



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2013
OF THE CONDITION AND AFFAIRS OF THE

HealthSpring Life & Health Insurance Company, Inc.

NAIC Group Code 0901 0901 NAIC Company Code 12902 Employer's ID Number 20-8534298
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

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

Incorporated/Organized 02/27/2007 Commenced Business 02/27/2007

Statutory Home Office 2900 North Loop West, Suite 1300, Houston, TX, US 77092
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 500 Great Circle Road
(Street and Number)
Nashville, TN, US 37228, 615-291-7000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 9009 Carothers Parkway, Franklin, TN, US 37067
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 500 Great Circle Road
(Street and Number)
Nashville, TN, US 37228, 615-291-7000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.cignahealthspring.com

Statutory Statement Contact Beth Ann Hollingsworth, 615-236-6252
(Name) (Area Code) (Telephone Number)
regulatory@healthspring.com, 615-401-4566
(E-mail Address) (FAX Number)

OFFICERS

President, Chairman & Chief Executive Officer Scott Christian Huebner Vice President & Secretary Gregory James Allen #
Chief Financial Officer Brian David Setzer Co-Chief Executive Officer Matthew Shawn Morris

OTHER

<u>Dirk Oliver Wales MD Corporate Medical Director</u>	<u>Richard Alan Appel Compliance Officer</u>	<u>David Lowell Terry Chief Actuary</u>
<u>Jay Landon Hurt Divisional President</u>	<u>Peter Ronald Gardner Vice President</u>	<u>Kristinn Klunkert Benton Vice President</u>
<u>Allen Curtis Perez Vice President</u>	<u>Barry Richard McHale Vice President & Treasurer</u>	<u>James Patrick Foley Divisional President</u>
<u>Robert Lambdin Dawson # Divisional President</u>	<u>Maureen Hardiman Ryan Vice President & Assistant Treasurer</u>	<u>Matthew Satoshi Collins # Vice President</u>
<u>Scott Ronald Lambert Vice President & Assistant Treasurer</u>	<u>Jumana Nadeem Siddiqui Assistant Treasurer</u>	<u>Kevin James Oleksak Assistant Secretary</u>
<u>Rhiannon Ashley Bernier Assistant Secretary</u>	<u>Anna Krishtul Assistant Secretary</u>	

DIRECTORS OR TRUSTEES

Scott Christian Huebner Robert Lambdin Dawson Matthew Shawn Morris
Gregory James Allen # Jay Landon Hurt

State of Maryland SS:
County of Harford

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.

Scott Christian Huebner Brian David Setzer Gregory James Allen #
President, Chairman and Chief Executive Officer Chief Financial Officer Vice President and Secretary

Subscribed and sworn to before me this _____ day of February, 2014

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

Christina Y. Schneider
Notary Public
October 31, 2016

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)	329,895,724	0	329,895,724	139,077,212
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)			0	0
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$102,329,257 , Schedule E - Part 1), cash equivalents (\$32,996,219 , Schedule E - Part 2) and short-term investments (\$51,343,672 , Schedule DA)	186,669,148	0	186,669,148	512,566,220
6. Contract loans, (including \$0 premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	0		0	0
9. Receivables for securities	0	0	0	204,732
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	516,564,872	0	516,564,872	651,848,164
13. Title plants less \$0 charged off (for Title insurers only)			0	0
14. Investment income due and accrued	3,717,096	17,755	3,699,340	1,270,221
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	19,689,554	0	19,689,554	19,332,565
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$0 earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums			0	0
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	39,172,933	0	39,172,933	41,577,250
18.1 Current federal and foreign income tax recoverable and interest thereon	461,216	0	461,216	0
18.2 Net deferred tax asset	10,031,666	552,398	9,479,268	6,540,046
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	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	3,740,192	0	3,740,192	48,555
24. Health care (\$78,498,678) and other amounts receivable	80,556,314	2,057,636	78,498,678	75,624,235
25. Aggregate write-ins for other than invested assets	602,925	0	602,925	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	674,536,768	2,627,790	671,908,978	796,241,036
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	674,536,768	2,627,790	671,908,978	796,241,036
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. State Income Taxes Recoverable	602,925		602,925	
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)	602,925	0	602,925	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded)	166,500,971		166,500,971	166,865,393
2. Accrued medical incentive pool and bonus amounts	10,199,110		10,199,110	10,554,670
3. Unpaid claims adjustment expenses	1,894,780		1,894,780	1,803,555
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	63,073,256		63,073,256	39,763,915
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	232,767		232,767	186,356
9. General expenses due or accrued	2,396,912		2,396,912	1,562,664
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))	0		0	8,894,570
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others	2,749,574		2,749,574	2,208,149
13. Remittance and items not allocated			0	101,000
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	39,638,865		39,638,865	36,128,146
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers)			0	0
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			0	88,366,814
23. Aggregate write-ins for other liabilities (including \$ current)	487,777	0	487,777	486,850
24. Total liabilities (Lines 1 to 23)	287,174,011	0	287,174,011	356,922,081
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	2,500,000	2,500,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	116,703,127	116,703,127
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	265,531,839	320,115,829
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	384,734,967	439,318,956
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	671,908,978	796,241,036
DETAILS OF WRITE-INS				
2301. Fines and penalties	487,777		487,777	486,850
2302.				
2303.				
2308. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309. Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above)	487,777	0	487,777	486,850
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	7,226,846	9,023,887
2. Net premium income (including \$ non-health premium income)	XXX	2,126,573,626	2,167,787,015
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	
4. Fee-for-service (net of \$ medical expenses)	XXX	0	
5. Risk revenue	XXX	0	
6. Aggregate write-ins for other health care related revenues	XXX	(2,258,989)	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	2,124,314,637	2,167,787,015
Hospital and Medical:			
9. Hospital/medical benefits		1,074,949,306	971,544,595
10. Other professional services		22,163,704	17,688,982
11. Outside referrals		72,946,859	24,124,410
12. Emergency room and out-of-area		22,918,091	18,950,564
13. Prescription drugs		541,667,745	663,936,853
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments, and bonus amounts		2,445,314	14,850,773
16. Subtotal (Lines 9 to 15)	0	1,737,091,020	1,711,096,177
Less:			
17. Net reinsurance recoveries		0	
18. Total hospital and medical (Lines 16 minus 17)	0	1,737,091,020	1,711,096,177
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$57,671,496 cost containment expenses		68,277,164	84,215,413
21. General administrative expenses		205,581,871	183,561,772
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)		9,207,609	(202,689)
23. Total underwriting deductions (Lines 18 through 22).....	0	2,020,157,664	1,978,670,673
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	104,156,973	189,116,342
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		5,965,306	4,039,115
26. Net realized capital gains (losses) less capital gains tax of \$1,688		3,134	98,386
27. Net investment gains (losses) (Lines 25 plus 26)	0	5,968,440	4,137,501
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]		(16,116,614)	(11,603,607)
29. Aggregate write-ins for other income or expenses	0	(45,970)	296,585
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	93,962,829	181,946,821
31. Federal and foreign income taxes incurred	XXX	36,558,358	63,944,765
32. Net income (loss) (Lines 30 minus 31)	XXX	57,404,471	118,002,056
DETAILS OF WRITE-INS			
0601. Star+Plus Experience Rebate	XXX	(2,268,317)	0
0602. Other Income	XXX	9,328	0
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	(2,258,989)	0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901. Penalties and Fines		(45,970)	(29,697)
2902. Other Income			326,282
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	(45,970)	296,585

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	439,318,956	317,502,279
34. Net income or (loss) from Line 32.....	57,404,471	118,002,056
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.....	3,237,503	47,891
39. Change in nonadmitted assets.....	2,774,036	3,460,073
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.....		306,657
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.....	(118,000,000)	
47. Aggregate write-ins for gains or (losses) in surplus.....	0	0
48. Net change in capital and surplus (Lines 34 to 47).....	(54,583,989)	121,816,677
49. Capital and surplus end of reporting period (Line 33 plus 48)	384,734,967	439,318,956
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	0

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	2,135,092,662	2,194,463,473
2. Net investment income	7,962,767	6,076,042
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	2,143,055,429	2,200,539,515
5. Benefit and loss related payments	1,738,363,173	1,657,948,205
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	372,647,512	103,542,800
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$52,977 tax on capital gains (losses)	45,915,830	57,200,634
10. Total (Lines 5 through 9)	2,156,926,515	1,818,691,639
11. Net cash from operations (Line 4 minus Line 10)	(13,871,086)	381,847,876
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	31,730,957	36,807,809
12.2 Stocks	0	0
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	30,000,000	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	(10,413)	0
12.7 Miscellaneous proceeds	204,732	1,227
12.8 Total investment proceeds (Lines 12.1 to 12.7)	61,925,276	36,809,036
13. Cost of investments acquired (long-term only):		
13.1 Bonds	226,978,503	43,925,538
13.2 Stocks	0	0
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	30,000,000	0
13.6 Miscellaneous applications	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	256,978,503	43,925,538
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)	(195,053,227)	(7,116,502)
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	118,000,000	0
16.6 Other cash provided (applied)	1,027,240	5,866,491
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(116,972,759)	5,866,491
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)	(325,897,073)	380,597,865
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	512,566,220	131,968,355
19.2 End of year (Line 18 plus Line 19.1)	186,669,148	512,566,220

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

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ANNUAL STATEMENT FOR THE YEAR 2013 OF THE HealthSpring Life & Health Insurance Company, Inc.

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	2,126,573,626						1,310,114,171	316,538,594	499,920,861	
2. Change in unearned premium reserves and reserve for rate credit	0									
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	(2,258,989)	0	0	0	0	0	9,328	(2,268,317)	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)	2,124,314,637	0	0	0	0	0	1,310,123,499	314,270,277	499,920,861	0
8. Hospital/medical benefits	1,074,949,306						856,470,172	218,479,134		XXX
9. Other professional services	22,163,704						20,579,269	1,584,435		XXX
10. Outside referrals	72,946,859						72,946,859			XXX
11. Emergency room and out-of-area	22,918,091						22,918,091			XXX
12. Prescription drugs	541,667,745						113,810,687	34,886,856	392,970,202	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	2,445,314						2,445,314			XXX
15. Subtotal (Lines 8 to 14)	1,737,091,020	0	0	0	0	0	1,089,170,392	254,950,426	392,970,202	XXX
16. Net reinsurance recoveries	0									XXX
17. Total medical and hospital (Lines 15 minus 16)	1,737,091,020	0	0	0	0	0	1,089,170,392	254,950,426	392,970,202	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 57,671,496 cost containment expenses	68,277,163						56,951,740		11,325,423	
20. General administrative expenses	205,581,873						166,915,210		38,666,663	
21. Increase in reserves for accident and health contracts	9,207,609							9,207,609		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)	2,020,157,665	0	0	0	0	0	1,313,037,342	264,158,035	442,962,288	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	104,156,972	0	0	0	0	0	(2,913,843)	50,112,242	56,958,573	0
DETAILS OF WRITE-INS										
0501. Star+Plus Experience Rebate	(2,268,317)							(2,268,317)		XXX
0502. Other Income	9,328						9,328			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)	(2,258,989)	0	0	0	0	0	9,328	(2,268,317)	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

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	1,310,114,171			1,310,114,171
7. Title XIX - Medicaid	316,538,594			316,538,594
8. Other health	499,920,861			499,920,861
9. Health subtotal (Lines 1 through 8)	2,126,573,626	0	0	2,126,573,626
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	2,126,573,626	0	0	2,126,573,626

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE HealthSpring Life & Health Insurance Company, Inc.

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	1,735,562,298						1,073,073,758	262,572,194	399,916,346	
1.2 Reinsurance assumed	.0									
1.3 Reinsurance ceded	.0									
1.4 Net	1,735,562,298	.0	.0	.0	.0	.0	1,073,073,758	262,572,194	399,916,346	.0
2. Paid medical incentive pools and bonuses	2,800,875						2,800,875			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	166,500,971	.0	.0	.0	.0	.0	102,402,769	16,980,031	47,118,171	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	166,500,971	.0	.0	.0	.0	.0	102,402,769	16,980,031	47,118,171	.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	10,199,110						10,199,110			
6. Net healthcare receivables (a)	552,171						4,295,387		(3,743,216)	
7. Amounts recoverable from reinsurers December 31, current year	.0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	166,865,392	.0	.0	.0	.0	.0	84,456,062	24,601,799	57,807,531	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net	166,865,392	.0	.0	.0	.0	.0	84,456,062	24,601,799	57,807,531	.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	10,554,670						10,554,670			
11. Amounts recoverable from reinsurers December 31, prior year	.0									
12. Incurred Benefits:										
12.1 Direct	1,734,645,706	.0	.0	.0	.0	.0	1,086,725,078	254,950,426	392,970,202	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.4 Net	1,734,645,706	.0	.0	.0	.0	.0	1,086,725,078	254,950,426	392,970,202	.0
13. Incurred medical incentive pools and bonuses	2,445,314	.0	.0	.0	.0	.0	2,445,314	.0	.0	.0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (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	58,495,571						12,136,170		46,359,401	
1.2 Reinsurance assumed .....	.0									
1.3 Reinsurance ceded .....	.0									
1.4 Net	58,495,571	.0	.0	.0	.0	.0	12,136,170	.0	46,359,401	.0
2. Incurred but Unreported:										
2.1 Direct	108,005,400						90,266,599	16,980,031	758,770	
2.2 Reinsurance assumed .....	.0									
2.3 Reinsurance ceded .....	.0									
2.4 Net	108,005,400	.0	.0	.0	.0	.0	90,266,599	16,980,031	758,770	.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	166,500,971	.0	.0	.0	.0	.0	102,402,769	16,980,031	47,118,171	.0
4.2 Reinsurance assumed .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded .....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net	166,500,971	0	0	0	0	0	102,402,769	16,980,031	47,118,171	0

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE HealthSpring Life & Health Insurance Company, Inc.

