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HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2016

OF THE CONDITION AND AFFAIRS OF THE

SilverScript Insurance Company

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

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

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

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

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

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

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

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

Internet Website Address www.silverscript.com

Statutory Statement Contact Xiaoqi Glenn Wang (Name) , 401-770-9669 (Area Code) (Telephone Number)
Xiaoqi.Wang@CVSCaremark.com (E-mail Address) , 401-733-0136 (FAX Number)

OFFICERS

President	Todd Dean Meek	Secretary	Michele Wugalter Buchanan
Treasurer	Anthony Graham Strong	Actuary	Rebecca Conway Justice

OTHER

DIRECTORS OR TRUSTEES

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

State of
County of
SS:

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

Todd Dean Meek President	Michele Wugalter Buchanan Secretary	Anthony Graham Strong Treasurer

Subscribed and sworn to before me this
day of

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

ASSETS

		Current Statement Date 1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 December 31 Prior Year Net Admitted Assets
1.	Bonds	2,803,060	300,759	2,502,301	2,506,282
2.	Stocks:				
	2.1 Preferred stocks			0	0
	2.2 Common stocks			0	0
3.	Mortgage loans on real estate:				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate:				
	4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ (2,287,914)), cash equivalents ($ ....) and short-term investments ($ 208,755,826)	206,467,912		206,467,912	54,305,139
6.	Contract loans (including $ .... premium notes)			0	0
7.	Derivatives			0	0
8.	Other invested assets			0	0
9.	Receivables for securities			0	0
10.	Securities lending reinvested collateral assets			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	209,270,972	300,759	208,970,213	56,811,420
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	48,328		48,328	14,100
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	41,505,505	9,030,814	32,474,691	12,891,477
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums ($ ....) and contracts subject to redetermination ($ 129,873,360)	129,873,360		129,873,360	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers	2,932,060		2,932,060	1,701,560
	16.2 Funds held by or deposited with reinsured companies	58,054,349		58,054,349	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans	2,136,756,467	281,420	2,136,475,047	2,154,563,470
18.1	Current federal and foreign income tax recoverable and interest thereon			0	0
18.2	Net deferred tax asset	73,833,222	21,279	73,811,943	73,811,943
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($ ....)			0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	195,995,386		195,995,386	85,886,892
24.	Health care ($ 265,361,140) and other amounts receivable	265,361,140		265,361,140	0
25.	Aggregate write-ins for other than invested assets	23,287,493	23,287,493	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,136,918,282	32,921,765	3,103,996,517	2,385,680,862
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	3,136,918,282	32,921,765	3,103,996,517	2,385,680,862
	DETAILS OF WRITE-INS				
1101.				0	0
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 through 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	Prepaid expenses	23,287,493	23,287,493	0	
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	23,287,493	23,287,493	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	Current Period 2 Uncovered	Current Period 3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 3,791,418 reinsurance ceded)	32,268,928		32,268,928	32,386,168
2. Accrued medical incentive pool and bonus amounts	320,001		320,001	29,454,327
3. Unpaid claims adjustment expenses			0	0
4. Aggregate health policy reserves, including the liability of $ .... for medical loss ratio rebate per the Public Health Service Act	229,679,038		229,679,038	216,236,191
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	7,478,946		7,478,946	4,501,043
9. General expenses due or accrued	67,567,736		67,567,736	12,809,606
10.1 Current federal and foreign income tax payable and interest thereon (including $ .... on realized gains (losses))	157,750,715		157,750,715	156,960,459
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable	73,392,455		73,392,455	97,817,852
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including $ .... current) and interest thereon $ .... (including $ .... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	0
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with $ 655,034 authorized reinsurers, $ .... unauthorized reinsurers and $ .... certified reinsurers)	655,034		655,034	52,560,419
20. Reinsurance in unauthorized and certified ($ ....) companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans	2,002,242,470		2,002,242,470	1,169,239,829
23. Aggregate write-ins for other liabilities (including $ .... current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	2,571,355,323	0	2,571,355,323	1,771,965,894
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	52,449,451
26. Common capital stock	XXX	XXX	2,750,000	2,750,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	124,750,000	124,750,000
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	405,141,194	433,765,517
32. Less treasury stock, at cost:				
32.1 .... shares common (value included in Line 26 $ ....)	XXX	XXX		
32.2 .... shares preferred (value included in Line 27 $ ....)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	532,641,194	613,714,968
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,103,996,517	2,385,680,862
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	0	0	0	0
2501. Section 9010 Special Surplus	XXX	XXX		52,449,451
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above)	XXX	XXX	0	52,449,451
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date 1 Uncovered	Current Year To Date 2 Total	Prior Year To Date 3 Total	Prior Year Ended December 31 4 Total
1.	Member Months	XXX	24,689,161	20,471,989	41,238,109
2.	Net premium income (including $ non-health premium income)	XXX	1,317,106,909	1,260,117,972	2,331,299,666
3.	Change in unearned premium reserves and reserve for rate credits	XXX	116,430,514	119,152,895	6,045,092
4.	Fee-for-service (net of $ medical expenses)	XXX			
5.	Risk revenue	XXX			
6.	Aggregate write-ins for other health care related revenues	XXX	0	0	0
7.	Aggregate write-ins for other non-health revenues	XXX	0	0	0
8.	Total revenues (Lines 2 to 7)	XXX	1,433,537,423	1,379,270,867	2,337,344,758
	Hospital and Medical:				
9.	Hospital/medical benefits				
10.	Other professional services				
11.	Outside referrals				
12.	Emergency room and out-of-area				
13.	Prescription drugs		1,594,084,839	1,543,317,637	2,069,607,640
14.	Aggregate write-ins for other hospital and medical	0	0	0	0
15.	Incentive pool, withhold adjustments and bonus amounts		162,090	18,147,039	42,644,602
16.	Subtotal (Lines 9 to 15)	0	1,594,246,929	1,561,464,676	2,112,252,242
	Less:				
17.	Net reinsurance recoveries		316,308,271	314,322,751	425,423,853
18.	Total hospital and medical (Lines 16 minus 17)	0	1,277,938,658	1,247,141,925	1,686,828,389
19.	Non-health claims (net)				
20.	Claims adjustment expenses, including $ 7,797,232 cost containment expenses		64,831,527	63,565,840	128,037,369
21.	General administrative expenses		141,568,890	122,671,831	210,782,881
22.	Increase in reserves for life and accident and health contracts (including $ increase in reserves for life only)				0
23.	Total underwriting deductions (Lines 18 through 22)	0	1,484,339,075	1,433,379,596	2,025,648,639
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(50,801,652)	(54,108,729)	311,696,119
25.	Net investment income earned		92,915	12,709	68,509
26.	Net realized capital gains (losses) less capital gains tax of $				
27.	Net investment gains (losses) (Lines 25 plus 26)	0	92,915	12,709	68,509
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ 677,574) (amount charged off $ 3,147,262)]		(2,469,688)	(55,456,152)	(111,317,626)
29.	Aggregate write-ins for other income or expenses	0	0	0	(594,100)
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	(53,178,425)	(109,552,172)	199,852,902
31.	Federal and foreign income taxes incurred	XXX	790,256	(17,521,507)	161,863,630
32.	Net income (loss) (Lines 30 minus 31)	XXX	(53,968,681)	(92,030,665)	37,989,272
	DETAILS OF WRITE-INS				
0601.	~	XXX			0
0602.		XXX			
0603.		XXX			
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0	0
0699.	Totals (Lines 0601 through 0603 plus 0698)(Line 6 above)	XXX	0	0	0
0701.	~	XXX			0
0702.		XXX			
0703.		XXX			
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0	0
0799.	Totals (Lines 0701 through 0703 plus 0798)(Line 7 above)	XXX	0	0	0
1401.	~				0
1402.	~				0
1403					
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0	0
1499.	Totals (Lines 1401 through 1403 plus 1498)(Line 14 above)	0	0	0	0
2901.	CMS Penalty				(594,100)
2902.	~				0
2903					
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0	0
2999.	Totals (Lines 2901 through 2903 plus 2998)(Line 29 above)	0	0	0	(594,100)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
	CAPITAL AND SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	613,714,968	448,078,013	448,078,013
34.	Net income or (loss) from Line 32	(53,968,681)	(92,030,665)	37,989,272
35.	Change in valuation basis of aggregate policy and claim reserves			
36.	Change in net unrealized capital gains (losses) less capital gains tax of $			
37.	Change in net unrealized foreign exchange capital gain or (loss)			
38.	Change in net deferred income tax			40,657,821
39.	Change in nonadmitted assets	(27,105,093)	29,742,871	86,989,862
40	Change in unauthorized and certified reinsurance	0	0	0
41.	Change in treasury stock	0	0	0
42.	Change in surplus notes	0	0	0
43.	Cumulative effect of changes in accounting principles			
44.	Capital Changes:			
	44.1 Paid in	0	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0	0
	44.3 Transferred to surplus			
45.	Surplus adjustments:			
	45.1 Paid in	0	0	0
	45.2 Transferred to capital (Stock Dividend)			
	45.3 Transferred from capital			
46.	Dividends to stockholders			
47.	Aggregate write-ins for gains or (losses) in surplus	0	0	0
48.	Net change in capital & surplus (Lines 34 to 47)	(81,073,774)	(62,287,794)	165,636,955
49.	Capital and surplus end of reporting period (Line 33 plus 48)	532,641,194	385,790,219	613,714,968
	DETAILS OF WRITE-INS			
4701.				0
4702.				
4703.				
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799.	Totals (Lines 4701 through 4703 plus 4798)(Line 47 above)	0	0	0

