



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2014
OF THE CONDITION AND AFFAIRS OF THE

SilverScript Insurance Company

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

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

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

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

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

Main Administrative Office 445 Great Circle Road
(Street and Number)
Nashville, TN, US 37228, 615-473-6600
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

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

Primary Location of Books and Records 445 Great Circle Road
(Street and Number)
Nashville, TN, US 37228, 615-473-6600
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address http://www.silverscript.com

Statutory Statement Contact Edward Reed Averill, 401-770-7702
(Name) (Area Code) (Telephone Number)
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(E-mail Address) (FAX Number)

OFFICERS

President Todd Dean Meek Treasurer Anthony Graham Strong
Vice President Albert Franklin Moffett # Secretary Michele Wugalter Buchanan

OTHER

Rebecca Conway Justice Actuary

DIRECTORS OR TRUSTEES

Harold Neil Lund Todd Dean Meek Jane Frances Barlow #
Mary Kristina Meyer David Scott Azzolina

State of _____ SS:
County of _____

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Todd Dean Meek
President

Michele Wugalter Buchanan
Secretary

Anthony Graham Strong
Treasurer

Subscribed and sworn to before me this _____ day of _____

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	2,819,579		2,819,579	2,852,200
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$			0	0
encumbrances)				
4.2 Properties held for the production of income (less				
\$				
encumbrances)			0	0
4.3 Properties held for sale (less \$				
encumbrances)			0	0
5. Cash (\$				
(420,018), Schedule E - Part 1), cash equivalents				
(\$				
, Schedule E - Part 2) and short-term				
investments (\$	63,769,746		63,769,746	48,672,313
64,189,764, Schedule DA)				
6. Contract loans, (including \$			0	0
premium notes)				
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)			0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	260,000
12. Subtotals, cash and invested assets (Lines 1 to 11)	66,589,325	0	66,589,325	51,784,513
13. Title plants less \$				
charged off (for Title insurers				
only)			0	0
14. Investment income due and accrued	18,171		18,171	17,793
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	102,621,067	89,019,849	13,601,218	16,838,910
15.2 Deferred premiums, agents' balances and installments booked but				
deferred and not yet due (including \$				
earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	3,819
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	0
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	2,654,618,325	3,747,698	2,650,870,627	2,381,550,470
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	33,175,400	38,987	33,136,413	29,209,041
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets				
(\$				
)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates			0	0
24. Health care (\$				
) and other amounts receivable			0	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)	2,857,022,288	92,806,534	2,764,215,754	2,479,404,546
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts			0	0
28. Total (Lines 26 and 27)	2,857,022,288	92,806,534	2,764,215,754	2,479,404,546
DETAILS OF WRITE-INS				
1101. Matured investment being held by State			0	260,000
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	260,000
2501.				
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 28,906,282 reinsurance ceded)	115,324,366		115,324,366	203,622,464
2. Accrued medical incentive pool and bonus amounts	14,381,096		14,381,096	200,000
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	225,652,067		225,652,067	222,079,283
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	3,624,788		3,624,788	5,609,269
9. General expenses due or accrued	5,388,075		5,388,075	31,401,140
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	97,399,362		97,399,362	44,506,328
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	52,390,591		52,390,591	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated	232,905		232,905	44,815
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	451,922,329		451,922,329	803,780,895
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ 6,206,432 authorized reinsurers, \$ 75,730,975 unauthorized reinsurers and \$ 0 certified reinsurers)	81,937,407		81,937,407	156,686,264
20. Reinsurance in unauthorized and certified (\$) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	1,267,884,755		1,267,884,755	679,611,984
23. Aggregate write-ins for other liabilities (including \$ current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	2,316,137,741	0	2,316,137,741	2,147,542,442
25. Aggregate write-ins for special surplus funds	XXX	XXX	61,556,686	0
26. Common capital stock	XXX	XXX	2,750,000	2,750,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	124,750,000	124,750,000
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	259,021,327	204,362,104
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	XXX	XXX		
32.2 shares preferred (value included in Line 27 \$)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	448,078,013	331,862,104
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	2,764,215,754	2,479,404,546
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	0	0	0	0
2501. Section 9010 Special Surplus	XXX	XXX	61,556,686	
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	61,556,686	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	36,635,427	41,765,543
2. Net premium income (including \$ non-health premium income)	XXX	2,519,810,780	3,111,842,234
3. Change in unearned premium reserves and reserve for rate credits	XXX	(3,576,602)	(146,247,628)
4. Fee-for-service (net of \$ medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	2,516,234,178	2,965,594,606
Hospital and Medical:			
9. Hospital/medical benefits		0	0
10. Other professional services		0	0
11. Outside referrals		0	0
12. Emergency room and out-of-area		0	0
13. Prescription drugs		2,487,843,197	3,147,191,730
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts		22,394,710	200,000
16. Subtotal (Lines 9 to 15)	0	2,510,237,907	3,147,391,730
Less:			
17. Net reinsurance recoveries		513,789,533	621,455,381
18. Total hospital and medical (Lines 16 minus 17)	0	1,996,448,374	2,525,936,349
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$1,043,417 cost containment expenses		171,353,561	243,655,860
21. General administrative expenses		101,788,780	65,589,644
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)		0	0
23. Total underwriting deductions (Lines 18 through 22).....	0	2,269,590,715	2,835,181,853
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	246,643,463	130,412,753
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		24,029	33,267
26. Net realized capital gains (losses) less capital gains tax of \$			
27. Net investment gains (losses) (Lines 25 plus 26)	0	24,029	33,267
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$65,785) (amount charged off \$24,780,070)]		(24,714,285)	(4,085,909)
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	221,953,207	126,360,111
31. Federal and foreign income taxes incurred	XXX	97,391,991	44,305,680
32. Net income (loss) (Lines 30 minus 31)	XXX	124,561,216	82,054,431
DETAILS OF WRITE-INS			
0601. ~	XXX		0
0602. ~	XXX		
0603. ~	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	0	0
0701. ~	XXX		0
0702. ~	XXX		
0703. ~	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401. ~			0
1402. ~			0
1403. ~			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. ~			0
2902. ~			0
2903. ~			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	331,862,104	286,007,619
34. Net income or (loss) from Line 32.....	124,561,216	82,054,431
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	3,966,359	19,932,232
39. Change in nonadmitted assets.....	(12,311,666)	(56,132,178)
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	116,215,909	45,854,485
49. Capital and surplus end of reporting period (Line 33 plus 48)	448,078,013	331,862,104
DETAILS OF WRITE-INS		
4701.		0
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	2,487,800,707	3,037,291,961
2. Net investment income	49,335	57,853
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	2,487,850,042	3,037,349,814
5. Benefit and loss related payments	2,070,565,376	2,347,200,793
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	357,955,213	1,006,438,296
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)	44,498,957	59,794,384
10. Total (Lines 5 through 9)	2,473,019,546	3,413,433,473
11. Net cash from operations (Line 4 minus Line 10)	14,830,496	(376,083,659)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	640,000	360,000
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	260,000	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	900,000	360,000
13. Cost of investments acquired (long-term only):		
13.1 Bonds	633,063	1,693,481
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	0
13.6 Miscellaneous applications	0	260,000
13.7 Total investments acquired (Lines 13.1 to 13.6)	633,063	1,953,481
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	266,937	(1,593,481)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	0
16.6 Other cash provided (applied)	0	0
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	0	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	15,097,433	(377,677,140)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	48,672,313	426,349,453
19.2 End of year (Line 18 plus Line 19.1)	63,769,746	48,672,313

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

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ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	2,519,810,780								2,519,810,780	
2. Change in unearned premium reserves and reserve for rate credit	(3,576,602)								(3,576,602)	
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	2,516,234,178	0	0	0	0	0	0	0	2,516,234,178	0
8. Hospital/medical benefits	0									XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	2,487,843,197								2,487,843,197	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	22,394,710								22,394,710	XXX
15. Subtotal (Lines 8 to 14)	2,510,237,907	0	0	0	0	0	0	0	2,510,237,907	XXX
16. Net reinsurance recoveries	513,789,533								513,789,533	XXX
17. Total medical and hospital (Lines 15 minus 16)	1,996,448,374	0	0	0	0	0	0	0	1,996,448,374	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 1,043,417 cost containment expenses	171,353,561								171,353,561	
20. General administrative expenses	101,788,780								101,788,780	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	2,269,590,715	0	0	0	0	0	0	0	2,269,590,715	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	246,643,463	0	0	0	0	0	0	0	246,643,463	0
DETAILS OF WRITE-INS										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)				0
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	0			0
7. Title XIX - Medicaid	0			0
8. Other health	3,156,663,057		636,852,277	2,519,810,780
9. Health subtotal (Lines 1 through 8)	3,156,663,057	0	636,852,277	2,519,810,780
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	3,156,663,057	0	636,852,277	2,519,810,780

