



ANNUAL STATEMENT

For the Year Ended December 31, 2014
of the Condition and Affairs of the

Express Scripts Insurance Company

NAIC Group Code.....4813, 4813 (Current Period) (Prior Period) NAIC Company Code..... 60025 Employer's ID Number..... 86-0754726

Organized under the Laws of Arizona State of Domicile or Port of Entry Arizona Country of Domicile US

Licensed as Business Type.....Life, Accident & Health Is HMO Federally Qualified? Yes [] No []

Incorporated/Organized..... February 23, 1994 Commenced Business..... February 23, 1994

Statutory Home Office 7909 South Hardy Drive..... Tempe AZ USA 85284
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 7909 South Hardy Drive..... Tempe AZ USA 85284 800-332-5455
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address One Express Way, Mailstop HQ2E04..... Saint Louis MO USA 63121
(Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records One Express Way; Mailstop: HQ2E04..... St. Louis MO USA 63121 800-332-5455
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.express-scripts.com

Statutory Statement Contact Kelia D Clements 800-332-5455
(Name) (Area Code) (Telephone Number) (Extension)
kdclements@express-scripts.com 866-276-7055
(E-Mail Address) (Fax Number)

OFFICERS

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

OTHER

Marty P Akins Assistant Secretary

DIRECTORS OR TRUSTEES

Pat McNamee Ed Ignaczak Keith Ebling Matthew Harper
Britton Pim

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

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

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

Subscribed and sworn to before me
This 23rd day of February 2015

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

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....			.0	
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....2,297,373, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....24,443,900, Schedule DA).....	26,741,273		26,741,273	25,987,044
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	26,741,273	.0	26,741,273	25,987,044
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....			.0	
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	517,810		517,810	
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....	12,901,513		12,901,513	83,273,334
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	
18.2 Net deferred tax asset.....	1,861		1,861	99,504
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....	168,823,338		168,823,338	130,896,559
24. Health care (\$.....0) and other amounts receivable.....	61,841,551		61,841,551	
25. Aggregate write-ins for other than invested assets.....	.0	.0	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	270,827,346	.0	270,827,346	240,256,441
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	270,827,346	.0	270,827,346	240,256,441

DETAILS OF WRITE-INS

1101.....			.0	
1102.....			.0	
1103.....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501.....			.0	
2502.....			.0	
2503.....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.0	.0	.0	.0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	592,300		592,300	255,600
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	9,900		9,900	4,300
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....			0	
9. General expenses due or accrued.....	761,373		761,373	
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	18,295,731		18,295,731	17,663,393
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....			0	
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....			0	
16. Derivatives.....			0	
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	167,177,556		167,177,556	161,927,493
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	186,836,860	0	186,836,860	179,850,786
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	2,350,000	0
26. Common capital stock.....	XXX	XXX	2,600,000	2,600,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	27,330,976	17,330,976
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	51,709,510	40,474,679
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	83,990,486	60,405,655
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	270,827,346	240,256,441

DETAILS OF WRITE-INS

2301.			0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501. Health insurance Provider 2015 Fee.....	XXX	XXX	2,350,000	
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	2,350,000	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	1,030,481	988,132
2. Net premium income (including \$.....0 non-health premium income).....	XXX	120,106,019	172,250,624
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	.0	.0
7. Aggregate write-ins for other non-health revenues.....	XXX	.0	.0
8. Total revenues (Lines 2 to 7).....	XXX	120,106,019	172,250,624
Hospital and Medical:			
9. Hospital/medical benefits.....			
10. Other professional services.....			
11. Outside referrals.....			
12. Emergency room and out-of-area.....			
13. Prescription drugs.....		97,232,551	139,693,835
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	.0	97,232,551	139,693,835
Less:			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....	.0	97,232,551	139,693,835
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....		6,300	4,300
21. General administrative expenses.....		(28,327,826)	(15,463,362)
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	.0	68,911,025	124,234,773
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX	51,194,994	48,015,851
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		8,943	3,743
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....			
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	8,943	3,743
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
29. Aggregate write-ins for other income or expenses.....	.0	.0	.0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX	51,203,937	48,019,594
31. Federal and foreign income taxes incurred.....	XXX	18,766,560	16,687,369
32. Net income (loss) (Lines 30 minus 31).....	XXX	32,437,377	31,332,225

DETAILS OF WRITE-INS

0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	.0	.0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	.0	.0
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX	.0	.0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX	.0	.0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0	.0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.0	.0	.0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	.0	.0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	.0	.0	.0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	60,405,654	17,982,153
34. Net income or (loss) from Line 32.....	32,437,377	31,332,225
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	(36,488)	91,276
39. Change in nonadmitted assets.....		
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	10,000,000	11,000,000
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	(18,816,057)	0
48. Net change in capital and surplus (Lines 34 to 47).....	23,584,832	42,423,501
49. Capital and surplus end of reporting period (Line 33 plus 48).....	83,990,486	60,405,654

DETAILS OF WRITE-INS

4701. Independent Auditor's Adjustment as Stated in Audit including tax provision true-up.....	(18,816,057)	
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).....	(18,816,057)	0

Express Scripts Insurance Company CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	119,588,209	172,250,624
2. Net investment income.....	8,943	4,920
3. Miscellaneous income.....		
4. Total (Lines 1 through 3).....	119,597,152	172,255,544
5. Benefit and loss related payments.....	96,895,851	139,589,235
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	(42,868,832)	(52,107,696)
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	18,134,221	(848,320)
10. Total (Lines 5 through 9).....	72,161,240	86,633,219
11. Net cash from operations (Line 4 minus Line 10).....	47,435,912	85,622,325
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....		
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....		
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	0	0
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	0	0
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	10,000,000	11,000,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(56,681,683)	(97,001,089)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(46,681,683)	(86,001,089)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	754,229	(378,764)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	25,987,044	26,365,808
19.2 End of year (Line 18 plus Line 19.1).....	26,741,273	25,987,044

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

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical).....				0
2. Medicare supplement.....				0
3. Dental only.....				0
4. Vision only.....				0
5. Federal employees health benefits plan.....				0
6. Title XVIII - Medicare.....				0
7. Title XIX - Medicaid.....				0
8. Other health.....	120,106,019			120,106,019
9. Health subtotal (Lines 1 through 8).....	120,106,019	0	0	120,106,019
10. Life.....				0
11. Property/casualty.....				0
12. Totals (Lines 9 to 11).....	120,106,019	0	0	120,106,019

