
Goldman Funds – Federal MMkt Mtl Fnd		1,450,384
Total Short-term Investments	\$	<u>24,443,913</u>

The Company worked with various states during the Expansion Application process to meet their requirements while maintaining those of the state of domicile. The Company diversified its working cash bank accounts in JP Morgan Chase to comply with the state of domicile's diversification regulation AR 20-535. The results of that diversification include monies in several Fund Accounts - JPM Funds, Federated Funds, Dreyfus Funds and Goldman Funds. The diversification of the JP Morgan Chase working bank accounts meets the requirements of the state of domicile (Arizona) and the various states the Company worked with during the Expansion Application process.

NOTES TO FINANCIAL STATEMENTS

To meet particular states' requirements during the Expansion Application process the Company deposited required amounts into restricted investments as required by those states. These states are New Hampshire, Arkansas, Massachusetts, Virginia, Georgia, North Carolina and California.

Intercompany Payables and Receivables - Intercompany amounts result from operations in the normal course of business, including expenses paid on behalf of the Company by the parent corporation, Express Scripts Senior Care Holdings, Inc.

Amounts Receivable Relating to Uninsured Plans - The Company adjusted the receivable at December 31, 2013 based on estimates. These estimates include Reinsurance and Low-Income Cost Sharing (LICS) settlements the Company would expect to receive after CMS performs their annual reconciliations in 2014. Note that for employer group waiver plans (EGWPs), CMS does not make prospective subsidy payments; therefore, both reinsurance and LICS are receivables. An outside actuarial service opined on the 2013 receivable numbers during the annual statutory filing process in accordance with published guidance from the American Academy of Actuaries for the end-of-the year statutory reporting of these Part D reconciliation items.

Common Stock - Common Stock represents shares of ownership by the parent company. As of December 31, 2013, a total of 2,600,000 shares of stock have been issued to the parent company, Express Scripts Senior Care Holdings, Inc. at a par value of \$1 per share.

Income Statement

Revenue Recognition - The Company offers benefits under a funded Nationwide Stand-Alone Medicare Part D Plan. Premiums are billed monthly and are recorded as revenue in the period billed. Premiums received in advance are recorded as a liability and classified as revenue in the period to which they relate.

Claim Cost - Prescription drug claims are recorded as expense in the period in which the prescription is filled.

Intercompany Transactions - The Company's parent corporation, Express Scripts Senior Care Holdings, Inc., performs administrative services for the Company, including processing prescription drug claims and invoicing members for premiums. The Company pays Express Scripts Senior Care Holdings, Inc. for prescription drug costs and other costs associated with administering the program, under an intercompany agreement on file with the State of Arizona.

General Administrative Expenses - The Company provides administrative services for self-insured EGWPs, for which it received administrative fees of \$52,117,991 for the twelve months ended December 31, 2013, \$42,888,037 for the twelve months ended December 31, 2012 and \$19,815,929 for the twelve months ended December 31, 2011. These administrative fees are netted within general administrative expenses in accordance with SSAP No. 3.

General Administrative Expenses:

Self funded (non-risk) admin fee received (SSAP 47)	(52,117,991)
Outsourced services including EDP, claims and other services	30,705,832
Group service and administration fees	4,467,889
Software and other misc. expense	933,476
Professional fees	97,625
Insurance taxes, licenses and fees	449,807
Total general insurance expenses	<u>(15,463,362)</u>

Note 2 - Accounting Changes and Corrections of Errors

Not Applicable.

Note 3 - Business Combinations and Goodwill

Not Applicable.

Note 4 - Discontinued Operations

Not Applicable.