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	2,597,247,036								2,597,247,036	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	534,895,274								534,895,274	
1.4 Net	2,062,351,762	0	0	0	0	0	0	0	2,062,351,762	0
2. Paid medical incentive pools and bonuses	8,213,614								8,213,614	
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	144,230,648	0	0	0	0	0	0	0	144,230,648	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	28,906,282	0	0	0	0	0	0	0	28,906,282	0
3.4 Net	115,324,366	0	0	0	0	0	0	0	115,324,366	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	14,381,096								14,381,096	
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	253,634,487	0	0	0	0	0	0	0	253,634,487	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	50,012,023	0	0	0	0	0	0	0	50,012,023	0
8.4 Net	203,622,464	0	0	0	0	0	0	0	203,622,464	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	200,000								200,000	
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	2,487,843,197	0	0	0	0	0	0	0	2,487,843,197	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	513,789,533	0	0	0	0	0	0	0	513,789,533	0
12.4 Net	1,974,053,664	0	0	0	0	0	0	0	1,974,053,664	0
13. Incurred medical incentive pools and bonuses	22,394,710	0	0	0	0	0	0	0	22,394,710	0

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	76,885,945								76,885,945	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	16,440,393								16,440,393	
1.4 Net	60,445,552	0	0	0	0	0	0	0	60,445,552	0
2. Incurred but Unreported:										
2.1 Direct	67,344,703								67,344,703	
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	12,465,889								12,465,889	
2.4 Net	54,878,814	0	0	0	0	0	0	0	54,878,814	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	144,230,648	0	0	0	0	0	0	0	144,230,648	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	28,906,282	0	0	0	0	0	0	0	28,906,282	0
4.4 Net	115,324,366	0	0	0	0	0	0	0	115,324,366	0

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7. Title XIX - Medicaid					0	0
8. Other health	130,902,893	1,931,448,870	34,398,542	80,925,824	165,301,435	203,622,464
9. Health subtotal (Lines 1 to 8)	130,902,893	1,931,448,870	34,398,542	80,925,824	165,301,435	203,622,464
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	226,077	7,987,537		14,381,096	226,077	200,000
13. Totals (Lines 9 - 10 + 11 + 12)	131,128,970	1,939,436,407	34,398,542	95,306,920	165,527,512	203,822,464

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	52,899	54,511	55,372	59,856	58,914
2.	2010	781,260	819,744	824,785	825,309	826,290
3.	2011	XXX	679,352	697,805	693,473	691,112
4.	2012	XXX	XXX	1,101,306	1,086,295	1,083,530
5.	2013	XXX	XXX	XXX	2,361,536	2,497,752
6.	2014	XXX	XXX	XXX	XXX	1,939,436

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	59,128	60,390	61,384	61,607	58,978
2.	2010	833,919	827,190	829,580	826,937	826,909
3.	2011	XXX	710,649	707,410	697,711	692,622
4.	2012	XXX	XXX	1,105,981	1,098,755	1,086,608
5.	2013	XXX	XXX	XXX	2,545,281	2,526,879
6.	2014	XXX	XXX	XXX	XXX	2,034,743

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	925,413	826,290	95,237	11.5	921,527	99.6	618		922,145	99.6
2. 2011	870,312	691,112	99,949	14.5	791,061	90.9	1,510		792,571	91.1
3. 2012	1,389,748	1,083,530	103,729	9.6	1,187,259	85.4	3,078		1,190,337	85.7
4. 2013	2,965,595	2,497,752	246,214	9.9	2,743,966	92.5	29,127		2,773,093	93.5
5. 2014	2,516,234	1,939,436	150,986	7.8	2,090,422	83.1	95,307		2,185,729	86.9

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ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	52,899	54,511	55,372	59,856	58,914
2.	2010	781,260	819,744	824,785	825,309	826,290
3.	2011	XXX	679,352	697,805	693,473	691,112
4.	2012	XXX	XXX	1,101,306	1,086,295	1,083,530
5.	2013	XXX	XXX	XXX	2,361,536	2,497,752
6.	2014	XXX	XXX	XXX	XXX	1,939,436

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 2010	2 2011	3 2012	4 2013	5 2014
1.	Prior	59,128	60,390	61,384	61,607	58,978
2.	2010	833,919	827,190	829,580	826,937	826,909
3.	2011	XXX	710,649	707,410	697,711	692,622
4.	2012	XXX	XXX	1,105,981	1,098,755	1,086,608
5.	2013	XXX	XXX	XXX	2,545,281	2,526,879
6.	2014	XXX	XXX	XXX	XXX	2,034,743

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2010	925,413	826,290	95,237	11.5	921,527	99.6	618	0	922,145	99.6
2. 2011	870,312	691,112	99,949	14.5	791,061	90.9	1,510	0	792,571	91.1
3. 2012	1,389,748	1,083,530	103,729	9.6	1,187,259	85.4	3,078	0	1,190,337	85.7
4. 2013	2,965,595	2,497,752	246,214	9.9	2,743,966	92.5	29,127	0	2,773,093	93.5
5. 2014	2,516,234	1,939,436	150,986	7.8	2,090,422	83.1	95,307	0	2,185,729	86.9

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ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health 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 \$) for investment income	272,768,731								272,768,731
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	272,768,731	0	0	0	0	0	0	0	272,768,731
7. Reinsurance ceded	47,116,664								47,116,664
8. Totals (Net)(Page 3, Line 4)	225,652,067	0	0	0	0	0	0	0	225,652,067
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	0								
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ premium deficiency reserve.

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company
UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)					0
2. Salary, wages and other benefits	23,625	1,554,537	756,936		2,335,098
3. Commissions (less \$ ceded plus \$ assumed)			13,213,470		13,213,470
4. Legal fees and expenses					0
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services					0
7. Traveling expenses	745	76,884	44,506		122,135
8. Marketing and advertising					0
9. Postage, express and telephone		9,887	37		9,924
10. Printing and office supplies	7	77,416	488		77,911
11. Occupancy, depreciation and amortization					0
12. Equipment					0
13. Cost or depreciation of EDP equipment and software					0
14. Outsourced services including EDP, claims, and other services		6,744,027	565,411		7,309,438
15. Boards, bureaus and association fees					0
16. Insurance, except on real estate					0
17. Collection and bank service charges			106,032		106,032
18. Group service and administration fees					0
19. Reimbursements by uninsured plans	(439,086)	(68,741,913)	(16,590,847)		(85,771,846)
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			7,388,198		7,388,198
23.2 State premium taxes			36,597		36,597
23.3 Regulatory authority licenses and fees					0
23.4 Payroll taxes	3	1,223	153,486		154,712
23.5 Other (excluding federal income and real estate taxes)	953	451,409	56,841,275		57,293,637
24. Investment expenses not included elsewhere					0
25. Aggregate write-ins for expenses	1,457,170	230,136,674	39,273,191	0	270,867,035
26. Total expenses incurred (Lines 1 to 25)	1,043,417	170,310,144	101,788,780	0	(a) 273,142,341
27. Less expenses unpaid December 31, current year			5,388,075		5,388,075
28. Add expenses unpaid December 31, prior year			31,401,140		31,401,140
29. Amounts receivable relating to uninsured plans, prior year	55,489	7,492,501	2,130,096		9,678,086
30. Amounts receivable relating to uninsured plans, current year	55,950	8,759,398	2,114,079		10,929,427
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	1,043,878	171,577,041	127,785,828	0	300,406,747
DETAILS OF WRITE-INS					
2501. Related Party PBM Management Fees	1,740,509	272,488,913	65,765,144		339,994,566
2502. CMS Fees		3,895,250	326,573		4,221,823
2503. Captive Reinsurance Expense Ceded - Related Party	(283,339)	(46,247,489)	(27,640,606)		(74,171,434)
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	822,080	0	822,080
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,457,170	230,136,674	39,273,191	0	270,867,035

(a) Includes management fees of \$ 339,994,566 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 9,718	10,114
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 11,318	11,318
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) 2,615	2,597
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	23,651	24,029
11. Investment expenses		(g) 0
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		0
17. Net investment income (Line 10 minus Line 16)		24,029
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 \$ 896 accrual of discount less \$ 26,580 amortization of premium and less \$ 130 paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			0
2. Stocks (Schedule D):			
2.1 Preferred stocks			0
2.2 Common stocks			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities			0
10. Securities lending reinvested collateral assets (Schedule DL)			0
11. Aggregate write-ins for invested assets	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13. Title plants (for Title insurers only)			0
14. Investment income due and accrued			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	89,019,849	80,254,680	(8,765,169)
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	3,747,698	240,188	(3,507,510)
18.1 Current federal and foreign income tax recoverable and interest thereon			0
18.2 Net deferred tax asset	38,987		(38,987)
19. Guaranty funds receivable or on deposit			0
20. Electronic data processing equipment and software			0
21. Furniture and equipment, including health care delivery assets			0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0
23. Receivable from parent, subsidiaries and affiliates			0
24. Health care and other amounts receivable			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 to 25)	92,806,534	80,494,868	(12,311,666)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	92,806,534	80,494,868	(12,311,666)
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.			
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	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	3,354,748	3,099,745	3,046,813	3,013,413	2,994,368	36,635,427
7. Total	3,354,748	3,099,745	3,046,813	3,013,413	2,994,368	36,635,427
DETAILS OF WRITE-INS						
0601. Medicare Part D	3,354,748	3,099,745	3,046,813	3,013,413	2,994,368	36,635,427
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)	3,354,748	3,099,745	3,046,813	3,013,413	2,994,368	36,635,427

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

On January 1, 2013, the Medicare Part D lives of Pennsylvania Life Insurance Company, a wholly owned subsidiary of the Ultimate Parent, were novated into the Company. This novation substantially increased the membership of the Company in 2013.