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

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	96,895,851								96,895,851	
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	96,895,851	0	0	0	0	0	0	0	96,895,851	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	592,300								592,300	
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	592,300	0	0	0	0	0	0	0	592,300	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (a).....	0									
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	255,600								255,600	
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	255,600	0	0	0	0	0	0	0	255,600	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	0									
12. Incurred benefits:										
12.1 Direct.....	97,232,551	0	0	0	0	0	0	0	97,232,551	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.....	97,232,551	0	0	0	0	0	0	0	97,232,551	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	592,300								592,300	
1.2 Reinsurance assumed.....	.0									
1.3 Reinsurance ceded.....	.0									
1.4 Net.....	592,300	.0	.0	.0	.0	.0	.0	.0	592,300	.0
2. Incurred but unreported:										
2.1 Direct.....	.0									
2.2 Reinsurance assumed.....	.0									
2.3 Reinsurance ceded.....	.0									
2.4 Net.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	.0									
3.2 Reinsurance assumed.....	.0									
3.3 Reinsurance ceded.....	.0									
3.4 Net.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4. Totals:										
4.1 Direct.....	592,300	.0	.0	.0	.0	.0	.0	.0	592,300	.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.....	592,300	.0	.0	.0	.0	.0	.0	.0	592,300	.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....					.0	
2. Medicare supplement.....					.0	
3. Dental only.....					.0	
4. Vision only.....					.0	
5. Federal employees health benefits plan.....					.0	
6. Title XVIII - Medicare.....					.0	
7. Title XIX - Medicaid.....					.0	
8. Other health.....	580,475	96,315,376		592,300	580,475	255,600
9. Health subtotal (Lines 1 to 8).....	580,475	96,315,376	.0	592,300	580,475	255,600
10. Healthcare receivables (a).....					.0	
11. Other non-health.....					.0	
12. Medical incentive pools and bonus amounts.....					.0	
13. Totals (Lines 9 - 10 + 11 + 12).....	580,475	96,315,376	.0	592,300	580,475	255,600

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior.....	(16,852)	(16,954)	(16,954)	(9,858)	
2. 2010.....	27,385	288			
3. 2011.....	.XXX	43,963	63		
4. 2012.....	.XXX	.XXX	102,402	16	
5. 2013.....	.XXX	.XXX	.XXX	139,573	.581
6. 2014.....	.XXX	.XXX	.XXX	.XXX	96,315

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior.....					
2. 2010.....	27,258	288			
3. 2011.....	.XXX	44,030	63		
4. 2012.....	.XXX	.XXX	102,237	16	
5. 2013.....	.XXX	.XXX	.XXX	139,678	.581
6. 2014.....	.XXX	.XXX	.XXX	.XXX	96,652

12.GT

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010.....	30,472	16,769	4	0.0	16,773	55.0			16,773	.55.0
2. 2011.....	44,774	27,674		0.0	27,674	61.8			27,674	.61.8
3. 2012.....	84,078	102,418		0.0	102,418	121.8			102,418	.121.8
4. 2013.....	172,251	139,573		0.0	139,573	81.0			139,573	.81.0
5. 2014.....	120,106	96,315		0.0	96,315	80.2	592	10	96,917	.80.7

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2011	3 2012	4 2013	5 2014
1. Prior.....	NONE				
2. 2010.....					
3. 2011.....					
4. 2012.....					
5. 2013.....					
6. 2014.....					

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

12.XI

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior.....	NONE				
2. 2010.....					
3. 2011.....					
4. 2012.....					
5. 2013.....					
6. 2014.....					

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010.....						0.0			0	0.0
2. 2011.....				0.0	0	0.0			0	0.0
3. 2012.....				0.0	0	0.0			0	0.0
4. 2013.....				0.0	0	0.0			0	0.0
5. 2014.....				0.0	0	0.0			0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior.....	(16,852)	(16,954)	(16,954)	(9,858)	
2. 2010.....	27,385	288			
3. 2011.....	XXX	43,963	63		
4. 2012.....	XXX	XXX	102,402	16	
5. 2013.....	XXX	XXX	XXX	139,573	581
6. 2014.....	XXX	XXX	XXX	XXX	96,315

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2010	2 2011	3 2012	4 2013	5 2014
1. Prior.....					
2. 2010.....	27,258	288			
3. 2011.....	XXX	44,030	63		
4. 2012.....	XXX	XXX	102,237	16	
5. 2013.....	XXX	XXX	XXX	139,678	581
6. 2014.....	XXX	XXX	XXX	XXX	96,652

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2010.....	30,472	16,769	4	0.0	16,773	55.0			16,773	55.0
2. 2011.....	44,774	27,674		0.0	27,674	61.8			27,674	61.8
3. 2012.....	84,078	102,418		0.0	102,418	121.8			102,418	121.8
4. 2013.....	172,251	139,573		0.0	139,573	81.0	256	4	139,833	81.2
5. 2014.....	120,106	96,315		0.0	96,315	80.2	592	10	96,917	80.7

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

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

NONE

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DETAILS OF WRITE-INS

0501.0								
0502.0								
0503.0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1101. ....	.0								
1102. ....	.0								
1103. ....	.0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....					0
2. Salaries, wages and other benefits.....					0
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....					0
4. Legal fees and expenses.....					0
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....			251,145		251,145
7. Traveling expenses.....					0
8. Marketing and advertising.....			1,540,360		1,540,360
9. Postage, express and telephone.....					0
10. Printing and office supplies.....					0
11. Occupancy, depreciation and amortization.....					0
12. Equipment.....					0
13. Cost or depreciation of EDP equipment and software.....					0
14. Outsourced services including EDP, claims, and other services.....		6,300	21,186,779		21,193,079
15. Boards, bureaus and association fees.....					0
16. Insurance, except on real estate.....					0
17. Collection and bank service charges.....			41,483		41,483
18. Group service and administration fees.....			4,840,980		4,840,980
19. Reimbursements by uninsured plans.....			(59,980,828)		(59,980,828)
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....					0
22. Real estate taxes.....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....					0
23.3 Regulatory authority licenses and fees.....			1,387,869		1,387,869
23.4 Payroll taxes.....					0
23.5 Other (excluding federal income and real estate taxes).....			2,404,384		2,404,384
24. Investment expenses not included elsewhere.....			2		2
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	0	6,300	(28,327,826)	0	(a) (28,321,526)
27. Less expenses unpaid December 31, current year.....		9,900	761,373		771,273
28. Add expenses unpaid December 31, prior year.....		4,300			4,300
29. Amounts receivable relating to uninsured plans, prior year.....			83,273,334		83,273,334
30. Amounts receivable relating to uninsured plans, current year.....			12,901,513		12,901,513
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	0	700	(99,461,020)	0	(99,460,320)

DETAILS OF WRITE-INS

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

(a) Includes management fees of \$....21,193,079 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....	
1.1 Bonds exempt from U.S. tax.....	(a).....	
1.2 Other bonds (unaffiliated).....	(a).....	
1.3 Bonds of affiliates.....	(a).....	
2.1 Preferred stocks (unaffiliated).....	(b).....	
2.11 Preferred stocks of affiliates.....	(b).....	
2.2 Common stocks (unaffiliated).....		
2.21 Common stocks of affiliates.....		
3. Mortgage loans.....	(c).....	
4. Real estate.....	(d).....	
5. Contract loans.....		
6. Cash, cash equivalents and short-term investments.....	(e).....	8,943
7. Derivative instruments.....	(f).....	
8. Other invested assets.....		
9. Aggregate write-ins for investment income.....		0
10. Total gross investment income.....	0	8,943
11. Investment expenses.....		(g).....
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13. Interest expense.....		(h).....
14. Depreciation on real estate and other invested assets.....		(i)..... 0
15. Aggregate write-ins for deductions from investment income.....		0
16. Total deductions (Lines 11 through 15).....		0
17. Net investment income (Line 10 minus Line 16).....		8,943