Note 5 - Investments

The Company's investments consist of First American Treasury Obligation held by U.S. Bank, US Treasury Bonds and U.S. Treasury Bills, JP Morgan Funds, Federated Funds, Dreyfus Funds, Goldman Funds. In addition, the Company deposited required amounts into restricted investments as required by New Hampshire, Arkansas, Massachusetts, Virginia, Georgia and North Carolina and an unrestricted US Bank to meet an unrestricted Oregon security deposit holding U.S. Treasury Bills. Additionally, the New York Department of Insurance requested diversification of cash and investments into more U.S. Treasury Bills to meet the state's regulations. As a result, the Company purchased two additional U.S. Treasury Bills in June 2010, each with a par value of \$5,000,000, but they were purchased at a discounted rate. In December 2010, one U.S. Treasury Bill matured with a par value of \$5,000,000 and a new U.S. Treasury Bill was purchased with a par value of \$10,000,000 to continue to meet the New York Department of Insurance regulatory requirements. In June 2011, a U.S. Treasury Bill matured with a par value of \$5,000,000 and a principal cost of \$4,988,851 and a new U.S. Treasury Bill was purchased with a par value of \$5,000,000 with a principal cost of \$4,998,094 and a market value of \$4,998,125. In August 2011, a U.S. Treasury Bill matured with a par value of \$10,000,000 and a principal cost of \$9,988,100. A new Treasury Bill was not purchased.

NOTES TO FINANCIAL STATEMENTS

\$2,000,000 of the U.S. Treasury Bill maturity was held in unrestricted cash with the remaining \$8,000,000 spread over the Federated, Dreyfus and Goldman Funds. Also note that the state of North Carolina refunded \$200,000 of the total amount (\$600,000) held in a restricted account due to fulfillment by the company of requirements designated by the state at the time of licensure.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

The Company doesn't have any investments in joint ventures, partnerships or limited liability companies.

Note 7 - Investment Income

The Company earned \$3,743 of investment income for the period ended December 31, 2013.

Note 8 - Derivative Instruments

Not Applicable.

Note 9 - Income Taxes**A. Deferred Tax Assets/(Liabilities)**

1. Components of Net Deferred Tax Asset/(Liability)

	2013							2012	Change
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	99,504		99,504	8,228		8,228	91,276		91,276
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	99,504		99,504	8,228		8,228	91,276		91,276
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	99,504		99,504	8,228		8,228	91,276		91,276
f. Deferred tax liabilities									
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	99,504		99,504	8,228		8,228	91,276		91,276

2. Admission Calculation Components

	2013			2012			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	99,504		99,504	8,228		8,228	91,276		91,276
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below: 1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date 2. Adjusted gross deferred tax assets allowed per limitation threshold	XXX	XXX	9,045,923	XXX	XXX	2,696,089	XXX	XXX	6,349,834
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities									
d. Deferred tax assets admitted as the result of application of SSAP 2. Total (2(a)+2(b)+2(c))	99,504		99,504	8,228		8,228	91,276		91,276

3. Other Admissibility Criteria

	2013	2012
a. Ratio percentage used to determine recovery period and threshold limitation amount	472 %	392 %
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	60,306,151	17,973,925

4. Impact of Tax Planning Strategies

	2013		2012		Difference	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col 1-3) Ordinary	6 (Col 2-4) Capital
(a) Determination of adjusted gross deferred tax assets and net						

NOTES TO FINANCIAL STATEMENTS

admitted deferred tax assets, by tax character as a percentage.						
1 Adjusted Gross DTAs amount from Note 9A1(c)	99,504		8,228		91,276	
2 Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	%	%	%	%	%	%
3 Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	99,504		8,228		91,276	
4 Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	%	%	%	%	%	%

c. Does the company's tax planning strategies include the use of reinsurance? No

B. Deferred Tax Liabilities Not Recognized

There are no unrecognized deferred tax liabilities.

C. Current and Deferred Income Taxes

1. Current Income Tax

	1 2013	2 2012	3 (Col 1-2) Change
a. Federal	17,452,777	(64,033)	17,516,810
b. Foreign			
c. Subtotal	17,452,777	(64,033)	17,516,810
d. Federal income tax on net capital gains			
e. Utilization of capital loss carry-forwards			
f. Other	(765,408)		(765,408)
g. Federal and Foreign income taxes incurred	16,687,369	(64,033)	16,751,402

2. Deferred Tax Assets

	1 2013	2 2012	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	967	762	205
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)	98,537	7,466	91,071
99. Subtotal	99,504	8,228	91,276
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	99,504	8,228	91,276
e. Capital:			
1. Investments			
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal			
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)	99,504	8,228	91,276

3. Deferred Tax Liabilities

	1 2013	2 2012	3 (Col 1-2) Change
a. Ordinary:			
1. Investments			
2. Fixed assets			

NOTES TO FINANCIAL STATEMENTS

3.	Deferred and uncollected premium			
4.	Policyholder reserves			
5.	Other (including items <5% of total ordinary tax assets)			
99.	Subtotal			
b.	Capital:			
1.	Investments			
2.	Real estate			
3.	Other (including items <5% of total capital tax assets)			
99.	Subtotal			
c.	Deferred tax liabilities (3a99+3b99)			

4.