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	1,294,366,183	1,236,206,134	2,301,635,851
2. Net investment income	24,146	24,302	50,931
3. Miscellaneous income	0	0	0
4. Total (Lines 1 to 3)	1,294,390,329	1,236,230,436	2,301,686,782
5. Benefit and loss related payments	1,572,551,364	1,207,985,257	1,754,693,356
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	(430,323,808)	83,709,684	454,228,208
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	0	0	102,302,534
10. Total (Lines 5 through 9)	1,142,227,556	1,291,694,941	2,311,224,098
11. Net cash from operations (Line 4 minus Line 10)	152,162,773	(55,464,505)	(9,537,316)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	0	0	560,000
12.2 Stocks	0	0	0
12.3 Mortgage loans	0	0	0
12.4 Real estate	0	0	0
12.5 Other invested assets	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0	0
12.7 Miscellaneous proceeds	0	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0	560,000
13. Cost of investments acquired (long-term only):			
13.1 Bonds	0	0	487,291
13.2 Stocks	0	0	0
13.3 Mortgage loans	0	0	0
13.4 Real estate	0	0	0
13.5 Other invested assets	0	0	0
13.6 Miscellaneous applications	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0	487,291
14. Net increase (or decrease) in contract loans and premium notes	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	0	0	72,709
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes	0	0	0
16.2 Capital and paid in surplus, less treasury stock	0	0	0
16.3 Borrowed funds	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0	0
16.5 Dividends to stockholders	0	0	0
16.6 Other cash provided (applied)	0	0	0
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	0	0	0
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	152,162,773	(55,464,505)	(9,464,607)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	54,305,139	63,769,746	63,769,746
19.2 End of period (Line 18 plus Line 19.1)	206,467,912	8,305,241	54,305,139