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	55,987,589	1,017,086,169	1,343,448	101,059,321	57,331,038	84,456,063
7. Title XIX - Medicaid	13,969,734	248,602,460	275,792	16,704,239	14,245,526	24,601,798
8. Other health	(5,970,775)	405,887,122	2,488,391	44,629,780	(3,482,385)	57,807,531
9. Health subtotal (Lines 1 to 8)	63,986,548	1,671,575,750	4,107,631	162,393,340	68,094,179	166,865,392
10. Healthcare receivables (a)	1,660,965	78,895,349			1,660,965	80,004,140
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	7,491,987	(4,691,112)	1,240,804	8,958,306	8,732,791	10,554,670
13. Totals (Lines 9 - 10 + 11 + 12)	69,817,570	1,587,989,290	5,348,435	171,351,645	75,166,005	97,415,922

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	53,103	53,275	53,124	53,124	53,124
2.	2009	594,514	644,558	644,614	644,817	644,817
3.	2010	XXX	655,771	702,920	702,994	702,874
4.	2011	XXX	XXX	781,486	845,545	845,709
5.	2012	XXX	XXX	XXX	900,535	963,970
6.	2013	XXX	XXX	XXX	XXX	1,008,100

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	112,415	112,586	112,436	53,124	53,124
2.	2009	659,451	709,670	709,726	644,817	644,817
3.	2010	XXX	681,977	731,909	702,994	702,874
4.	2011	XXX	XXX	860,109	847,455	845,709
5.	2012	XXX	XXX	XXX	993,636	966,554
6.	2013	XXX	XXX	XXX	XXX	1,118,117

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

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. 2009	830,465	644,817	31,101	4.8	675,918	81.4			675,918	81.4
2. 2010	927,512	702,874	38,886	5.5	741,760	80.0		0	741,760	80.0
3. 2011	1,104,518	845,709	49,139	5.8	894,848	81.0		0	894,848	81.0
4. 2012	1,239,906	963,970	67,230	7.0	1,031,200	83.2	2,584	43	1,033,827	83.4
5. 2013	1,310,114	1,008,100	49,838	4.9	1,057,938	80.8	110,018	1,851	1,169,807	89.3

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	0	0	0	0	
2.	2009					
3.	2010	XXX				
4.	2011	XXX	XXX	2,899	4,622	4,601
5.	2012	XXX	XXX	XXX	170,142	184,132
6.	2013	XXX	XXX	XXX	XXX	248,602

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	0	0	0	0	
2.	2009					
3.	2010	XXX				
4.	2011	XXX	XXX	4,932	4,635	4,601
5.	2012	XXX	XXX	XXX	194,730	184,408
6.	2013	XXX	XXX	XXX	XXX	265,307

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

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. 2009				0.0	0	0.0			0	0.0
2. 2010				0.0	0	0.0			0	0.0
3. 2011	6,812	4,601		0.0	4,601	67.5			4,601	67.5
4. 2012	208,756	184,132		0.0	184,132	88.2	276		184,408	88.3
5. 2013	316,539	248,602		0.0	248,602	78.5	16,704		265,306	83.8

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 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	6,580	6,580	6,580	6,580	6,580
2.	2009	287,382	302,046	302,046	302,046	302,046
3.	2010	XXX	628,553	596,558	596,558	596,558
4.	2011	XXX	XXX	837,213	799,307	799,307
5.	2012	XXX	XXX	XXX	553,119	553,148
6.	2013	XXX	XXX	XXX	XXX	409,630

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	31,165	31,165	31,165	6,580	6,580
2.	2009	292,469	307,134	307,134	302,046	302,046
3.	2010	XXX	634,227	608,462	596,558	596,558
4.	2011	XXX	XXX	905,505	799,561	799,307
5.	2012	XXX	XXX	XXX	616,672	555,636
6.	2013	XXX	XXX	XXX	XXX	454,260

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. 2009	352,514	302,046	13,808	4.6	315,854	89.6			315,854	89.6
2. 2010	760,413	596,558	23,608	4.0	620,166	81.6			620,166	81.6
3. 2011	961,049	799,307	32,493	4.1	831,800	86.6			831,800	86.6
4. 2012	719,125	553,148	14,800	2.7	567,948	79.0	2,488		570,436	79.3
5. 2013	499,921	409,630	10,261	2.5	419,891	84.0	44,630		464,521	92.9

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 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	59,683	59,854	59,704	59,704	59,704
2.	2009	881,896	946,604	946,661	946,864	946,863
3.	2010	XXX	1,284,325	1,299,478	1,299,552	1,299,432
4.	2011	XXX	XXX	1,621,597	1,649,475	1,649,618
5.	2012	XXX	XXX	XXX	1,629,795	1,701,250
6.	2013	XXX	XXX	XXX	XXX	1,666,332

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior	143,580	143,751	143,601	59,704	59,704
2.	2009	951,920	1,016,804	1,016,860	946,863	946,863
3.	2010	XXX	1,316,204	1,340,371	1,299,552	1,299,432
4.	2011	XXX	XXX	1,770,547	1,651,651	1,649,617
5.	2012	XXX	XXX	XXX	1,805,038	1,706,598
6.	2013	XXX	XXX	XXX	XXX	1,837,684

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. 2009	1,182,979	946,863	44,909	4.7	991,772	83.8	0	0	991,772	83.8
2. 2010	1,687,925	1,299,432	62,494	4.8	1,361,926	80.7	0	0	1,361,926	80.7
3. 2011	2,072,379	1,649,617	81,632	4.9	1,731,249	83.5	0	0	1,731,249	83.5
4. 2012	2,167,787	1,701,250	82,030	4.8	1,783,280	82.3	5,348	43	1,788,671	82.5
5. 2013	2,126,574	1,666,332	60,099	3.6	1,726,431	81.2	171,352	1,851	1,899,634	89.3

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)	9,207,609							9,207,609	
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including \$) for investment income	53,865,647						14,536,015		39,329,632
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	63,073,256	0	0	0	0	0	14,536,015	9,207,609	39,329,632
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	63,073,256	0	0	0	0	0	14,536,015	9,207,609	39,329,632
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 \$9,207,609 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)	1,552,726	218,702	6,916,714		8,688,142
2. Salary, wages and other benefits	27,516,263	6,166,960	109,032,375		142,715,598
3. Commissions (less \$ ceded plus \$ assumed)	6,011,379	907,400	27,564,242		34,483,021
4. Legal fees and expenses	6,102	895	375,088		382,085
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	5,159,803	1,991,070	20,280,459		27,431,332
7. Traveling expenses	687,538	105,286	3,059,549		3,852,373
8. Marketing and advertising	1,515,472	231,127	6,999,678		8,746,277
9. Postage, express and telephone	1,300,115	205,518	5,097,919		6,603,552
10. Printing and office supplies	1,736,617	225,800	7,235,143		9,197,560
11. Occupancy, depreciation and amortization					0
12. Equipment	194,693	37,570	856,092		1,088,355
13. Cost or depreciation of EDP equipment and software	375,513	14,164	1,332,085		1,721,762
14. Outsourced services including EDP, claims, and other services	9,804,645	167	12,541		9,817,353
15. Boards, bureaus and association fees	48,643	10,358	190,041		249,042
16. Insurance, except on real estate					0
17. Collection and bank service charges	30,115	4,371	301,524		336,010
18. Group service and administration fees					0
19. Reimbursements by uninsured plans					0
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes	9,527	1,389	47,431		58,347
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes			417,234		417,234
23.2 State premium taxes			5,753,200		5,753,200
23.3 Regulatory authority licenses and fees	4,964	723	446,677		452,364
23.4 Payroll taxes	1,635,375	381,063	6,461,554		8,477,992
23.5 Other (excluding federal income and real estate taxes)			1,859,618		1,859,618
24. Investment expenses not included elsewhere				290,422	290,422
25. Aggregate write-ins for expenses	82,006	103,105	1,342,707	0	1,527,818
26. Total expenses incurred (Lines 1 to 25)	57,671,496	10,605,668	205,581,871	290,422	(a) 274,149,457
27. Less expenses unpaid December 31, current year	1,600,459	294,321	2,396,913		4,291,693
28. Add expenses unpaid December 31, prior year	1,660,793	142,762	1,562,664		3,366,219
29. Amounts receivable relating to uninsured plans, prior year			41,577,250		41,577,250
30. Amounts receivable relating to uninsured plans, current year			39,172,933		39,172,933
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	57,731,830	10,454,109	202,343,305	290,422	270,819,666
DETAILS OF WRITE-INS					
2501. Amortization of Intangibles			850,451		850,451
2502. Other General Expenses	82,006	11,880	415,531		509,417
2503. Claims Adjustment Expense - Other		91,225			91,225
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	76,725	0	76,725
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	82,006	103,105	1,342,707	0	1,527,818

(a) Includes management fees of \$ 252,487,279 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) 215,819	..... 223,650
1.1 Bonds exempt from U.S. tax	(a) .....	.....
1.2 Other bonds (unaffiliated)	(a) 3,292,677	..... 5,761,671
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) 278,121	..... 275,445
7. Derivative instruments	(f) .....	.....
8. Other invested assets .....	.....	.....
9. Aggregate write-ins for investment income .....	..... (5,038)	..... (5,038)
10. Total gross investment income	3,781,579	6,255,728
11. Investment expenses .....	.....	(g) 290,422
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) .....	.....	..... 290,422
17. Net investment income (Line 10 minus Line 16) .....	.....	..... 5,965,306
DETAILS OF WRITE-INS		
0901. Miscellaneous Investment Expense .....	..... (5,038)	..... (5,038)
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) .....	..... (5,038)	..... (5,038)
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 \$ 37,077 accrual of discount less \$ 4,481,343 amortization of premium and less \$ 2,724,563 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 \$ 12,450 accrual of discount less \$ 3,856 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 .....	.....	.....	.....	.....	.....
1.2 Other bonds (unaffiliated)	15,231	0	15,231	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	0
4. Real estate	0	0	0	0	0
5. Contract loans	0	0	0	0	0
6. Cash, cash equivalents and short-term investments	(10,413)	0	(10,413)	0	0
7. Derivative instruments	0	0	0	0	0
8. Other invested assets	0	0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	4,818	0	4,818	0	0
DETAILS OF WRITE-INS					
0901. ....	.....	.....	.....	.....	.....
0902. ....	.....	.....	.....	.....	.....
0903. ....	.....	.....	.....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	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		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		0
6. Contract loans			0
7. Derivatives (Schedule DB)			0
8. Other invested assets (Schedule BA)			0
9. Receivables for securities	0		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	17,755	69	(17,686)
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	0		0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
15.3 Accrued retrospective premiums			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			0
16.2 Funds held by or deposited with reinsured companies			0
16.3 Other amounts receivable under reinsurance contracts			0
17. Amounts receivable relating to uninsured plans	0		0
18.1 Current federal and foreign income tax recoverable and interest thereon	0		0
18.2 Net deferred tax asset	552,398	254,116	(298,282)
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	767,736	767,736
24. Health care and other amounts receivable	2,057,636	4,379,905	2,322,269
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)	2,627,790	5,401,826	2,774,036
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28. Total (Lines 26 and 27)	2,627,790	5,401,826	2,774,036
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. Prepaids		0	0
2502. Deposits		0	0
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	741,913	608,766	601,583	596,727	592,201	7,226,846
7. Total	741,913	608,766	601,583	596,727	592,201	7,226,846
DETAILS OF WRITE-INS						
0601. Medicare – Standalone Part D	621,474	477,589	468,089	460,878	454,946	5,621,113
0602. Medicare Advantage	97,326	107,774	109,471	111,329	112,340	1,317,124
0603. Medicaid	23,113	23,403	24,023	24,520	24,915	288,609
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)	741,913	608,766	601,583	596,727	592,201	7,226,846

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of HealthSpring Life & Health Insurance Company, Inc. (the Company) are presented on the basis of accounting practices prescribed or permitted by the Texas Department of Insurance (the Department).

The Department recognizes only statutory accounting practices prescribed or permitted by the state of Texas for determining and reporting the financial condition and results of operations of a Health Maintenance Organization (HMO) for determining solvency under Texas Insurance Law. The National Association of Insurance Commissioners' (the NAIC) *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Texas. While the Department has adopted certain prescribed accounting practices that differ from those found in NAIC SAP, the Company's financials were not affected by those differences in 2013 or 2012.

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

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. The most significant item subject to estimates and assumptions is the actuarially determined medical claims liabilities included in the financial statements. Other significant estimates are the estimated risk adjustment payments receivable from CMS, certain amounts recorded related the Medicare Part D program (Part D), and unpaid claims adjustment expenses.

Claims payable and liabilities for incurred but unreported claims are estimated by utilizing historical claims data and actuarial determined data, and adjusting the trend factors. Because actuarial information is utilized to project future liabilities, it is reasonably possible that the estimated liability may be adjusted in future periods upon receipt of more current information.

C. Accounting Policies

Net premium income on Medicare Advantage is due monthly from the Centers of Medicare and Medicaid Services (CMS) and is recognized as revenue during the period in which the Company is obligated to provide services to members. Premiums collected in advance are deferred and recorded as advance payments.

Medicare Advantage premium revenue is subject to adjustment based on the health risk of its members. This process for adjusting premiums is referred to as the CMS risk adjustment payment methodology. Under the risk adjustment payment methodology, managed care plans must capture, collect, and report diagnosis code information to CMS. After reviewing the respective submissions, CMS establishes the payments to Medicare plans generally at the beginning of the calendar year, and then adjusts premium levels on two separate occasions on a retroactive basis. The first retroactive risk premium adjustment for a given fiscal year generally occurs during the third quarter of such fiscal year. This initial settlement (the Initial CMS Settlement) represents the updating of risk scores for the current year based on the prior year's dates of service. CMS then issues a final retroactive risk premium adjustment settlement for the fiscal year in the following year (the Final CMS Settlement). The Company estimates and records on a monthly basis both the Initial CMS Settlement and the Final CMS Settlement for the current CMS plan year. All such estimated amounts are periodically updated as necessary as additional diagnosis code information is reported to CMS and adjusted to actual amounts when the ultimate adjustment settlements are either received from CMS or the Company receives notification from CMS of such settlement amounts.