Net Deferred Tax Assets (2i – 3c)	99,504	8,228	91,276
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Deferred Tax Assets – Ordinary

09C2(a)(13)

13 Other (items <5% of total ordinary deferred tax assets)			
Other (items >= 5% of total ordinary deferred tax assets):			
14 State Income Taxes Accrual to Cash	98,537	7,466	91,071
15			
16			
17			
18			
19			
98 Subtotal Items >= 5% of total ordinary deferred tax assets	98,537	7,466	91,071
99 Total	98,537	7,466	91,071

Deferred Tax Assets – Capital

09C2(a)(04)

04 Other (items <5% of total capital deferred tax assets)			
Other (items >= 5% of total capital deferred tax assets):			
05			
06			
07			
08			
09			
10			
98 Subtotal Items >= 5% of total capital deferred tax assets			
99 Total			

Deferred Tax Liabilities – Ordinary

09C2(a)(05)

05 Other (items <5% of total ordinary deferred tax liabilities)			
Other (items >= 5% of total ordinary deferred tax liabilities):			
06			
07			
08			
09			
10			
11			
98 Subtotal Items >= 5% of total ordinary deferred tax liabilities			
99 Total			

Deferred Tax Liabilities – Capital

09C2(a)(03)

03 Other (items <5% of total capital deferred tax liabilities)			
Other (items >= 5% of total capital deferred tax liabilities):			

NOTES TO FINANCIAL STATEMENTS

04			
05			
06			
07			
08			
09			
98 Subtotal Items >= 5% of total capital deferred tax liabilities			
99 Total			

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments were the following:

	2013	
	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate	16,806,857	35.0
Proration of tax exempt investment income		
Tax exempt income deduction		
Dividends received deduction		
Disallowed travel and entertainment		
Other permanent differences		
Temporary Differences:		
Total ordinary DTAs		
Total ordinary DTLs		
Total capital DTAs		
Total capital DTLs		
Other:		
Statutory valuation allowance adjustment		
Accrual adjustment – prior year	(90)	0.0
Other	(210,674)	(0.4)
Totals	16,596,093	
Federal and foreign income taxes incurred	16,687,369	34.8
Realized capital gains (losses) tax		
Change in net deferred income taxes	(91,276)	(0.2)
Total statutory income taxes	16,596,093	34.6

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- At December 31, 2013, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following is income tax expense for 2013 and 2012 that is available for recoupment in the event of future net losses:

Year	Amount
2013	17,663,450
2012	0

- The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

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

Express Scripts Holding Company (Parent)
CFI of New Jersey Inc.
Curascript PBM Services Inc.
Diversified NY IPA Inc.
ESI Mail Pharmacy Service Inc.
Express Scripts Utilization Management Co.
 Mooresville On-Site Pharmacy, LLC
NPA of New York IPA Inc.
Priority Healthcare Corporation
Priority Healthcare Pharmacy Inc.
Lynnfield Compounding Center Inc.

Express Scripts Canada Holding Co.
Curascript Inc.
Diversified Pharmaceutical Services Inc.
ESI Claims Inc.
ESI GP Holdings Inc.
IVTX Inc.
National Prescription Administrators Inc.
Priority Healthcare Distribution Inc.
Priority Healthcare Corporation West
Freco Inc.
Lynnfield Drug Inc.