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

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical) 2 Individual	 3 Group	4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
Total Members at end of:										
1. Prior Year	3,485,708	0	0	0	0	0	0	0	0	3,485,708
2. First Quarter	4,115,765	0	0	0	0	0	0	0	0	4,115,765
3. Second Quarter	4,138,386									4,138,386
4. Third Quarter	0									
5. Current Year	0									
6. Current Year Member Months	24,689,161									24,689,161
Total Member Ambulatory Encounters for Period:										
7 Physician	0									
8. Non-Physician	0									
9. Total	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	0									
11. Number of Inpatient Admissions	0									
12. Health Premiums Written (a)	1,640,729,309									1,640,729,309
13. Life Premiums Direct	0									
14. Property/Casualty Premiums Written	0									
15. Health Premiums Earned	1,786,932,432									1,786,932,432
16. Property/Casualty Premiums Earned	0									
17. Amount Paid for Provision of Health Care Services	1,962,302,030									1,962,302,030
18. Amount Incurred for Provision of Health Care Services	1,594,246,929									1,594,246,929

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees $ 1,640,729,309

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

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Claims Unpaid (Reported)						
0299999 Aggregate accounts not individually listed-uncovered						0
0399999 Aggregate accounts not individually listed-covered	192,321					192,321
0499999 Subtotals	192,321	0	0	0	0	192,321
0599999 Unreported claims and other claim reserves						35,868,025
0699999 Total amounts withheld						
0799999 Total claims unpaid						36,060,346
0899999 Accrued medical incentive pool and bonus amounts						320,001

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)					0	0
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7 Title XIX - Medicaid					0	0
8. Other health	(12,245,304)	1,555,500,252	27,913,410	4,355,518	15,668,106	32,386,168
9. Health subtotal (Lines 1 to 8)	(12,245,304)	1,555,500,252	27,913,410	4,355,518	15,668,106	32,386,168
10. Healthcare receivables (a)		265,361,140			0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	29,296,416		320,001		29,616,417	29,454,327
13. Totals (Lines 9-10+11+12)	17,051,112	1,290,139,112	28,233,411	4,355,518	45,284,523	61,840,495

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

Notes to Financial Statement

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

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

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

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

NET INCOME :	State of Domicile		Six months ending June 30, 2016		Year ending December 31, 2015
State basis	Tennessee	$	(53,968,681)	$	37,989,272
State Prescribed Practices that increase/(decrease) NAIC SAP:	Tennessee		-		-
State Permitted Practices that increase/(decrease) NAIC SAP:	Tennessee		-		-
NAIC SAP	Tennessee	$	(53,968,681)	$	37,989,272

SURPLUS :			June 30, 2016		December 31, 2015
State basis	Tennessee	$	532,641,194	$	613,714,968
State Prescribed Practices that increase/(decrease) NAIC SAP:	Tennessee		(300,759)		(262,237)
State Permitted Practices that increase/(decrease) NAIC SAP:	Tennessee		-		-
NAIC SAP	Tennessee	$	532,941,953	$	613,977,205

The Company owns a special revenue bond with the U.S. territory of Puerto Rico. Based on Tennessee Code Ann. §56-1-405, the Company is required to non-admit special deposits held for the benefit of a specific state's policyholders to the extent that the deposit exceeds liabilities associated with that state's policyholders. Accordingly, the Company non-admitted its special deposit with Puerto Rico of $301 thousand.

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

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

C. Accounting Policy

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

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

(2) Bonds with an original purchase maturity date greater than one year are stated at amortized cost using the straight-line method of amortization on premiums or discounts. None of the Company's bonds became impaired during the six months ending June 30, 2016 or the year ending December 31, 2015.

(3) As of June 30, 2016 and December 31, 2015, the Company had 10.0 million shares, ($1 par), of Class A common capital stock authorized, and 2.75 million of such shares issued and outstanding.