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page.....		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		0

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....			0		
1.1 Bonds exempt from U.S. tax.....			0		
1.2 Other bonds (unaffiliated).....			0		
1.3 Bonds of affiliates.....			0		
2.1 Preferred stocks (unaffiliated).....			0		
2.11 Preferred stocks of affiliates.....			0		
2.2 Common stocks (unaffiliated).....			0		
2.21 Common stocks of affiliates.....			0		
3. Mortgage loans.....			0		
4. Real estate.....			0		
5. Contract loans.....			0		
6. Cash, cash equivalents and short-term investments.....			0		
7. Derivative instruments.....			0		
8. Other invested assets.....			0		
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	0	0	0	0	0

DETAILS OF WRITE-INS

0901.			0		
0902.			0		
0903.			0		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

EXHIBIT OF NONADMITTED ASSETS

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

NONE

DETAILS OF WRITE-INS

1101.....			.0
1102.....			.0
1103.....			.0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0
2501.....			.0
2502.....			.0
2503.....			.0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.0	.0	.0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....						
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	.....243,440	.....256,815	.....255,462	.....257,015	.....261,189	.....1,030,481
7. Total.....	.....243,440	.....256,815	.....255,462	.....257,015	.....261,189	.....1,030,481

DETAILS OF WRITE-INS

0601. Stand-alone Medicare Part D Prescription Drug Provider.....	.....243,440	.....256,815	.....255,462	.....257,015	.....261,189	.....1,030,481
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	.....0	.....0	.....0	.....0	.....0	.....0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	.....243,440	.....256,815	.....255,462	.....257,015	.....261,189	.....1,030,481

NOTES TO FINANCIAL STATEMENTS**Note 1 - Summary of Significant Accounting Policies**

A. Accounting Practices

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

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

	State of Domicile	2014	2013
NET INCOME			
(1) Express Scripts Insurance Company state basis (Page 4, Line 32, Columns 2 & 3)	AZ	32,437,377	31,332,225
(2) State Prescribed Practices that increase/(decrease) NAIC SAP			
(3) State Permitted Practices that increase/(decrease) NAIC SAP			
(4) NAIC SAP (1 - 2 - 3 = 4)	AZ	32,437,377	31,332,225
SURPLUS			
(5) Express Scripts Insurance Company state basis (Page 3, line 33, Columns 3 & 4)	AZ	83,990,486	60,405,655
(6) State Prescribed Practices that increase/(decrease) NAIC SAP			
(7) State Permitted Practices that increase/(decrease) NAIC SAP			
(8) NAIC SAP (5 - 6 - 7 = 8)	AZ	83,990,486	60,405,655

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

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Balance Sheet

Cash and Cash Equivalents - Cash and cash equivalents include highly liquid investments that are both readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash also includes savings accounts, Department (as defined above) deposits and certificates of deposit with original maturities of three months or less. In compliance with the state of Arizona's regulations (AR 20-535) the Company continues to monitor its diversification methodologies. The balances of these accounts as of December 31, 2014 are as follows:

Cash:

Bank of America Fixed Income 12 month CD (Restricted AR)	\$	100,027.00
JP Morgan Chase Bank - Chicago, Illinois		2,087,187.00
US Bank - Fixed Income 12 month CD (Restricted GA)		35,012.00
US Bank - FDIC Insured Commercial Checking (Unrestricted OR)		24,966.00
Wells Fargo - FDIC Insured Commercial Checking (Restricted CA)		50,181.00

Total Cash	\$	<u>2,297,373.00</u>
------------	----	---------------------

Short-Term Investments - Short-term investments include investments in U.S. Treasury Bills with a maturity of twelve months or less. The investments maintained in an account with Union Bank are to fulfill the minimum account balances required for the Company's Certificate of Authority with the state of Arizona as well as other states with which the Company has applied for licenses. The account with Union Bank has restrictions on access to the funds. The balances of these accounts as of December 31, 2014 are as follows:

Short-term Investments:

Bank of America Federated US Treasury 125 Fund (Restricted NH)	\$	250,083.00
Citibank ISD Global Concentration (Restricted MA)		100,000.00
SunTrust Ridgeworth US Treasury (Restricted VA)		500,000.00
US Bank - First American Treasury (Restricted NC)		400,007.00
Union Bank - U S Treasury Bill (Restricted AZ - Others)		1,576,229.00
US Bank - US Treasury Bills (Unrestricted OR & Others)		4,999,935.00
JPM Funds - US Govt Sec		1,501,580.00
Federated Funds - US Treas Cash Res Fund		1,500,232.00
Federated Funds - US Treas Prime Cash Obligation		1,503,510.00
Federated Funds - US Treas Govt Obligation		1,550,741.00
Federated Funds - US Treas Treas Obligation		1,551,301.00
Dreyfus Funds - Cash Management Participant Shares		1,500,959.00
Dreyfus Funds - Institutional Cash Adv Inst Shares		1,556,843.00

NOTES TO FINANCIAL STATEMENTS

Goldman Funds – Prime Mutual	1,500,709.00
Goldman Funds – Government	1,500,607.00
Goldman Funds – Money Market Mutual Fund	1,500,692.00
Goldman Funds – Federal MMkt Mtl Fnd	1,450,471.00
Total Short-term Investments	\$ <u>24,443,900.00</u>

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

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

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

Amounts Receivable Relating to Uninsured Plans - The Company adjusted the receivable at December 31, 2014 based on estimates. These estimates include Reinsurance and Low-Income Cost Sharing (LICS) settlements the Company would expect to receive after CMS performs their annual reconciliations in 2015. Note that for employer group waiver plans (EGWPs), CMS does not make prospective subsidy payments; therefore, both reinsurance and LICS are receivables. An outside actuarial service opined on the 2014 receivable numbers during the annual statutory filing process in accordance with published guidance from the American Academy of Actuaries for the end-of-the year statutory reporting of these Part D reconciliation items.

Common Stock - Common Stock represents shares of ownership by the parent company. As of December 31, 2014, a total of 2,600,000 shares of stock have been issued to the parent company, Express Scripts Senior Care Holdings, Inc. at a par value of \$1 per share.

Income Statement

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

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

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

General Administrative Expenses - The Company provides administrative services for self-insured EGWPs, for which it received administrative fees of \$59,980,828 for the twelve months ended December 31, 2014, \$52,117,991 for the twelve months ended December 31, 2013 and \$42,888,037 for the twelve months ended December 31, 2012. These administrative fees are netted within general administrative expenses in accordance with SSAP No. 3.