NOTES TO FINANCIAL STATEMENTS

Chesapeake Infusion Inc.	Sinuspharmacy Inc.
Byfield Drug Inc.	Healthbridge Reimbursement
Specialty Infusion Pharmacy Inc.	Spectracare Health Care Ventures Inc.
Priority Healthcarecom Inc.	Spectracare Infusion Pharmacy Inc.
Spectracare Inc.	Care Continuum Inc.
Spectracare Management Services Inc.	Express Scripts Specialty Distribution
Express Scripts Services Company	Express Scripts Pharmaceutical Procurement, LLC
Value Health, Inc.	Connectyourcare LLC
Yourpharmacy.com	Express Scripts WC, Inc.
First RX Inc.	ESI Mail Order Processing, Inc.
Ibiologic Inc.	ESI Acquisition, Inc.
Healthbridge Inc.	Express Scripts Senior Care Holdings Inc.
Express Scripts Senior Care Inc.	Express Reinsurance Company
Medco Health Solutions, Inc.	Medco Containment Insurance Company of NY
Medco Containment Life Insurance Company	MWD Insurance Company
Medco Europe II, LLC	National Rx Services NO. 3, Inc., of Ohio
Medco Health Services, Inc.	Medco Health Solutions of Willingboro LLC
DNA Direct, Inc.	Therapease Cuisine, Inc.
Accredo Health, Inc.	United Biosource Patient Solutions, Inc.
AHG of New York, Inc.	Biopartners in Care, Inc.
Accredo Health Group, Inc.	Home Healthcare Resources, Inc.
Accredo Care Network, Inc.	United Biosource Corporation
TVC Acquisition Co., Inc.	UBC Late Stage, Inc.
MAH Processing, Inc.	Express Scripts Pharmacy Inc.

2. The method of allocation among companies is subject to a written agreement, approved by the Board of Directors, whereby allocation is made primarily on a separate return basis with current credit for any net operating losses or other items utilized in the consolidated tax return.

G. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. The Company didn't pay any dividends to the Parent Company during the twelve months ended December 31, 2013.
- B. During February 2008, the parent company, Express Scripts Senior Care Holdings, Inc., forgave \$1,755,976 owed by Express Scripts Insurance Company ("The Company"). The state of Domicile (Arizona) approved this transaction which was completed to increase capital and surplus as required by the state of domicile to meet the calculated RBC level. For all subsequent quarters the Company had exceeded required RBC levels until December 31, 2012 and at that time the Company had an action level event occur on their 2012 RBC which resulted in an RBC of 192.1%. The Company took immediate action to rectify and eliminate the Company's action level event. The Company received a \$2,000,000 forgiveness of monies owed to their parent company on February 27, 2013. The Company received another \$2,000,000 forgiveness of monies owed to their parent company on May 30, 2013. The Company had an RBC of over 240% during Q2 2013, but requested a \$7,000,000 forgiveness from parent to raise the RBC level to over a 300% level to ensure a high RBC level.
- C. At December 31, 2013 Express Scripts Insurance Company is reporting \$130,896,559 receivable from the parent company, Express Scripts Senior Care Holdings, Inc. This amount represents amounts owed to the parent company for prescription drug claims paid by Express Scripts Senior Care Holdings, Inc. on behalf of the Company as well as administrative costs incurred to process those claims netted against the amounts owed to the Company for payments from CMS to Express Scripts Senior Care Holdings, Inc. for the benefit of the Company and monies related to the CMS reinsurance, LICs and coverage gap from pharmaceutical companies.
- D. All outstanding shares of Express Scripts Insurance Company are owned by Express Scripts Senior Care Holding, Inc. which is wholly owned by the ultimate parent company, Express Scripts, Inc. On April 2, 2012, Express Scripts Holding Company, a publicly traded company, acquired one hundred percent (100%) of the outstanding stock of Express Scripts, Inc. and its wholly owned subsidiaries and Medco Health Solutions, Inc. and its wholly owned subsidiaries. Only the ownership of the publicly traded stock of the ultimate parent company has changed.

Note 11 - Debt

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

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

Not Applicable.