(4) Preferred Stocks: None

(5) Mortgage Loans: None

(6) Loan-backed Securities: None

Notes to Financial Statement

1. Summary of Significant Accounting Policies and Going Concern (continued)

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

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

(9) Derivatives: None

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

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

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

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

D. Going Concern: Not Applicable

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

A. Statutory Purchase Method: None

B. Statutory Merger: None

C. Assumption Reinsurance: None

D. Impairment Loss: None

4. Discontinued Operations

None

5. Investments

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

B. Debt Restructuring: None

C. Reverse Mortgages: None

D. Loan-Backed Securities: None

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

F. Real Estate: None

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

Notes to Financial Statement

5. Investments (continued)

H. Restricted Assets:

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase/(Decrease) (1 minus 2)	4 Total Current Year Admitted Restricted	5 Percentage Gross Restricted to Total Assets	6 Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	$ 0	$ 0	$ 0	$ 0	0.000 %	0.000 %
b. Collateral held under security lending agreements	0	0	0	0	0.000	0.000
c. Subject to repurchase agreements	0	0	0	0	0.000	0.000
d. Subject to reverse repurchase agreements	0	0	0	0	0.000	0.000
e. Subject to dollar repurchase agreements	0	0	0	0	0.000	0.000
f. Subject to dollar reverse repurchase agreements	0	0	0	0	0.000	0.000
g. Placed under option contracts	0	0	0	0	0.000	0.000
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock	0	0	0	0	0.000	0.000
i. FHLB capital stock	0	0	0	0	0.000	0.000
j. On deposit with states	3,149,499	3,671,311	(521,812)	3,149,499	0.100	0.101
k. On deposit with other regulatory bodies	300,759	262,237	38,522	0	0.010	0.000
l. Pledged collateral to FHLB (including assets backing funding agreements)	0	0	0	0	0.000	0.000
m. Pledged as collateral not captured in other categories	0	0	0	0	0.000	0.000
n. Other restricted assets	0	0	0	0	0.000	0.000
o. Total Restricted Assets	$ 3,450,258	$ 3,933,548	$ (483,290)	$ 3,149,499	0.110%	0.101%

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

(3) Detail of Other Restricted Assets: None

I. Working Capital Finance Investments: None

J. Offsetting and Netting of Assets and Liabilities: None

K. Structured Notes: None

Notes to Financial Statement

6. Joint Ventures, Partnerships and Limited Liability Companies

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

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

7. Investment Income

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

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

B. The total amount excluded was: None

8. Derivative Instruments

None

9. Income Taxes

No material changes

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

A., B., C During the six months ending June 30, 2016 and the year ending December 31, 2015, the Company did not have any material transfer of assets to affiliates.

D. The Company reported a net $196.0 million and $85.9 million receivable from affiliates as of June 30, 2016 and December 31, 2015, respectively.

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

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

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

Except for amounts due to other Prescription Drug Plans ("PDPs"), all claims paid and incurred are based on amounts billed by the Parent Company and its affiliates for pharmacy claims filled by pharmacies in the Parent Company's pharmacy network or claims submitted to the Parent Company for pharmacy claims paid by state agencies.

Additionally, all pharmaceutical rebates are received or are recorded as a receivable from Part D Services, which contracts with pharmaceutical manufacturers for such rebates.

As of June 30, 2016 and December 31, 2015, the Company reported a net liability to the Parent Company and its affiliates of $46.4 million and $180.1 million, respectively.

The following is a summary of the financial statement presentation of amounts due from and to the Company's Parent and affiliates.

Assets, Liabilities, Capital and Surplus	**June 30, 2016**	**December 31, 2015**
Taxes payable (lines 9 &10.1)	$ 168,973,089	$ 168,127,074
Ceded reinsurance premiums payable (line 11)	73,392,455	97,817,852
Amounts due (from) to parent, subsidiaries and affiliates (line 23)	(195,995,386)	(85,886,892)
	$ 46,370,158	$ 180,058,034

As of June 30, 2016, the Company reported a receivable from affiliates of $196 million as a result of prefunding of claims activity from Part D Services. The prefunding of claims totaled $150.2 million as of June 30, 2016, and the full amount was applied to the payment made to Part D Services in the first week of July 2016. *Ceded reinsurance premiums payable* is related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., an affiliate of the Company. *Amounts due (from) and to parent, subsidiaries and affiliates* is primarily comprised of amounts due for uninsured pharmacy claims processed, management fees from Part D Services and intercompany funding.

Notes to Financial Statement

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

The Company pays Part D Services a management fee for sales, accounting, tax, legal, information technology, compliance, claims processing and other administrative functions under a management services agreement that has been filed with the Department. The management fee is assessed on a per-member, per-month ("pmpm") and a per claim basis.

In addition, related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd., the Company recognizes a reduction of expenses related to ceded expenses.

The following is a summary of the financial statement presentation of management fees incurred from Part D Services and reinsurance expenses ceded to the CVS Caremark Indemnity, Ltd.:

Statement of Revenue and Expenses		June 30, 2016		June 30, 2015
Management fee				
Claims adjustment expenses(line 20)	$	105,414,988	$	99,091,080
General and administrative expenses (line 21)		105,649,077		85,234,122
Total management fee	$	211,064,065	$	184,325,202
Reinsurance expenses ceded				
Claims adjustment expenses(line 20)	$	19,648,171	$	14,095,328
General and administrative expenses (line 21)		36,583,531		27,201,712
Total reinsurance expenses ceded	$	56,231,702	$	41,297,040

Payment terms require the Company to settle with Part D Services all invoiced amounts for claims and service fees thirty days in arrears after the Company receives an invoice. The settlement of rebates happens within sixty days of the beginning of the calendar quarter following receipt of such rebates by Part D Services.

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

As of June 30, 2016 and December 31, 2015, the Company owed the Ultimate Parent $157.8 million and $157.0 million, respectively, for federal income taxes, which is reported as *current federal and foreign income tax payabl*e in the Statement of Liabilities, Capital and Surplus. As of June 30, 2016 and December 31, 2015, the Company owed the Ultimate Parent $11.2 million, for state taxes, which is reported as *general expenses due or accrued* in the Statement of Liabilities, Capital and Surplus. Intercompany tax balances are settled annually.