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

<u>NET INCOME :</u>	<u>State of Domicile</u>	<u>Year ending</u>	
		<u>December 31, 2014</u>	<u>December 31, 2013</u>
State basis	<u>Tennessee</u>	\$ 124,561,216	\$ 82,054,431
State Prescribed Practices that increase/(decrease) NAIC SAP:	<u>Tennessee</u>	-	-
State Permitted Practices that increase/(decrease) NAIC SAP:	<u>Tennessee</u>	-	-
NAIC SAP	<u>Tennessee</u>	\$ <u>124,561,216</u>	\$ <u>82,054,431</u>

<u>SURPLUS :</u>		<u>December 31, 2014</u>		<u>December 31, 2013</u>	
State basis	<u>Tennessee</u>	\$ 448,078,013	\$	331,862,104	
State Prescribed Practices that increase/(decrease) NAIC SAP:	<u>Tennessee</u>	-	-	-	-
State Permitted Practices that increase/(decrease) NAIC SAP:	<u>Tennessee</u>	-	-	-	-
NAIC SAP	<u>Tennessee</u>	\$ <u>448,078,013</u>	\$	<u>331,862,104</u>	

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

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

C. Accounting Policy

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

- (1) Short-term investments include money market holdings that are stated at fair value. In addition, bonds with an original purchase maturity date of less than one year are stated at amortized cost using the straight-line method of amortization on premiums or discounts and are classified as short-term investments.
- (2) Bonds with an original purchase maturity date greater than one year are stated at amortized cost using the straight-line method of amortization on premiums or discounts. None of the Company's bonds became impaired during the years ending December 31, 2014 or 2013.
- (3) As of December 31, 2014 and 2013, the Company had 10.0 million shares, (\$1 par), of Class A common capital stock authorized, and 2.75 million of such shares issued and outstanding
- (4) Preferred Stocks: None

Notes to Financial Statement

1. Summary of Significant Accounting Policies (continued)

- (5) Mortgage Loans: None
- (6) Loan-backed Securities: None
- (7) Investment in Subsidiaries, Controlled and Affiliated Companies: None
- (8) Joint Ventures, Partnerships, and Limited Liability Companies: None
- (9) Derivatives: None
- (10) The Company does not utilize anticipated investment income as a factor in determining premium deficiencies.
- (11) The Company has recorded estimates of incurred but not reported claims for claims paid by external entities and subsequently billed to the Company such as claims paid by State pharmaceutical assistance programs and for paper claims. Incurred but not reported claims are estimated based on historical experience.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Amounts recorded in the Company's financial statements for pharmaceutical rebates are determined based on the amounts CVS Caremark Part D Services, L.L.C. and Member Health, L.L.C. (collectively, the "Part D Services") which are affiliates of the Parent Company, expects to collect from various pharmaceutical manufacturers.

2. Accounting Changes and Corrections of Errors

Effective January 1, 2014, the Company implemented Statement of Statutory Accounting Principles ("SSAP") 106 - *Affordable Care Act Assessment, a replacement of SSAP 35R*. SSAP 106 provides guidance regarding the Affordable Care Act ("ACA") Section 9010 assessment that requires insurance companies to pay an annual fee based on the ratio of an entity's adjusted health premiums written over the industry's total health premiums written. In accordance with this pronouncement, in the accompanying financial statements, the Company's current estimate for the 2014 ACA fee to be paid in 2015 of \$61.6 million has been segregated from *Unassigned funds in Aggregate write-ins for special surplus funds*. This amount, as adjusted for any estimate updates, will be fully expensed in the March 31, 2015 financial statements and the 2015 ACA fee will be segregated from *Unassigned funds* to *Aggregate write-ins for special surplus funds* on a straight-line basis in 2015.

Additionally, in the preparation of the current year's financial statements, the Company has segregated amounts due to or on behalf of its affiliate, CVS Caremark Indemnity, Ltd., into two lines in the financial statements, *Ceded reinsurance premiums payable* and *Funds held under reinsurance treaties – unauthorized*. The amounts recognized in *Ceded reinsurance payable* represent amounts incurred and due to CVS Caremark Indemnity, Ltd. The amounts recognized in *Funds held under reinsurance treaties* represent reductions of reported net liabilities to third parties in connection with activity ceded to CVS Caremark Indemnity, Ltd. Had this accounting treatment been followed in the prior year there would have been no impact on total assets, total liabilities, surplus, income or cash flows. However, the following line items would have been impacted in the prior year's financial statements:

12/31/13 Annual Statement:

<i>Liabilities, Capital and Surplus</i>	Line 11- <i>Ceded reinsurance payable</i>	Increase of \$52.4 million
<i>Liabilities, Capital and Surplus</i>	Line 19 - <i>Funds held under reinsurance treaties</i>	Decrease of \$52.4 million.

Notes to Financial Statement

3. Business Combinations and Goodwill

- A. Statutory Purchase Method: None
- B. Statutory Merger: None
- C. Assumption Reinsurance:
 - (1) Effective July 11, 2014, the Company acquired certain assets and liabilities from FirstCare, Inc. (“FirstCare”) related to their Medicare Part D business. This transaction qualifies as Assumption Reinsurance as defined in SSAP No. 61.
 - (2) The Company purchased FirstCare Insurance Company’s Medicare Part D business for the 2014 contract year, as well as their on-going Medicare Part D Contract with the Centers for Medicare and Medicaid Services (“CMS”).
 - (3) The Company paid \$822 thousand in cash for the business with zero goodwill being recorded.
 - (4) None
- D. Impairment Loss: None

4. Discontinued Operations

None

5. Investments

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

Notes to Financial Statement

5. Investments (continued)

H. Restricted Assets:

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase/(Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ 0	\$ 0	\$ 0	\$ 0	0.000 %	0.000 %
b. Collateral held under security lending agreements	0	0	0	0	0.000	0.000
c. Subject to repurchase agreements	0	0	0	0	0.000	0.000
d. Subject to reverse repurchase agreements	0	0	0	0	0.000	0.000
e. Subject to dollar repurchase agreements	0	0	0	0	0.000	0.000
f. Subject to dollar reverse repurchase agreements	0	0	0	0	0.000	0.000
g. Placed under option contracts	0	0	0	0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	0	0	0	0	0.000	0.000
i. FHLB capital stock	0	0	0	0	0.000	0.000
j. On deposit with states	3,676,518	3,692,952	(16,434)	3,676,518	0.129	0.133
k. On deposit with other regulatory bodies	508,091	524,273	(16,182)	508,091	0.018	0.018
l. Pledged collateral to FHLB (including assets backing funding agreements)	0	0	0	0	0.000	0.000
m. Pledged as collateral not captured in other categories	0	0	0	0	0.000	0.000
n. Other restricted assets	0	0	0	0	0.000	0.000
o. Total Restricted Assets	\$ 4,184,609	\$ 4,217,225	\$ (32,616)	\$ 4,184,609	0.147 %	0.151 %

(2) Detail of Assets Pledged as Collateral Not Captured in Other categories: None

(3) Detail of Other Restricted Assets: None

I. Working Capital Finance Investments: None

J. Offsetting and Netting of Assets and Liabilities: None

K. Structured Notes: None

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

Notes to Financial Statement

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued with amounts over 90 days past due are excluded from surplus.

B. The total amount excluded was: None

8. Derivative Instruments

None

9. Income Taxes

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

(1) DTA/DTL Components

Description	2014 Ordinary	2013 Ordinary	Change Ordinary
(a) Gross deferred tax assets	\$ 33,356,984	\$ 29,406,647	\$ 3,950,337
(b) Statutory valuation allowance adjustment	-	-	-
(c) Adjusted gross deferred tax assets	33,356,984	29,406,647	3,950,337
(d) Adjusted gross deferred tax assets nonadmitted	(38,987)	-	(38,987)
(e) Sub-total admitted adjusted gross deferred tax asset	33,317,997	29,406,647	3,911,350
(f) Gross deferred tax liabilities	(181,584)	(197,606)	16,022
(g) Net admitted deferred tax asset	<u>\$ 33,136,413</u>	<u>\$ 29,209,041</u>	<u>\$ 3,927,372</u>

(2) Admission calculation components:

Description	2014 Ordinary	2013 Ordinary	Change Ordinary
Admission calculation under ¶11.a.-¶11.c.			
(a) Admitted pursuant to ¶11.a. (loss carrybacks)	\$ 33,136,413	\$ 29,209,041	\$ 3,927,372
(b) Admitted pursuant to ¶11.b. (Realization)	-	-	-
Realization per ¶11.b.i.	-	-	-
Limitation per ¶11.b.ii.	62,216,731	45,397,959	16,818,772
(c) Admitted pursuant to ¶11.c.	-	-	-
Deferred tax liabilities	181,584	197,606	(16,022)
(d) Total admitted adjusted gross deferred tax asset	<u>\$ 33,317,997</u>	<u>\$ 29,406,647</u>	<u>\$ 3,911,350</u>

(3) Used in ¶11.b

(4)

(a) Applicable ratio for realization limitation threshold table, 661.16% and 442.30% for 2014 and 2013, respectively.