General Administrative Expenses:

Self funded (non-risk) admin fee received (SSAP 47)	(59,980,828)
Outsourced services including EDP, claims and other services	21,193,079
Group service and administration fees	6,104,759
Software and other misc. expense	311,765
Professional fees	251,145
Insurance taxes, licenses and fees	3,792,253
Total general insurance expenses	<u>(28,327,826)</u>

Note 2 - Accounting Changes and Corrections of Errors

The Company has identified adjustments related to prior periods. The Company recorded the effects of these adjustments in the *Statement of Liabilities, Capital and Surplus* in Line 31 *Unassigned Funds (Surplus)* and on the *Statement of Revenue and Expenses* Line 47, Column 1 *Aggregate write-ins for gains or (losses) in surplus*. Adjustments relate to amounts received from CMS for annual reconciliation of Low-Income Cost Sharing ("LICS"), reinsurance for fully-insured clients and low-income premium subsidies.

Note 3 - Business Combinations and Goodwill

Not Applicable.

Note 4 - Discontinued Operations

Not Applicable.

Note 5 - Investments

NOTES TO FINANCIAL STATEMENTS

The Company's investments consist of First American Treasury Obligation held by U.S. Bank, US Treasury Bonds and U.S. Treasury Bills, JP Morgan Funds, Federated Funds, Dreyfus Funds, Goldman Funds. In addition, the Company deposited required amounts into restricted investments as required by New Hampshire, Arkansas, Massachusetts, Virginia, Georgia and North Carolina and an unrestricted US Bank to meet an unrestricted Oregon security deposit holding U.S. Treasury Bills. The balances of these accounts as of December 31, 2014 are as follows:

Short-term Investments:

Bank of America Federated US Treasury 125 Fund (Restricted NH)	\$	250,083.00
Citibank ISD Global Concentration (Restricted MA)		100,000.00
SunTrust Ridgeworth US Treasury (Restricted VA)		500,000.00
US Bank – First American Treasury (Restricted NC)		400,007.00
Union Bank – U S Treasury Bill (Restricted AZ - Others)		1,576,229.00
US Bank – US Treasury Bills (Unrestricted OR & Others)		4,999,935.00
JPM Funds – US Govt Sec		1,501,580.00
Federated Funds – US Treas Cash Res Fund		1,500,232.00
Federated Funds – US Treas Prime Cash Obligation		1,503,510.00
Federated Funds – US Treas Govt Obligation		1,550,741.00
Federated Funds – US Treas Treas Obligation		1,551,301.00
Dreyfus Funds – Cash Management Participant Shares		1,500,959.00
Dreyfus Funds – Institutional Cash Adv Inst Shares		1,556,843.00
Goldman Funds – Prime Mutual		1,500,709.00
Goldman Funds – Government		1,500,607.00
Goldman Funds – Money Market Mutual Fund		1,500,692.00
Goldman Funds – Federal MMkt Mtl Fnd		1,450,471.00
Total Short-term Investments	\$	<u>24,443,900.00</u>

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

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

Note 7 - Investment Income

The Company earned \$8,943 of investment income for the nine months ended December 31, 2014.

Note 8 - Derivative Instruments

Not Applicable.

Note 9 - Income Taxes

A. Deferred Tax Assets/(Liabilities)

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

	2014			2013			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets	1,861		1,861	99,504		99,504	(97,463)		(97,463)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)	1,861		1,861	99,504		99,504	(97,463)		(97,463)
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)	1,861		1,861	99,504		99,504	(97,463)		(97,463)
f. Deferred tax liabilities									
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	1,861		1,861	99,504		99,504	(97,463)		(97,463)

2. Admission Calculation Components

	2014			2013			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks	1,861		1,861	99,504		99,504	(97,643)		(97,643)
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:									
Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
Adjusted gross deferred tax assets allowed per limitation threshold						9,045,923			(9,045,923)
c. Adjusted gross deferred tax assets (excluding the amount of deferred									

NOTES TO FINANCIAL STATEMENTS

tax assets from 2(a) and 2(b) above offset by gross deferred tax liabilities							
d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))	1,861	1,861	99,504	99,504	(97,643)	(97,643)	

3. **Other Admissibility Criteria**

		2014	2013
a. Ratio percentage used to determine recovery period and threshold limitation amount		882.200	472.202
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above		83,988,625	60,306,151

4. **Impact of Tax Planning Strategies**(a) **Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.**

	12/31/14		12/31/13		Change	
	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)	1,861		99,504		(97,643)	
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000	0.000	0.000	0.000	0.000	0.000
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	1,861		99,504		(97,643)	
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000	0.000	0.000	0.000	0.000	0.000

(b) Does the company's tax planning strategies include the use of reinsurance? NOB. **Deferred Tax Liabilities Not Recognized**

There are no unrecognized deferred tax liabilities.

C. **Current and Deferred Income Taxes**1. **Current Income Tax**

	1 2014	2 2013	3 (Col 1-2) Change
a. Federal	18,299,279	16,687,369	1,611,910
b. Foreign			
c. Subtotal	18,299,279	16,687,369	1,611,910
d. Federal income tax on net capital gains			
e. Utilization of capital loss carry-forwards			
f. Other	467,281		467,281
g. Federal and Foreign income taxes incurred	18,766,560	16,687,369	2,079,191

2. **Deferred Tax Assets**

	1 2014	2 2013	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses	1,861	967	894
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)		98,537	(98,537)
99. Subtotal	1,861	99,504	(97,643)
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)	1,861	99,504	(97,643)
e. Capital:			
1. Investments			
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			

NOTES TO FINANCIAL STATEMENTS

	1 2014	2 2013	3 (Col 1-2) Change
99. Subtotal			
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)	1,861	99,504	(97,643)

3. Deferred Tax Liabilities

	1 2014	2 2013	3 (Col 1-2) Change
a. Ordinary:			
1. Investments			
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax assets)			
99. Subtotal			
b. Capital:			
1. Investments			
2. Real estate			
3. Other (including items <5% of total capital tax assets)			
99. Subtotal			
c. Deferred tax liabilities (3a99+3b99)			

4. Net Deferred Tax Assets (2i – 3c)	1,861	99,504	(97,643)
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D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate
Among the more significant book to tax adjustments were the following:

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

Deferred Tax Assets – Capital
09C2(a)(04)

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

Deferred Tax Liabilities – Ordinary
09C2(a)(05)

05 Other (items <5% of total ordinary deferred tax liabilities)			
Other (items >= 5% of total ordinary deferred tax liabilities):			
06			
07			

NOTES TO FINANCIAL STATEMENTS

08			
09			
10			
11			
98 Subtotal Items >= 5% of total ordinary deferred tax liabilities			
99 Total			

Deferred Tax Liabilities – Capital

09C2(a)(03)

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

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

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

	2014	
	Amount	Effective Tax Rate (%)
Permanent Differences:		
Provision computed at statutory rate		
Health insurance provider fee		
Tax exempt income deduction		
Dividends received deduction		
Disallowed travel and entertainment		
Other permanent differences		
Temporary Differences:		
Total ordinary DTAs		
Total ordinary DTLs		
Total capital DTAs		
Total capital DTLs		
Other:		
Statutory valuation allowance adjustment		
Accrual adjustment – prior year		
Other		
Totals		
Federal and foreign income taxes incurred		
Tax effect of surplus write-in		
Change in net deferred income taxes		
Total statutory income taxes		