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

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

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

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

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

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

11. Debt

None

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

No change.

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

(1) As of June 30, 2016 and December 31, 2015, the Company had 10.0 million shares, ($1 par); of Class A *common capital stock* authorized and 2.75 million of such shares issued and outstanding.

(2) The Company has no preferred stock outstanding.

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

Notes to Financial Statement

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

(4) No dividends were paid by the Company during the six months ending June 30, 2016 and the year ending December 31, 2015.

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

Based on the previous financial statements, the Company would be permitted a $38.0 million ordinary dividend based on 2015 net income. The Company does not currently intend to issue any dividends in 2016.

(6) The Company is subject to certain Risk-Based Capital ("RBC") requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a life/health insurance company is to be determined based on the various risk factors related to it. As of June 30, 2016 and December 31, 2015, there were no restrictions placed on the unassigned funds (surplus).

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

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

(9) The Company had a special surplus of $0 million and $52.4 million as of June 30, 2016 and December 31, 2015, respectively. The balance reported as special surplus funds is due to health plan fees incurred under Section 9010 of the Affordable Care Act ("ACA"). There was no special surplus for the period ending June 30, 2016 due to the Consolidated Appropriations Act, 2016 (Public Law No: 114-113), which was signed into law on December 18, 2015. This Appropriations Act imposes a moratorium on the health plan fees for calendar year 2017 by amending the effective date of section 9010(j) of ACA to exclude calendar year 2017. Per NAIC *INT - 16-01: ACA Section 9010 Assessment 2017 Moratorium*, no segregation of special surplus is needed for the net written premium in 2016 data year.

(10) As of June 30, 2016 and December 31, 2015, the Company had no unrealized gains or losses.

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

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

(13) Not applicable.

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments: None

B. Assessments: None

C. Gain Contingencies: None

D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: None

E. Joint and Several Liabilities: None

F. All Other Contingencies:

a. Bad debt write-offs totaled $2.5 million and $111.3 million as of June 30, 2016 and December 31, 2015, respectively. These balances were previously reported as non-admitted assets.

15. Leases

A. Lessee Operating Lease: None

B. Lessor Leases: None

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

None

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

A. Transfers of Receivables Reported as Sales: None

B. Transfer and Servicing of Financial Assets: None

C. Wash Sales: None

Notes to Financial Statement

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

A. ASO Plans: None

B. ASC Plans

The Company has several Administrative Services Contracts ("ASC") with Self-Funded Employer Group Waiver Plans ("SF EGWPs"). For the six months ending June 30, 2016 and 2015, the gain from operations from ASC uninsured plans is as follows:

June 30, 2016

		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a.	Gross reimbursement for medical costs incurred	$ 1,391,771,845	$ -	$ 1,391,771,845
b.	Gross administrative fees accrued	44,936,921	-	44,936,921
c.	Other income or expense (including interest paid to or received from plans)	-	-	-
d.	Gross expenses incurred (claims and administrative)	(1,436,708,766)	-	(1,436,708,766)
e	Total Net Operations	$ -	$ -	$ -

June 30, 2015

		ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a.	Gross reimbursement for medical costs incurred	$ 1,054,504,786	$ -	$ 1,054,504,786
b.	Gross administrative fees accrued	42,255,741	-	42,255,741
c.	Other income or expense (including interest paid to or received from plans)	-	-	-
d.	Gross expenses incurred (claims and administrative)	(1,096,760,527)	-	(1,096,760,527)
e	Total Net Operations	$ -	$ -	$ -

C. Medicare and other Similarly Structured Cost Based Reimbursement Contract:

(1) Revenue and prescription drug amounts for the six months ending June 30, 2016 and 2015, exclude $4,605.3 million and $4,224.3 million, respectively, in subsidies from the Centers for Medicare and Medicaid Services ("CMS") for catastrophic reinsurance subsidies, low income cost sharing subsidies ("LICS") and the coverage gap discount program ("CGDP") pursuant to the Company's contracts with CMS.

(2) As of June 30, 2016 and December 31, 2015, the admitted *amounts receivable relating to uninsured plans* includes the following:

	6/30/2016	12/31/2015
CMS settlement-2010	$ -	$ 3,635,546
CMS settlement-2015	1,733,455,765	1,744,374,810
Coverage gap discount receivable	258,679,616	289,481,561
Unbilled group receivable	144,158,271	115,600,758
Billed group receivable	181,395	1,470,794
Total amounts receivable related to uninsured plans	**$ 2,136,475,047**	**$ 2,154,563,470**

Settlement amounts due to or from CMS for a plan year for LICS and drugs covered by the catastrophic reinsurance feature are typically settled in the fourth quarter of the following year. As of June 30, 2016, the Company expects to receive $1,733.5 million in the fourth quarter of 2016 related to the 2015 plan year settlement. The Company collected the 2010 CMS settlement on January 3, 2016 in the amount of $3.6 million.

Coverage gap discount receivable represents amounts invoiced by CMS to pharmaceutical manufacturers on the Company's behalf. Fluctuations in this balance are due to timing of when CMS invoices the pharmaceutical manufacturers and when collections are received by the Company.

