HEALTH QUARTERLY STATEMENT

AS OF MARCH 31, 2013

OF THE CONDITION AND AFFAIRS OF THE

SilverScript Insurance Company

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

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

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

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

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

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

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

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

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

Statutory Statement Contact Anthony Graham Strong (Name), 401-770-7699 (Area Code) (Telephone Number)
Anthony.Strong@CVSCaremark.com (E-mail Address), 401-733-0551 (FAX Number)

OFFICERS

President Lloyd Davison McDonald
Treasurer Anthony Graham Strong
Vice President Michael Anthony McNeils
Secretary Michele Wugalter Buchanan

OTHER

Rebecca Conway Justice Actuary

DIRECTORS OR TRUSTEES

Joseph Craig LaPine
Harold Neil Lund
James Gregory Maritan
Lloyd Davison McDonald
Todd Dean Meek

State of
County of
SS:

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

Lloyd Davison McDonald President	Michele Wugalter Buchanan Secretary	Anthony Graham Strong Treasurer

Subscribed and sworn to before me this
day of

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

ASSETS

	Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1. Bonds	1,538,265		1,538,265	1,542,751
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks			0	0
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less $ ..... encumbrances)			0	0
4.2 Properties held for the production of income (less $ ..... encumbrances)			0	0
4.3 Properties held for sale (less $ ..... encumbrances)			0	0
5. Cash ($ 31,075,932), cash equivalents ($ .....) and short-term investments ($ 112,513,544)	143,589,476		143,589,476	426,349,453
6. Contract loans (including $ ..... premium notes)			0	0
7. Derivatives			0	0
8. Other invested assets			0	0
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets			0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	145,127,741	0	145,127,741	427,892,204
13. Title plants less $ ..... charged off (for Title insurers only)			0	0
14. Investment income due and accrued	14,154		14,154	18,347
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	84,777,794	61,861,239	22,916,555	2,616,036
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ ..... earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums	112,536,660		112,536,660	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	344,170,051	75,140	344,094,911	316,553,879
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset	9,276,809		9,276,809	9,276,809
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software			0	0
21. Furniture and equipment, including health care delivery assets ($ .....)			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	50,250,288		50,250,288	0
24. Health care ($ 1,715,045) and other amounts receivable	1,715,045	374,520	1,340,525	19,499,988
25. Aggregate write-ins for other than invested assets	8,332,526	8,332,526	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	756,201,068	70,643,425	685,557,643	775,857,263
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	756,201,068	70,643,425	685,557,643	775,857,263
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid expenses	8,332,526	8,332,526	0	
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	8,332,526	8,332,526	0	0

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $ 11,294,046 reinsurance ceded)	56,520,988		56,520,988	44,586,896
2.	Accrued medical incentive pool and bonus amounts			0	0
3.	Unpaid claims adjustment expenses			0	0
4.	Aggregate health policy reserves, including the liability of $ 0 for medical loss ratio rebate per the Public Health Service Act	77,436,108		77,436,108	73,471,374
5.	Aggregate life policy reserves			0	0
6.	Property/casualty unearned premium reserve			0	0
7.	Aggregate health claim reserves			0	0
8.	Premiums received in advance	11,138,004		11,138,004	5,912,501
9.	General expenses due or accrued	8,719,665		8,719,665	627,216
10.1	Current federal and foreign income tax payable and interest thereon (including $ on realized gains (losses))	36,158,186		36,158,186	59,995,032
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			0	0
13.	Remittances and items not allocated	29,335		29,335	0
14.	Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15.	Amounts due to parent, subsidiaries and affiliates			0	8,410,511
16.	Derivatives			0	0
17.	Payable for securities			0	0
18.	Payable for securities lending			0	0
19.	Funds held under reinsurance treaties (with $ 2,124,568 authorized reinsurers, $ 13,352,844 unauthorized reinsurers and $ certified reinsurers)	15,477,412		15,477,412	60,051,142
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	282,527,037		282,527,037	233,227,417
23.	Aggregate write-ins for other liabilities (including $ current)	2,092,451	0	2,092,451	3,567,555
24.	Total liabilities (Lines 1 to 23)	490,099,186	0	490,099,186	489,849,644
25.	Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26.	Common capital stock	XXX	XXX	2,750,000	2,750,000
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	124,750,000	124,750,000
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31.	Unassigned funds (surplus)	XXX	XXX	67,958,457	158,507,619
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	195,458,457	286,007,619
34.	Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	685,557,643	775,857,263
	DETAILS OF WRITE-INS				
2301.	State tax payable	2,092,451		2,092,451	3,567,555
2302.					
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399.	Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	2,092,451	0	2,092,451	3,567,555
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 through 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 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date	Prior Year Ended December 31
		1 Uncovered	2 Total	3 Total	4 Total
1.	Member Months	XXX	10,560,293	4,643,207	18,441,120
2.	Net premium income (including $ non-health premium income)	XXX	823,690,407	364,959,776	1,478,003,204
3.	Change in unearned premium reserves and reserve for rate credits	XXX	111,005,549	83,395,033	(88,255,539)
4.	Fee-for-service (net of $ medical expenses)	XXX			
5.	Risk revenue	XXX			
6.	Aggregate write-ins for other health care related revenues	XXX	0	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0	0
8.	Total revenues (Lines 2 to 7)	XXX	934,695,956	448,354,809	1,389,747,665
	Hospital and Medical:				
9.	Hospital/medical benefits				
10.	Other professional services				
11.	Outside referrals				
12.	Emergency room and out-of-area				
13.	Prescription drugs		1,171,907,543	562,375,819	1,377,010,148
14.	Aggregate write-ins for other hospital and medical	0	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts				
16.	Subtotal (Lines 9 to 15)	0	1,171,907,543	562,375,819	1,377,010,148
	Less:				
17.	Net reinsurance recoveries		228,582,551	111,523,971	270,883,559
18.	Total hospital and medical (Lines 16 minus 17)	0	943,324,992	450,851,848	1,106,126,589
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $ 39,453 cost containment expenses		54,399,642	32,979,339	107,758,904
21.	General administrative expenses		4,698,095	558,184	4,558,894
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)				0
23.	Total underwriting deductions (Lines 18 through 22)	0	1,002,422,729	484,389,371	1,218,444,387
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(67,726,773)	(36,034,562)	171,303,278
25.	Net investment income earned		12,406	2,634	41,881
26.	Net realized capital gains (losses) less capital gains tax of $				
27.	Net investment gains (losses) (Lines 25 plus 26)	0	12,406	2,634	41,881
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $) (amount charged off $ 390,906)]		(390,906)	(2,825,968)	(256,230)
29.	Aggregate write-ins for other income or expenses	0	0	0	0
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(68,105,273)	(38,857,896)	171,088,929
31.	Federal and foreign income taxes incurred	XXX	(23,836,846)	(13,600,264)	59,729,946
32.	Net income (loss) (Lines 30 minus 31)	XXX	(44,268,427)	(25,257,632)	111,358,983
	DETAILS OF WRITE-INS				
0601.	~	XXX			0
0602.		XXX			
0603.		XXX			
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699.	Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	0	0	0
0701.	~	XXX			0
0702.		XXX			
0703.		XXX			
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0	0
1401.	~				0
1402.	~				0
1403					
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901.	~				0
2902.	~				0
2903					
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
	CAPITAL AND SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	286,007,619	181,707,723	181,707,723
34.	Net income or (loss) from Line 32	(44,268,427)	(25,257,632)	111,358,983
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			3,586,918
39.	Change in nonadmitted assets	(46,280,735)	(683,817)	(10,646,005)
40	Change in unauthorized and certified reinsurance	0	0	0
41.	Change in treasury stock	0	0	0
42.	Change in surplus notes	0	0	0
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
	44.1 Paid in	0	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0	0
	44.3 Transferred to surplus			
45.	Surplus adjustments:			
	45.1 Paid in	0	0	0
	45.2 Transferred to capital (Stock Dividend)			
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus	0	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	(90,549,162)	(25,941,449)	104,299,896
49.	Capital and surplus end of reporting period (Line 33 plus 48)	195,458,457	155,766,274	286,007,619
	DETAILS OF WRITE-INS			
4701.				0
4702.				
4703.				
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799.	Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	0