NOTES TO FINANCIAL STATEMENTS

As a result of the variability of factors, including plan risk scores, that determine such estimations, the actual amount of CMS's retroactive risk premium settlement adjustments could be materially more or less than the Company's estimates. The Company's risk adjustment payments are subject to review and audit by CMS, which can potentially take several years to resolve completely. Any adjustment to net premium income and the related medical expense for risk-sharing arrangements with providers as a result of such review and audit would be recorded when estimable. There can be no assurance that any retroactive adjustment to previously recorded income or expenses will not have a material effect on future net income.

The Company provides prescription drug benefits pursuant to Part D. The Company refers to these plans collectively as Medicare Advantage plans and separately as Medicare Advantage (without Part D prescription drug benefits) and Medicare Advantage Part D (including Part D prescription drug benefits), or MA-PD plans.

Prescription drug benefits under Medicare Advantage plans vary in terms of coverage levels and out-of-pocket costs for premiums, deductibles, and coinsurance. All Part D plans are required by law to offer either standard coverage or its actuarial equivalent (with out-of-pocket threshold and deductible amounts that do not exceed those of standard coverage). In addition to standard coverage plans, the Company offers supplemental benefits in excess of the standard coverage.

To participate in Part D, the Company was required to provide written bids to CMS, which among other items, included the estimated costs of providing prescription drug benefits. Payments from CMS are based on these estimated costs. The monthly Part D payments the Company receives from CMS for Part D plans generally represent the Company's bid amount for providing insurance coverage, both standard and supplemental, and is recognized monthly as net premium income. The amount of CMS payments relating to the Part D standard coverage for MA-PD and PDP plans is subject to adjustment, positive or negative, based upon the application of risk corridors that compare the Company's prescription drug costs in its bids to CMS to the Company's actual prescription drug costs. Variances exceeding certain thresholds may result in CMS making additional payments to the Company or the Company's refunding to CMS a portion of the premium payments it previously received. The Company estimates and recognizes an adjustment to net premium income related to estimated risk corridor payments based upon its actual prescription drug cost for each reporting period as if the annual contract were to end at the end of each reporting period, in accordance with NAIC Interpretation No. 05-05, *Accounting for Revenues under Medicare Part D Coverage*. Risk corridor adjustments do not take into account estimated future prescription drug costs.

The Company recognizes net premium income for the Part D payments received from CMS for which it assumes risk. Certain Part D payments from CMS represent payments for claims the Company pays for which it assumes no risk. The Company accounts for these subsidies as amounts receivable relating to uninsured plans or liability for amounts held under uninsured plans on the balance sheet. The Company does not recognize premium income or hospital, medical, and pharmaceutical expenses for these subsidies as these amounts represent pass-through payments from CMS to fund deductibles, copayments, and other member benefits.

The Company recognizes prescription drug costs as incurred, net of rebates from drug companies. The Company has subcontracted the prescription drug claims administration to a third-party pharmacy benefit manager.

Cost of care that is paid on a fee-for-service basis, a per diem basis, or other basis includes actual reported claims and an estimate of incurred but not reported (IBNR) claims. IBNR claims are estimated by using historical trends, current membership statistics, and other information. Cost of care paid on a capitation basis is recognized in the month of coverage. Cost of pharmaceuticals is recognized in the month incurred.

Acquisition costs are certain marketing costs that vary with, and are primarily related to, the acquisition of member contracts. These costs are expensed as incurred and are included in general and administrative expenses in the accompanying statement of revenue and expenses.

In the normal course of business, the Company enters into transactions involving various types of financial instruments. These financial instruments primarily include bonds on

NOTES TO FINANCIAL STATEMENTS

the balance sheet. These instruments may change in value due to interest rate and market fluctuations and most also have credit risk. The Company evaluates and monitors each financial instrument individually. The Company did not have any off-balance sheet financial instruments as of December 31, 2013 and 2012.

Fair values of financial instruments are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price.

Cash and cash equivalents consist of cash and short-term investments that will mature in three months or less from the time of purchase.

Health premiums due and uncollected are recorded during the period the Company is obligated to provide services to members and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable losses in the Company's existing health premiums due and unpaid and is based on past-due balances greater than 90 days. Balances greater than 90 days past due which are not reserved are included as non-admitted assets. Account balances are charged off after all means of collection have been exhausted and the potential for recovery is considered remote. Health premiums under government insured plans, including amounts over 90 days due that qualify as accident and health contracts in accordance with SSAP No. 50, *Classifications and Definitions of Insurance or Managed Care Contracts in Force*, are included in admitted assets.

When interest and principal payments on bonds are current, the Company recognizes interest income when it is earned. The Company stops recognizing interest income when interest payments are 90 days past due or when certain terms (interest rate or maturity date) of the bond have been restructured. Investment income on these bonds is only recognized when interest payments are received.

Investments and investment income due and accrued are evaluated in accordance with SSAP No. 5R, *Liabilities, Contingencies, and Impairments of Assets – Revised* (SSAP 5R), to determine whether impairment exists. Any amounts determined to be uncollectible are written off through the statutory basis statements of income. No amounts were written off during 2013 or 2012.

Unrealized capital gains and losses on investments carried at fair value are reflected directly in unassigned surplus. Realized capital gains and losses resulting from sales and investment asset write-downs are based on specifically identified assets and are recognized in net income. The Company had no write-downs of investment assets in 2013 or 2012.

The Company is included in the consolidated United States federal income tax return filed by Cigna Corporation, Inc. (Cigna or Ultimate Parent). Pursuant to the Tax Sharing Agreement with Cigna, federal income taxes are allocated to the Company as if it were filing on a separate return basis. The tax benefit of net operating losses, capital losses, and tax credits are funded to the extent they reduce the consolidated federal income tax liability. The Company generally recognizes deferred income taxes when assets and liabilities have different values for financial statement and tax reporting purposes (temporary differences). Limitations of the admitted amount of the deferred tax asset are calculated in accordance with SSAP No. 101, *Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10* (SSAP 101).

In accordance with various SSAP's, certain assets or certain portions of assets are excluded from the Company's admitted assets on its balance sheet through a direct charge to unassigned surplus. These nonadmitted assets may include intangible assets, capitalized software, furniture and equipment, leasehold improvements, unsecured receivables, prepaid expenses, overdue insurance premiums and subsidiary investments. Certain assets are limited by factors, such as a percentage of surplus, as to the amounts that qualify as admitted assets. Such assets may include electronic data processing equipment and deferred taxes.

NOTES TO FINANCIAL STATEMENTS

The Company elected to use rounding in reporting certain amounts within the statement. The amounts in this statement pertain to the entire Company's business.

In addition, the Company uses the following accounting policies:

1. Short-term investments include investments with remaining maturities of one year or less at the time of acquisition and are stated at amortized cost.
2. Investments in bonds and short-term investments designated highest quality (NAIC-1) and high quality (NAIC-2) are carried at amortized cost. All others are carried at the lesser of cost or fair value. Amortization of bond premium or discount is calculated using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to call value/date which produces the lowest asset value (yield to worst). Investments with original maturities of less than one year from the time of purchase are classified as short-term. Bonds are considered impaired and their cost basis is written down to fair value through net income, when management expects a decline in value to persist (i.e., the decline is other-than-temporary).
3. Common stocks – not applicable.
4. Preferred stocks – not applicable.
5. Mortgage loans – not applicable.
6. Loan-backed bonds and structured securities are stated at amortized cost using the constant yield method. Significant changes in estimated cash flows from the original purchase assumptions are accounted for generally using the retrospective method. Significant changes in estimated cash flows from the original purchase assumptions for loan-backed and structured securities that have potential for loss of a significant portion of the original investment are accounted for using the prospective method. These securities are presented on the balance sheet as bonds.
7. Investments in subsidiaries, controlled, and affiliated (SCA) entities – not applicable.
8. Investments in joint ventures, partnerships, and limited liabilities companies – not applicable.
9. Derivatives – not applicable.
10. Aggregate Policy Reserves: The Company includes an accrual for losses where it is probable that expected future health care costs and maintenance costs under a group of existing contracts will exceed anticipated future premiums and insurance recoveries on those contracts, known as Premium Deficiency Reserve (PDR). The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
11. Unpaid claims and claims adjustment expenses represent the Company's liability for services that have been performed by providers for members that have not been settled. These liabilities include medical claims reported to the Company, as well as an actuarially determined estimate of claims that have been incurred but not yet reported to the Company. The IBNR component is based upon the Company's historical claims data, current enrollment, health services utilization statistics and other related information. Estimating IBNR is complex and involves a significant amount of judgment. Changes in this estimate can materially affect, either favorably or unfavorably, the Company's statement of revenues and expenses or overall financial position.

The Company develops its estimate of IBNR using standard actuarial development methodologies, including the completion factor method. This method estimates liabilities for claims based upon the historical lag between the month when services are rendered and the month claims are paid and takes into consideration factors such as expected medical cost inflation, seasonality patterns, product mix, and membership changes. The completion factor is a measure of how complete the claims paid to date are relative to the estimate of the total claims for services rendered for a given reporting period. Although the completion factors are generally reliable for older service periods, they are more volatile, and hence less reliable, for more recent periods, given that the typical billing lag for services can range from a

NOTES TO FINANCIAL STATEMENTS

week to as much as 90 days from the date of service. As a result, for the most recent two to four months, the estimate for incurred claims is developed from a trend factor analysis based upon per member per month claims trends experienced in the preceding months.

Each period, the Company reexamines the previously established estimates of claims payable and liabilities for incurred but unreported claims based on actual claim submissions and other relevant changes in facts and circumstances. As the estimated liabilities recorded in prior periods become more exact, the Company increases or decreases the amount of the estimates and includes the changes in hospital and medical expenses in the period in which the change is identified. In every annual reporting period, the Company's operating results include the effects of more completely developed estimates associated with prior years.

The Company contracts with physicians or provider groups to provide medical services to their members. The Company pays capitation or negotiated fees for defined services provided by the physicians. The Company and some of the physicians have entered into incentive sharing agreements. Under the terms of these agreements, certain providers are eligible to receive a provider bonus based on qualitative and quantitative factors.

Included in hospital, medical, and pharmaceutical expenses are claim payments, capitation payments, risk-sharing payments, and pharmacy costs, net of rebates, as well as estimates of future payments of claims provided for services rendered prior to year-end. Capitation payments represent monthly contractual fees disbursed to physicians and other providers who are responsible for providing medical care to members. Risk sharing payments represent amounts paid under risk sharing arrangements with providers including independent physician associations. Pharmacy costs represent payments for members' prescription drug benefits, net of rebates from drug manufacturers. Rebates are recognized when the rebates are earned according to the contractual arrangements with the respective vendors.

12. The Company has not modified its capitalization policy from the prior period.
13. Pharmacy rebates receivable consist of reasonably estimable amounts, based upon utilization data and past history, and billed amounts to pharmaceutical companies. The income from pharmacy rebates is reported as a reduction of claims expense in the summary of operations. Generally, rebate amounts are paid on a quarterly basis thirty days after the end of each quarter. Pharmaceutical rebates expected to be collected within 90 days of invoice date have been admitted.

2. Accounting Changes and Corrections of Errors

A. Material Changes in Accounting Principles and/or Correction of Errors

Changes in Accounting Principles – not applicable

Corrections of Errors – not applicable

3. Business Combinations and Goodwill

A. Statutory Purchase Method – not applicable.

B. Statutory Merger

1. Bravo Health Texas, Inc. (BRTX) a Texas domiciled insurance company, and Bravo Health Insurance Company, Inc. (BHIC), a Delaware domiciled insurance company, merged with its affiliate, the Company, a Texas domiciled company, on March 31, 2012 and January 1, 2012, respectively, with the Company as the surviving entity.
2. The transaction was accounted for as a statutory merger between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at historical cost.
3. Each share of capital stock of BRTX (\$0.01 par value per share), and BHIC (\$25,000 par value per share), whether issued, outstanding or held in treasury, was canceled

NOTES TO FINANCIAL STATEMENTS

upon the effectiveness of the merger. There was no change in the capital stock of the Company as a result of the merger. The outstanding capital stock of the Company as of December 31, 2013 and 2012 consists of 2,500,000 shares of common stock (\$1 par value per share).

4. As the mergers were effective on or before March 31, 2012, the pre-merger revenue, net income, and surplus and surplus adjustments for BRTX, BHIC, and the Company are not presented. The accompanying financial statements were adjusted to include the financial position, operating results, and cash flows of BRTX and BHIC for all periods presented.
5. No adjustments were made directly to surplus, as all companies prepared statutory basis financial statements previously.

C. Assumption Reinsurance – not applicable.

D. Impairment Loss – not applicable.

4. Discontinued Operations

1. Identity of Segment Discontinued – not applicable.
2. Expected Disposal Date – not applicable.
3. Expected Manner of Disposal – not applicable.
4. Description of Remaining Assets and Liabilities – not applicable.
5. Amounts Related to Discontinued Operations – not applicable.

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans – not applicable.

B. Debt Restructuring – not applicable.

C. Reverse Mortgages – not applicable.

D. Loan-Backed Securities

1. Prepayment assumptions for loan-backed securities and other structured securities were obtained from external financial data sources. These assumptions are consistent with the current interest rate and economic environment.
2. There are no loan-backed securities or structured securities with a recognized other-than-temporary impairment as of December 31, 2013 and 2012.
3. There are no loan-backed or structured securities where the present value of cash flows expected to be collected is less than amortized cost.
4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):
 - a. The aggregate amount of unrealized losses:

1. Less than 12 months:	\$115,062
2. 12 months or longer:	\$106
 - b. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 months:	\$8,163,738
2. 12 months or longer:	\$35,053

NOTES TO FINANCIAL STATEMENTS

5. Management reviews loan-backed and other structured securities with a decline in fair value from cost for impairment based on criteria that include:

- length of time and severity of decline;
- financial and specific near term prospects of the issuer;
- changes in the regulatory, economic or general market environment of the issuer's industry or geographic region; and
- the Company's intent to sell or the inability or lack of intent to retain the investment in the security for a period of time sufficient to recover the amortized cost.