Unbilled group receivables represents the last week of claims for the month that are billed to the respective groups the first week of the following month.

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

As of June 30, 2016 and December 31, 2015, *amounts payable relating to uninsured plans* includes the following:

		6/30/2016		12/31/2015
CMS settlement-2016	$	768,296,471	$	-
Reopener payables		40,740,032		51,622,401
SF EGWP client payables		1,116,572,109		1,028,871,105
Coverage gap discount payable		73,701,798		85,814,263
Other		2,932,060		2,932,060
Total amounts payable related to uninsured plans	**$**	**2,002,242,470**	**$**	**1,169,239,829**

As of June 30, 2016, the Company has a 2016 CMS settlement payable of $768.3 million for LICS and drugs covered by the catastrophic reinsurance feature. Generally, the current year CMS settlement balance will start out as payable when the subsidies received from CMS are higher than the amount of claims incurred. For the 2016 plan year the Company is expecting to end the year in a net payable due back to CMS for the 2016 settlement.

Reopener payables represent accruals for prior plan year's that are due back to CMS, and are the result of retro-activity that happens after the initial settlement with CMS. Reopeners are settled with CMS according to CMS time table which is approximately 5 years after the initial settlement with CMS.

SF EGWP client payables represent the amounts due back to SF EGWP clients for LICS and reinsurance subsidies the Company will collect from CMS on their behalf. The Company expects to collect the LICS and reinsurance subsidies in the fourth quarter of the following plan year and the Company will settle the payable to SF EGWPs at that time. The balance also includes the rebates collected from pharmaceutical manufacturers on the client's behalf.

Upon receipt of the rebates, the Company will relief the rebate payable with the SF EGWP, which are generally within 90 days of receipt.

Coverage gap discount payable represents the amounts due back to CMS after collections have been made from pharmaceutical manufacturers.

(3) As of June 30, 2016 and December 31, 2015, there were no allowances or reserves for adjustment of recorded revenues.

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

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

None

20. Fair Value Measurements

SSAP 100, *Fair Value Measurements,* defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States, and enhances disclosures about fair value measurements. SSAP 100 provides guidance on how to measure fair value when required under existing accounting standards.

The statement establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels ("Level 1, 2 and 3").

Level 1 inputs are observable inputs that reflect quoted prices for identical assets or liabilities in active markets the Company has the ability to access at the measurement date. Level 2 inputs are observable inputs, other than quoted prices included in Level 1, for the asset or liability. Level 3 inputs are unobservable inputs reflecting the Company's estimates of the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

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

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

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

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

Notes to Financial Statement

20. Fair Value Measurements (continued)

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

- *Level 1* - Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- *Level 2* - Inputs to the valuation methodology are quoted prices for similar assets and liabilities in active markets, quoted prices in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the instrument.
- *Level 3* - Inputs to the valuation methodology are unobservable inputs based upon management's best estimate of inputs market participants could use in pricing the asset or liability at the measurement date, including assumptions about risk.

A.

(1) Fair Value Measurements at Reporting Date:

June 30, 2016

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Cash	$ (2,287,914)	$ -	$ -	$ (2,287,914)
Short-Term investments	208,755,826	-	-	208,755,826
Matured investment being held by State for release	-	-	-	-
Total Assets at fair value	$ 206,467,912	$ -	$ -	$ 206,467,912

December 31, 2015

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
Assets at fair value				
Cash	$ (2,516,507)	$ -	$ -	$ (2,516,507)
Short-Term investments	56,821,646	-	-	56,821,646
Matured investment being held by State for release	-	-	-	-
Total Assets at fair value	$ 54,305,139	$ -	$ -	$ 54,305,139

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

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

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

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

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

B. Other Accounting Pronouncements: Not Applicable

Notes to Financial Statement

20. Fair Value Measurements (continued)

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

June 30, 2016

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	$ 2,652,405	$ 2,502,301	$ 2,652,405	$ -	$ -	$ -
Cash	$ (2,287,914)	$ (2,287,914)	$ (2,287,914)	$ -	$ -	$ -
Short Term Investments	$ 208,755,826	$ 208,755,826	$ 208,755,826	$ -	$ -	$ -

December 31, 2015

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
Bonds	$ 2,635,748	$ 2,506,282	$ 2,635,748	$ -	$ -	$ -
Cash	$ (2,516,507)	$ (2,516,507)	$ (2,516,507)	$ -	$ -	$ -
Short Term Investments	$ 56,821,646	$ 56,821,646	$ 56,821,646	$ -	$ -	$ -

D. Not Practicable to Estimate Fair Value

As of June 30, 2016 and December 31, 2015, the Company did not own any financial instruments that were not practicable to estimate fair value.

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

As of June 30, 2016, bonds, and short-term investments with an admitted asset value of $2.0 million, and $1.2 million, respectively, were on deposit with state insurance and other departments to satisfy regulatory requirements.

As of December 31, 2015, bonds, and short-term investments with an admitted asset value of $2.5 million, and $1.2 million, respectively, were on deposit with state insurance and other departments to satisfy regulatory requirements.

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

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

Based on that analysis, management makes a judgment as to whether the loss is other-than-temporary. If the loss is other-than-temporary, an impairment charge is recorded within net realized investment gains (losses) in the statements of operations in the period the determination is made. For the six months ending June 30, 2016 and the year ending December 31, 2015, management determined that none of the Company’s investments had sustained an other-than-temporary decline in value.