CASH FLOW

		1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
	Cash from Operations			
1.	Premiums collected net of reinsurance	770,679,668	486,202,263	1,470,592,616
2.	Net investment income	21,085	21,063	81,789
3.	Miscellaneous income	0	0	0
4.	Total (Lines 1 to 3)	770,700,753	486,223,326	1,470,674,405
5.	Benefit and loss related payments	913,605,957	461,317,493	1,121,785,603
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7.	Commissions, expenses paid and aggregate write-ins for deductions	139,854,773	(380,853,122)	222,236,479
8.	Dividends paid to policyholders			
9.	Federal and foreign income taxes paid (recovered) net of $ ..... tax on capital gains (losses)	0	0	24,264,209
10.	Total (Lines 5 through 9)	1,053,460,730	80,464,371	1,368,286,291
11.	Net cash from operations (Line 4 minus Line 10)	(282,759,977)	405,758,955	102,388,114
	Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:			
	12.1 Bonds	0	200,000	2,000,000
	12.2 Stocks	0	0	0
	12.3 Mortgage loans	0	0	0
	12.4 Real estate	0	0	0
	12.5 Other invested assets	0	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
	12.7 Miscellaneous proceeds	0	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	200,000	2,000,000
13.	Cost of investments acquired (long-term only):			
	13.1 Bonds	0	200,859	1,394,375
	13.2 Stocks	0	0	0
	13.3 Mortgage loans	0	0	0
	13.4 Real estate	0	0	0
	13.5 Other invested assets	0	0	0
	13.6 Miscellaneous applications	0	0	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	0	200,859	1,394,375
14.	Net increase (or decrease) in contract loans and premium notes	0	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	(859)	605,625
	Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):			
	16.1 Surplus notes, capital notes	0	0	0
	16.2 Capital and paid in surplus, less treasury stock	0	0	0
	16.3 Borrowed funds	0	0	0
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
	16.5 Dividends to stockholders	0	0	0
	16.6 Other cash provided (applied)	0	0	0
17.	Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	0	0	0
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(282,759,977)	405,758,096	102,993,739
19.	Cash, cash equivalents and short-term investments:			
	19.1 Beginning of year	426,349,453	323,355,714	323,355,714
	19.2 End of period (Line 18 plus Line 19.1)	143,589,476	729,113,810	426,349,453

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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	1,526,981	0	0	0	0	0	0	0	0	1,526,981
2. First Quarter	3,669,016									3,669,016
3. Second Quarter	0									
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	10,560,293									10,560,293
Total Member Ambulatory Encounters for Period:										
7 Physician	0									
8. Non-Physician	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written (a)	1,032,816,251									1,032,816,251
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	1,171,476,740									1,171,476,740
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	1,138,990,630									1,138,990,630
18. Amount Incurred for Provision of Health Care Services	1,171,907,543									1,171,907,543

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $ 1,032,816,251

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999 Aggregate accounts not individually listed-uncovered						0
0399999 Aggregate accounts not individually listed-covered	117,626					117,626
0499999 Subtotals	117,626	0	0	0	0	117,626
0599999 Unreported claims and other claim reserves						67,697,408
0699999 Total amounts withheld						
0799999 Total claims unpaid						67,815,034
0899999 Accrued medical incentive pool and bonus amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7 Title XIX - Medicaid					0	0
8. Other health	(20,411,504)	934,017,461	39,898,805	16,622,183	19,487,301	44,586,896
9. Health subtotal (Lines 1 to 8)	(20,411,504)	934,017,461	39,898,805	16,622,183	19,487,301	44,586,896
10. Healthcare receivables (a)	1,715,045	0			1,715,045	19,499,988
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts					0	0
13. Totals (Lines 9-10+11+12)	(22,126,549)	934,017,461	39,898,805	16,622,183	17,772,256	25,086,908