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

B. The Company does not have any unrecorded DTLs.

C. Significant components of income taxes incurred.

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

Description	2014	2013
(a) Current federal income tax expense	\$ 97,399,363	\$ 44,506,328
(b) Foreign Income tax expense	-	-
(c) Subtotal	97,399,363	44,506,328
(d) Tax expense on realized capital gains	-	-
(e) Utilization of capital loss carryforwards	-	-
(f) Other, including prior year overaccrual	(7,372)	(200,648)
(g) Federal and foreign income taxes incurred	<u>\$ 97,391,991</u>	<u>\$ 44,305,680</u>

Notes to Financial Statement

9. Income Taxes (continued)

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

(2) DTAs Resulting From

<u>Book/Tax Differences In</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>Change</u>
(a) Ordinary			
(1) Discounting of unpaid losses and LAE	\$ 356,491	\$ 757,522	\$ (401,031)
(2) Unearned premiums	253,735	392,649	(138,914)
(3) Intangibles	278,116	-	278,116
(4) Allowance for bad debts	-	83,272	(83,272)
(5) Nonadmitted assets	<u>32,468,642</u>	<u>28,173,204</u>	<u>4,295,438</u>
^r (99) Subtotal - Gross ordinary DTAs	33,356,984	29,406,647	3,950,337
(b) Statutory valuation adjustment adjustment - ordinary (-)	-	-	-
(c) Nonadmitted ordinary DTAs (-)	<u>(38,987)</u>	<u>-</u>	<u>(38,987)</u>
(d) Admitted ordinary DTAs	<u>\$ 33,317,997</u>	<u>\$ 29,406,647</u>	<u>\$ 3,911,350</u>
(i) Admitted DTAs	<u>\$ 33,317,997</u>	<u>\$ 29,406,647</u>	<u>\$ 3,911,350</u>

(3) DTLs Resulting From

<u>Book/Tax Differences In</u>	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>Change</u>
(a) Ordinary			
(1) Goodwill	<u>\$ (181,584)</u>	<u>\$ (197,606)</u>	<u>\$ 16,022</u>
^r (99) Ordinary DTLs	<u>\$ (181,584)</u>	<u>\$ (197,606)</u>	<u>\$ 16,022</u>
(c) DTLs	<u>\$ (181,584)</u>	<u>\$ (197,606)</u>	<u>\$ 16,022</u>
^r (4) Net deferred tax assets/liabilities	<u>\$ 33,136,413</u>	<u>\$ 29,209,041</u>	<u>\$ 3,927,372</u>

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

	<u>December 31, 2014</u>	<u>December 31, 2013</u>	<u>Bal. Sheet Change</u>
Total deferred tax assets	\$ 33,356,984	\$ 29,406,647	\$ 3,950,337
Total deferred tax liabilities	<u>(181,584)</u>	<u>(197,606)</u>	16,022
Net deferred tax assets/liabilities	33,175,400	29,209,041	3,966,359
Statutory valuation allowance adjustment	-	-	-
Net deferred tax assets/liabilities after SVA	<u>\$ 33,175,400</u>	<u>\$ 29,209,041</u>	<u>\$ 3,966,359</u>
Tax effect of unrealized gains			-
Statutory valuation allowance adjustment allocated to unrealized			-
Other intraperiod allocation of deferred tax movement			-
Change in net deferred income tax benefit			<u>\$ 3,966,359</u>

Notes to Financial Statement

9. Income Taxes (continued)

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

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

The significant items causing this difference are as follows:

Description	Amount	Statutory Rate	Effective Tax Rate
		35.00% Tax Effect	
Income Before Taxes (including all realized capital gains)	\$ 221,953,207	\$ 77,683,621	35.00%
Tax-Exempt Interest	(23,375)	(8,181)	0.00%
ACA Fee	57,293,635	20,052,772	9.03%
Meals & Entertainment, Lobbying Expenses, Etc.	408	143	0.00%
Impact of Non-Admitted Assets	(12,272,679)	(4,295,438)	-1.94%
Other, Including Prior Year True-Up	(20,816)	(7,286)	0.00%
Total	<u>\$ 266,930,380</u>	<u>\$ 93,425,632</u>	<u>42.09%</u>
Federal income taxed incurred [expense/(benefit)]		97,391,991	43.88%
Change in net deferred income tax [charge/(benefit)]		(3,966,359)	-1.79%
Total statutory income taxes		<u>\$ 93,425,632</u>	<u>42.09%</u>

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

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

The income tax expense for 2014 and 2013 that is available for recoupment in the event of future net losses is \$97.4 million and \$44.5 million.

No deposits are admitted under IRC §6603.

F. Income tax loss contingencies

The Company does not have any income tax loss contingencies

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

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

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

A., B., C During the year ended December 31, 2014 and 2013 the Company did not have any material transfer of assets to affiliates.

D. The Company reported a net \$451.9 million and \$803.8 million payable to affiliates at December 31, 2014 and 2013, respectively.

E. The Company does not have any guarantees or undertakings for the benefit of an affiliate, which result in a material contingent exposure of the Company's or any related party's assets or liabilities.

F. The following is a description of management and service contracts and cost sharing agreements involving the Company and any related party:

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

Notes to Financial Statement

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

Except for amounts due to other PDPs, all claims paid and incurred are based on amounts billed by the Parent Company and its affiliates for pharmacy claims filled by pharmacies in the Parent Company's pharmacy network or claims submitted to the Parent Company for pharmacy claims paid by state agencies. Additionally, all pharmaceutical rebates are received or receivable from Part D Services, which contracts with pharmaceutical manufacturers for such rebates.

As of December 31, 2014, the Company owed the Parent Company and its affiliates \$581.2 million of which \$76.9 million represented an insured liability of the Company and is included in *claims unpaid* in the accompanying balance sheets, \$52.4 million is included in *Ceded reinsurance premiums payable* relating to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., an affiliate and \$451.9 million is included in *amounts due to parent, subsidiaries and affiliates* and is primarily comprised of amounts due for uninsured pharmacy claims processed and management fees from the Parent Company.

As of December 31, 2013, the Company owed the Parent Company and its affiliates \$1,036.1 million of which \$180.0 million represented an insured liability of the Company and is included in *claims unpaid* in the accompanying balance sheets, \$52.3 million is included in *funds held under reinsurance treaties* relating to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., an affiliate, and \$803.8 million is included in *amounts due to parent, subsidiaries and affiliates* and is primarily comprised of amounts due for uninsured pharmacy claims processed, pharmaceutical rebate payments received in excess of pharmaceutical rebates earned and management fees from the Parent Company.

The Company pays Part D Services a management fee for sales, accounting, tax, legal, information technology, compliance, claims processing and other administrative functions under a management services agreement, which has been filed with the Department. The management fee is assessed on a per-member, per-month ("pmpm") and a per claim basis and totaled \$340.0 million for the year ending December 31, 2014, of which \$274.3 million was allocated to *claims adjustment expenses* with the remaining \$65.7 million allocated to *general and administrative expenses*. In addition, related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., the Company recognized a total of \$74.2 million of reduction of expenses related to ceded expenses for the year ending December 31, 2014, of which \$46.5 million was allocated to *claims adjustment expense* and \$27.7 million was allocated to *general and administrative expense*. The management fee totaled \$368.4 million for the year ending December 31, 2013, of which \$287.3 million was allocated to *claims adjustment expenses* with the remaining \$81.1 million allocated to *general and administrative expenses*. In addition, related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., the Company recognized a total of \$82.0 million of reduction of expenses related to ceded expenses for the year ended December 31, 2013, of which \$64.4 million was allocated to *claims adjustment expense* and \$17.6 million was allocated to *general and administrative expense*.

Payment terms require settlement of rebates within sixty days of the beginning of the calendar quarter following receipt of such rebates by Part D Services.

The Company has a written tax-sharing agreement with the Ultimate Parent, and its allocation of the Ultimate Parent's federal and state income and premium taxes is based on the Company's federal and state tax liability determined as if the Company were filing its own separate tax return each year. The Company's tax sharing agreement with the Ultimate Parent provides that the Ultimate Parent will pay the Company for its net operating losses to the extent that such net operating loss is utilized in the reduction of the consolidated federal income tax liability. As of December 31, 2014 and 2013, the Company owed the Ultimate Parent \$97.4 million and \$44.5 million, respectively, for federal income taxes, which is reported as *current federal and foreign income tax payable* in the Statement of Liabilities, Capital and Surplus. As of December 31, 2014 and 2013, the Company owed the Ultimate Parent \$4.3 million and \$1.8 million, respectively, for state taxes, which is reported as *general expenses due or accrued* in the Statement of Liabilities, Capital and Surplus. Intercompany tax balances are settled annually.