21. Other Items

A. Extraordinary Items: None

B. Troubled Debt Restructuring - Debtors: None

C. Other Disclosures and Unusual Items: During the fourth quarter of 2015, the Company recorded an expense of $594 thousand pertaining to a CMS program audit. The expense was reported as a write-in for other income or expenses, in line 29 of the Statement of Revenue and Expenses as of December 31, 2015. No unusual items were recorded as of June 30, 2016.

D. Business Interruption Insurance Recoveries: None

E. State Transferable Tax Credits: None

F. Subprime-Mortgage-Related Risk Exposure: None

G. Retained Assets: None

Notes to Financial Statement

22. Events Subsequent

The Company purchased the Medicare Part D business (CMS contracts S5755 and S5580) from First United American Life Insurance ("First United American") and its affiliate United American Insurance Company ("United American") on July 1, 2016. As of July 1, the parties separately entered into a novation agreement, pursuant to which SilverScript assumed responsibility as the sponsor of the individual Medicare PDPs of First United American and United American. The individual PDPs are continuing in force without an interruption in benefits or services. For the remainder of the 2016 PDP plan year only, First United American and United American plan to assume as reinsurer, pursuant to the Reinsurance Agreement, and will continue to operate the PDP business. The Reinsurance Agreement provides that First United American and United American shall assume one hundred percent (100%) of the 2016 PDP Plan liabilities on an indemnity reinsurance basis. Pursuant to the terms of the transaction, the purchase price will be based on the number of enrollees in the plans as of January 1, 2017

23. Reinsurance

A. Ceded Reinsurance Report

The Company entered into a reinsurance agreement with FirstCare, an unaffiliated authorized insurance company, effective July 11, 2014 in which the Company cedes 100% of the business on an acquired contract to FirstCare. Effective January 1, 2015, the FirstCare membership was novated into the Company and the FirstCare contract (S5766) is no longer an active contract with CMS. The Company's ceded premiums totaled $0 million during the six months ending June 30, 2016 and ($3.4) million during the year ending December 31, 2015, respectively.

Neither the Company nor any of its related parties control, directly or indirectly, First Care. No policies to First Care issued by the Company have been reinsured with a foreign company, which is controlled, either directly or indirectly, by a party not primarily engaged in the business of insurance. The Company does not have any reinsurance agreements in effect under which First Care may unilaterally cancel the agreement. As of June 30, 2016 there are no reinsurance agreements in effect such that the amount of losses paid or accrued exceed the total direct premium collected for First Care.

The Company has a quota share reinsurance agreement with an affiliate of the Parent Company, CVS Caremark Indemnity, Ltd., a Bermuda domiciled insurer. Under the terms of this agreement, the Company cedes 20% of the Company's share of the risk associated with individual and group premiums and claims. This agreement was approved by the Department on August 15, 2011, and was retroactive to January 1, 2011.

The following is a financial summary of the ceded amounts and related expenses under this agreement:

		Six months ending June 30, 2016		Year ending December 31, 2015
Statement of Revenue and Expense:				
Premiums	$	353,395,008	$	594,967,446
Benefits		(316,308,271)		(425,445,479)
Commissions expense		(56,587,591)		(71,217,626)
Interest expense		355,890		430,541
Total revenue and expense ceded	$	(19,144,964)	$	98,734,882
Balance Sheet:				
Claims unpaid	$	3,791,418	$	3,634,946
Aggregate health policy reserves		43,166,992		40,471,272
Accrued retrospective premiums		(32,468,340)		-
Premiums received in advance		1,834,539		1,035,857
Premiums receivable		(8,118,673)		(3,222,869)
Accrued incentive pool		80,000		7,338,582
Rebates Receivable		(66,340,285)		
Total ceded balance sheet Items	$	(58,054,349)	$	49,257,787
Settlement of Prior Year Activity	$	92,537,419	$	(917,030)
Funds held by or deposited with reinsured companies	$	358,165,416	$	633,682,246
Funds held under reinsurance treaties with unauthorized reinsurers		(342,827,310)		(486,606,607)
Amount due to CVS Caremark Indemnity, Ltd.	$	15,338,106	$	147,075,639

Notes to Financial Statement

23. Reinsurance (continued)

B. Uncollectible Reinsurance: None

C. Commutation of Ceded Reinsurance

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

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

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company's Medicare Part D contract with CMS contains a risk corridor feature. Due to the risk corridor feature, the Company's business is accounted for as a retrospectively rated contract. The Company estimates retrospective premium adjustments using a mathematical approach based on the Company's underwriting experience. As of June 30, 2016 and December 31, 2015, accrued retroactive premium adjustments were reported as an *aggregate health policy reserves* in the amount of $229.7 million and $216.2 million, respectively, and as *accrued retrospective premiums and contracts subject to redetermination* of $129.9 million and $0, respectively.

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

C. The amount of net direct premiums written by the Company during the six months ending June 30, 2016 and 2015 that was subject to the retrospective rating feature was $1,589.5 million and $1,517.0 million, respectively, which represented 97%, and 98%, respectively, of the total premiums written, excluding risk corridor adjustment.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act: As of December 31, 2015, the Company recorded a liability of $3.4 million to CMS for the 2014 FirstCare MLR. As part of the reinsurance agreement described in Footnote #23, the Company also recorded a receivable from FirstCare recoverable in the form of reinsurance premiums. There was no MLR recorded during the six months ending June 30, 2016.