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

Notes to Financial Statement

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

Effective January 15, 2013, the Centers for Medicare and Medicaid Services ("CMS") imposed intermediate sanctions on the Company, consisting of immediate suspension of further plan enrollment and marketing activities. The sanctions relate to our compliance with certain Medicare Part D requirements and do not affect the enrollment status of the current prescription drug plan ("PDP") enrollees. CMS has granted a limited waiver of these sanctions to allow the Company to continue to enroll eligible retirees of existing employer clients into the Company's plans and into employer group waiver plans to fulfill our commitments to implement and provide employer group waiver plan services. This limited waiver currently extends through July 30, 2013, and CMS has advised us that it will consider further extensions of the waiver on a rolling basis. At the beginning of the 2013 Medicare Part D plan year, the Company implemented an enrollment systems conversion process and other actions to consolidate the PDP plans. These consolidation efforts have impacted the enrollment and coverage determination services we provide to PDP enrollees. The Company is cooperating with CMS to address the service issues resulting from our plan consolidation efforts and to develop and implement a corrective action plan to resolve and remove the sanctions. The Company cannot predict how long the sanctions will remain in effect or the scope of corrective action or other remedial actions that CMS may require in order for the sanctions to be removed.

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

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

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

C. Accounting Policy

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

(1) Short-term investments include money market holdings that are stated at fair value. In addition, included in short-term investments are bonds with an original purchase maturity date of less than one year which are stated at amortized cost using the straight-line method of amortization on premiums or discounts.

(2) Bonds with an original purchase maturity date greater than one year are stated at amortized cost using the straight-line method of amortization on premiums or discounts. None of the Company's bonds became impaired during the three months ended March 31, 2013 or the twelve months ended December 31, 2012.

(3) The Company had 10.0 million shares, ($1 par), of Class A common capital stock authorized, and 2.75 million of such shares issued and outstanding as of the three months ended March 31, 2013 and December 31, 2012.

(4) Preferred Stocks: None

(5) Mortgage Loans: None

Notes to Financial Statement

1. Summary of Significant Accounting Policies (Continued)

(6) Loan-backed Securities: None

(7) Investment in Subsidiaries, Controlled and Affiliated Companies: None

(8) Joint Ventures, Partnerships, and Limited Liability Companies: None

(9) Derivatives: None

(10) The Company does not utilize anticipated investment income as a factor in determining premium deficiencies.

(11) The Company has recorded estimates of incurred but not reported claims for claims paid by external entities and subsequently billed to the Company such as claims paid by State pharmaceutical assistance programs and for paper claims. Incurred but not reported claims are estimated based on historical experience.

(12) The Company has not modified its capitalization policy from the prior period.

(13) Amounts recorded in the Company's financial statements for pharmaceutical rebates are determined based on the amounts CVS Caremark Part D Services, L.L.C. and Member Health, L.L.C. (collectively, the "Part D Services") which are affiliates of the Parent Company, expects to collect from various pharmaceutical manufacturers.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory Purchase Method: None

B. Statutory Merger: None

C. Assumption Reinsurance: None

D. Impairment Loss: None

4. Discontinued Operations

None

5. Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans: None

B. Debt Restructuring: None

C. Reverse Mortgages: None

D. Loan-Backed Securities: None

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

F. Real Estate: None

G. Low-Income Housing Tax Credits ("LIHTC"): None

6. Joint Ventures, Partnerships and Limited Liability Companies

None

Notes to Financial Statement

7. Investment Income

A. Due and accrued income was excluded from surplus on the following basis:
All investment income due and accrued with amounts over 90 days past due are excluded from surplus.

B. The total amount excluded was: None

8. Derivative Instruments

None

9. Income Taxes

No material changes.

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

A., B., C During the three months ended March 31, 2013 and the year ended December 31, 2012, the Company did not have any material transfer of assets to affiliates.

D. The Company had a net $36.9 million receivable from and $73.4 million payable to affiliates at March 31, 2013 and December 31, 2012, respectively.

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

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

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

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

As of March 31, 2013, the Parent Company and its affiliates owed the Company a net balance of $36.9 million, of which $13.4 million included in funds held under reinsurance treaties and $50.3 million is included in amounts due from parent, subsidiaries and affiliates. The Company made an estimated payment to Part D Services for pharmacy claims processed during the month of March 2013. Upon receipt of the last pharmacy claims invoice from Part D Services, the Company had overestimated the payment and therefore the Company has recorded a $50.3 million receivable. This overpayment was applied against April 1, 2013 claims billed by Part D Services.

As of December 31, 2012, the Company owed the Parent Company and its affiliates $73.4 million of which $6.9 million represented an insured liability of the Company and is included in claims unpaid in the accompanying balance sheets, $58.1 million included in funds held under reinsurance treaties and $8.4 million is included in amounts due to parent, subsidiaries and affiliates and is primarily comprised of amounts due for uninsured pharmacy claims processed, pharmaceutical rebate payments received in excess of pharmaceutical rebates earned and management fees from the Parent Company.