- G. All outstanding shares of the Company are owned by the Parent Company.
- H. The Company does not own shares of stock of its Parent Company.

Notes to Financial Statement

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

- I. The Company does not hold any interest in another company or limited partnership.
- J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- K. The Company does not have any investments in a foreign insurance subsidiary.
- L. The Company did not have any investments in a downstream non-insurance holding company.

11. Debt

None

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

No change.

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

- (1) As of December 31, 2014 and 2013, the Company had 10.0 million shares, (\$1 par); of Class A *common capital stock* authorized and 2.75 million of such shares issued and outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) Without prior approval of the domiciliary commissioner, dividends to shareholders are limited by the laws of Tennessee and are based on the restrictions relating to statutory surplus.
- (4) No dividends were paid by the Company during the years ending December 31, 2014 and 2013.
- (5) The portion of the Company's profits that may be paid as ordinary dividends are limited by the laws of Tennessee. Tennessee law states that ordinary dividends must follow Tennessee Code Ann. § 56-11-105(e) and Tennessee Code Ann. § 56-11-106(b) for extraordinary dividends. Ordinary dividends are limited to the greater of ten percent of surplus or the net gain from operations for the previous twelve months.

Based on the accompanying financial statements, the Company would be permitted a \$124.6 million ordinary dividend based on 2014 net income. The Company does not currently intend to issue any dividends in 2015.
- (6) The Company is subject to certain Risk-Based Capital ("RBC") requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a life/health insurance company is to be determined based on the various risk factors related to it. As of December 31, 2014 and 2013, there were no restrictions placed on the unassigned funds (surplus).
- (7) The Company has no mutual reciprocals or any similarly organized entities.
- (8) The Company does not hold any stock of the Ultimate Parent, including stock of affiliated entities for special purposes.
- (9) The Company had a special surplus of \$61.6 million and zero as of December 31, 2014 and 2013, respectively. The change in the balance of special surplus funds from the prior year is due to Section 9010 of the ACA.
- (10) As of December 31, 2014 and 2013, the Company had no unrealized gains or losses.
- (11) The Company did not issue any surplus debenture of similar obligations.
- (12) The Company did not experience an impact of any restatement due to prior quasi-reorganization.
- (13) Not applicable.

Notes to Financial Statement

14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments: None
- B. Assessments: None
- C. Gain Contingencies: None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: None
- E. Joint and Several Liabilities: None
- F. All Other Contingencies: None

15. Leases

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

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

None

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

- A. Transfers of Receivables Reported as Sales: None
- B. Transfer and Servicing of Financial Assets: None
- C. Wash Sales: None

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

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

For the years ending December 31, 2014 and 2013, the gain from operations from Administrative Services Contract ("ASC") with uninsured plans is as follows:

December 31, 2014

	<u>ASC Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASC</u>
a. Gross reimbursement for medical costs incurred	\$ 2,002,501,149	\$ -	\$ 2,002,501,149
b. Gross administrative fees accrued	85,771,845	-	85,771,845
c. Other income or expense (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>(2,088,272,994)</u>	<u>-</u>	<u>(2,088,272,994)</u>
e. Total Net Operations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2013

	<u>ASC Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASC</u>
a. Gross reimbursement for medical costs incurred	\$ 1,263,066,246	\$ -	\$ 1,263,066,246
b. Gross administrative fees accrued	79,809,585	-	79,809,585
c. Other income or expense (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>(1,342,875,831)</u>	<u>-</u>	<u>(1,342,875,831)</u>
e. Total Net Operations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Financial Statement

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

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract:

(1) Revenue and prescription drug amounts for the years ending December 31, 2014 and 2013, exclude \$8,963.9 million and \$8,834.3 million, respectively, in subsidies from CMS for catastrophic reinsurance subsidies, low income cost sharing subsidies (“LICS”) and the coverage gap discount program (“CGDP”) pursuant to the Company’s contracts with CMS.

(2) As of December 31, 2014 and 2013, *amounts receivable relating to uninsured plans* includes \$2,544.6 million and \$2,314.5 million, respectively, due from CMS or drug manufacturers for LICS, CGDP and drug costs covered by the catastrophic reinsurance feature. Amounts due from clients and other sources as of December 31, 2014 and 2013 were \$110.0 million and \$67.3 million, respectively.

Amounts due to or from CMS for a plan year for LICS and drugs covered by the catastrophic reinsurance feature are typically settled in the fourth quarter of the following year. The Company received \$2,064.3 million on October 31, 2014 and expects to receive approximately \$3.0 million in the first quarter of 2015 and \$2,046.3 million in the fourth quarter of 2015.

(3) As of December 31, 2014 and 2013, there were no allowances or reserves for adjustment of recorded revenues.

(4) The Company has made no adjustment to revenue resulting from audit of receivables related to revenues recorded in the prior period.

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

None

20. Fair Value Measurements

SSAP 100, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States, and enhances disclosures about fair value measurements. SSAP 100 provides guidance on how to measure fair value when required under existing accounting standards. The statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels (“Level 1, 2 and 3”). Level 1 inputs are observable inputs that reflect quoted prices for identical assets or liabilities in active markets the Company has the ability to access at the measurement date. Level 2 inputs are observable inputs, other than quoted prices included in Level 1, for the asset or liability. Level 3 inputs are unobservable inputs reflecting the Company’s estimates of the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

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

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

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

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

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

- *Level 1* - Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Notes to Financial Statement

20. Fair Value Measurements (continued)

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

A.

(1) Fair Value Measurements at Reporting Date:

December 31, 2014

<u>Description for each class of asset or liability</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Assets at fair value				
Cash	\$ (420,018)	\$ -	\$ -	\$ (420,018)
Short-Term investments	64,189,764	-	-	64,189,764
Matured investment being held by State for release	-	-	-	-
Total Assets at fair value	<u>\$ 63,769,746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,769,746</u>

December 31, 2013

<u>Description for each class of asset or liability</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Assets at fair value				
Cash	\$ (2,518,723)	\$ -	\$ -	\$ (2,518,723)
Short-Term investments	51,191,036	-	-	51,191,036
Matured investment being held by State for release	260,000	-	-	260,000
Total Assets at fair value	<u>\$ 48,932,313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,932,313</u>

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

(2) Fair Value Measurement (Level 3) of the Fair Value Hierarchy: Not Applicable

(3) Fair Value Measurement (Level 3) Transfers: Not Applicable

(4) Inputs for Valuation of Fair Value of Level 2 and Level 3 Investments: Bank valuation provided in monthly statements are utilized to estimate fair market value.

(5) Fair Value of Derivative Assets and Liabilities: Not Applicable

B. Other Accounting Pronouncements: Not Applicable

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

December 31, 2014

<u>Type of Financial Instrument</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Not Practicable (Carrying Value)</u>
Bonds	\$ 2,806,317	\$ 2,819,579	\$ 2,304,257	\$ 502,060	\$ -	\$ -
Cash	\$ (420,018)	\$ (420,018)	\$ (420,018)	\$ -	\$ -	\$ -
Short Term Investments	\$ 64,189,764	\$ 64,189,764	\$ 64,189,764	\$ -	\$ -	\$ -

December 31, 2013

<u>Type of Financial Instrument</u>	<u>Aggregate Fair Value</u>	<u>Admitted Assets</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Not Practicable (Carrying Value)</u>
Bonds	\$ 2,805,534	\$ 2,852,200	\$ 2,313,549	\$ 491,985	\$ -	\$ -
Cash	\$ (2,518,723)	\$ (2,518,723)	\$ (2,518,723)	\$ -	\$ -	\$ -
Short Term Investments	\$ 51,191,036	\$ 51,191,036	\$ 51,191,036	\$ -	\$ -	\$ -
Matured Investment held by State	\$ 260,000	\$ 260,000	\$ 260,000	\$ -	\$ -	\$ -

Notes to Financial Statement

20. Fair Value Measurements (continued)

D. Not Practicable to Estimate Fair Value:

As of December 31, 2014 and 2013, the Company did not own any financial instruments that were not practicable to estimate fair value.

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

As of December 31, 2014, bonds, short-term investments, and cash with an admitted asset value of \$2.8 million, \$1.2 million and \$0.2 million, respectively, were on deposit with state insurance and other departments to satisfy regulatory requirements. As of December 31, 2013, bonds, short-term investments and cash with an admitted asset value of \$2.8 million, \$1.2 million, and \$0.2 million, respectively, were on deposit with state insurance and other departments to satisfy regulatory requirements.

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

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

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized investment gains (losses) in the statements of operations in the period the determination is made. For the years ending December 31, 2014 and 2013, management determined that none of the Company's investments had sustained an other-than-temporary decline in value.

21. Other Items

- A. Extraordinary Items: None
- B. Troubled Debt Restructuring - Debtors: None
- C. Other Disclosures and Unusual Items: None
- D. Business Interruption Insurance Recoveries: None
- E. State Transferable Tax Credits: None
- F. Subprime-Mortgage-Related Risk Exposure: None
- G. Retained Assets: None

Notes to Financial Statement

22. Events Subsequent

As discussed in footnote 2, the Company became liable for ACA tax for premiums written in 2014 on January 1, 2015 when the company continued to write health premiums. The Company has segregated from *Unassigned funds* \$66.6 million as a write in to *Aggregate write-ins for special surplus*.