E. Repurchase Agreements and/or Securities Lending Transactions – not applicable.

F. Real Estate – not applicable.

G. Investments in Low Income Housing Tax Credits – not applicable.

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase (Decrease)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	0.0%	0.0%
b. Collateral held under security lending agreements	-	-	-	-	-	-
c. Subject to repurchase agreements	-	-	-	-	-	-
d. Subject to reverse repurchase agreements	-	-	-	-	-	-
e. Subject to dollar repurchase agreements	-	-	-	-	-	-
f. Subject to dollar reverse repurchase agreements	-	-	-	-	-	-
g. Placed under option contracts	-	-	-	-	-	-
h. Letter stock or securities restricted as to sale	-	-	-	-	-	-
i. On deposit with states	8,136,457	7,727,588	408,869	8,136,457	1.2%	1.2%
j. On deposit with other regulatory bodies	-	-	-	-	-	-
k. Pledged as collateral not captured in other categories	-	-	-	-	-	-
l. Other restricted assets	-	-	-	-	-	-
m. Total Restricted Assets	\$ 8,136,457	\$ 7,727,588	\$ 408,869	\$ 8,136,457	1.2%	1.2%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, Are Reported in the Aggregate) – not applicable

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics, Such as Reinsurance and Derivatives, are Reported in the Aggregate) – not applicable

6. Joint Ventures, Partnerships and Limited Liability Companies

A. Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.

B. Impaired Investments in Joint Ventures, Partnerships and Limited Liability Companies – not applicable.

7. Investment Income

A. Any investment income due and accrued with amounts that are over 90 days past due are nonadmitted and excluded from surplus.

NOTES TO FINANCIAL STATEMENTS

B. As of December 31, 2013 and 2012, the Company had no investment income due and accrued with admitted amounts that are over 90 days past due.

8. Derivative Instruments

A. Market Risk, Credit Risk, and Cash Requirements for Derivatives – not applicable.

B. Objectives for the Use of Derivatives – not applicable.

C. Description of Accounting Policies for Derivatives – not applicable.

D&E. Net Gain or Loss from Derivatives – not applicable.

F. Cash Flow Hedges – not applicable.

9. Income Taxes

The Company is a member of a consolidated federal income tax sharing agreement and calculates deferred taxes on a separate company, reporting entity basis. The Company's deferred tax assets (DTA) and liabilities (DTL) are determined by identifying its temporary differences. These temporary differences are measured using a "balance sheet" approach by comparing statutory and tax basis balance sheets for the Company.

SSAP No. 101, *Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10* became effective January 1, 2012 and included revised disclosures requirements.

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1. Components of net admitted deferred tax assets.

	December 31, 2013		
	Ordinary	Capital	Total
(a) Gross DTA	\$ 10,361,531	\$ -	\$ 10,361,531
(b) Statutory valuation allowance adj.	-	-	-
(c) Adjusted gross DTA (1a - 1b)	10,361,531	-	10,361,531
(d) DTA nonadmitted	552,398	-	552,398
(e) Subtotal net admitted DTA (1c - 1d)	9,809,133	-	9,809,133
(f) DTL	329,865	-	329,865
(g) Net admitted DTA/(DTL) (1e - 1f)	\$ 9,479,268	\$ -	\$ 9,479,268
	December 31, 2012		
	Ordinary	Capital	Total
(a) Gross DTA	\$ 7,575,637	\$ -	\$ 7,575,637
(b) Statutory valuation allowance adj.	-	-	-
(c) Adjusted gross DTA (1a - 1b)	7,575,637	-	7,575,637
(d) DTA nonadmitted	254,116	-	254,116
(e) Subtotal net admitted DTA (1c - 1d)	7,321,521	-	7,321,521
(f) DTL	781,475	-	781,475
(g) Net admitted DTA/(DTL) (1e - 1f)	\$ 6,540,046	\$ -	\$ 6,540,046
	Change		
	Ordinary	Capital	Total
(a) Gross DTA	\$ 2,785,894	\$ -	\$ 2,785,894
(b) Statutory valuation allowance adj.	-	-	-
(c) Adjusted gross DTA (1a - 1b)	2,785,894	-	2,785,894
(d) DTA nonadmitted	298,282	-	298,282
(e) Subtotal net admitted DTA (1c - 1d)	2,487,612	-	2,487,612
(f) DTL	(451,610)	-	(451,610)
(g) Net admitted DTA/(DTL) (1e - 1f)	\$ 2,939,222	\$ -	\$ 2,939,222

NOTES TO FINANCIAL STATEMENTS

2. Admission Calculation Components of SSAP No. 101

	December 31, 2013		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 9,325,940	\$ -	\$ 9,325,940
(b) Admitted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	153,328	-	153,328
1. Adjusted gross DTAs expected to be realized following the balance sheet date.	153,328	-	153,328
2. Adjusted gross DTAs allowed per limitation threshold.	xxx	xxx	56,288,355
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	329,865	-	329,865
(d) DTAs admitted as the result of application of SSAP No. 101			
Total 2(a) + 2(b) + 2(c)	<u>\$ 9,809,133</u>	<u>\$ -</u>	<u>\$ 9,809,133</u>
	December 31, 2012		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 6,386,718	\$ -	\$ 6,386,718
(b) Admitted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	153,328	-	153,328
1. Adjusted gross DTAs expected to be realized following the balance sheet date.	153,328	-	153,328
2. Adjusted gross DTAs allowed per limitation threshold.	xxx	xxx	64,916,837
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	781,475		781,475
(d) DTAs admitted as the result of application of SSAP No. 101			
Total 2(a) + 2(b) + 2(c)	<u>\$ 7,321,521</u>	<u>\$ -</u>	<u>\$ 7,321,521</u>
	Change		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 2,939,222	\$ -	\$ 2,939,222
(b) Admitted gross DTAs expected to be realized (excluding the amount of DTAs from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below)	-	-	-
1. Adjusted gross DTAs expected to be realized following the balance sheet date.	-	-	-
2. Adjusted gross DTAs allowed per limitation threshold.	xxx	xxx	(8,628,482)
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	(451,610)	-	(451,610)
(d) DTAs admitted as the result of application of SSAP No. 101			
Total 2(a) + 2(b) + 2(c)	<u>\$ 2,487,612</u>	<u>\$ -</u>	<u>\$ 2,487,612</u>

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE HealthSpring Life & Health Insurance Company, Inc.
NOTES TO FINANCIAL STATEMENTS

3. Information for Recovery Period and Threshold Limitation

	<u>2013</u>	<u>2012</u>
(a) Ratio percentage used to determine recovery period and threshold limitation amount	707%	861%
(b) Amount of adjusted capital and surplus used to determine recovery period and threshold	\$ 375,255,699	\$ 432,778,910

4. Impact of Tax-Planning Strategies – not applicable.

B. Regarding Deferred Tax Liabilities that are not recognized:

All deferred tax liabilities have been properly recognized.

NOTES TO FINANCIAL STATEMENTS

Current income taxes incurred consist of the following major components:

	December 31,		
	2013	2012	Change
1. Current Income Taxes:			
(a) Federal	\$ 36,558,358	\$ 63,944,765	\$ (27,386,407)
(b) Foreign	-	-	-
(c) Subtotal	36,558,358	63,944,765	(27,386,407)
(d) Federal income tax on net capital gains	1,687	52,977	(51,290)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	<u>\$ 36,560,045</u>	<u>\$ 63,997,742</u>	<u>\$ (27,437,697)</u>
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	\$ 652,007	\$ 889,797	\$ (237,790)
(2) Unearned premium reserve	16,290	-	16,290
(3) Policyholder reserves	-	-	-
(4) Investments	772	-	772
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	726,387	1,801,699	(1,075,312)
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other	-	41,997	(41,997)
(14) Deferred gain related to intangibles	1,342,248	1,495,577	(153,329)
(15) Allowance for doubtful accounts	4,401,164	3,346,567	1,054,597
(16) Premium deficiency reserve	3,222,663	-	3,222,663
(99) Subtotal	<u>\$ 10,361,531</u>	<u>\$ 7,575,637</u>	<u>\$ 2,785,894</u>
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	552,398	254,116	298,282
(d) Admitted ordinary DTAs (2a99 - 2b - 2c)	9,809,133	7,321,521	2,487,612
(e) Capital:			
(1) Investments	-	-	-
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other	-	-	-
(99) Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital DTAs (2a99 - 2f - 2g)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(i) Admitted DTAs (2d + 2h)	<u>\$ 9,809,133</u>	<u>\$ 7,321,521</u>	<u>\$ 2,487,612</u>

NOTES TO FINANCIAL STATEMENTS

	December 31,		
	2013	2012	Change
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ 37,889	\$ 15,534	\$ 22,355
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other	-	-	-
(6) Deferred intercompany gain	-	-	-
(7) Pharmacy rebates	291,976	583,858	(291,882)
(8) Revenue, due to timing	-	180,980	(180,980)
(9) Section 481 adjustments	-	-	-
(8) Other ins & contract holder liability	-	1,103	(1,103)
(99) Subtotal	<u>\$ 329,865</u>	<u>\$ 781,475</u>	<u>\$ (451,610)</u>
(b) Capital:			
(1) Investments	\$ -	\$ -	\$ -
(2) Real estate	-	-	-
(3) Other	-	-	-
(99) Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
(c) Deferred tax liabilities (3a99 + 3b99)	<u>\$ 329,865</u>	<u>\$ 781,475</u>	<u>\$ (451,610)</u>
4. Net deferred tax assets/(liabilities) (2i - 3c)	<u><u>\$ 9,479,268</u></u>	<u><u>\$ 6,540,046</u></u>	<u><u>\$ 2,939,222</u></u>

The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted deferred tax assets which were reported separately as a part of the Change in Nonadmitted Assets on Page 5, Statement of Revenue and Expenses, line 39:

	December 31,		
	2013	2012	Change
Total gross deferred tax assets	\$ 10,361,531	\$ 7,575,637	\$ 2,785,894
Total deferred tax liabilities	329,865	781,475	(451,610)
Net deferred tax assets/(deferred tax liabilities)	<u>\$ 10,031,666</u>	<u>\$ 6,794,162</u>	<u>\$ 3,237,504</u>
Statutory valuation allowance	-	-	-
Net DTA/(DTL) after SVA	<u>\$ 10,031,666</u>	<u>\$ 6,794,162</u>	<u>\$ 3,237,504</u>
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			<u><u>\$ 3,237,504</u></u>

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

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	December 31, Effective Tax	
	2013	Rate
Provision computed at statutory rate	\$ 32,887,581	35.0%
Change in nonadmitted assets	1,075,312	1.2%
Investment income	(196,685)	-0.2%
Nondeductible expenses	26,520	0.0%
Other, net	(470,187)	-0.5%
Total	<u>\$ 33,322,541</u>	<u>35.5%</u>
Federal and foreign income taxes incurred	\$ 36,560,045	38.9%
Change in net deferred income taxes	(3,237,504)	-3.4%
Total statutory income taxes	<u>\$ 33,322,541</u>	<u>35.5%</u>

NOTES TO FINANCIAL STATEMENTS

E. Operating Loss and Tax Credit Carry forwards

- (1) At December 31, 2013, the Company had utilized all its net operating or capital loss carry forwards.
- (2) The following are the income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

Year	Amount
2013	\$ 36,560,044
2012 (February - December)	\$ 60,992,587

- (3) Deposits under IRS Code Section 6603 – not applicable

F. Consolidated Federal Income Tax Return

- (1) For the period January 1, 2012 through January 31, 2012, the Company's Federal Income Tax return is consolidated with HealthSpring, Inc., and the following subsidiaries:

Bravo Health Mid-Atlantic, Inc.
 Bravo Health Pennsylvania, Inc.
 HealthSpring Management, Inc.
 HealthSpring of Alabama, Inc.
 HealthSpring of Florida, Inc.
 HealthSpring of Tennessee, Inc.

For the period January 1, 2012 through January 31, 2012, the Company was subject to a written agreement with HealthSpring, Inc., and its subsidiaries, whereby an allocation is made primarily on a separate-return basis with current credit for net operating losses or other items utilized in the consolidated tax return. Intercompany balances are settled periodically, usually monthly, or when deemed necessary.

As of February 1, 2012, the Company's Federal Income Tax return is consolidated with Cigna Corporation ("Cigna"). As of December 31, 2013, the following subsidiaries were included in the consolidated return:

Allegiance Benefit Plan Management, Inc.
 Allegiance Cobra Services, Inc.
 Allegiance Life & Health Insurance Company, Inc.
 Allegiance Re, Inc.
 Arizona Healthplan, Inc.
 Benefit Management Corporation
 Bravo Health Mid-Atlantic, Inc.
 Bravo Health Pennsylvania, Inc.
 CG Individual Tax Benefit Payments, Inc.
 CG Life Pension Benefit Payments, Inc.
 CG LINA Pension Benefit Payments, Inc.
 Choicelinx, Inc.
 Cigna Arbor Life Insurance Company
 Cigna Behavioral Health, Inc.
 Cigna Behavioral Health of California, Inc.
 Cigna Behavioral Health of Texas
 Cigna Benefits Financing, Inc.
 Cigna Dental Health, Inc.
 Cigna Dental Health of California, Inc.
 Cigna Dental Health of Colorado, Inc.
 Cigna Dental Health of Delaware, Inc.
 Cigna Dental Health of Florida, Inc.
 Cigna Dental Health of Illinois, Inc.
 Cigna Dental Health of Kansas, Inc.
 Cigna Dental Health of Kentucky, Inc.