Notes to Financial Statement

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

The Company pays Part D Services a management fee for sales, accounting, tax, legal, information technology, compliance, claims processing and other administrative functions under a management services agreement, which has been filed with the Department. The management fee is assessed on a per-member, per-month ("pmpm") and a per claim basis and totaled $92.7 million for the three months ended March 31, 2013, of which $85.7 million was allocated to claims adjustment expenses with the remaining $7.0 million allocated to general and administrative expenses. In addition, related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., the Company recognized a total of $28.3 million of reduction of expenses related to ceded expenses for the three months ended March 31, 2013, of which $26.2 million was allocated to claims adjustment expense and $2.1 million was allocated to general and administrative expense. The management fee totaled $49.5 million for the three months ended March 31, 2012, of which $48.7 million was allocated to claims adjustment expenses with the remaining $0.8 million allocated to general and administrative expenses. In addition, related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., the Company recognized a total of $13.4 million of reduction of expenses related to ceded expenses for the three months ended March 31, 2012, of which $13.2 million was allocated to claims adjustment expense and $0.2 million was allocated to general and administrative expense.

As of March 31, 2013 and December 31, 2012, Part D Services owed the Company a total of $1.7 million and $19.5 million, respectively, for pharmaceutical rebates. This amount is reported in Healthcare and other amounts receivable in the accompanying balance sheets. Payment terms require settlement of rebates within sixty days of the beginning of the calendar quarter following receipt of such rebates by Part D Services.

The Company has a written tax-sharing agreement with the Ultimate Parent, and its allocation of the Ultimate Parent's federal income taxes is based on the Company's federal tax liability determined as if the Company were filing its own separate tax return each year. The Company's tax sharing agreement with the Ultimate Parent provides that the Ultimate Parent will pay the Company for its net operating losses to the extent that such net operating loss is utilized in the reduction of the consolidated federal income tax liability. As of March 31, 2013 and December 31, 2012, the company owed the Ultimate Parent $36.1 million and $60.0 million, respectively, for federal income taxes, which is reported as Current federal and foreign income tax payable in the Statement of Liabilities, Capital and Surplus. Intercompany tax balances are settled annually.

G. All outstanding shares of the Company are owned by the Parent Company.

H. The Company does not own shares of stock of its Parent Company.

I. The Company does not hold any interest in another company or limited partnership.

J. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.

K. The Company does not have any investments in a foreign insurance subsidiary.

L. The Company did not have any investments in a downstream non-insurance holding company.

11. Debt

None

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

No change.

Notes to Financial Statement

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

(1) As of March 31, 2013 and December 31, 2012, the Company had 10.0 million shares, ($1 par); of Class A common capital stock authorized and 2.75 million of such shares issued and outstanding.

(2) The Company has no preferred stock outstanding.

(3) Without prior approval of the domiciliary commissioner, dividends to shareholders are limited by the laws of Tennessee and are based on the restrictions relating to statutory surplus.

(4) No dividends were paid by the Company during the three months ending March 31, 2013 or the twelve months ended December 31, 2012.

(5) The portion of the Company's profits that may be paid as ordinary dividends are limited by the laws of Tennessee. Tennessee law states that ordinary dividends must follow Tennessee Code Ann. § 56-11-105(e) and Tennessee Code Ann. § 56-11-106(b) for extraordinary dividends. Ordinary dividends are limited to either ten percent of surplus or the net gain from operations for the previous twelve months.

(6) The Company is subject to certain Risk-Based Capital ("RBC") requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a life/health insurance company is to be determined based on the various risk factors related to it. As of March 31, 2013 and December 31, 2012, there were no restrictions placed on the unassigned funds (surplus).

(7) The Company has no mutual reciprocals or any similarly organized entities.

(8) The Company does not hold any stock of the Ultimate Parent, including stock of affiliated entities for special purposes.

(9) The Company had no special surplus funds from the prior period.

(10) As of March 31, 2013 and December 31, 2012, the Company had no unrealized gains or losses.

(11) The Company did not issue any surplus debenture of similar obligations.

(12) The Company did not experience an impact of any restatement due to prior quasi-reorganization.

(13) Not applicable.

14. Contingencies

A. Contingent Commitments: None

B. Assessments: None

C. Gain Contingencies: None

D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits: None

E. All Other Contingencies: None

15. Leases

A. Lessee Operating Lease: None

B. Lessor Leases: None

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

None

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

A. Transfers of Receivables Reported as Sales: None

B. Transfer and Servicing of Financial Assets: None

C. Wash Sales: None

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

A. ASO Plans: None

B. ASC Plans

For the three months ended March 31, 2013 and 2012, the gain from operations from Administrative Services Contract ("ASC") with uninsured plans is as follows:

	March 31, 2013	March 31, 2012
Gross reimbursement for medical costs incurred	$ 332,535,674	$ 129,062,040
Gross administrative fees accrued	19,577,158	5,736,778
Other income or expenses (including interest paid to or received from plans)	-	-
Gross expenses incurred (claims and administrative)	(352,112,832)	(134,798,818)
Total net operations	$ -	$ -

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

a. Revenue and prescription drug amounts for the three months ended March 31, 2013 and 2012, exclude $1,759.5 million and $782.9 million, respectively, in subsidies from CMS for catastrophic reinsurance subsidies, low income cost sharing subsidies ("LICS") and the coverage gap discount program ("CGDP") pursuant to the Company's 2013 and 2012 contracts with CMS.

b. As of March 31, 2013 and December 31, 2012, amounts receivable relating to uninsured plans includes $278.4 million and $294.9 million, respectively, due from CMS or drug manufacturers for LICS, CGDP and drug costs covered by the catastrophic reinsurance feature. Amounts due from clients and other sources as of March 31, 2013 and December 31, 2012 were $65.8 million and $21.7 million, respectively.

c. As of March 31, 2013 and December 31, 2012, there were no allowances or reserves for adjustment of recorded revenues.