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

- At December 31, 2014, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.
- The following is income tax expense for 2014 and 2013 that is available for recoupment in the event of future net losses:

Year	Amount
2014	18,295,791
2013	7,937,855

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

NOTES TO FINANCIAL STATEMENTS**F. Consolidated Federal Income Tax Return**

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

Accredo Care Network, Inc.	IBIOLogic, Inc.
Accredo Health Group, Inc.	Ivtx, Inc.
Accredo Health, Inc.	Lynnfield Compounding Center, Inc.
AHG of New York, Inc.	Lynnfield Drug, Inc.
Biopartners in Care, Inc.	MAH Pharmacy, LLC.
Byfield Drug, Inc.	Medco Containment Life Insurance Company
Care Continuum, Inc.	Medco Containment Insurance Company of NY
CFI of New Jersey, Inc.	Medco Health Puerto Rico, LLC.
Chesapeake Infusion, Inc.	Medco Health Services, Inc.
Curascript PBM Services, Inc.	Medco Health Solutions, Inc.
Curascript, Inc.	Mooreville On-Site Pharmacy, LLC.
Diversified NY IPA, Inc.	MWD Insurance Company
Diversified Pharmaceutical Services, Inc.	National Prescription Administrators, Inc.
ESI Acquisition Company	National Rx Services No. 3, Inc. of Ohio
ESI Claims, Inc.	NPA of New York IPA, Inc.
ESI Mail Order Processing, Inc.	Priority Healthcare Corp
ESI Mail Pharmacy Service, Inc.	Priority Healthcare Corp West
ESI-GP Holdings, Inc.	Priority Healthcare Distribution, Inc.
Express Reinsurance Company	Priority Healthcare Pharmacy, Inc.
Express Scripts Canada Holding Co. (Parent)	Priority Healthcare.com, Inc.
Express Scripts Holding Company	Sinuspharmacy, Inc.
Express Scripts Pharmaceutical Procurement, LLC.	Specialty Infusion Pharmacy, Inc.
Express Scripts Pharmacy, Inc.	Spectracare Health Care Ventures, Inc.
Express Scripts Senior Care Holdings, Inc.	Spectracare Infusion Pharmacy, Inc.
Express Scripts Senior Care, Inc.	Spectracare, Inc.
Express Scripts Services Co.	Strategic Pharmaceutical Investments
Express Scripts Specialty Distribution Services, Inc.	Therapease Cuisine, Inc.
Express Scripts Utilization Management Co.	TVC Acquisition Co, Inc.
Express Scripts WC, Inc.	UBC Late Stage, Inc.
Express Scripts, Inc.	United Biosource Holdings, Inc.
Freco, Inc.	United Biosource Patient Solutions, Inc.
Healthbridge Reimbursement & Product Support, Inc.	Value Health, Inc.
Healthbridge, Inc.	Yourpharmacy.com, Inc.
Home Healthcare Resources, Inc.	

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

G. Federal or Foreign Federal Income Tax Loss Contingencies

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

The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net income or (loss) after capital gains tax and before other federal income taxes. This difference results primarily from the new annual health insurer fee imposed under section 9010 of the Affordable Care Act ("ACA"), which is nondeductible for federal income tax purposes. The Company's health insurance provider's fee (HIP Fee) liability for 2014 is \$2,404,384 and for 2015 \$2,350,000.

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

- A. The Company didn't pay any dividends to the Parent Company during the twelve months ended December 31, 2014.
- B. During June 2014, the parent company, Express Scripts Senior Care Holdings, Inc., forgave \$10,000,000 owed by Express Scripts Insurance Company ("The Company"). The state of Domicile (Arizona) approved this transaction which was completed to increase capital and surplus to raise the RBC level ensure a high RBC level.
- C. At December 31, 2014 Express Scripts Insurance Company is reporting \$168,823,338 receivable from the parent company, Express Scripts Senior Care Holdings, Inc. This amount represents amounts owed to the parent company for prescription drug claims paid by Express Scripts Senior Care Holdings, Inc. on behalf of the Company as well as administrative costs incurred to process those claims netted against the amounts owed to the Company for payments from CMS to Express Scripts Senior Care Holdings, Inc. for the benefit of the Company and monies related to the CMS reinsurance, LICS and coverage gap from pharmaceutical companies.
- D. All outstanding shares of Express Scripts Insurance Company are owned by Express Scripts Senior Care Holding, Inc. which is wholly owned by the ultimate parent company, Express Scripts, Inc. On April 2, 2012, Express Scripts Holding Company, a publicly traded company, acquired one

NOTES TO FINANCIAL STATEMENTS

hundred percent (100%) of the outstanding stock of Express Scripts, Inc. and its wholly owned subsidiaries and Medco Health Solutions, Inc. and its wholly owned subsidiaries. Only the ownership of the publicly traded stock of the ultimate parent company has changed.

Note 11 - Debt

Not Applicable.

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

Not Applicable.

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

- A. The Company has authorized 10,000,000 shares of common stock with a par value of \$1 authorized, and 2,600,000 issued and outstanding as of September 30, 2014. On September 30, 2008, The Company issued 1,500,000 in additional common stock to the parent which also resulted in a change in paid in capital of \$2,200,000. The purpose of the issuance of additional stock and paid in capital increase was to meet the requirements set forth in various state expansion application guidelines.
- B. The Company does not have any preferred stock outstanding.
- C. All shares issued are common shares fully owned by Express Scripts Senior Care Holding, Inc., an entity 100% owned by the ultimate parent company, Express Scripts, Inc. On April 2, 2012, Express Scripts Holding Company, a publicly traded company, acquired one hundred percent (100%) of the outstanding stock of Express Scripts, Inc. and its wholly owned subsidiaries and Medco Health Solutions, Inc. and its wholly owned subsidiaries. Only the ownership of the publicly traded stock of the ultimate parent company has changed.
- D. See *Note 22 - Events Subsequent* for full disclosure of segregated surplus.

Note 14 - Contingencies

Not Applicable.

Note 15 - Leases

Not Applicable.

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

Not Applicable.

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

Not Applicable.

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

The Company provides administrative services for self-insured EGWPs, for which it received administrative fees of \$59,980,828 for the twelve months ended December 31, 2014, \$52,117,991 for the twelve months ended December 31, 2013 and \$42,888,037 for the twelve months ended December 31, 2012. These administrative fees are netted within general administrative expenses in accordance with SSAP No. 3.

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

Not Applicable.

Note 20 - Fair Value

The Company does not hold any derivative assets or liabilities as of December 31, 2014. All intercompany balances are held at face value/fair market value as of December 31, 2014.