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

- A. The Company has authorized 10,000,000 shares of common stock with a par value of \$1 authorized, and 2,600,000 issued and outstanding as of December 31, 2013. On September 30, 2008, The Company issued 1,500,000 in additional common stock to the parent which also resulted in a change in paid in capital of \$2,200,000. The purpose of the issuance of additional stock and paid in capital increase was to meet the requirements set forth in various state expansion application guidelines.
- B. The Company does not have any preferred stock outstanding.
- C. All shares issued are common shares fully owned by Express Scripts Senior Care Holding, Inc., an entity 100% owned by the ultimate parent company, Express Scripts, Inc. On April 2, 2012, Express Scripts Holding Company, a publicly traded company, acquired one hundred percent (100%) of the outstanding stock of Express Scripts, Inc. and its wholly owned subsidiaries and Medco Health Solutions, Inc. and its wholly owned subsidiaries. Only the ownership of the publicly traded stock of the ultimate parent company has changed.

Note 14 - Contingencies

Not Applicable.

Note 15 - Leases

Not Applicable.

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not Applicable.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not Applicable.

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

The Company provides administrative services for self-insured EGWPs, for which it received administrative fees of \$52,117,991 for the twelve months ended December 31, 2013, \$42,888,037 for the twelve months ended December 31, 2012 and \$19,815,929 for the twelve months ended December 31, 2011. These administrative fees are netted within general administrative expenses in accordance with SSAP No. 3.

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

Not Applicable.

Note 20 - Fair Value

The Company does not hold any derivative assets or liabilities as of December 31, 2013. All intercompany balances are held at face value/fair market value as of December 31, 2013.

Note 21 - Other Items

On September 4, 2007 the Company secured a \$250,000 surety bond as required by the Nevada Division of Insurance in the processes to obtain a Certificate of Authority with the state of Nevada. The Company is Principal with Travelers Casualty and Surety Company of America as Surety for bond number 105000106. On July 22, 2008 the Company secured a \$100,000 surety bond as required by the New Mexico Insurance Division in the processes to obtain a Certificate of Authority with the state of New Mexico. The Company is Principal with Travelers Casualty and Surety Company of America as Surety for bond number 105125294.

Note 22 - Events Subsequent

Not Applicable.

NOTES TO FINANCIAL STATEMENTS

Note 23 - Reinsurance

Not Applicable.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not Applicable.

Note 25 - Change in Incurred Claims and Claim Adjustment Expenses

The Company processes claims under its Medicare Part D Plan. Claims are reported when incurred through the use of a pharmacy benefit manager. Potential adjustments to claim expense could result from "self-pay" claims in which members pay for a claim and then submit the claim to the Company for reimbursement. Adjustments could also result from faulty member enrollment data. There have not been any material adjustments to claim expense for the period ended December 31, 2013.

Note 26 - Intercompany Pooling Arrangements

Not Applicable.

Note 27 - Structured Settlements

Not Applicable.

Note 28 - Health Care Receivables

Not Applicable.

Note 29 - Participating Policies

Not Applicable.

Note 30 - Premium Deficiency Reserves

Not Applicable.

Note 31 - Anticipated Salvage and Subrogation

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No

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 No N/A

1.3 State regulating? Arizona

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

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/24/2009

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). 06/24/2009

3.4 By what department or departments?
State of Arizona Department of 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

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

4.12 renewals? Yes No

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

4.22 renewals? Yes No

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

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 Co. 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

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

7.2 If yes, 7.21 State the percentage of foreign control%

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

1 Nationality	2 Type of Entity

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

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

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

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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?
PricewaterhouseCoopers LLC Milwaukee, WI 53202

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

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

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes No

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes No N/A
- 10.6 If the answer to 10.5 is no or n/a, please explain.

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Milliman Inc. Brookfield, WI 53005

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

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 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

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

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

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

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

PART 1 - COMMON INTERROGATORIES - 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 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 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 or is likely to conflict with the official duties of such person? Yes No

PART 1 - COMMON INTERROGATORIES - 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

- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.11 To directors or other officers \$.....0
 - 20.12 To stockholders not officers \$.....0
 - 20.13 Trustees, supreme or grand (Fraternal only) \$.....0

- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
 - 20.21 To directors or other officers \$.....0
 - 20.22 To stockholders not officers \$.....0
 - 20.23 Trustees, supreme or grand (Fraternal only) \$.....0

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

- 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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

- 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. \$.130,896,559

PART 1 - COMMON INTERROGATORIES - 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 [X] No []
- 24.02 If no, give full and complete information relating thereto.