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

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

None

20. Fair Value Measurements

Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures,* defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States, and enhances disclosures about fair value measurements. ASC 820 provides guidance on how to measure fair value when required under existing accounting standards. The statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels ("Level 1, 2 and 3"). Level 1 inputs are observable inputs that reflect quoted prices for identical assets or liabilities in active markets the Company has the ability to access at the measurement date. Level 2 inputs are observable inputs, other than quoted prices included in Level 1, for the asset or liability. Level 3 inputs are unobservable inputs reflecting the Company's estimates of the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

Notes to Financial Statement

20. Fair Value Measurements (Continued)

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

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

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

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

(1) The carrying amounts and fair values of the Company's cash and investments are as follows:

	March 31, 2013		December 31, 2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Bonds	$ 1,538,265	$ 1,533,078	$ 1,542,751	$ 1,531,927
Cash	31,075,932	31,075,932	4,009,619	4,009,619
Short term investments	112,513,544	112,517,308	422,339,834	422,340,202
Total investments	$ 145,127,741	$ 145,126,318	$ 427,892,204	$ 427,881,748

(2) Fair Value Measurements in (Level 2 and Level 3) of the Fair Value Hierarchy: None

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

As of March 31, 2013, bonds, short-term investments, and cash with an admitted asset value of $1.5 million, $2.5 million and $0.2 million, respectively, were on deposit with state insurance departments to satisfy regulatory requirements. As of December 31, 2012, bonds, short-term investments and cash with an admitted asset value of $1.5 million, $2.5 million, and $0.2 million, respectively, were on deposit with state insurance departments to satisfy regulatory requirements.

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

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

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized investment gains (losses) in the statements of operations in the period the determination is made. For the three months ended March 31, 2013 and the twelve months ended December 31, 2012, management determined that none of the Company's investments had sustained an other-than-temporary decline in value.

21. Other Items

A. Extraordinary Items: None

B. Troubled Debt Restructuring - Debtors: None

C. Other Disclosures: None

Notes to Financial Statement

21. Other Items (Continued)

D. Net Admitted Assets expected to be uncollectible: None

E. Business Interruption Insurance Recoveries: None

F. State Transferable Tax Credits: None

G. Subprime-Mortgage-Related Risk Exposure: None

H. Retained Assets: None

22. Events Subsequent

The Company has assessed and concluded that there were no other material subsequent events, through May 13, 2013, the date which the financial statements were available to be issued.

23. Reinsurance

A. Ceded Reinsurance Report

The Company entered into a reinsurance agreement with Hartford Life and Accident Insurance Company ("Hartford"), an unaffiliated authorized insurance company, effective January 1, 2009. The Company's ceded premiums totaled $1.0 million and $0.4 million during the three months ended March 31, 2013 and 2012, respectively.

Neither the Company nor any of its related parties control, directly or indirectly, the Hartford. No policies to the Hartford issued by the Company have been reinsured with a foreign company, which is controlled, either directly or indirectly, by a party not primarily engaged in the business of insurance. The Company does not have any reinsurance agreements in effect under which the Hartford may unilaterally cancel the agreement. As of March 31, 2013 there are no reinsurance agreements in effect such that the amount of losses paid or accrued exceed the total direct premium collected for the Hartford.

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

	Three months ended March 31, 2013	Twelve months ended December 31, 2012
Statement of Revenue and Expense:		
Premiums	$ 235,822,006	$ 347,430,051
Benefits	(227,916,952)	(268,572,091)
Commissions expense	(28,298,996)	(43,108,832)
Interest (revenue) expense	26,315	45,650
Total revenue and expense ceded	$ (20,367,627)	$ 35,794,778

	March 31, 2013	December 31, 2012
Balance Sheet:		
Claims unpaid	$ 11,294,046	$ 8,096,168
Aggregate health policy reserves	18,769,912	18,367,846
Accrued retrospective premiums	(28,134,165)	-
Premiums received in advance	2,780,420	1,478,125
Premiums receivable	(5,729,140)	(712,501)
Healthcare receivable	(335,131)	(4,874,996)
Other ceded reinsurance payables	(720,249)	-
Total ceded balance sheet items	$ (2,074,307)	$ 22,354,642
Unsettled Prior Year Balances	$ 35,794,778	
Funds held by or deposited with reinsured companies	$ 223,535,348	$ 366,609,171
Funds held under reinsurance treaties with unauthorized reinsurers	(245,977,282)	(308,459,751)
Amount due to CVS Caremark Indemnity, Ltd.	$ 13,352,844	$ 58,149,420

Notes to Financial Statement

23. Reinsurance (Continued)

B. Uncollectible Reinsurance: None

C. Commutation of Ceded Reinsurance

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

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company's Medicare Part D contract with CMS contains a risk corridor feature. Due to the risk corridor feature, the Company's business is accounted for as a retrospectively rated contract. The Company estimates retrospective premium adjustments using a mathematical approach based on the Company's underwriting experience. As of March 31, 2013 and December 31, 2012, accrued retroactive premium adjustments were reported as an aggregate health policy reserve in the amount of $77.4 million and $73.5 million, respectively, and as accrued retrospective premium of $112.5 million and $0, respectively.

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

C. The amount of net direct premiums written by the Company during the three months ended March 31, 2013 and 2012 that was subject to the retrospective rating feature was $964.5 million and $455.3 million, respectively, which represented 93% and 92%, respectively, of the total net premiums written, excluding risk corridor adjustment.