NOTES TO FINANCIAL STATEMENTS

Cigna Dental Health of Maryland, Inc.
Cigna Dental Health of Missouri, Inc.
Cigna Dental Health of New Jersey, Inc.
Cigna Dental Health of North Carolina, Inc.
Cigna Dental Health of Ohio, Inc.
Cigna Dental Health of Pennsylvania, Inc.
Cigna Dental Health of Texas, Inc.
Cigna Dental Health of Virginia, Inc.
Cigna Dental Healthplan of Arizona, Inc.
Cigna Direct Marketing Company, Inc.
Cigna Federal Benefits, Inc.
Cigna Global Holdings, Inc.
Cigna Global Insurance Company Limited
Cigna Global Reinsurance Company LTD
Cigna Government Benefits, Inc.
Cigna Health and Life Insurance Company
Cigna Health Corporation
Cigna Health Management, Inc.
Cigna Healthcare Benefits, Inc.
Cigna Healthcare Holdings, Inc.
Cigna Healthcare, Inc.
Cigna Healthcare Mid-Atlantic, Inc.
Cigna Healthcare of Arizona, Inc.
Cigna Healthcare of California, Inc.
Cigna Healthcare of Colorado, Inc.
Cigna Healthcare of Connecticut, Inc.
Cigna Healthcare of Florida, Inc.
Cigna Healthcare of Georgia, Inc.
Cigna Healthcare of Illinois, Inc.
Cigna Healthcare of Indiana, Inc.
Cigna Healthcare of Maine, Inc.
Cigna Healthcare of Massachusetts, Inc.
Cigna Healthcare of New Hampshire, Inc.
Cigna Healthcare of New Jersey, Inc.
Cigna Healthcare of New York, Inc.
Cigna Healthcare of North Carolina, Inc.
Cigna Healthcare of Pennsylvania, Inc.
Cigna Healthcare of South Carolina, Inc.
Cigna Healthcare of St Louis, Inc.
Cigna Healthcare of Tennessee, Inc.
Cigna Healthcare of Texas, Inc.
Cigna Healthcare of Utah, Inc.
Cigna Holdings, Inc.
Cigna Holdings Overseas, Inc.
Cigna Integrated Care, Inc.
Cigna Intellectual Property, Inc.
Cigna International Corporation
Cigna International Finance, Inc.
Cigna International Services, Inc.
Cigna Investment Group, Inc.
Cigna Investments, Inc.
Cigna Life Insurance Company of New York
Cigna Linden Holdings, Inc.
Cigna Managed Care Benefits Company
Cigna Mezzanine Partners, III, Inc.
Cigna Poplar Holdings, Inc.
Cigna RE Corporation
Cigna Resource Manager, Inc.
Cigna Worldwide Insurance Company
Connecticut General Benefit Payments, Inc.
Connecticut General Corporation
Connecticut General Life Insurance Company
Cottage Grove Real Estate, Inc.
Former Cigna Investments, Inc.
GreatWest Healthcare of Illinois, Inc.
Hazard Center Investment Co., LLC

NOTES TO FINANCIAL STATEMENTS

Healthsource Benefits, Inc.
Healthsource, Inc.
Healthsource Properties, Inc.
HealthSpring Life & Health Insurance Company, Inc.
HealthSpring Management, Inc.
HealthSpring of Alabama, Inc.
HealthSpring of Florida, Inc.
HealthSpring of Tennessee, Inc.
HealthSpring, Inc.
IHN, Inc.
Intermountain Underwriters, Inc.
Intracorp, Inc.
Kronos Optimal Health Company
Life Insurance Company of North America
LINA Benefit Payments, Inc.
Managed Care Consultants, Inc.
MCC Independent Practice Assoc of New York, Inc.
Mediversal Inc.
Sagamore Health Network Inc.
Tel-Drug, Inc.
Universal Claims Administration

As of February 1, 2012, the Company entered into a Consolidated Federal Income Tax Agreement (the "Agreement") with Cigna and its domestic subsidiaries. Pursuant to the Agreement, federal income taxes are allocated to the Company as if it were filing on a separate return basis. The tax benefit of net operating losses, capital losses and tax credits are funded to the extent they reduce the consolidated federal income tax liability.

- (2) CIGNA's federal income tax returns are routinely audited by the Internal Revenue Service (IRS). In management's opinion, adequate tax liabilities, including related charges should the IRS prevail, have been established to address potential exposures involving tax positions the Company has taken that may be challenged by the IRS. These liabilities could be revised in the near term if estimates of CIGNA's ultimate liability change as a result of new developments or a change in circumstances.

The IRS completed its examination of Cigna's 2009 and 2010 consolidated federal income tax returns. The review, which was completed in 2013, had no material impact on the Company's financial condition.

G. Federal or Foreign Income Tax Loss Contingencies

In management's opinion, adequate tax liabilities have been established to address potential exposures involving tax positions the Company has taken that may be challenged by the IRS.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. B. and C.

In 2013, the Company paid \$118,000,000 in ordinary dividends to NewQuest, LLC (the Parent). In 2012, no dividends were paid and no capital contributions were received.

Bravo Health Insurance Company, Inc. (BHIC), a Delaware domiciled insurance company, and Bravo Health Texas, Inc. (BRTX), a Texas domiciled insurance company, merged with the Company, on January 1, 2012 and March 31, 2012, respectively, with the Company as the surviving entity. The transaction was accounted for as a statutory merger between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at historical cost. The accompanying financial statements were adjusted to include the financial position, operating results, and cash flows of BHIC and BRTX for all periods presented.

With regulatory approval, the Company purchased assets from Connecticut General Life Insurance Company, an affiliate company, with a statement value of \$175,173,150 and fair value of \$172,101,243.

NOTES TO FINANCIAL STATEMENTS

- D. At December 31, 2013 and 2012, the Company reported \$35,898,673 and \$36,079,591, respectively, as the net amounts due to the parent, subsidiaries and affiliates. These amounts are settled periodically, usually monthly.
- E. Guarantees Resulting in a Material Contingent Exposure – not applicable.
- F. Management Services Agreement

The Company has contracted for managerial, administrative, and financial support services through an administrative service contract based on a percentage of premium revenue with HealthSpring Management of America, LLC (HSMA). For the years ended December 31, 2013 and 2012, the Company paid approximately \$252,487,279 and \$254,813,998, respectively, in exchange for these services.

Effective January 31, 2012, the Company entered into a line of credit agreement with Cigna Corporation, Inc. (Cigna) under which the Company may lend up to \$30,000,000. In February 2013, Cigna borrowed \$30,000,000. The loan and interest of \$37,136 was paid in full during 2013. Interest in the amount of \$17,755 is outstanding as of December 31, 2013. Since the interest receivable is over 90 days old, the balance was nonadmitted. Cigna did not borrow from this line of credit during 2012 and, as of December 31, 2012, there was no outstanding receivable balance from Cigna.

Effective January 31, 2012, the Company entered into a line of credit agreement with Cigna Holdings, Inc. under which the Company may borrow up to \$30,000,000. The Company did not borrow from this line of credit during 2013 or 2012. As of December 31, 2013 and 2012, there was no outstanding payable balance to Cigna Holdings, Inc.

The Company has contracted with Cigna Investment, Inc. (CII) for investment advisory services. The Company and CII are indirect subsidiaries of Cigna Holdings, Inc., which is a direct wholly-owned subsidiary of Cigna Corporation, Inc. The Company paid \$435,971 and \$99,248 in 2013 and 2012, respectively, for these services.

Cigna's indirectly wholly-owned domestic subsidiary insurance companies have entered into a Consolidated Federal Income Tax Agreement (the Agreement), which became effective as of April 1, 1982. The Agreement sets forth the method of allocation of federal income taxes for Cigna and its wholly-owned domestic subsidiaries, including insurance subsidiaries. The Agreement provides for immediate reimbursement to companies with net operating losses to the extent that their losses are used to reduce consolidated taxable income; while those companies with current taxable income as calculated under federal separate return provisions, are liable for payment determined as if they had each filed a separate return. However, current credit is given for any foreign tax credit, operating loss or investment tax credit carryovers actually used in the current consolidated return. The Company joined the parties of the agreement effective January 31, 2012. The Company had \$461,216 tax recoverable and \$8,894,570 payable under the agreement as of December 31, 2013 and 2012, respectively.

Effective October 19, 2012, the Company was added into an Expense Sharing Agreement between Cigna and various affiliates and subsidiaries. With the exception of a limited number of expenses held at the corporate level such as expenses relating to investments, the servicing of debt, and stock compensation as calculated under SFAS No. 123R, all operating expenses of Cigna were allocated. These allocations were based on work effort studies and other appropriate methods, while other expenses such as outside legal fees were directly charged to the related company. Cigna did not allocate any corporate overhead expenses to the Company in 2013 or 2012.

The Company, CII and certain of its affiliates are parties to an investment pool agreement dated as of October 1, 2004, Amended and Restated effective January 31, 2012, which provides for participation in a pool of short-term investments to facilitate effective cash management. There are no fees separately assessed related to this agreement.

- G. Ownership

All outstanding shares of the Company are owned by NewQuest, LLC, a limited liability company domiciled in the state of Texas, which is a wholly owned subsidiary of HealthSpring, Inc., a Delaware corporation, which is an indirect wholly-owned subsidiary of Cigna. The Cigna organizational structure is documented in Schedule Y.

NOTES TO FINANCIAL STATEMENTS

On January 31, 2012, HealthSpring, Inc. (HS) completed the merger contemplated by the Agreement and Plan of Merger (the Merger Agreement), dated as of October 24, 2011, among HS, Cigna Corporation, a Delaware corporation (Cigna) and Cigna Magnolia Corp., a Delaware corporation and an indirect, wholly owned subsidiary of Cigna (Merger Sub). Pursuant to the Merger Agreement, HS was acquired by Cigna through a merger of Merger Sub with and into HS (the Merger), with HS surviving the Merger as an indirect, wholly owned subsidiary of Cigna.

- H. Upstream Intermediate Entity – not applicable.
 - I. Investment in SCA Entity that Exceeds 10% of Admitted Assets – not applicable.
 - J. Investments in Impaired SCA's – not applicable.
 - K. Investments in Foreign Insurance Subsidiaries – not applicable.
 - L. Investment in a Downstream Non-Insurance Holding Company – not applicable.
11. Debt
- A. Debt and Capital Notes – not applicable.
 - B. FHLB Agreements – not applicable.
12. Retirement Plans, Deferred Compensation, Post-Employment Benefits and Compensated Absences and Other Postretirement Benefit Plans
- A. Defined Benefit Plan – not applicable.
 - B. Investment Policies and Strategies for Plan Assets – not applicable.
 - C. Fair Value Measurement of Plan Assets – not applicable.
 - D. Rate of Return on Plan Assets – not applicable.
 - E. Defined Contribution Plan – not applicable.
 - F. Multi-Employer Plan – not applicable.
 - G. Consolidated/Holding Company Plans – not applicable.
 - H. Postemployment Benefits and Compensated Absences – not applicable.
 - I. Impact of Medicare Modernization Act on Postretirement Benefits – not applicable.
13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
- 1. The Company has 5,000,000 shares authorized, 2,500,000 shares issued and outstanding of \$1 par value Common Stock, owned entirely by NewQuest, LLC.
 - 2. The Company has no preferred stock outstanding.
 - 3. The payment of dividends by the Company to the shareholder is limited and can only be made from earned profits unless prior approval is received from the Department. The maximum amount of dividends that may be paid by insurance companies without prior approval is also subject to restrictions relating to statutory surplus and net income. The maximum ordinary dividend distribution allowed by the Company in 2014 is \$57,404,471. The Company's dividends are noncumulative.
 - 4. The Company paid ordinary dividends of \$118,000,000 in 2013 to its Parent. In 2012, the Company paid no dividends to its Parent.
 - 5. Within the limits of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

NOTES TO FINANCIAL STATEMENTS

6. Restrictions on Unassigned Surplus – none.
7. For Mutual Companies, Advances to Surplus Not Repaid – not applicable.
8. Stock Held by the Company, Including Stock of Affiliated Companies – not applicable.
9. Special Surplus Funds – not applicable.
10. Cumulative Unrealized Gains and Losses in Surplus – none.
11. Surplus Note – none.
12. Quasi-Reorganization – not applicable.
13. Date of a Quasi –Reorganization – not applicable.
14. Contingencies
 - A. Contingent Commitments – none.
 - B. Assessments – none.
 - C. Gain Contingencies – none.
 - D. Claims-Related Extra Contractual Obligations – none.
 - E. Litigation and Other Legal Matters: All Other Contingencies Cigna and its subsidiaries (including the Company) are routinely involved in numerous claims, lawsuits, regulatory and IRS audits, investigations and other legal matters arising, for the most part, in the ordinary course of managing a health service business and administering life, accident and disability insurance business and products, including payments to providers and benefit level disputes. Such legal matters include benefit claims, breach of contract claims, tort claims, disputes regarding reinsurance arrangements, employment relate suits, employee benefit claims, wage and hour claims, and intellectual property and real estate related disputes. Litigation of income tax matters is accounted for under the NAIC’s accounting guidance for loss contingencies. Further information can be found in Note 9. The outcome of litigation and other legal matters is always uncertain, and unfavorable outcomes that are not justified by the evidence can occur. Cigna and its subsidiaries (including the Company) believe that they have valid defenses to the legal matters against them and are defending them vigorously.

Risk Adjustment Data Validation Audits: In connection with CMS’s continuing statutory obligation to review risk score coding practices by Medicare Advantage plans, CMS is conducting audits of Medicare Advantage plans for compliance by the plans and their providers with proper coding practices (sometimes referred to as Risk Adjustment Data Validation Audits or RADV Audits). There can be no assurance that the Company will not be randomly selected or targeted for audit by CMS or that the outcome of such audit will not result in a material impact to the Company’s results of operations and cash flows. To date, the Company’s Medicare Advantage contracts have not been selected for a RADV audit.

In February 2012, CMS released a notice of final payment error calculation methodology for Medicare Advantage RADV audits. Among other matters, the notice provided that (i) CMS would perform its next round of Medicare Advantage contract-level audits on payment year 2011; (ii) payment year 2011 is the first year that CMS will conduct payment recovery based on extrapolated estimates; (iii) CMS expects to audit about 30 Medicare Advantage contracts each year; and (iv) payment recovery amounts will be subject to a fee-for-service adjuster that accounts for the fact that the documentation standard used in RADV audits to determine a contract’s payment error is different from the documentation standard used to develop the Part C risk-adjustment model.