Note 21 - Other Items

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

The Affordable Care Act ("ACA") imposes an annual fee on health insurers, payable to the U.S. government, calculated on net premiums and third-party administrative agreement fees. The accounting guidance states the liability and expense are recognized on January 1, 2014 and each year thereafter. By September 30, 2014 and each year thereafter the liability must be paid. At December 31, 2014 and each year thereafter, the estimate for the following years fee is separately segregated within surplus as an aggregate write-in. In accordance with SSAP No. 35R, *Guaranty Fund and Other Assessments*, the Company expensed \$2,404,384 for the annual fee. The expense is included on Page 4, Line 21 of the Statement of Revenues and Expenses and the liability is included on Line 9 of Page 3, Liabilities, Capital and Surplus.

Note 22 - Events Subsequent

NOTES TO FINANCIAL STATEMENTS

Type I - Recognized Subsequent Events - Not applicable.

Type II - Nonrecognized Subsequent Events:

Health Insurance Provider Fee

On January 1, 2015, 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 calendar 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 1st of the year the fee is due. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2015 to be \$2,350,000. This amount is reflected in special surplus. This assessment is expected to impact risk based capital by -2.8%. Reporting the ACA assessment as of December 31, 2014 would not have triggered an RBC action level.

	Current Year	Prior Year
A. ACA fee assessment payable for the upcoming year	2,350,000	2,404,384
B. ACA fee assessment paid		2,404,384
C. Premium written subject to ACA 9010 assessment	120,106,019	172,250,624
D. Total adjusted capital before surplus adjustment	83,990,486	
E. Authorized control level before surplus adjustment	9,520,494	
F. Total adjusted capital after surplus adjustment	81,640,486	
G. Authorized control level after surplus adjustment	9,520,494	
H. Would reporting the ACA assessment as of December 31, 2014 have triggered an RBC action level (YES/NO)?		NO

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not Applicable.

Note 25 - Change in Incurred Claims and Claim Adjustment Expenses

The Company processes claims under its Medicare Part D Plan. Claims are reported when incurred through the use of a pharmacy benefit manager. Potential adjustments to claim expense could result from "self-pay" claims in which members pay for a claim and then submit the claim to the Company for reimbursement. Adjustments could also result from faulty member enrollment data.

Note 26 - Intercompany Pooling Arrangements

Not Applicable.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

Not Applicable.

Note 29 - Participating Policies

Not Applicable.

Note 30 - Premium Deficiency Reserves

Not Applicable.

Note 31 - Anticipated Salvage and Subrogation

Not Applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes No
 If yes, complete Schedule Y, Parts 1, 1A and 2.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes No N/A
- 1.3 State regulating? Arizona
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2008
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 06/24/2009
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/24/2009
- 3.4 By what department or departments?
State of Arizona Department of Insurance
-
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes No N/A
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes No N/A
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes No
- 4.12 renewals? Yes No
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes No
- 4.22 renewals? Yes No
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes No
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Co. Code | 3
State of Domicile |
|---------------------|--------------------|------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
-
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
- 7.21 State the percentage of foreign control%
- 7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)
- | 1
Nationality | 2
Type of Entity |
|------------------|---------------------|
| | |
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes No
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
-
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes No
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.
- | 1
Affiliate Name | 2
Location (City, State) | 3
FRB | 4
OCC | 5
FDIC | 6
SEC |
|---------------------|-----------------------------|----------|----------|-----------|----------|
| | | | | | |
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PricewaterhouseCoopers LLC Milwaukee, WI 53202
-
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes No
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
-
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes No
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

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

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

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

- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value
- 12.2 If yes, provide explanation.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

- 16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes No
- 17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes No

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

PART 1 - COMMON INTERROGATORIES - FINANCIAL

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

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

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

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

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

Express Scripts Insurance Company

PART 1 - COMMON INTERROGATORIES - FINANCIAL

- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]
- 22.2 If answer is yes:
 - 22.21 Amount paid as losses or risk adjustment
 - 22.22 Amount paid as expenses
 - 22.23 Other amounts paid
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. \$.....168,830,945

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No []
- 24.02 If no, give full and complete information relating thereto.

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

- 24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [] No [] N/A [X]
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [] No [] N/A [X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
 - 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.
 - 24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.
 - 24.103 Total payable for securities lending reported on the liability page.

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

- 25.2 If yes, state the amount thereof at December 31 of the current year:
 - 25.21 Subject to repurchase agreements
 - 25.22 Subject to reverse repurchase agreements
 - 25.23 Subject to dollar repurchase agreements
 - 25.24 Subject to reverse dollar repurchase agreements
 - 25.25 Placed under option agreements
 - 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock
 - 25.27 FHLB Capital Stock
 - 25.28 On deposit with states
 - 25.29 On deposit with other regulatory bodies
 - 25.30 Pledged as collateral - excluding collateral pledged to an FHLB
 - 25.31 Pledged as collateral to FHLB - including assets backing funding agreements
 - 25.32 Other

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of America	Private Wealth Management, 200 W Capitol Ave., 3rd Fl., Little Rock, AR 72201-3605
JPMorgan Chase Bank	Illinois Market, PO Box 260180, Baton Rouge, LA 70826-0180
US Bank	Wachovia Bldg., 1W 4th Street, 7th Fl, Winston-Salem, NC 27101
SunTrust	1801 West Broad Street, Richmond, VA 23220
Citibank	111 Wall Street, New York, NY 10043
Wells Fargo	San Francisco, CA

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

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

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

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

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

Express Scripts Insurance Company

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

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

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 the above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to 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.....	24,443,900	24,442,847	(1,053)
30.2 Preferred stocks.....			0
30.3 Totals.....	24,443,900	24,442,847	(1,053)

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

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

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

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

32.2 If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - OTHER

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

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

1 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 \$.....0
- 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
- 1.62 Total incurred claims
- 1.63 Number of covered lives
- All years prior to most current three years:
1.64 Total premium earned
- 1.65 Total incurred claims
- 1.66 Number of covered lives
- 1.7 Group policies:
Most current three years:
1.71 Total premium earned
- 1.72 Total incurred claims
- 1.73 Number of covered lives
- All years prior to most current three years:
1.74 Total premium earned
- 1.75 Total incurred claims
- 1.76 Number of covered lives

2. Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	120,106,019	172,250,624
2.2 Premium Denominator.....	120,106,019	172,250,624
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	582,000	255,600
2.5 Reserve Denominator.....	592,300	255,600
2.6 Reserve Ratio (2.4/2.5).....	98.3	100.0

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

- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
- 5.2 If no, explain:

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

- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [] No []
- 7.2 If no, give details:

- 8. Provide the following information regarding participating providers:
- 8.1 Number of providers at start of reporting year
- 8.2 Number of providers at end of reporting year
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [] No [X]
- 9.2 If yes, direct premium earned:
- 9.21 Business with rate guarantees between 15-36 months
- 9.22 Business with rate guarantees over 36 months
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts? Yes [] No [X]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses
- 10.22 Amount actually paid for year bonuses
- 10.23 Maximum amount payable withholds
- 10.24 Amount actually paid for year withholds

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

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

- 13.1. Do you act as a custodian for health savings account? Yes [] No [X]
- 13.2. If yes, please provide the amount of custodial funds held as of the reporting date. _____
- 13.3. Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4. If yes, please provide the balance of the funds administered as of the reporting date. _____
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [] N/A [X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other