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 following table provides a reconciliation of the beginning and ending balances of claims unpaid and health care receivables as follows:

	Three Months Ended March 31, 2013	Year Ended December 31, 2012
Balances at January 1:		
Reserves for unpaid claims	$ 44,586,896	$ 44,621,207
Healthcare receivables	(19,499,988)	(3,875,285)
	$ 25,086,908	$ 40,745,922
Incurred related to:		
Current year	950,639,644	1,104,809,069
Prior year	(7,314,652)	1,317,520
	$ 943,324,992	$ 1,106,126,589
Paid related to:		
Current year	934,017,461	1,100,435,952
Prior year	(20,411,504)	21,349,651
	$ 913,605,957	$ 1,121,785,603
Balances at March 31, 2013 and December 31, 2012:		
Reserves for unpaid claims	56,520,988	44,586,896
Healthcare receivables	(1,715,045)	(19,499,988)
	$ 54,805,943	$ 25,086,908

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

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

Notes to Financial Statement

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

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

A. Pharmaceutical Rebate Receivables:

Quarter	Estimated Pharmacy Rebates Pertaining to Current Quarter Scripts Filled and as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of	Actual Rebates Received More Than 180 Days After Billing
3/31/2013	$ 668,437,711	668,437,711	668,437,711	-	-
12/31/2012	275,629,822	273,115,748	271,440,092	-	-
9/30/2012	244,482,467	253,080,775	252,474,883	132,516	-
6/30/2012	249,073,711	257,310,083	255,686,809	1,594,850	(5,377)
3/31/2012	245,944,146	256,272,858	253,551,125	2,550,248	304,141
12/31/2011	131,854,647	138,443,193	137,434,874	947,428	60,892
9/30/2011	126,589,575	130,673,642	129,303,540	905,386	464,716
6/30/2011	115,630,126	126,006,359	126,023,428	35,057	(52,126)
3/31/2011	81,736,319	99,232,047	98,987,277	-	244,770
12/31/2010	79,038,606	80,319,519	80,319,519	-	-
9/30/2010	78,047,742	80,566,157	80,566,157	-	-
6/30/2010	73,057,377	75,608,419	75,608,419	-	-

B. Risk Sharing Receivables:

None

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] No [ ]

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

2.2 If yes, date of change:

3.1 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [X]

3.2 If the response to 3.1 is yes, provide a brief description of those changes.

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

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [X] N/A [ ]
If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2010

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 11/30/2005

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 05/12/2006

6.4 By what department or departments?

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

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

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

7.2 If yes, give full information:

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

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? 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.
9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]
9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]
10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 50,250,288

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]
11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $
13. Amount of real estate and mortgages held in short-term investments: $
14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]
14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ]
If no, attach a description with this statement.

GENERAL INTERROGATORIES

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
Bank of America, N.A.	1655 Grant Street, Concord, CA 94520
Bank of America, N.A.	600 Peachtree Street, Atlanta, GA 30308
Bank of America, N.A.	200 N College Street, Charlotte, NC 28255

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

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

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

17.4 If yes, give full information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

1.1 A&H loss percent ..... 80.6 %

1.2 A&H cost containment percent ..... 0.0 %

1.3 A&H expense percent excluding cost containment expenses ..... 5.0 %

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

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

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

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

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama AL	L	17,162,720						17,162,720	
2. Alaska AK	L	508,384						508,384	
3. Arizona AZ	L	9,684,086						9,684,086	
4. Arkansas AR	L	14,353,022						14,353,022	
5. California CA	L	127,843,153						127,843,153	
6. Colorado CO	L	5,042,038						5,042,038	
7. Connecticut CT	L	15,265,775						15,265,775	
8. Delaware DE	L	2,654,781						2,654,781	
9. District of Columbia DC	L	1,805,778						1,805,778	
10. Florida FL	L	34,233,749						34,233,749	
11. Georgia GA	L	33,625,612						33,625,612	
12. Hawaii HI	L	1,093,274						1,093,274	
13. Idaho ID	L	4,506,244						4,506,244	
14. Illinois IL	L	33,653,648						33,653,648	
15. Indiana IN	L	20,281,190						20,281,190	
16. Iowa IA	L	14,691,148						14,691,148	
17. Kansas KS	L	11,505,675						11,505,675	
18. Kentucky KY	L	19,057,883						19,057,883	
19. Louisiana LA	L	26,822,680						26,822,680	
20. Maine ME	L	1,587,548						1,587,548	
21. Maryland MD	L	11,528,504						11,528,504	
22. Massachusetts MA	L	39,899,853						39,899,853	
23. Michigan MI	L	24,192,941						24,192,941	
24. Minnesota MN	L	13,237,896						13,237,896	
25. Mississippi MS	L	16,152,186						16,152,186	
26. Missouri MO	L	34,371,746						34,371,746	
27. Montana MT	L	3,811,522						3,811,522	
28. Nebraska NE	L	7,281,851						7,281,851	
29. Nevada NV	L	3,668,893						3,668,893	
30. New Hampshire NH	L	2,935,877						2,935,877	
31. New Jersey NJ	L	32,692,543						32,692,543	
32. New Mexico NM	L	7,536,098						7,536,098	
33. New York NY	L	72,309,965						72,309,965	
34. North Carolina NC	L	40,169,664						40,169,664	
35. North Dakota ND	L	4,237,924						4,237,924	
36. Ohio OH	L	44,242,303						44,242,303	
37. Oklahoma OK	L	20,161,823						20,161,823	
38. Oregon OR	L	8,280,712						8,280,712	
39. Pennsylvania PA	L	60,200,396						60,200,396	
40. Rhode Island RI	L	5,293,945						5,293,945	
41. South Carolina SC	L	15,476,709						15,476,709	
42. South Dakota SD	L	3,552,950						3,552,950	
43. Tennessee TN	L	20,850,101						20,850,101	
44. Texas TX	L	62,334,463						62,334,463	
45. Utah UT	L	3,564,047						3,564,047	
46. Vermont VT	L	4,258,351						4,258,351	
47. Virginia VA	L	21,067,562						21,067,562	
48. Washington WA	L	19,566,618						19,566,618	
49. West Virginia WV	L	12,501,737						12,501,737	
50. Wisconsin WI	L	20,342,976						20,342,976	
51. Wyoming WY	L	1,565,971						1,565,971	
52. American Samoa AS	N							0	
53. Guam GU	N							0	
54. Puerto Rico PR	L	140,654						140,654	
55. U.S. Virgin Islands VI	N	9,082						9,082	
56. Northern Mariana Islands MP	N							0	
57. Canada CAN	N							0	
58. Aggregate Other Aliens OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	1,032,816,251	0	0	0	0	0	1,032,816,251	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX							0	
61. Totals (Direct Business)	(a) 52	1,032,816,251	0	0	0	0	0	1,032,816,251	0
DETAILS OF WRITE-INS									
58001.	XXX							0	
58002.	XXX							0	
58003.	XXX							0	
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