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]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.
- 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.
- 24.103 Total payable for securities lending reported on the liability page.

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 [] No [X]

- 25.2 If yes, state the amount thereof at December 31 of the current year:
- 25.21 Subject to repurchase agreements
- 25.22 Subject to reverse repurchase agreements
- 25.23 Subject to dollar repurchase agreements
- 25.24 Subject to reverse dollar repurchase agreements
- 25.25 Pledged as collateral
- 25.26 Placed under option agreements
- 25.27 Letter stock or securities restricted as to sale
- 25.28 On deposit with state or other regulatory body
- 25.29 Other

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [] No [X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No [] N/A [X]
If no, attach a description with this statement.

- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [] No [X]
- 27.2 If yes, state the amount thereof at December 31 of the current year:

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

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	Private Wealth Management, 200 W Capitol Ave., 3rd Fl., Little Rock, AR 72201-3605
JPMorgan Chase Bank	Illinois Market, PO Box 260180, Baton Rouge, LA 70826-0180
US Bank	Wachovia Blds., 1W 4th Street, 7th Fl, Winston-Salem, NC 27101
SunTrust	1801 West Broad Street, Richmond, VA 23220
Citibank	111 Wall Street, New York, NY 10043
Wells Fargo	San Francisco, CA

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

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

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

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

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

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

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

Express Scripts Insurance Company

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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	2	3
CUSIP #	Name of Mutual Fund	Book/Adj. Carrying Value
29.2999. TOTAL		0

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

1	2	3	4
Name of Mutual Fund (from the above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to Holding	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	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	24,443,913		(24,443,913)
30.2 Preferred stocks.....			0
30.3 Totals.....	24,443,913	0	(24,443,913)

30.4 Describe the sources or methods utilized in determining the fair values:

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 [] 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 [] No []

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

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

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

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

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

1	2
Name	Amount Paid

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

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

1	2
Name	Amount Paid

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

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

1	2
Name	Amount Paid

NONE

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.
- 1.6 Individual policies:
 - Most current three years:
 - 1.61 Total premium earned
 - 1.62 Total incurred claims
 - 1.63 Number of covered lives
 - All years prior to most current three years:
 - 1.64 Total premium earned
 - 1.65 Total incurred claims
 - 1.66 Number of covered lives
- 1.7 Group policies:
 - Most current three years:
 - 1.71 Total premium earned
 - 1.72 Total incurred claims
 - 1.73 Number of covered lives
 - All years prior to most current three years:
 - 1.74 Total premium earned
 - 1.75 Total incurred claims
 - 1.76 Number of covered lives

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	172,250,624	84,078,224
2.2 Premium Denominator.....	172,250,624	84,078,224
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	255,600	151,000
2.5 Reserve Denominator.....	255,600	151,000
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

- 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, 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 []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
- 5.2 If no, explain:

- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive medical \$.....0
 - 5.32 Medical only \$.....0
 - 5.33 Medicare supplement \$.....0
 - 5.34 Dental and vision \$.....0
 - 5.35 Other limited benefit plan \$.....0
 - 5.36 Other \$.....0

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

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [] No []
- 7.2 If no, give details:

- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year0
 - 8.2 Number of providers at end of reporting year0

- 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

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts? Yes [] No [X]
- 10.2 If yes:
 - 10.21 Maximum amount payable bonuses
 - 10.22 Amount actually paid for year bonuses
 - 10.23 Maximum amount payable withholds
 - 10.24 Amount actually paid for year withholds

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

- 11.1. Is the reporting entity organized as:
- 11.12 A Medical Group/Staff Model, Yes [] No [X]
 - 11.13 An Individual Practice Association (IPA), or Yes [] No [X]
 - 11.14 A Mixed Model (combination of above)? Yes [] No [X]
- 11.2. Is the reporting entity subject to Minimum Net Worth Requirements? Yes [] No [X]
- 11.3. If yes, show the name of the state requiring such net worth. _____
- 11.4. If yes, show the amount required. _____
- 11.5. Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No []
- 11.6. If the amount is calculated, show the calculation:

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

1
Name of Service Area

- 13.1. Do you act as a custodian for health savings account? 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 the funds administered as of the reporting date. _____

FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	240,256,441	80,589,512	31,820,437	39,076,601	19,095,699
2. Total liabilities (Page 3, Line 24).....	179,850,786	62,607,359	13,655,409	25,820,599	7,610,055
3. Statutory surplus.....					
4. Total capital and surplus (Page 3, Line 33).....	60,405,655	17,982,153	18,165,028	13,256,002	11,485,644
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	172,250,624	84,078,224	44,773,898	30,471,743	20,649,241
6. Total medical and hospital expenses (Line 18).....	139,693,835	102,299,814	44,317,947	27,360,391	16,701,265
7. Claims adjustment expenses (Line 20).....	4,300	3,000	6,300	5,000	4,000
8. Total administrative expenses (Line 21).....	(15,463,362)	(17,966,261)	(7,016,161)	148,876	321,584
9. Net underwriting gain (loss) (Line 24).....	48,015,851	(258,329)	7,465,812	2,957,477	3,622,392
10. Net investment gain (loss) (Line 27).....	3,743	5,219	51,163	17,195	24,195
11. Total other income (Lines 28 plus 29).....					
12. Net income or (loss) (Line 32).....	31,332,225	(189,077)	4,908,648	1,934,347	2,505,651
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	85,622,325	35,922,302	10,598,538	573,088	4,043,667
Risk-Based Capital Analysis					
14. Total adjusted capital.....	60,405,655	17,982,153	18,165,028	13,256,002	11,485,644
15. Authorized control level risk-based capital.....	12,771,264	9,359,377	4,588,389	3,188,117	2,334,541
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	243,440	153,524	21,359	14,649	9,868
17. Total member months (Column 6, Line 7).....	988,132	598,486	245,224	175,506	117,732
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 (Line 18 plus Line 19).....	81.1	121.7	99.0	89.8	80.9
20. Cost containment expenses.....					
21. Other claims adjustment expenses.....	0.0	0.0	0.0	0.0	
22. Total underwriting deductions (Line 23).....	72.1	100.3	83.3	90.3	82.5
23. Total underwriting gain (loss) (Line 24).....	27.9	(0.3)	16.7	9.7	17.5
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	16,161	63,315	287,717	101,659	288,650
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	151,000	316,200	249,000	376,000	628,600
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
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 Sch. DA, Verification, Column 5, Line 10).....					
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

State, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama.....AL	L								0
2. Alaska.....AK	L								0
3. Arizona.....AZ	L								0
4. Arkansas.....AR	L	469,348							469,348
5. California.....CA	L	7,040,216							7,040,216
6. Colorado.....CO	L	469,348							469,348
7. Connecticut.....CT	L	5,632,173							5,632,173
8. Delaware.....DE	L	938,696							938,696
9. District of Columbia.....DC	L	2,346,739							2,346,739
10. Florida.....FL	E	1,408,043							1,408,043
11. Georgia.....GA	L	3,285,434							3,285,434
12. Hawaii.....HI	L								0
13. Idaho.....ID	L								0
14. Illinois.....IL	L	25,814,124							25,814,124
15. Indiana.....IN	L	5,162,825							5,162,825
16. Iowa.....IA	L	469,348							469,348
17. Kansas.....KS	L								0
18. Kentucky.....KY	L	469,348							469,348
19. Louisiana.....LA	L	469,348							469,348
20. Maine.....ME	E								0
21. Maryland.....MD	L	1,408,043							1,408,043
22. Massachusetts.....MA	L	4,693,477							4,693,477
23. Michigan.....MI	L	39,425,211							39,425,211
24. Minnesota.....MN	L								0
25. Mississippi.....MS	L	469,348							469,348
26. Missouri.....MO	L	4,224,130							4,224,130
27. Montana.....MT	L								0
28. Nebraska.....NE	L								0
29. Nevada.....NV	L								0
30. New Hampshire.....NH	L								0
31. New Jersey.....NJ	L	2,346,739							2,346,739
32. New Mexico.....NM	L								0
33. New York.....NY	L	16,896,519							16,896,519
34. North Carolina.....NC	L	4,693,477							4,693,477
35. North Dakota.....ND	L								0
36. Ohio.....OH	L	5,162,825							5,162,825
37. Oklahoma.....OK	L	469,348							469,348
38. Oregon.....OR	L	938,696							938,696
39. Pennsylvania.....PA	L	4,224,130							4,224,130
40. Rhode Island.....RI	L	938,696							938,696
41. South Carolina.....SC	L	1,408,043							1,408,043
42. South Dakota.....SD	L								0
43. Tennessee.....TN	L	938,696							938,696
44. Texas.....TX	L	12,203,041							12,203,041
45. Utah.....UT	L								0
46. Vermont.....VT	L	469,348							469,348
47. Virginia.....VA	L	3,754,782							3,754,782
48. Washington.....WA	L	938,696							938,696
49. West Virginia.....WV	L								0
50. Wisconsin.....WI	L	12,203,041							12,203,041
51. Wyoming.....WY	E	469,348							469,348
52. American Samoa.....AS	N								0
53. Guam.....GU	N								0
54. Puerto Rico.....PR	E								0
55. U.S. Virgin Islands.....VI	N								0
56. Northern Mariana Islands.....MP	N								0
57. Canada.....CAN	N								0
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		172,250,624	0	0	0	0	0	0	172,250,624
60. Reporting entity contributions for Employee Benefit Plans.....XXX									0
61. Total (Direct Business).....(a)	48	172,250,624	0	0	0	0	0	0	172,250,624

DETAILS OF WRITE-INS

58001.....									0
58002.....									0
58003.....									0
58998. Summary of remaining write-ins for line 58.....		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 + 58998).....		0	0	0	0	0	0	0	0

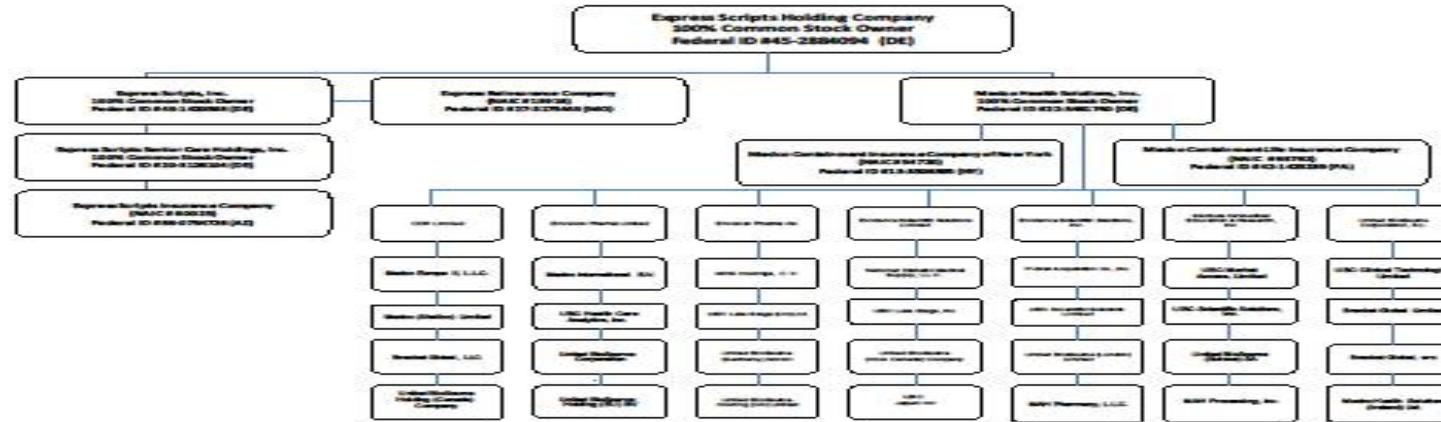
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to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

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

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART

2013 ALPHABETICAL INDEX HEALTH ANNUAL STATEMENT BLANK

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