15. Provide the following for Individual Ordinary Life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- 15.1 Direct written premium..... \$.....0
- 15.2 Total incurred claims..... \$.....0
- 15.3 Number of covered lives..... \$.....0

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

FIVE-YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	270,827,346	240,256,441	80,589,512	31,820,437	39,076,601
2. Total liabilities (Page 3, Line 24).....	186,836,860	179,850,786	62,607,359	13,655,409	25,820,599
3. Statutory surplus.....					
4. Total capital and surplus (Page 3, Line 33).....	83,990,486	60,405,655	17,982,153	18,165,028	13,256,002
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	120,106,019	172,250,624	84,078,224	44,773,898	30,471,743
6. Total medical and hospital expenses (Line 18).....	97,232,551	139,693,835	102,299,814	44,317,947	27,360,391
7. Claims adjustment expenses (Line 20).....	6,300	4,300	3,000	6,300	5,000
8. Total administrative expenses (Line 21).....	(28,327,826)	(15,463,362)	(17,966,261)	(7,016,161)	148,876
9. Net underwriting gain (loss) (Line 24).....	51,194,994	48,015,851	(258,329)	7,465,812	2,957,477
10. Net investment gain (loss) (Line 27).....	8,943	3,743	5,219	51,163	17,195
11. Total other income (Lines 28 plus 29).....					
12. Net income or (loss) (Line 32).....	32,437,377	31,332,225	(189,077)	4,908,648	1,934,347
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	47,435,912	85,622,325	35,922,302	10,598,538	573,088
Risk-Based Capital Analysis					
14. Total adjusted capital.....	83,990,486	60,405,655	17,982,153	18,165,028	13,256,002
15. Authorized control level risk-based capital.....	9,520,494	12,771,264	9,359,377	4,588,389	3,188,117
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	261,189	243,440	153,524	21,359	14,649
17. Total member months (Column 6, Line 7).....	1,030,481	988,132	598,486	245,224	175,506
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	81.0	81.1	121.7	99.0	89.8
20. Cost containment expenses.....					
21. Other claims adjustment expenses.....	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23).....	57.4	72.1	100.3	83.3	90.3
23. Total underwriting gain (loss) (Line 24).....	42.6	27.9	(0.3)	16.7	9.7
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	580,475	16,161	63,315	287,717	101,659
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	255,600	151,000	316,200	249,000	376,000
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

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

Yes [] No []

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only							9 Deposit-Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	
1. Alabama.....AL	L								0
2. Alaska.....AK	L								0
3. Arizona.....AZ	L								0
4. Arkansas.....AR	L	327,264							327,264
5. California.....CA	L	4,908,965							4,908,965
6. Colorado.....CO	L	327,264							327,264
7. Connecticut.....CT	L	3,927,172							3,927,172
8. Delaware.....DE	L	654,529							654,529
9. District of Columbia.....DC	L	1,636,322							1,636,322
10. Florida.....FL	E	981,793							981,793
11. Georgia.....GA	L	2,290,850							2,290,850
12. Hawaii.....HI	L								0
13. Idaho.....ID	L								0
14. Illinois.....IL	L	17,999,540							17,999,540
15. Indiana.....IN	L	3,599,908							3,599,908
16. Iowa.....IA	L	327,264							327,264
17. Kansas.....KS	L								0
18. Kentucky.....KY	L	327,264							327,264
19. Louisiana.....LA	L	327,264							327,264
20. Maine.....ME	E								0
21. Maryland.....MD	L	981,793							981,793
22. Massachusetts.....MA	L	3,272,644							3,272,644
23. Michigan.....MI	L	27,490,206							27,490,206
24. Minnesota.....MN	L								0
25. Mississippi.....MS	L	327,264							327,264
26. Missouri.....MO	L	2,945,379							2,945,379
27. Montana.....MT	L								0
28. Nebraska.....NE	L								0
29. Nevada.....NV	L								0
30. New Hampshire.....NH	L								0
31. New Jersey.....NJ	L	1,636,322							1,636,322
32. New Mexico.....NM	L								0
33. New York.....NY	L	11,781,519							11,781,519
34. North Carolina.....NC	L	3,272,644							3,272,644
35. North Dakota.....ND	L								0
36. Ohio.....OH	L	3,599,908							3,599,908
37. Oklahoma.....OK	L	327,264							327,264
38. Oregon.....OR	L	654,529							654,529
39. Pennsylvania.....PA	L	2,945,379							2,945,379
40. Rhode Island.....RI	L	654,529							654,529
41. South Carolina.....SC	L	981,793							981,793
42. South Dakota.....SD	L								0
43. Tennessee.....TN	L	654,529							654,529
44. Texas.....TX	L	8,508,873							8,508,873
45. Utah.....UT	L								0
46. Vermont.....VT	L	327,264							327,264
47. Virginia.....VA	L	2,618,115							2,618,115
48. Washington.....WA	L	654,529							654,529
49. West Virginia.....WV	L								0
50. Wisconsin.....WI	L	8,508,873							8,508,873
51. Wyoming.....WY	E	327,264							327,264
52. American Samoa.....AS	N								0
53. Guam.....GU	N								0
54. Puerto Rico.....PR	E								0
55. U.S. Virgin Islands.....VI	N								0
56. Northern Mariana Islands.....MP	N								0
57. Canada.....CAN	N								0
58. Aggregate Other alien.....OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal.....XXX		120,106,019	0	0	0	0	0	0	120,106,019
60. Reporting entity contributions for Employee Benefit Plans.....XXX									0
61. Total (Direct Business).....(a)	48	120,106,019	0	0	0	0	0	0	120,106,019