The Company is currently assessing the payment error calculation methodology and awaiting further guidance from CMS regarding, among other matters, the application of a Fee For Service Adjuster to the audit recovery amounts. Because of the ongoing uncertainty, the Company remains unable to reasonably estimate the probability of CMS’s assertion of a claim for recoupment of overpaid premiums or the amount of loss, or range of potential losses, associated with RADV Audits. Accordingly, the Company has not made an accrual related thereto.

NOTES TO FINANCIAL STATEMENTS

Health Care Regulation: As a managed care organization, the Company's operations are and will continue to be subject to pervasive federal, state, and local government regulation, which will have a material impact on our operations. The laws and regulations affecting our industry give state and federal regulatory authorities broad discretion in their exercise of supervisory, regulatory, and administrative powers. These laws and regulations are intended primarily for the benefit of members of and providers to the Company.

Health care regulation in its various forms could have an adverse effect on Company's health care operations if it inhibits the Company's ability to respond to market demands or results in increased medical or administrative costs without improving the quality of care or services.

- F. Uncollectible Amounts - none
15. Leases
- A. Lessee Operating Leases – none
- B. Lessor Leases – none
16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk
1. Financial Instruments with Off-Balance Sheet Risk – not applicable.
2. Nature and Terms of Financial Instruments with Off-Balance Sheet Risk – not applicable.
3. Amount of Loss – not applicable.
4. Policy for Requiring Collateral – not applicable.
17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities
- A. Transfer of Receivables Reported as Sales – not applicable.
- B. Transfer and Servicing of Financial Assets – not applicable.
- 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 – not applicable.
- B. ASC Plans – not applicable.
- C. Medicare or Similarly Structured Cost Based Reimbursement Contracts – not applicable.
19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators
- Not applicable.
20. Fair Value Measurements
- A. Fair Value Measurements at Reporting Date

The Company's financial assets measured at fair value include bonds valued at the lower of cost or fair value when reported at the balance sheet date.

Financial instruments (bonds) that are subject to fair value disclosure requirements are carried in the financial statements at amortized costs. The fair values used for financial instruments are estimates, which in many cases may differ significantly from the amounts, which could be realized upon immediate liquidation.

The Company's financial assets have been classified based upon a hierarchy defined by NAIC SAP. The hierarchy gives the highest ranking to fair values determined using

NOTES TO FINANCIAL STATEMENTS

unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The Company estimates fair values of bonds using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available and other market information that a market participant may use to estimate fair value. The internal pricing methods are performed by the Company's investment professionals, and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little to no market activity for the same or similar instruments, the fair value is estimated using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment that becomes significant with increasingly complex instruments or pricing models.

The Company had no financial instruments carried at fair value in the financial statements as of December 31, 2013 and 2012.

- (1) The following table provides information about the Company's financial assets not carried at fair value as of December 31, 2013, and 2012.

		December 31, 2013				
(in thousands)	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs			
Description for Each Class of Asset	Level 1	Level 2	Level 3	Total		Carrying Value
Bonds	\$ 14,123	\$ 298,476	\$ 16,172	\$ 328,771		\$ 329,896

		December 31, 2012				
(in thousands)	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs			
Description for Each Class of Asset	Level 1	Level 2	Level 3	Total		Carrying Value
Bonds	\$ 11,083	\$ 132,373	\$ -	\$ 143,456		\$ 139,077

Level 1 Financial Assets

Unadjusted quoted prices for identical assets in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets. Assets in Level 1 include exchange-listed equity securities.

Level 2 Financial Assets

Quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates, spreads, and yield curves. An instrument is in Level 2 if the Company determines that unobservable inputs are insignificant.

Level 2 assets primarily include corporate and structure bonds value using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates, and actively-traded institutional and retail mutual fund investments.

NOTES TO FINANCIAL STATEMENTS

Level 3 Financial Assets

Unobservable (supported by little or no market activity) and significant to their resulting fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset at the report date.

Level 3 assets include asset-backed securities and industrial and miscellaneous corporate bonds valued using pricing models that incorporate the specific characteristics of each asset and related assumptions including the investment type and structure, credit quality, industry and maturity date in comparison to current market indices, spreads and liquidity of assets with similar characteristics. For asset-backed securities, inputs and assumptions to pricing may also include collateral attributes and prepayment speeds.

- (2) Bonds with NAIC designation 6 or 6* are carried at the lower of amortized cost or fair value. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. Whenever available, the Company obtains quoted prices in active markets for identical assets at the balance sheet date to measure at fair value. Market price data generally is obtained from exchange or dealer markets.

The Company estimates the fair value of securities not traded in active markets by, referring to traded securities with similar attributes, using dealer quotations, a matrix pricing methodology, discounted cash flow analyses or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating and tenor, its coupon rate, its position in the capital structure of the issuers, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets or that are subject to transfer restrictions, valuations are adjusted to reflect illiquidity and/or non-transferability, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

B. Disclosures about Financial Instruments Not Carried at Fair Value.

Cash, Cash Equivalents, and Short-term Investments – The carrying amounts reported in the accompanying financial statements for these financial instruments approximate their fair values.

Bonds – Fair values for bonds are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price.

- C. As of December 31, 2013 and 2012, the Company did not have any financial assets that were measured and reported at fair value in the financial statements.
- D. The fair value was estimated on all financial instruments held by the Company in 2013 and 2012.

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 and Non-transferable Tax Credits – none.
- F. Subprime Mortgage-Related Risk Exposure

NOTES TO FINANCIAL STATEMENTS

1. The Company did not hold mortgage loans in 2013 and 2012 and, therefore, is not subject to the related risk exposure pertaining to subprime mortgages.
2. Direct Exposure through Investments in Subprime Loans – not applicable.
3. Direct Exposure through Other Investments – not applicable.
4. Underwriting Exposure to Subprime Mortgage Risk – not applicable.

G. Retained Assets – none

H. Offsetting and Netting of Assets and Liabilities -none

22. Events Subsequent

Type I – Recognized Subsequent Events

Subsequent events have been considered between the balance sheet date and February 28, 2014 for the statutory statement filed on February 28, 2014.

Type II – Nonrecognized Subsequent Events

On January 1, 2014, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2013, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2014, and estimates its portion of the annual health insurance industry fee payable on September 30, 2014 and the expected impact to risk based capital to be as follows:

A. ACA fee assessment payable	\$ 28,596,661
B. Assessment expected to impact RBC	-55%

Pro forma of selected financial data is presented in the following table:

	<u>As Presented in the 2013 Annual Statement</u>	<u>Pro forma Financial Data with ACA Annual Fee for 2013</u>
Total Liabilities	287,174,011	315,770,672
Total Capital & Surplus	384,734,967	356,138,306
Net Income (loss)	57,404,471	28,807,810
RBC %	725%	670%

23. Reinsurance

A. Ceded Reinsurance Report

Section 1- General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee or director of the Company?

Yes () No (X)

(2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

NOTES TO FINANCIAL STATEMENTS

(1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate. none.

(2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

B. Uncollectible Reinsurance – none.

C. Commutation of Ceded Reinsurance – none.

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – none

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. Method Used to Estimate Accrued Retrospective Premium Adjustments – not applicable.

B. Where Accrued Retrospective Premium Adjustments are Recorded – not applicable.

C. Amount of Net Written Premiums Subject to Retrospective Rating Features – not applicable.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act – not applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

The liability for claims unpaid as of December 31, 2012 was \$166,865,393. During 2013, \$143,990,689 has been paid on these liabilities. Reserves remaining for prior years are now \$4,107,631, as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a favorable prior year development of \$18,767,073 since December 31, 2012. This release is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

	Unpaid Claims	Accrued Medical Incentive Pool & Bonus	Healthcare Receivable	Total
12/31/2012 Balance	\$ 166,865,393	\$ 10,554,670	\$ (80,004,141)	\$ 97,415,922
Paid/(Received)	143,990,689	7,491,987	(80,004,141)	71,478,535
Favorable/(Unfav) Development	18,767,073	1,821,879		20,588,952
12/31/2013 Balance for 2012 & Prior	\$ 4,107,631	\$ 1,240,804	\$ -	\$ 5,348,435

26. Intercompany Pooling Arrangements

A.-G. – none

NOTES TO FINANCIAL STATEMENTS

27. Structured Settlements

Not applicable.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

The information below includes the stand-alone prescription drug plan line of business. The Estimated Pharmacy Rebates as Reported on Financial Statements for December 31, 2013 and 2012 excludes \$0 and \$10,844, respectively, related to non-admitted rebates.

Quarter Ended	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received Within More Than 180 Days of Billing
12/31/13	\$ 71,683,778	\$ 71,683,778	\$ -	\$ -	\$ -
09/30/13	69,602,110	69,171,947	69,171,947	-	-
06/30/13	60,112,299	60,029,167	60,179,215	(150,048)	-
03/31/13	55,879,371	55,706,739	55,665,856	202,774	(161,891)
12/31/12	71,748,098	68,210,532	67,982,180	259,915	(31,563)
09/30/12	66,776,920	66,527,922	63,878,473	2,379,997	269,452
06/30/12	106,251,075	65,178,695	65,191,121	(154,307)	141,881
03/31/12	103,755,829	65,563,921	44,176,978	21,494,479	(107,536)
12/31/11	101,981,999	94,007,952	58,138,263	13,848,093	22,021,596
09/30/11	107,881,075	75,350,797	71,784,003	3,577,174	(10,380)
06/30/11	114,660,064	68,554,064	60,753,383	7,808,741	(8,060)
03/31/11	90,958,428	70,923,817	55,197,966	15,756,704	(30,853)

B. Risk Sharing Receivables

None.

C. Other Healthcare Receivables

Other Healthcare receivables included \$3,516,708 in claim recoveries, \$3,222,531 related to Texas Dual Eligible Special Need Plan and \$75,661 related to plan to plan pharmacy settlements.

29. Participating Policies

None.

30. Premium Deficiency Reserves

Premium deficiencies occur when it is probable that expected claims expense (hospital/medical expenses and administrative expenses) will exceed future premiums on existing insurance contracts. For purposes of estimating premium deficiency losses, contracts are grouped in a manner consistent with the Company's method of acquiring, servicing, and measuring the profitability of such contracts. At December 31, 2013, the Company had liabilities of \$9,207,609 related to premium deficiency reserves on its Medicaid business. The Company did not consider anticipated investment income when calculating its premium deficiency reserves. The Company did not have any liabilities related to premium deficiency reserves at December 31, 2012.

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? Texas
- 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. 12/31/2010
- 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). 09/19/2012
- 3.4 By what department or departments?
Texas Department of Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []
- 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?
PricewaterhouseCoopers, LLC, 830 Crescent Centr Drive, Suite 260, Franklin, TN 37067
- 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 [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
David Lowell Terry, Chief Actuary, HealthSpring Life & Health Insurance Company, Inc., 9009 Carothers Parkway, Franklin, TN 37067
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$
- 12.2 If, yes provide explanation:
.....
- 13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c) Compliance with applicable governmental laws, rules and regulations;
- (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e) Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----|-------|
| 20.11 To directors or other officers..... | \$ | ..... |
| 20.12 To stockholders not officers..... | \$ | ..... |
| 20.13 Trustees, supreme or grand (Fraternal Only) ..... | \$ | ..... |
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- | | | |
|---|----|-------|
| 20.21 To directors or other officers..... | \$ | ..... |
| 20.22 To stockholders not officers..... | \$ | ..... |
| 20.23 Trustees, supreme or grand (Fraternal Only) ..... | \$ | ..... |
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|---------------------------------|----|-------|
| 21.21 Rented from others..... | \$ | ..... |
| 21.22 Borrowed from others..... | \$ | ..... |
| 21.23 Leased from others ..... | \$ | ..... |
| 21.24 Other ..... | \$ | ..... |
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
- | | | |
|---|-------|-------|
| 22.21 Amount paid as losses or risk adjustment \$ | ..... | ..... |
| 22.22 Amount paid as expenses ..... | \$ | ..... |
| 22.23 Other amounts paid ..... | \$ | ..... |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

INVESTMENT

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

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 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 Pledged as collateral	\$
25.26 Placed under option agreements	\$
25.27 Letter stock or other securities restricted as to sale	\$
25.28 On deposit with state or other regulatory body	\$ 8,136,457
25.29 Other	\$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

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
JP Morgan Chase	One Chase Manhattan Plaza New York, New York 10081
Bank of New York Mellon	One Wall Street, New York, NY 10286
Regions Bank	150 4th Ave., 3rd Fl, Nashville, TN 37219

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

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
CitiBank, N.A.		03/01/2013	Correction of status to special deposit custodians
Bank of America Securities, LLC		03/01/2013	Correction of status to special deposit custodians
US Bank, N.A.		03/01/2013	Correction of status to special deposit custodians
	Bank of New York Mellon	01/01/2012	Missed reporting in 2012 with the merger of Bravo Health Insurance Company, Inc.

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
105811	CIGNA Investment, Inc.	900 Cottage Grove Road, Bloomfield, CT 06002

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	414,235,115	413,110,565	(1,124,550)
30.2 Preferred stocks	0		0
30.3 Totals	414,235,115	413,110,565	(1,124,550)

- 30.4 Describe the sources or methods utilized in determining the fair values:
 Fair values are based on quoted market prices
- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [] No [X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [] No []
- 31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

- 32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No []
- 32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

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

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

1 Name	2 Amount Paid

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

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

1 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?\$0

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

1 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	2,126,573,626	2,167,787,015
2.2 Premium Denominator	2,126,573,626	2,167,787,015
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	239,773,336	217,183,978
2.5 Reserve Denominator	239,773,336	217,183,978
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 [X] No []

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

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

5.2 If no, explain:
Management has elected not to purchase stop-loss reinsurance based on historical trends.

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:
Contracts contain "hold-harmless" language.