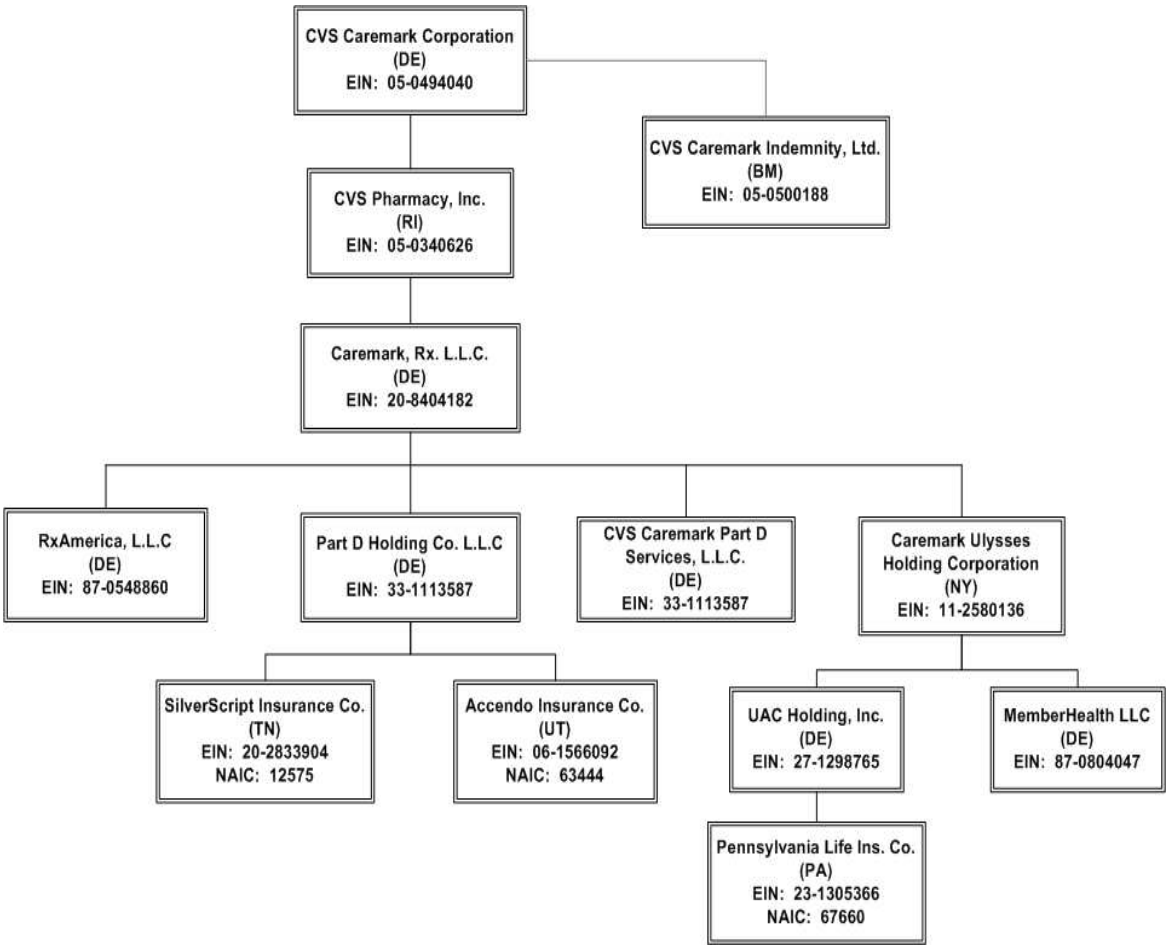
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 – ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 Federal ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
4667	CVS CAREMARK GRP	00000	05-0494040			NYSE	CVS Caremark Corporation	DE	UIP	Board of Directors	Board of Directors	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	05-0340626				CVS Pharmacy, Inc	RI	NIA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	20-8404182				Caremark Rx, L.L.C.	DE	NIA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	33-1113587				Part D Holding Company, L.L.C.	DE	UDP	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	33-1113587				CVS Caremark Part D Services, L.L.C.	DE	NIA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	87-0548860				RxAmerica, L.L.C.	DE	NIA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	11-2580136				Caremark Ulysses Holding Corporation	NY	NIA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	87-0804047				MemberHealth, L.L.C.	DE	NIA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	05-0500188				CVS Caremark Indemnity, Ltd.	BMU	IA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	12575	20-2833904				SilverScript Insurance Company	TN	IA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	63444	06-1566092				Accendo Insurance Company	UT	IA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	67660	23-1305366				Pennsylvania Life Insurance Co.	PA	IA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	
4667	CVS CAREMARK GRP	00000	27-1298765				UAC Holding, Inc.	DE	NIA	CVS Caremark Corporation	Management	100.000	CVS Caremark Corporation	

Asterisk	Explanation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

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

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Schedule T Line 58

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
58004.	XXX							0	
58005.	XXX							0	
58006.	XXX							0	
58997. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0