	<u>Current Year</u>	<u>Prior Year</u>
A. ACA fee assessment payable for the upcoming year	\$ 61,556,686	\$ -
B. ACA fee assessment paid	\$ 57,293,636	\$ -
C. Premium written subject to ACA 9010 assessment	\$ 3,156,663,057	\$ 3,905,949,711
D. Total Adjusted Capital before surplus adjustment	\$ 448,078,013	\$ 331,862,104
E. Authorized Control Level before surplus adjustment	\$ 62,762,625	\$ 68,425,625
F. Total Adjusted Capital after surplus adjustment	\$ 386,521,327	\$ 331,862,104
G. Authorized Control Level after surplus adjustment	\$ 62,762,625	\$ 68,425,625
H. Would reporting the ACA assessment as of December 31, 2014, have triggered an RBC action level (YES/NO)?	No	No

The Company has assessed and concluded that there were no other material subsequent events, through February 25, 2015, the date which the financial statements were available to be issued.

23. Reinsurance

A. Ceded Reinsurance Report

The Company entered into a reinsurance agreement with Hartford Life and Accident Insurance Company (“Hartford”), an unaffiliated authorized insurance company, effective January 1, 2009. The Company’s ceded premiums totaled \$3.0 million and \$3.7 million during the years ending December 31, 2014 and 2013, respectively. This agreement was terminated on January 1, 2015.

The Company entered into a reinsurance agreement with FirstCare, an unaffiliated authorized insurance company, effective July 11, 2014 in which the Company cedes 100% of the business on an acquired contract to FirstCare. The Company’s ceded premiums totaled \$15.1 million from purchase date through December 31, 2014.

Neither the Company nor any of its related parties control, directly or indirectly, the Hartford or First Care. No policies to the Hartford or First Care issued by the Company have been reinsured with a foreign company, which is controlled, either directly or indirectly, by a party not primarily engaged in the business of insurance. The Company does not have any reinsurance agreements in effect under which the Hartford or First Care may unilaterally cancel the agreement. As of December 31, 2014 there are no reinsurance agreements in effect such that the amount of losses paid or accrued exceed the total direct premium collected for the Hartford or First Care.

The Company entered into a quota share reinsurance agreement with an affiliate of the Parent Company, CVS Caremark Indemnity, Ltd., a Bermuda domiciled insurer. Under the terms of this agreement, the Company cedes 20% of the Company’s share of the risk associated with individual and group premiums and claims. This agreement was approved by the Department on August 15, 2011, and was retroactive to January 1, 2011. The following is a financial summary of the ceded amounts and related expenses under this agreement:

Notes to Financial Statement

23. Reinsurance (continued)

	<u>Year ending</u> <u>December 31,</u> <u>2014</u>	<u>Year ending</u> <u>December 31, 2013</u>
Statement of Revenue and Expense:		
Premiums	\$ 626,614,729	\$ 753,808,633
Benefits	(498,502,978)	(619,519,075)
Commissions expense	(74,238,026)	(82,178,520)
Interest (revenue) expense	66,593	187,676
Total revenue and expense ceded	<u>\$ 53,940,318</u>	<u>\$ 52,298,714</u>
Balance Sheet:		
Claims unpaid	\$ 27,522,498	\$ 50,012,023
Aggregate health policy reserves	47,116,664	54,972,327
Accrued retrospective premiums	-	-
Premiums received in advance	896,844	1,402,317
Premiums receivable	(3,400,305)	(4,209,728)
Accrued incentive pool	3,595,274	50,000
Total ceded balance sheet Items	<u>\$ 75,730,975</u>	<u>\$ 102,226,939</u>
Settlement of Prior Year Activity	\$ (1,549,727)	\$ -
Funds held by or deposited with reinsured companies	\$ 671,294,524	\$ 806,161,225
Funds held under reinsurance treaties with unauthorized reinsurers	(543,172,958)	(651,635,572)
Amount due to CVS Caremark Indemnity, Ltd.	<u>\$ 128,121,566</u>	<u>\$ 154,525,653</u>

B. Uncollectible Reinsurance: None

C. Commutation of Ceded Reinsurance

The Company did not commute any ceded reinsurance nor did it enter into or engage in any agreement that reinsures policies or contracts that were in-force or had existing reserves as of the effective date of such agreements.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation: None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company's Medicare Part D contract with CMS contains a risk corridor feature. Due to the risk corridor feature, the Company's business is accounted for as a retrospectively rated contract. The Company estimates retrospective premium adjustments using a mathematical approach based on the Company's underwriting experience. As of December 31, 2014 and December 31, 2013, accrued retroactive premium adjustments were reported as an *aggregate health policy reserves* in the amount of \$225.7 million and \$222.1 million, respectively, and as *accrued retrospective premiums* of \$0 and \$4 thousand, respectively.

B. The Company records the risk corridor adjustment as an adjustment to earned premiums.

C. The amount of net direct premiums written by the Company during the years ending December 31, 2014 and 2013 that was subject to the retrospective rating feature was \$3,146.9 million and \$3,714.9 million, respectively, which represented 92% and 93%, respectively, of the total premiums written, excluding risk corridor adjustment.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act: Not applicable

Notes to Financial Statement

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination (continued)

E. Risk Sharing Provisions of the ACA: The Company only offers health insurance coverage under Medicare Part D and is not a qualified health plan under the definition of the ACA. Accordingly, the Company has not recorded any financial impact with respect to the following features of the ACA:

- (1) Permanent ACA Risk Adjustment Program
 - a. Premium adjustments receivable due to ACA Risk Adjustment: None
 - b. Risk adjustment user fees payable for ACA Risk Adjustment: None
 - c. Premium adjustments payable due to ACA Risk Adjustment: None
 - d. Reported as revenue in premium for accident and health contracts due to ACA Risk Adjustment: None
 - e. Reported in expenses as ACA Risk Adjustment user fees: None
- (2) Transitional ACA Reinsurance Program
 - a. Amounts recoverable for claims paid due to ACA Reinsurance: None
 - b. Amounts recoverable for claims unpaid due to ACA Reinsurance: None
 - c. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance: None
 - d. Liabilities for contributions payable due to ACA Reinsurance: None
 - e. Ceded reinsurance premiums payable due to ACA Reinsurance: None
 - f. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance: None
 - g. Ceded reinsurance premiums due to ACA Reinsurance: None
 - h. Reinsurance recoveries due to ACA Reinsurance payments or expected payments: None
 - i. ACA Reinsurance contributions: None
- (3) Temporary ACA Risk Corridors Program
 - a. Accrued retrospective premium due to ACA Risk Corridors: None
 - b. Reserve for rate credits or policy experience ratings refunds due to ACA Risk Corridor: None
 - c. Effect of ACA Risk Corridors on net premium income: None
 - d. Effect of ACA Risk Corridors on change in reserves for rate credits: None

25. Change in Incurred Claims and Claim Adjustment Expenses

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

	Year Ended December 31, 2014	Year Ended December 31, 2013
Balances at January 1:		
Reserves for unpaid claims	\$ 203,622,464	\$ 44,586,896
Healthcare receivables	-	(19,499,988)
Reserve for incentive pools	200,000	-
	\$ 203,822,464	\$ 25,086,908
Incurred related to:		
Current year	\$ 2,034,743,325	\$ 2,545,281,087
Prior year	(38,294,951)	(19,344,738)
	\$ 1,996,448,374	\$ 2,525,936,349
Paid (received) related to:		
Current year	\$ 1,939,436,406	\$ 2,361,536,041
Prior year	131,128,970	(14,335,248)
	\$ 2,070,565,376	\$ 2,347,200,793
Balances at December 31, 2014 and December 31, 2013:		
Reserves for unpaid claims	\$ 115,324,366	\$ 203,622,464
Reserve for incentive pools	14,381,096	200,000
	\$ 129,705,462	\$ 203,822,464

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

Notes to Financial Statement

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

During 2014, the Company experienced \$38.3 million of favorable prior year claims development, all of which related to retrospectively rated policies. This favorable development occurred due primarily to reductions in reserve levels associated with favorable run out activity and additional pharmaceutical rebates related to the prior year credited to the Company by Part D Services.

During 2013, the Company experienced \$19.3 million of favorable prior year claims development, all of which related to retrospectively rated policies. This favorable development occurred due primarily to a global reduction in reserves that was a result of a reduction in subsequent claims, or runout, noted in the current year.

These amounts do not include the LICs, CGDP or reinsurance portions of claims that have been or will be reimbursed by CMS or drug manufacturers.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

The Company has contracted with its Part D Services, for pharmaceutical rebates. Amounts recorded in the Company's financial statements are determined based on the amounts the Part D Services has collected or expects to collect or expects to collect as invoiced or otherwise confirmed by Part D Services. The Company reports pharmaceutical rebates due to/from Part D Services as health care receivables.