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 14,607

8.2 Number of providers at end of reporting year 10,847

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

9.2 If yes, direct premium earned:

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

9.22 Business with rate guarantees over 36 months \$ _____

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No []
- 10.2 If yes:
- | | | |
|--|----|------------|
| 10.21 Maximum amount payable bonuses..... | \$ | 10,199,110 |
| 10.22 Amount actually paid for year bonuses..... | \$ | 2,800,875 |
| 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. Texas
- 11.4 If yes, show the amount required. \$ 1,700,000
- 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

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

1 Name of Service Area
Alabama - Part D
Alaska - Part D
Arizona - Part D
Arkansas - Part D
California - Part D
Colorado - Part D
Connecticut - Part D
Delaware - Part D
District of Columbia - Part D
Florida - Part D
Georgia - Part D
Hawaii - Part D
Idaho - Part D
Illinois - Part D
Indiana - Part D
Iowa - Part D
Kansas - Part D
Kentucky - Part D
Louisiana - Part D
Maine - Part D
Maryland - Part D
Massachusetts - Part D
Michigan - Part D
Minnesota - Part D
Mississippi - Part D
Missouri - Part D
Montana - Part D
Nebraska - Part D
Nevada - Part D
New Hampshire - Part D
New Jersey - Part D
New Mexico - Part D
New York - Part D
North Carolina - Part D
North Dakota - Part D
Ohio - Part D
Oklahoma - Part D
Oregon - Part D
Pennsylvania - Part D
Rhode Island - Part D
South Carolina - Part D
South Dakota - Part D
Tennessee - Part D
Texas - Part D
Utah - Part D
Vermont - Part D
Virginia - Part D
Washington - Part D
West Virginia - Part D
Wisconsin - Part D
Wyoming - Part D
Catoosa, GA
Dade, GA
Walker, GA
Anderson, TX
Angelina, TX
Bexar, TX
Bowie, TX
Brazoria, TX
Cameron, TX
Camp, TX

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE HealthSpring Life & Health Insurance Company, Inc.

1 Name of Service Area
Cass, TX
Chambers, TX
Cherokee, TX
Collin, TX
Cooke, TX
Dallas, TX
Delta, TX
Denton, TX
Duval, TX
Ellis, TX
El Paso, TX
Fannin, TX
Fort Bend, TX
Franklin, TX
Galveston, TX
Grayson, TX
Gregg, TX
Hardin, TX
Harris, TX
Harrison, TX
Henderson, TX
Hidalgo, TX
Hood, TX
Hopkins, TX
Houston, TX
Hunt, TX
Jasper, TX
Jefferson, TX
Jim Hogg, TX
Jim Wells, TX
Johnson, TX
Kaufman, TX
Lamar, TX
Liberty, TX
Marion, TX
Maverick, TX
McMullen, TX
Montague, TX
Montgomery, TX
Morris, TX
Nacogdoches, TX
Navarro, TX
Newton, TX
Nueces, TX
Orange, TX
Panola, TX
Parker, TX
Polk, TX
Rains, TX
Red River, TX
Rockwall, TX
Rusk, TX
Sabine, TX
San Augustine, TX
San Jacinto, TX
Shelby, TX
Smith, TX
Starr, TX
Tarrant, TX
Titus, TX
Travis, TX
Trinity, TX
Tyler, TX
Upshur, TX
Van Zandt, TX
Walker, TX
Waller, TX
Webb, TX
Willacy, TX
Wise, TX
Wood, TX
Zapata, TX
Boone, WV
Jackson, WV
Kanawha, WV
Lincoln, WV
Putnam, WV
Roane, WV

ANNUAL STATEMENT FOR THE YEAR 2013 OF THE HealthSpring Life & Health Insurance Company, Inc.

- 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. \$

FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	671,908,978	796,241,036	529,652,410	265,076,775	220,659,734
2. Total liabilities (Page 3, Line 24)	287,174,011	356,922,081	212,150,131	124,010,442	110,109,389
3. Statutory surplus	1,700,000	1,700,000	1,700,000		
4. Total capital and surplus (Page 3, Line 33)	384,734,967	439,318,956	317,502,279	141,066,333	51,200,465
Income Statement (Page 4)					
5. Total revenues (Line 8)	2,124,314,637	2,167,787,015	2,066,085,119	1,113,265,246	774,550,891
6. Total medical and hospital expenses (Line 18)	1,737,091,020	1,711,096,177	1,657,566,392	891,691,508	612,209,741
7. Claims adjustment expenses (Line 20)	68,277,164	84,215,413	80,679,576		
8. Total administrative expenses (Line 21)	205,581,871	183,561,772	164,710,434	122,044,114	91,021,049
9. Net underwriting gain (loss) (Line 24)	104,156,973	189,116,342	161,501,389	98,004,612	70,884,202
10. Net investment gain (loss) (Line 27)	5,968,440	4,137,501	3,118,228	1,601,025	564,101
11. Total other income (Lines 28 plus 29)	(16,162,584)	(11,307,022)	(365,721)	(181,492)	0
12. Net income or (loss) (Line 32)	57,404,471	118,002,056	104,972,710	65,103,199	42,610,970
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(13,871,086)	381,847,876	76,597,203	(14,154,310)	50,559,838
Risk-Based Capital Analysis					
14. Total adjusted capital	384,734,967	439,318,956	317,502,379	141,148,424	110,550,345
15. Authorized control level risk-based capital	53,103,177	50,264,854	55,939,749	34,059,053	26,504,290
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	592,201	741,913	942,567	468,290	364,280
17. Total members months (Column 6, Line 7)	7,226,846	9,023,887	11,062,577	5,389,806	4,156,939
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)	81.7	78.9	80.0	79.3	79.1
20. Cost containment expenses	2.7	3.6	2.2	0.0	0.0
21. Other claims adjustment expenses	0.5	0.3	1.7	0.6	0.1
22. Total underwriting deductions (Line 23)	95.0	91.3	93.2	90.8	91.0
23. Total underwriting gain (loss) (Line 24)	4.9	8.7	7.8	8.8	9.0
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	75,166,005	30,330,793	24,436,444	45,371,640	38,261,106
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	97,415,922	44,267,950	23,358,615	50,461,374	36,999,132
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0		0		
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0		
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above					

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

If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	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	20,511,846						20,511,846	
2. Alaska AK	L	3,943,415						3,943,415	
3. Arizona AZ	L	6,376,151						6,376,151	
4. Arkansas AR	L	5,109,554	11,063,540					16,173,093	
5. California CA	L	17,284,831						17,284,831	
6. Colorado CO	L	1,643,357						1,643,357	
7. Connecticut CT	L	1,734,666						1,734,666	
8. Delaware DE	L	2,331,075						2,331,075	
9. District of Columbia DC	L	3,320,634						3,320,634	
10. Florida FL	L	1,816,853						1,816,853	
11. Georgia GA	L	2,896,279	21,812,524					24,708,803	
12. Hawaii HI	L	3,214,158						3,214,158	
13. Idaho ID	L	5,368,326						5,368,326	
14. Illinois IL	L	76,786,362						76,786,362	
15. Indiana IN	L	3,804,468						3,804,468	
16. Iowa IA	L	1,308,160						1,308,160	
17. Kansas KS	L	1,800,248						1,800,248	
18. Kentucky KY	L	2,971,511						2,971,511	
19. Louisiana LA	L	19,411,673						19,411,673	
20. Maine ME	L	612,897						612,897	
21. Maryland MD	L	13,377,816						13,377,816	
22. Massachusetts MA	L	3,835,048						3,835,048	
23. Michigan MI	L	7,827,741						7,827,741	
24. Minnesota MN	L	1,569,967						1,569,967	
25. Mississippi MS	L	16,786,655						16,786,655	
26. Missouri MO	L	3,035,747						3,035,747	
27. Montana MT	L	506,770						506,770	
28. Nebraska NE	L	746,678						746,678	
29. Nevada NV	L	2,024,206						2,024,206	
30. New Hampshire NH	L	519,544						519,544	
31. New Jersey NJ	L	1,710,461						1,710,461	
32. New Mexico NM	L	336,051						336,051	
33. New York NY	L	65,514,251						65,514,251	
34. North Carolina NC	L	2,087,140						2,087,140	
35. North Dakota ND	L	395,931						395,931	
36. Ohio OH	L	3,601,650						3,601,650	
37. Oklahoma OK	L	3,642,414	10,812,773					14,455,187	
38. Oregon OR	L	9,232,137						9,232,137	
39. Pennsylvania PA	L	16,505,123						16,505,123	
40. Rhode Island RI	L	553,302						553,302	
41. South Carolina SC	L	13,080,001						13,080,001	
42. South Dakota SD	L	392,293						392,293	
43. Tennessee TN	L	30,012,168						30,012,168	
44. Texas TX	L	83,358,742	1,249,297,816	316,538,594				1,649,195,152	
45. Utah UT	L	4,646,137						4,646,137	
46. Vermont VT	L	454,473						454,473	
47. Virginia VA	L	3,065,842						3,065,842	
48. Washington WA	L	21,239,029						21,239,029	
49. West Virginia WV	L	4,407,132	17,127,518					21,534,650	
50. Wisconsin WI	L	3,015,105						3,015,105	
51. Wyoming WY	L	194,844						194,844	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	N							0	
55. U.S. Virgin Islands VI	N							0	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	499,920,861	1,310,114,171	316,538,594	0	0	0	2,126,573,626	0
60. Reporting entity contributions for Employee Benefit Plans	XXX							0	
61. Total (Direct Business)	(a) 51	499,920,861	1,310,114,171	316,538,594	0	0	0	2,126,573,626	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.

Premiums are allocated based on MMR data by state.

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

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

The following is a listing identifying and indicating the interrelationships among all affiliated insurers (identified by an asterisk, and if such insurer is incorporated in the United States of America, by a Federal Employer Identification Number, NAIC Company Code and Jurisdiction of Incorporation) and all other affiliates, as of December 31, 2013:

Cigna CORPORATION

(A Delaware corporation and ultimate parent company)

<u>Cigna Holdings, Inc.</u>	
<u>Cigna Intellectual Property, Inc.</u>	
<u>Cigna Investment Group, Inc.</u>	
	<u>Cigna International Finance Inc.</u>
	<u>Former Cigna Investments, Inc.</u>
	<u>Cottage Grove Real Estate, Inc.</u>
	<u>Cigna Investments, Inc.</u>
	<u>Cigna Mezzanine Partners III, Inc.</u>
	<u>Cigna Mezzanine Partners III, LP</u>
	<u>Cigna Benefits Financing, Inc.</u> (EI # 010947889, DE)
<u>Connecticut General Corporation</u>	
	<u>Benefit Management Corp.</u> (EI # 81-0585518)
	<u>*Allegiance Life & Health Insurance Company</u> (EI # 20-4433475, NAIC # 12814, MT)
	<u>*Allegiance Re, Inc.</u> (EI # 20-3851464, MT)
	<u>Allegiance Benefit Plan Management, Inc.</u>
	<u>Allegiance COBRA Services, Inc.</u>
	<u>Allegiance Provider Direct, LLC</u>
	<u>Community Health Network, LLC</u>
	<u>Intermountain Underwriters, Inc.</u>
	<u>Star Point, LLC</u>
<u>HealthSpring, Inc.</u>	
	<u>NewQuest, LLC</u>
	<u>Bravo Health, LLC</u>
	<u>*Bravo Health Mid-Atlantic, Inc.</u> (EI # 52-2259087, NAIC # 10095, MD)
	<u>*Bravo Health Pennsylvania, Inc.</u> (EI # 52-2363406, NAIC # 11254, PA)
	<u>*HealthSpring Life & Health Insurance Company</u> (EI # 20-8534298, NAIC # 12902, TX)
	<u>*HealthSpring of Alabama, Inc.</u> (EI # 63-0925225, NAIC # 95781, AL)
	<u>*HealthSpring of Florida, Inc.</u> (EI # 65-1129599, NAIC #11532, FL)
	<u>NewQuest Management of Illinois, LLC</u>
	<u>NewQuest Management of Florida, LLC</u>
	<u>HealthSpring Management of America, LLC</u>
	<u>NewQuest Management of West Virginia, LLC</u>
	<u>TexQuest, LLC</u>
	<u>HouQuest, LLC</u>
	<u>GulfQuest, LP</u>
	<u>NewQuest Management of Alabama, LLC</u>
	<u>HealthSpring USA, LLC</u>
	<u>HealthSpring Management, Inc.</u>
	<u>HealthSpring of Tennessee, Inc.</u> (EI # 62-1593150, NAIC # 11522, MD)
	<u>Tennessee Quest, LLC</u>
	<u>HealthSpring Pharmacy Services, LLC</u>
	<u>HealthSpring Pharmacy of Tennessee, LLC</u>