NONE

SCHEDULE A - VERIFICATION

Real Estate

NONE

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

SCHEDULE B - VERIFICATION

Mortgage Loans

NONE

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

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

NONE

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

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,542,751	2,178,977
2.	Cost of bonds and stocks acquired		1,394,375
3.	Accrual of discount		0
4.	Unrealized valuation increase (decrease)		0
5.	Total gain (loss) on disposals		0
6.	Deduct consideration for bonds and stocks disposed of		2,000,000
7.	Deduct amortization of premium	4,486	30,601
8.	Total foreign exchange change in book/adjusted carrying value		0
9.	Deduct current year's other than temporary impairment recognized		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,538,265	1,542,751
11.	Deduct total nonadmitted amounts		0
12.	Statement value at end of current period (Line 10 minus Line 11)	1,538,265	1,542,751

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	423,882,585	983,147,268	1,292,973,558	(4,486)	114,051,809			423,882,585
2. Class 2 (a)	0				0			0
3. Class 3 (a)	0				0			0
4. Class 4 (a)	0				0			0
5. Class 5 (a)	0				0			0
6. Class 6 (a)	0				0			0
7. Total Bonds	423,882,585	983,147,268	1,292,973,558	(4,486)	114,051,809	0	0	423,882,585
PREFERRED STOCK								
8. Class 1	0				0			
9. Class 2	0				0			
10. Class 3	0				0			
11. Class 4	0				0			
12. Class 5	0				0			
13. Class 6	0				0			
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	423,882,585	983,147,268	1,292,973,558	(4,486)	114,051,809	0	0	423,882,585

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
9199999 Totals	112,513,544	XXX	112,513,544		

SCHEDULE DA - VERIFICATION

Short-Term Investments

		1 Year To Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	422,339,834	317,376,503
2.	Cost of short-term investments acquired	983,147,268	3,871,842,872
3.	Accrual of discount		0
4.	Unrealized valuation increase (decrease)		0
5.	Total gain (loss) on disposals		0
6.	Deduct consideration received on disposals	1,292,973,558	3,766,879,541
7.	Deduct amortization of premium		0
8.	Total foreign exchange change in book/adjusted carrying value		0
9.	Deduct current year's other than temporary impairment recognized		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	112,513,544	422,339,834
11.	Deduct total nonadmitted amounts		0
12.	Statement value at end of current period (Line 10 minus Line 11)	112,513,544	422,339,834

Schedule DB - Part A - Verification - Options, Caps, Floors, Collars, Swaps and Forwards

N O N E

Schedule DB - Part B - Verification - Futures Contracts

N O N E

Schedule DB - Part C - Section 1 - Replication (Synthetic Asset) Transactions (RSATs) Open

N O N E

Schedule DB-Part C-Section 2-Reconciliation of Replication (Synthetic Asset) Transactions Open

N O N E

Schedule DB - Verification - Book/Adjusted Carrying Value, Fair Value and Potential Exposure of Derivatives

N O N E

Schedule E - Verification - Cash Equivalents

N O N E

Schedule A - Part 2 - Real Estate Acquired and Additions Made

N O N E

Schedule A - Part 3 - Real Estate Disposed

N O N E

Schedule B - Part 2 - Mortgage Loans Acquired

N O N E

Schedule B - Part 3 - Mortgage Loans Disposed, Transferred or Repaid

N O N E

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired

N O N E

Schedule BA - Part 3 - Other Long-Term Invested Assets Disposed, Transferred or Repaid

N O N E

Schedule D - Part 3 - Long-Term Bonds and Stocks Acquired

N O N E

Schedule D - Part 4 - Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed Of

N O N E

Schedule DB - Part A - Section 1 - Options, Caps, Floors, Collars, Swaps and Forwards Open

N O N E

Schedule DB - Part B - Section 1 - Futures Contracts Open

N O N E

Schedule DB - Part B - Section 1B - Brokers with whom cash deposits have been made

N O N E

Schedule DB - Part D - Section 1 - Counterparty Exposure for Derivative Instruments Open

N O N E

Schedule DB - Part D - Section 2 - Collateral for Derivative Instruments Open

N O N E

Schedule DB - Part D - Section 2 - Collateral for Derivative Instruments Open

N O N E

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

N O N E

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

N O N E

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Bank of America Concord, CA					(5,117,148)	140,099	27,025,932	XXX
Bank of America Charlotte, NC		0.600		739	200,000	200,000	200,000	XXX
Bank of America Charlotte, NC		0.400		2,032	3,850,000	3,850,000	3,850,000	XXX
0199998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX						XXX
0199999. Totals - Open Depositories	XXX	XXX	0	2,771	(1,067,148)	4,190,099	31,075,932	XXX
0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX						XXX
0299999. Totals - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	2,771	(1,067,148)	4,190,099	31,075,932	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999. Total - Cash	XXX	XXX	0	2,771	(1,067,148)	4,190,099	31,075,932	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
8699999 - Total Cash Equivalents							

NONE

SUPPLEMENT FOR THE QUARTER ENDING MARCH 31, 2013 OF THE SilverScript Insurance Company

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 4667 NAIC Company Code 12575

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected	755,710,613	XXX	14,969,055	XXX	770,679,668
2. Earned Premiums	906,107,202	XXX	28,588,754	XXX	XXX
3. Claims Paid	882,930,190	XXX	30,675,767	XXX	913,605,957
4. Claims Incurred	912,045,239	XXX	31,279,753	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	(107,624,325)	XXX	36,898,651	(70,725,674)
6. Aggregate Policy Reserves - Change		XXX		XXX	XXX
7. Expenses Paid	130,079,354	XXX	4,104,157	XXX	134,183,511
8. Expenses Incurred	57,290,165	XXX	1,807,572	XXX	XXX
9. Underwriting Gain or Loss	(63,228,202)	XXX	(4,498,571)	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	(206,384,126)

(a) Uninsured Receivable/Payable with CMS at End of Quarter: $ 201,252,290 due from CMS or $ 48,432,652 due to CMS