A. Pharmaceutical Rebate Receivables:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2014	\$ 1,048,350,504	\$ 1,048,350,504	\$ 1,048,350,504		
9/30/2014	985,349,924	991,962,786	991,962,786	-	-
6/30/2014	887,340,228	910,826,144	910,826,144	-	-
3/31/2014	839,870,328	844,238,720	844,238,720	-	-
12/31/2013	848,850,940	851,863,161	851,863,161	-	-
9/30/2013	810,829,528	822,404,927	822,404,927	-	-
6/30/2013	731,002,181	731,932,313	731,932,313	-	-
3/31/2013	668,954,875	704,349,149	704,349,149	-	-
12/31/2012	252,612,034	267,974,087	266,917,410	1,055,831	846
9/30/2012	232,787,574	254,188,241	253,608,373	401,263	178,604
6/30/2012	234,181,414	258,088,918	256,418,205	1,594,850	75,863
3/31/2012	226,712,769	253,119,228	250,219,120	2,550,248	349,860

B. Risk Sharing Receivables:

None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A and 2
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [] N/A []
- 1.3 State Regulating? Tennessee
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2010
- 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). 07/09/2013
- 3.4 By what department or departments?
State of Tennessee, Department of Commerce and Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Company Code | 3
State of Domicile |
|---------------------|------------------------|------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young, 200 Clarendon St., Boston, MA 02116
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [] No [] N/A [X]
- 10.6 If the response to 10.5 is no or n/a, please explain
Exempt status per DOI
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Rebecca Conway Justice, Actuary, CVS Health, 29100 Aurora Rd., Solon, OH, 44139
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$
- 12.2 If, yes provide explanation:
.....
- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

GENERAL INTERROGATORIES

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----|-------|
| 20.11 To directors or other officers..... | \$ | ..... |
| 20.12 To stockholders not officers..... | \$ | ..... |
| 20.13 Trustees, supreme or grand (Fraternal Only) ..... | \$ | ..... |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----|-------|
| 20.21 To directors or other officers..... | \$ | ..... |
| 20.22 To stockholders not officers..... | \$ | ..... |
| 20.23 Trustees, supreme or grand (Fraternal Only) ..... | \$ | ..... |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|---------------------------------|----|-------|
| 21.21 Rented from others..... | \$ | ..... |
| 21.22 Borrowed from others..... | \$ | ..... |
| 21.23 Leased from others ..... | \$ | ..... |
| 21.24 Other ..... | \$ | ..... |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- | | | |
|---|----|------------|
| 22.21 Amount paid as losses or risk adjustment \$ | \$ | ..... |
| 22.22 Amount paid as expenses | \$ | 57,293,637 |
| 22.23 Other amounts paid ..... | \$ | ..... |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)..... Yes [] No [X]
- 24.02 If no, give full and complete information relating thereto
SilverScript Insurance Company has Statutory Deposits with several states
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company
GENERAL INTERROGATORIES

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

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$	0
24.103 Total payable for securities lending reported on the liability page	\$	0

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

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

25.21 Subject to repurchase agreements	\$
25.22 Subject to reverse repurchase agreements	\$
25.23 Subject to dollar repurchase agreements	\$
25.24 Subject to reverse dollar repurchase agreements	\$
25.25 Placed under option agreements	\$
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$
25.27 FHLB Capital Stock	\$
25.28 On deposit with states	\$ 3,676,518
25.29 On deposit with other regulatory bodies	\$ 508,091
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$
25.32 Other	\$

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of America, N.A.	1655 Grant Street, Concord, CA 94520
Bank of America, N.A.	200 N College Street, Charlotte, NC 28255
Regions Bank	400 West Capitol, Little Rock, AR 72201
Suntrust	919 East Main Street, 7th Floor, Richmond, VA 23219
US Bank	225 Water Street, Ste. 700, Jacksonville, FL 32202
Xerox State & Local Solutions, Inc.	100 Hancock Street, 10th Floor, Quincy, MA, 02171

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	2,819,579	2,806,317	(13,262)
30.2 Preferred stocks	0		0
30.3 Totals	2,819,579	2,806,317	(13,262)

- 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 [X] No []

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

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

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

- 32.2 If no, list exceptions:
-

GENERAL INTERROGATORIES

OTHER

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

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

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

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

1.31 Reason for excluding

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ _____ 0

1.62 Total incurred claims \$ _____ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ _____ 0

1.65 Total incurred claims \$ _____ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ _____ 0

1.72 Total incurred claims \$ _____ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ _____ 0

1.75 Total incurred claims \$ _____ 0

1.76 Number of covered lives 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	2,519,810,780	3,111,842,234
2.2 Premium Denominator	2,519,810,780	3,111,842,234
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	355,357,529	425,901,727
2.5 Reserve Denominator	355,357,529	425,901,747
2.6 Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

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

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

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

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ _____

5.32 Medical Only \$ _____

5.33 Medicare Supplement \$ _____

5.34 Dental & Vision \$ _____

5.35 Other Limited Benefit Plan \$ _____

5.36 Other \$ _____

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

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

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 68,000

8.2 Number of providers at end of reporting year 68,000

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

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months.. \$ _____

9.22 Business with rate guarantees over 36 months \$ _____

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company
GENERAL INTERROGATORIES

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

10.2 If yes: 10.21 Maximum amount payable bonuses.....\$
10.22 Amount actually paid for year bonuses.....\$
10.23 Maximum amount payable withholds.....\$
10.24 Amount actually paid for year withholds.....\$

11.1 Is the reporting entity organized as:
11.12 A Medical Group/Staff Model, Yes [] No [X]
11.13 An Individual Practice Association (IPA), or, .. Yes [] No [X]
11.14 A Mixed Model (combination of above)? Yes [] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No []
 11.3 If yes, show the name of the state requiring such net worth. Wisconsin
 11.4 If yes, show the amount required. \$ 194,025,430
 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]
 11.6 If the amount is calculated, show the calculation
 2,519,810,780 (Total Premiums) x .07 = 176,386,755 x 110% = 194,025,430

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

1 Name of Service Area
All States listed in Schedule T

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

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

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

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

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [X] No [] N/A []

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
First Care, Inc.	60113	MD.....	1,346,526			
Hartford Life & Accident Ins. Co	70815	CT.....	37,258			

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

15.1 Direct Premium Written\$0
 15.2 Total Incurred Claims\$0
 15.3 Number of Covered Lives0

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company

FIVE-YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	2,764,215,754	2,479,404,546	775,857,263	487,614,690	361,971,473
2. Total liabilities (Page 3, Line 24)	2,316,137,741	2,147,542,442	489,849,644	305,906,967	222,333,553
3. Statutory surplus	194,025,430	239,611,852	113,806,247	69,662,374	71,795,331
4. Total capital and surplus (Page 3, Line 33)	448,078,013	331,862,104	286,007,619	181,707,723	139,637,920
Income Statement (Page 4)					
5. Total revenues (Line 8)	2,516,234,178	2,965,594,606	1,389,747,665	870,312,485	925,413,124
6. Total medical and hospital expenses (Line 18)	1,996,448,374	2,525,936,349	1,106,126,589	705,181,126	818,794,578
7. Claims adjustment expenses (Line 20)	171,353,561	243,655,860	107,758,904	91,571,173	100,342,227
8. Total administrative expenses (Line 21)	101,788,780	65,589,644	4,558,894	4,970,967	10,600,300
9. Net underwriting gain (loss) (Line 24)	246,643,463	130,412,753	171,303,278	68,589,219	(4,323,981)
10. Net investment gain (loss) (Line 27)	24,029	33,267	41,881	57,273	107,252
11. Total other income (Lines 28 plus 29)	(24,714,285)	(4,085,909)	(256,230)	2,271,080	(18,383,180)
12. Net income or (loss) (Line 32)	124,561,216	82,054,431	111,358,983	45,784,210	(14,525,397)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	14,830,496	(376,083,659)	102,388,114	284,758,844	(371,823)
Risk-Based Capital Analysis					
14. Total adjusted capital	448,078,013	331,862,104	286,007,619	181,707,723	139,637,920
15. Authorized control level risk-based capital	62,762,625	68,425,625	35,106,037	31,694,038	34,434,578
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	2,994,368	3,354,748	1,526,981	886,130	705,622
17. Total members months (Column 6, Line 7)	36,635,427	41,765,543	18,441,120	10,305,072	8,493,906
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	79.3	85.2	79.6	81.0	88.5
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.1
21. Other claims adjustment expenses	6.8	8.2	7.7	10.5	10.8
22. Total underwriting deductions (Line 23)	90.2	95.6	87.7	92.1	100.5
23. Total underwriting gain (loss) (Line 24)	9.8	4.4	12.3	7.9	(0.5)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	165,527,512	5,742,170	42,063,442	53,420,925	59,127,684
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	203,822,464	25,086,908	40,745,922	58,888,790	74,252,404
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
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.	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2014 OF THE SilverScript Insurance Company
SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