DETAILS OF WRITE-INS

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

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

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

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

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

PART 1 - ORGANIZATIONAL CHART

Name	EIN	State	NAIC CODE
Express Scripts Holding Company, Inc.	45-2884094	DE	
Express Scripts, Inc.	43-1420563	DE	
Express Scripts Senior Care Holdings, Inc.	20-3126104	DE	
Express Scripts Senior Care, Inc.	20-3126075	DE	
Express Scripts Insurance Co.	86-0754726	AZ	60025
Diversified Pharmaceutical Services, Inc.	41-1627938	MN	
Diversified NY IPA, Inc.	16-1526641	NY	
ESI Claims Inc.	43-1869691	DE	
Value Health, Inc.	06-1194838	DE	
ESI Singapore Pte. Ltd.		Singapore	
ESI Singapore II Pte. Ltd.		Singapore	
Ivtx Inc.	43-1794690	DE	
ESI Mail Order Processing, Inc. (f/k/a NXI)	74-2974964	DE	
Express Scripts Utilization Management Co.	43-1869714	DE	
Express Reinsurance Company	27-3175443	MO	13918
ESI HRA, LLC	20-2996995	DE	
Express Scripts Pharmaceutical Procurement LLC (50% Direct ownership, 50% Indirect ownership)	20-5826948	DE	
Econdisc Contracting Solutions, LLC (90% Direct ownership)	27-3542089	DE	
ESI Mail Pharmacy Service, Inc.	43-1867735	DE	
Mooreville On-Site Pharmacy, LLC	26-1102625	DE	
CFI of New Jersey, Inc.	22-3114423	NJ	
ESI Enterprises LLC (49% Direct ownership, 51% Indirect ownership)	56-2356810	DE	
Express Scripts Services Co.	43-1832983	DE	
YourPharmacy.com, Inc.	43-1842584	DE	
Express Scripts Specialty Distribution Services, Inc.	43-1869712	DE	
ESI-GP Holdings, Inc.	43-1925556	DE	
ESI Partnership (82% Direct ownership, 18% Indirect ownership)	43-1925562	DE	
ESI Resources, Inc.	41-2006555	MN	
Healthbridge Inc.	26-2159005	DE	
Express Scripts WC, Inc.	59-2997634	FL	
Express Scripts MSA, LLC	20-0551334	FL	
CuraScript, Inc.	36-4369972	DE	
Priority Healthcare Corp	35-1927379	IN	
Priority Healthcare Pharmacy, Inc.	59-3099905	FL	
Sinuspharmacy, Inc.	56-2394216	FL	
Specialty Infusion Pharmacy, Inc.	74-3105470	FL	
Priority Healthcare Corp West	88-0445494	NV	
Matrix GPO, LLC	51-0500147	IN	
Freco, Inc.	02-0523249	FL	
SpectraCare, Inc.	61-1147068	KY	
SpectraCare of Indiana (50% Direct ownership, 50% Indirect ownership)	35-1807559	IN	
SpectraCare Health Care Ventures, Inc.	61-1317695	KY	
SpectraCare Infusion Pharmacy, Inc.	61-1147067	KY	
Care Continuum, Inc.	61-1162797	KY	
Lynnfield Compounding Center, Inc.	58-2593075	FL	
Lynnfield Drug, Inc.	04-3546044	FL	
Freedom Service Company, LLC	20-3229217	FL	
Chesapeake Infusion, Inc.	22-3835126	FL	
Priorityhealthcare.com, Inc.	59-3573515	FL	
Byfield Drug, Inc.	01-0705518	MA	
Priority Healthcare Distribution, Inc.	59-3761140	FL	
Healthbridge Reimbursement & Product Support, Inc.	04-2992335	MA	
Strategic Pharmaceutical Investments, LLC	47-2568932	DE	
Naryx Pharma, Inc.		CA	
CuraScript PBM Services Inc.	36-4374570	DE	
IBIOLogic, Inc.	20-0325621	DE	
Express Scripts Canada Holding Co.	43-1942542	DE	
Express Scripts Canada Co. (NSULC)	98-0650775/ CN9	Canada	
ESI-GP Canada ULC (NSULC)	CN 98-0358791	Canada	
ESI Canada (Ontario Partnership) (99.9% Direct ownership, 0.1% Indirect ownership)	CN 98-0358792	Canada	
ESI-GP2 Canada ULC (NSULC)		Canada	
Express Scripts Canada Services (Ontario Partnership) (99.9% Direct ownership, 0.1% Indirect ownership)		Canada	
Express Scripts Pharmacy Atlantic, Ltd.		Canada	
Express Scripts Pharmacy Central, Ltd.		Canada	

Express Scripts Pharmacy West, Ltd.		Canada	
Express Scripts Pharmacy Ontario Ltd. (Ontario Corp.)		Canada	
Express Scripts Canada Holding LLC	27-1490640	DE	
National Prescription Administrators, Inc.	22-2230703	NJ	
NPA of New York IPA, Inc.	22-3694894	NY	
Airport Holdings, LLC	75-3040465	NJ	
ESI Acquisition Inc. (f/k/a NXS)	16-1279199	NY	
ESI Realty, LLC	75-3040456	NJ	
SureScripts RXHub, LLC(16.67%)		VA	
Medco Health Solutions, Inc.	22-3461740	DE	
MWD Insurance Company	20-4625634	NY	
Accredo Health, Inc.	55-0894449	DE	
AHG of New York, Inc. (f/k/a Pharmacare Resources, Inc)	13-3888838	NY	
Accredo Health Group, Inc.	11-3358535	DE	
Accredo Care Network, Inc.	26-3591774	DE	
Home Healthcare Resources, Inc.	52-1498155	PA	
Biopartners in Care, Inc.	43-1815573	MO	
Medco Health NY Independent Practice Association LLC	22-3572956	NY	
Medco Health Puerto Rico, LLC	81-0616525	DE	
Quality Diabetes Care Coalition, LLC (50% Direct ownership)	26-2625350	DC	
United Biosource Holdings, Inc.	46-3047667	DE	
United BioSource LLC	80-0077029	DE	
TVC Acquisition Co., Inc	45-4509922	DE	
The Vaccine Consortium LLC	20-5454871	MD	
United BioSource Holding (Canada) Company		Canada	
United BioSource (HCA Canada) Company		Canada	
UBC Late Stage, Inc.	43-1083790	MO	
United BioSource (Suisse) SA		Switzerland	
United BioSource Holding (UK) Limited	98-0595336	UK	
United BioSource Corporation S.L.		Spain	
UBC Late Stage (UK) Limited		UK	
United BioSource (Germany) GmbH		Germany	
United BioSource Patient Solutions, Inc. (F/k/a Proherant Health, Inc.)	20-3419132	DE	
TherapEase Cuisine, Inc.	26-0759966	WI	
Medco Europe, LLC	46-2166374	DE	
MHS Holdings, CV (99.99% Direct ownership, 0.01% Indirect ownership)	27-3741831	Netherlands	
Medco International Holdings, BV (f/k/a Medco Int'l, BV)	99-0362031	Netherlands	
Medco International, BV (f/k/a Medco Celesio, BV)	98-0680684	Netherlands	
Medco Europe II, LLC	27-3709630	DE	
Medco Health Solutions (Ireland) Limited		Ireland	
Medco Health Solutions Limited	98-0683161	UK	
Medco Health Solutions Services Limited	98-0683164	UK	
Medco [Shellco] Limited (f/k/a Careology Limited)	98-0689559	UK	
National Rx Services No. 3, Inc. of Ohio	34-1666699	OH	
Express Scripts Administrators LLC	41-2063830	DE	
Medco Health Services, Inc.	26-3544786	DE	
Express Scripts Pharmacy Inc.	30-0789911	DE	
Medco of Willingboro Urban Renewal, LLC	22-3811751	NJ	
Medcohealth.com, LLC	22-3732483	NJ	
Systemed, LLC	22-3474888	DE	
Medco CHP, LLC	27-5133672	DE	
MAH Pharmacy, LLC	27-1506930	DE	
Medco CDUR, LLC		DE	
Medco Continuation Health, LLC		DE	
Medco Research Institute, LLC	45-3631137	DE	
Medco Health Solutions of Illinois, LLC		DE	
Medco Containment Life Insurance Company	42-1425239	PA	63762
Medco Containment Insurance Company of New York	13-3506395	NY	34720
SureScripts RXHub, LLC(16.67%)		VA	

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