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

	Home Physicians Management, LLC
	<u>*Cigna Arbor Life Insurance Company</u> (EI # 03-0452349, NAIC # 13733, CT)
	<u>Cigna Behavioral Health, Inc.</u>
	<u>Cigna Behavioral Health of California, Inc.</u> (EI# 94-3107309)
	<u>Cigna Behavioral Health of Texas, Inc.</u> (EI# 75-2751090)
	<u>MCC Independent Practice Association of New York, Inc.</u>
	<u>Cigna Dental Health, Inc.</u>
	<u>Cigna Dental Health of California, Inc.</u> (EI# 59-2600475, CA)
	<u>Cigna Dental Health of Colorado, Inc.</u> (EI# 59-2675861, NAIC # 11175, CO)
	<u>Cigna Dental Health of Delaware, Inc.</u> (EI# 59-2676987, NAIC # 95380, DE)
	<u>Cigna Dental Health of Florida, Inc.</u> (EI# 59-1611217, NAIC # 52021, FL)
	<u>Cigna Dental Health of Illinois, Inc.</u> (EI# 06-1351097, IL)
	<u>Cigna Dental Health of Kansas, Inc.</u> (EI# 59-2625350, NAIC # 52024, KS)
	<u>Cigna Dental Health of Kentucky, Inc.</u> (EI# 59-2619589, NAIC # 52108, KY)
	<u>Cigna Dental Health of Missouri, Inc.</u> (EI#06-1582068, NAIC # 11160, MO)
	<u>Cigna Dental Health of New Jersey, Inc.</u> (EI# 59-2308062, NAIC # 11167, NJ)
	<u>Cigna Dental Health of North Carolina, Inc.</u> (EI# 56-1803464 , NAIC # 95179, NC)
	<u>Cigna Dental Health of Ohio, Inc.</u> (EI# 59-2579774, NAIC # 47805, OH)
	<u>Cigna Dental Health of Pennsylvania, Inc.</u> (EI# 52-1220578, NAIC # 47041, PA)
	<u>Cigna Dental Health of Texas, Inc.</u> (EI# 59-2676977, NAIC # 95037, TX)
	<u>Cigna Dental Health of Virginia, Inc.</u> (EI# 52-2188914, NAIC # 52617, VA)
	<u>Cigna Dental Health Plan of Arizona, Inc.</u> (EI# 86-0807222, NAIC # 47013, AZ)
	<u>Cigna Dental Health of Maryland, Inc.</u> (EI#20-2844020, NAIC #48119, MD)
	<u>Cigna Health Corporation</u>
	<u>Healthsource, Inc.</u>
	<u>Cigna HealthCare of Arizona, Inc.</u> (EI# 86-0334392, NAIC#95125, AZ)
	<u>Cigna HealthCare of California, Inc.</u> (EI# 95-3310115, CA)
	<u>Cigna HealthCare of Colorado, Inc.</u> (EI# 84-1004500, NAIC # 95604, CO)
	<u>Cigna HealthCare of Connecticut, Inc.</u> (EI# 06-1141174, NAIC # 95660, CT)
	<u>Cigna HealthCare of Florida, Inc.</u> (EI# 59-2089259, NAIC # 95136, FL)
	<u>Cigna HealthCare of Illinois, Inc.</u> (EI# 36-3385638, NAIC # 95602, IL)
	<u>Cigna HealthCare of Maine, Inc.</u> (EI# 01-0418220, NAIC # 95447, ME)
	<u>Cigna HealthCare of Massachusetts, Inc.</u> (EI# 02-0402111, NAIC # 95220, MA)
	<u>Cigna HealthCare Mid-Atlantic, Inc.</u> (EI# 52-1404350, NAIC # 95599, MD)
	<u>Cigna HealthCare of New Hampshire, Inc.</u> (EI# 02-0387749, NAIC # 95493, NH)
	<u>Cigna HealthCare of New Jersey, Inc.</u> (EI# 22-2720890, NAIC # 95500, NJ)
	<u>Cigna HealthCare of Pennsylvania, Inc.</u> (EI# 23-2301807, NAIC # 95121, PA)

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

		<u>Cigna HealthCare of St. Louis, Inc.</u> (EI# 36-3359925, NAIC # 95635, MO)
		<u>Cigna HealthCare of Utah, Inc.</u> (EI# 62-1230908, NAIC # 95518, UT)
		<u>Cigna HealthCare of Georgia, Inc.</u> (EI# 58-1641057, NAIC # 96229, GA)
		<u>Cigna HealthCare of Texas, Inc.</u> (EI# 74-2767437, NAIC # 95383, TX)
		<u>Cigna HealthCare of Indiana, Inc.</u> (EI# 35-1679172, NAIC # 95525, IN)
		<u>Cigna HealthCare of New York, Inc.</u> (EI# 11-2758941, NAIC # 95488, NY)
		<u>Cigna HealthCare of Tennessee, Inc.</u> (EI# 62-1218053, NAIC # 95606, TN)
		<u>Cigna HealthCare of North Carolina, Inc.</u> (EI# 56-1479515, NAIC# 95132, NC)
		<u>Cigna HealthCare of South Carolina, Inc.</u> (EI# 06-1185590, NAIC # 95708, SC)
		<u>*Temple Insurance Company Limited</u>
		<u>Arizona Health Plan, Inc.</u>
		<u>Healthsource Properties, Inc.</u>
		<u>Managed Care Consultants, Inc.</u>
		<u>Choicelinx Corporation</u>
		<u>Sagamore Health Network, Inc.</u>
		<u>Cigna Healthcare Holdings, Inc.</u> (EI# 84-0985843)
		<u>Great-West Healthcare of Illinois, Inc.</u> (EI# 93-1174749, NAIC 95388, IL)
		<u>Cigna Healthcare, Inc.</u>
		<u>*Cigna Life Insurance Company of Canada</u> (AA-1560515)
		<u>*Cigna Life Insurance Company of New York</u> (EI# 13-2556568, NAIC # 64548, NY)
		<u>*Connecticut General Life Insurance Company</u> (EI# 06-0303370, NAIC # 62308, CT)
		<u>CG Gillette Ridge, LLC</u>
		<u>Gillette Ridge Apartments LLC</u>
		<u>CG Merrick, LLC</u>
		<u>Merrick Park LLC</u>
		<u>Merrick Park Parking LLC</u>
		<u>CG Mystic Center LLC</u>
		<u>Station Landing Holding LLC</u>
		<u>CG Mystic Land LLC</u>
		<u>ND/CG Holding LLC</u>
		<u>CG Skyline, LLC</u>
		<u>Skyline ND/CG LLC</u>
		<u>ND Mystic Center Note LLC</u>
		<u>Skyline Mezzanine Borrower, LLC</u>
		<u>Skyline at Station Landing, LLC</u>
		<u>Careallies, LLC</u>
		<u>Carson Bayport 1 LP</u>
		<u>CG Bayport LLC</u>
		<u>Bayport Colony Apartments LLC</u>
		<u>CG-LINA Bayport I LLC</u>
		<u>Cigna Onsite Health, LLC</u>
		<u>CR Longwood Investors, LP</u>
		<u>ND/CR Longwood LLC</u>
		<u>ARE/ND/CR Longwood LLC</u>

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

		<u>Gillette Ridge Community Council, Inc.</u> <u>Gillette Ridge Golf LLC</u> <u>Hazard Center Investment Company LLC</u> <u>Secon Properties, LP.</u> <u>Teal Rock 501 Grant Street GP, LLC</u> <u>Teal Rock 501 Grant Street, LP</u> <u>Tel-Drug of Pennsylvania, LLC</u> <u>CG-LINA Realty Investors LLC</u> <u>115 Sansome Street Associates, LLC</u> <u>121 Tasman Apartments LLC</u> <u>Alto Apartments LLC</u> <u>CG-LINA Paper Box LLC</u> <u>Cigna Affiliates Realty Investment Group, LLC</u> (EI# 27-5402196, DE) <u>Market Street Residential Holdings LLC</u> <u>Arborpoint at Market Street LLC</u> <u>Market Street Retail Holdings LLC</u> <u>Market Street South LLC</u> <u>Diamondview Tower CM-CG LLC</u> <u>CR Washington Street Investors LP</u> <u>Civic Holding LLC</u> <u>Dulles Town Center Mall, LLC</u> <u>AEW/FDG, LP</u> <u>ND/CR Unicorn LLC</u> <u>Union Wharf Apartments LLC</u> <u>AMD Apartments Limited Partnership</u> <u>SP Newport Crossing LLC</u> <u>PUR Arbors Apartments Venture LLC</u> <u>CG Seventh Street, LLC</u> <u>Ideal Properties II LLC</u> <u>Allesandro Partners, LLC</u> <u>Mallory Square Partners I, LLC</u> <u>Houston Briar Forest Apartments Limited Partnership</u> <u>Newtown Partners II, LP</u> <u>Newtown Square GP LLC</u> <u>AFA Apartments Limited Partnership</u> <u>SB-SNH LLC</u> <u>680 Investors LLC</u> <u>685 New Hampshire LLC</u> <u>CGGL 18301 LLC</u> <u>Unico/CG Commonwealth LLC</u> <u>Commonwealth Acquisition LLC</u> <u>Unico-CG Lovejoy LLC</u> <u>CORAC LLC</u> <u>Bridgepoint Office Park Associates, LLC</u> (EI# 27-3923999, DE) <u>Fairway Center Associates, LLC</u> (EI# 27-3126102, DE) <u>Henry on the Park Associates, LLC</u> (EI 27-3582688, DE) * <u>Cigna Health and Life Insurance Company</u> (EI # 59-1031071, NAIC # 67369, CT) <u>CarePlexus, LLC</u> (EI# 45-2681649; DE) <u>Cigna Corporate Services, LLC</u> (EI 27-3396038, DE)
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SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

		<u>Cigna Insurance Agency, LLC</u> (EI # 27-1903785, CT)
		<u>Ceres Sales of Ohio, LLC</u> (EI # 34-1970892, OH)
		<u>Central Reserve Life Insurance Company</u> (EI # 34-0970995, NAIC # 61727, OH)
		<u>Provident American Life & Health Insurance Company</u> (EI # 23-1335885, NAIC # 67903, OH)
		<u>United Benefit Life Insurance Company</u> (EI # 75-2305400, NAIC # 65269, OH)
		<u>Loyal American Life Insurance Company</u> (EI # 63-0343428, NAIC # 65722, OH)
		<u>American Retirement Life Insurance Company</u> (EI # 59-2760189, NAIC # 88366, OH)
		<u>Cigna Health Management, Inc.</u> (EI# 23-1728483, DE)
		<u>Kronos Optimal Health Company</u> (20-8064696, AZ)
		<u>*Life Insurance Company of North America</u> (EI# 23-1503749, NAIC # 65498, PA)
		<u>*Cigna & CMC Life Insurance Company Limited (</u> (remaining interest owned by an unaffiliated party)
		<u>*LINA Life Insurance Company of Korea</u>
		<u>LINA Financial Service</u>
		<u>Cigna Korea Foundation</u>
		<u>Cigna Direct Marketing Company, Inc.</u>
		<u>Tel-Drug, Inc.</u>
		<u>Vielife Holdings Limited</u>
		<u>Vielife Limited</u>
		<u>Vielife Services, Inc.</u>
		<u>Businesshealth UK Limited</u>
		<u>CG Individual Tax Benefit Payments, Inc.</u>
		<u>CG Life Pension Benefits Payments, Inc.</u>
		<u>CG LINA Pension Benefits Payments, Inc.</u>
		<u>Cigna Federal Benefits, Inc.</u>
		<u>Cigna Healthcare Benefits, Inc.</u>
		<u>Cigna Integratedcare, Inc.</u>
		<u>Cigna Managed Care Benefits Company</u>
		<u>Cigna Re Corporation</u>
		<u>Blodget & Hazard Limited</u>
		<u>Cigna Resource Manager, Inc.</u>
		<u>Connecticut General Benefit Payments, Inc.</u>
		<u>Healthsource Benefits, Inc.</u>
		<u>IHN, Inc.</u>
		<u>LINA Benefit Payments, Inc.</u>
		<u>Mediversal, Inc.</u>
		<u>Universal Claims Administration</u>
		<u>Cigna Global Holdings, Inc.</u>
		<u>Cigna International Corporation, Inc.</u>
		<u>Cigna International Services, Inc.</u>
		<u>Cigna International Marketing (Thailand) Limited</u>
		<u>CGO Participatos LTDA</u>
		<u>YCFM Servicios LTDA</u>
		<u>*Cigna Global Reinsurance Company, Ltd.</u>
		<u>Cigna Holdings Overseas, Inc.</u>
		<u>Cigna Alder Holdings, LLC</u>
		<u>Cigna Bellevue Alpha LLC</u>
		<u>Cigna Hayat Sigorta, A.S.</u>

SCHEDULE Y
PART 1 – ORGANIZATIONAL CHART

				Cigna Linden Holdings, Inc.
				| Cigna Laurel Holdings, Ltd.
				| Cigna Nederland Alpha Cooperatief U.A.
				| Cigna Nederland Beta B.V.
				| Cigna Nederland Gamma B.V.
				| Cigna Finans Emeklilik Ve Hayat A.S.
				*Cigna Life Insurance Company of Europe S.A.-N.V.
				| Cigna Magnolia Holdings, Ltd.
				| Cigna Myrtle Holdings, Ltd
				| Cigna Elmwood Holdings, BVBA
				*Cigna Europe Insurance Company S.A.-N.V.
				| Cigna European Services (UK) Limited
				| Cigna 2000 UK Pension LTD
				| Cigna Health Solution India Pvt. Ltd.
				| Cigna International Services Australia Pty Ltd
				| Cigna Apac Holdings Limited
				| Cigna Chestnut Holdings, Ltd.
				| *Cigna Life Insurance New Zealand Limited
				| Vanbreda International Sdn. Bhd.
				| Cigna Hong Kong Holdings Company Limited
				| Cigna Data Services (Shanghai) Co Ltd
				| Cigna HLA Technology Services Limited
				| *Cigna Worldwide General Insurance Co Ltd
				| *Cigna Worldwide Life Insurance Co Ltd
				| Cigna Taiwan Life Assurance Company Limited
				| Cigna Poplar Holdings, Inc.
				| PT GAR Indonesia
				| PT PGU Indonesia
				| RHP (Thailand) Limited
				| Cigna Brokerage Services (Thailand) Limited
				| *Cigna Non-Life Insurance Brokerage (Thailand) Ltd
				| KDM (Thailand) Limited
				| *Cigna Insurance Public Company Limited
				*Cigna Global Insurance Company Limited
				| Vanbreda International NV
				| Vanbreda International (Beijing) Consultants and Administrators Co., Ltd
				| Vanbreda International, LLC
				| Vanbreda International (Dubai) Limited
				| CignaTTK Health Insurance Company Limited
				| Cigna Saico Benefits Services W.L.L.
				*Cigna Worldwide Insurance Company (EI# 23-2088429, NAIC # 90859, DE)
				| *PT. Asuransi Cigna
				| FirstAssist Group Holdings Limited
				| FirstAssist Group Limited
				| FirstAssist Administration Limited
				| Brighter Business Limited
				| FirstAssist Legal Protection Limited
				| Cigna Insurance Services (Europe) Ltd

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. Stipends for IPAs			76,725		76,725
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	76,725	0	76,725

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