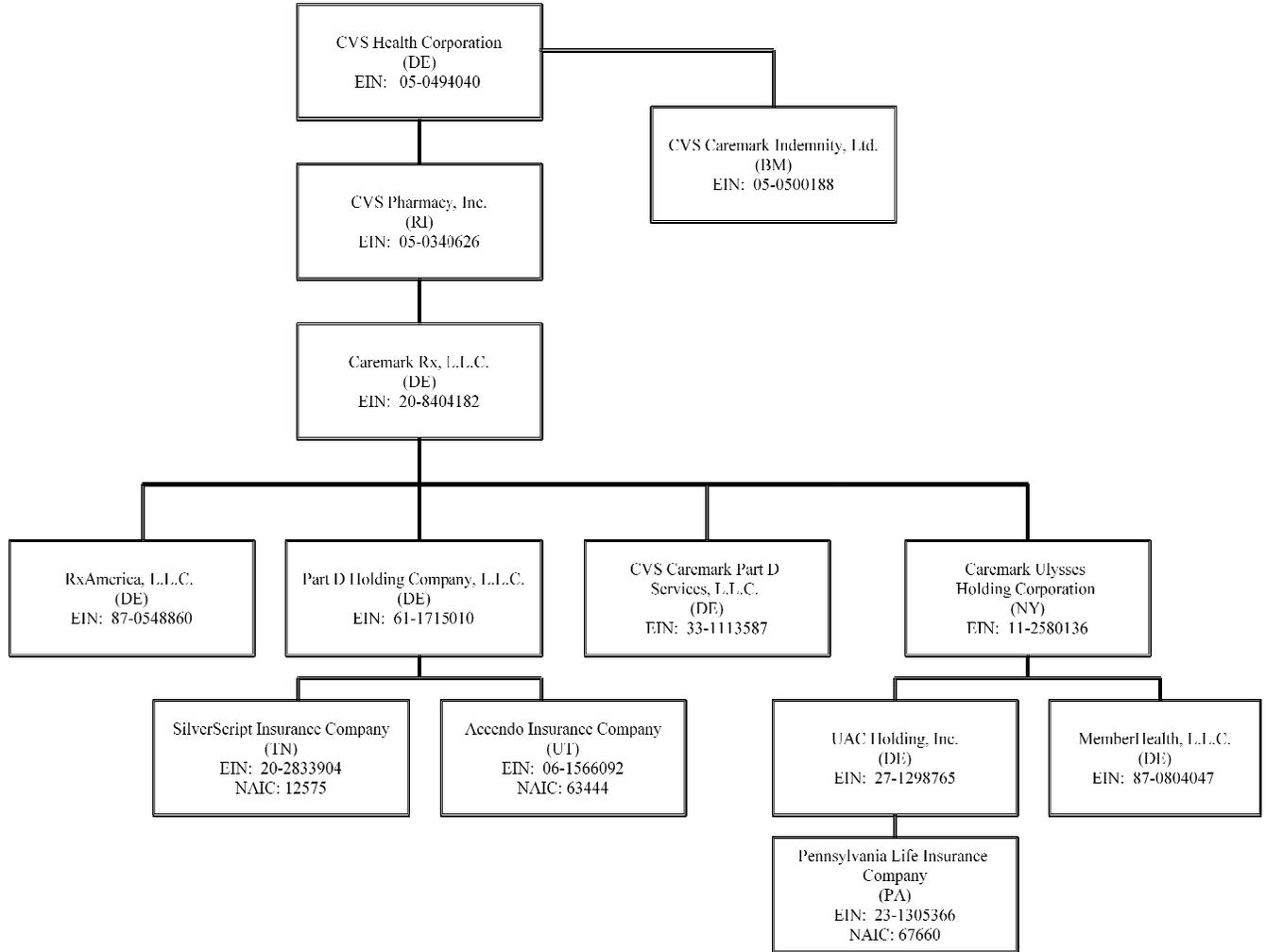
Allocated by States and Territories

1	Direct Business Only								
	2	3	4	5	6	7	8	9	
States, etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	L	51,700,646					51,700,646	
2. Alaska	AK	L	1,839,158					1,839,158	
3. Arizona	AZ	L	31,296,826					31,296,826	
4. Arkansas	AR	L	42,852,466					42,852,466	
5. California	CA	L	388,428,775					388,428,775	
6. Colorado	CO	L	15,169,779					15,169,779	
7. Connecticut	CT	L	51,195,653					51,195,653	
8. Delaware	DE	L	10,132,952					10,132,952	
9. District of Columbia	DC	L	6,242,596					6,242,596	
10. Florida	FL	L	102,309,936					102,309,936	
11. Georgia	GA	L	94,232,553					94,232,553	
12. Hawaii	HI	L	1,839,331					1,839,331	
13. Idaho	ID	L	14,825,507					14,825,507	
14. Illinois	IL	L	105,659,381					105,659,381	
15. Indiana	IN	L	62,242,963					62,242,963	
16. Iowa	IA	L	43,192,013					43,192,013	
17. Kansas	KS	L	28,922,161					28,922,161	
18. Kentucky	KY	L	60,402,056					60,402,056	
19. Louisiana	LA	L	84,827,397					84,827,397	
20. Maine	ME	L	4,873,561					4,873,561	
21. Maryland	MD	L	50,802,671					50,802,671	
22. Massachusetts	MA	L	125,377,323					125,377,323	
23. Michigan	MI	L	75,699,491					75,699,491	
24. Minnesota	MN	L	45,084,245					45,084,245	
25. Mississippi	MS	L	53,615,063					53,615,063	
26. Missouri	MO	L	100,250,386					100,250,386	
27. Montana	MT	L	12,874,347					12,874,347	
28. Nebraska	NE	L	23,602,754					23,602,754	
29. Nevada	NV	L	12,068,656					12,068,656	
30. New Hampshire	NH	L	8,872,419					8,872,419	
31. New Jersey	NJ	L	105,853,569					105,853,569	
32. New Mexico	NM	L	24,109,684					24,109,684	
33. New York	NY	L	215,785,199					215,785,199	
34. North Carolina	NC	L	120,085,557					120,085,557	
35. North Dakota	ND	L	13,783,072					13,783,072	
36. Ohio	OH	L	132,605,851					132,605,851	
37. Oklahoma	OK	L	64,371,855					64,371,855	
38. Oregon	OR	L	27,666,671					27,666,671	
39. Pennsylvania	PA	L	165,500,181					165,500,181	
40. Rhode Island	RI	L	18,481,619					18,481,619	
41. South Carolina	SC	L	44,835,862					44,835,862	
42. South Dakota	SD	L	11,468,275					11,468,275	
43. Tennessee	TN	L	58,547,305					58,547,305	
44. Texas	TX	L	172,852,479					172,852,479	
45. Utah	UT	L	11,492,754					11,492,754	
46. Vermont	VT	L	14,645,779					14,645,779	
47. Virginia	VA	L	64,895,195					64,895,195	
48. Washington	WA	L	63,948,222					63,948,222	
49. West Virginia	WV	L	43,574,538					43,574,538	
50. Wisconsin	WI	L	66,111,158					66,111,158	
51. Wyoming	WY	L	5,199,820					5,199,820	
52. American Samoa	AS	N						0	
53. Guam	GU	N						0	
54. Puerto Rico	PR	L	383,963					383,963	
55. U.S. Virgin Islands	VI	N	31,387					31,387	
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
59. Subtotal	XXX	3,156,663,057	0	0	0	0	0	3,156,663,057	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 52	3,156,663,057	0	0	0	0	0	3,156,663,057	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

(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**



OVERFLOW PAGE FOR WRITE-INS

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

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. Amortization of Intangible Asset			822,080		822,080
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	822,080	0	822,080

ALPHABETICAL INDEX

ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 - Enrollment By Product Type for Health Business Only	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid	18
Exhibit 3 - Health Care Receivables	19
Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued	20
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus	21
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates	22
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates	23
Exhibit 7 - Part 1 - Summary of Transactions With Providers	24
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries	24
Exhibit 8 - Furniture, Equipment and Supplies Owned	25
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	30
Five-Year Historical Data	29
General Interrogatories	27
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	26
Overflow Page For Write-ins	44
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI10
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E19
Schedule DB - Part A - Verification Between Years	SI11
Schedule DB - Part B - Section 1	E20
Schedule DB - Part B - Section 2	E21
Schedule DB - Part B - Verification Between Years	SI11
Schedule DB - Part C - Section 1	SI12
Schedule DB - Part C - Section 2	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23
Schedule DB - Verification	SI14
Schedule DL - Part 1	E24
Schedule DL - Part 2	E25
Schedule E - Part 1 - Cash	E26
Schedule E - Part 2 - Cash Equivalents	E27
Schedule E - Part 3 - Special Deposits	E28
Schedule E - Verification Between Years	SI15

ANNUAL STATEMENT BLANK (Continued)

Schedule S - Part 1 - Section 2	31
Schedule S - Part 2	32
Schedule S - Part 3 - Section 2	33
Schedule S - Part 4	34
Schedule S - Part 5	35
Schedule S - Part 6.....	36
Schedule S - Part 7.....	37
Schedule T - Part 2 - Interstate Compact	39
Schedule T - Premiums and Other Considerations	38
Schedule Y - Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14