E. Risk Sharing Provisions of the ACA: The Company only offers health insurance coverage under Medicare Part D and is not a qualified health plan under the definition of the ACA.

(1) Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?

No

(2) Impact of Risk-Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

a. Permanent ACA Risk Adjustment Program

Assets

1. Premium adjustments receivable due to ACA Risk Adjustment: None

Liabilities

2. Risk adjustment user fees payable for ACA Risk Adjustment: None
3. Premium adjustments payable due to ACA Risk Adjustment: None

Operations (Revenue & Expense)

4. Reported as revenue in premium for accident and health contracts due to ACA Risk Adjustment: None
5. Reported in expenses as ACA Risk Adjustment user fees: None

b. Transitional ACA Reinsurance Program

Assets

1. Amounts recoverable for claims paid due to ACA Reinsurance: None
2. Amounts recoverable for claims unpaid due to ACA Reinsurance: None
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance: None

Liabilities

4. Liabilities for contributions payable due to ACA Reinsurance: None
5. Ceded reinsurance premiums payable due to ACA Reinsurance: None
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance: None

Operations (Revenue & Expense)

7. Ceded reinsurance premiums due to ACA Reinsurance: None
8. Reinsurance recoveries due to ACA Reinsurance payments or expected payments: None
9. ACA Reinsurance contributions: None

c. Temporary ACA Risk Corridors Program

Assets

1. Accrued retrospective premium due to ACA Risk Corridors: None
2. Reserve for rate credits or policy experience ratings refunds due to ACA Risk Corridor: None

Operations (Revenue & Expense)

3. Effect of ACA Risk Corridors on net premium income: None
4. Effect of ACA Risk Corridors on change in reserves for rate credits: None

Notes to Financial Statement

25. Change in Incurred Claims and Claim Adjustment Expenses

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

		Six months ending June 30, 2016		Year Ended December 31, 2015
Balances as of January 1:				
Reserves for unpaid claims	$	32,386,168	$	115,324,366
Reserve for incentive pools		29,454,327		14,381,096
	$	61,840,495	$	129,705,462
Incurred related to:				
Current year	$	1,294,494,630	$	1,742,594,683
Prior year		(16,555,971)		(55,766,294)
	$	1,277,938,658	$	1,686,828,389
Paid (received) related to:				
Current year	$	1,555,500,252	$	1,698,700,572
Prior year		17,051,112		55,992,784
	$	1,572,551,364	$	1,754,693,356
Balances as of June 30, 2016 and December 31, 2015:				
Reserves for unpaid claims	$	32,268,928	$	32,386,168
Health Care Receivable		(265,361,140)		-
Reserve for incentive pools		320,001		29,454,327
	$	(232,772,211)	$	61,840,495

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

During the year 2016, the Company experienced $16.6 million of favorable prior year claims development, all of which related to retrospectively rated policies. This development occurred due primarily to the favorable claim run out activity related to prior years.

During 2015, the Company experienced $55.8 million of favorable prior year claims development, all of which related to retrospectively rated policies. This favorable development occurred due primarily to favorable pharmaceutical rebates related to the prior year credits to the Company by Part D Services. In addition, there were changes in the valuation of settlement amounts with CMS and favorable claim run out activity related to prior year.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

The following is a summary of the Company's Health Care and Other Amounts Receivable as of June 30, 2016 and December 31, 2015, respectively. The amounts are presented net of reinsurance ceded:

		6/30/2016		12/31/2015
Pharmaceutical Rebates Receivable	$	17,441,644	$	-
Performance Network Rebate Receivable		247,919,496		-
Total Health Care and Other Amounts Receivable	**$**	**265,361,140**	**$**	**-**

Notes to Financial Statement

28. Health Care Receivables (continued)

A. Pharmaceutical Rebates Receivables:

The Company has contracted with Part D Services for pharmaceutical rebates. Amounts recorded in the Company’s financial statements are determined based on the amounts the Part D Services has collected or expects to collect as invoiced or otherwise confirmed by Part D Services. The Company reported a health care receivable of $21.8 million and $0 million as of June 30, 2016 and December 31, 2015, respectively. All rebates are determined to be received within 90 days of billing. The pharmaceutical rebates receivables reported below are gross of reinsurance ceded.

Quarter	Estimated Pharmacy Rebates Pertaining to Current Quarter Scripts Filled and as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
6/30/2016	$ 1,523,948,498	$ 1,523,948,498	$ 1,502,146,443	$	$
3/31/2016	1,396,246,218	1,450,625,831	1,450,625,831	-	-
12/31/2015	1,350,151,915	1,356,854,000	1,356,854,000	-	-
9/30/2015	1,301,148,795	1,317,709,832	1,317,709,832	-	-
6/30/2015	1,240,858,947	1,244,560,076	1,244,560,076	-	-
3/31/2015	1,137,920,337	1,148,176,022	1,148,176,022		
12/31/2014	1,048,350,504	1,056,133,408	1,056,133,408	-	-
9/30/2014	985,349,924	1,002,630,204	1,002,630,204	-	-
6/30/2014	887,340,228	912,174,700	912,174,700	-	-
3/31/2014	840,093,937	844,796,926	844,796,926		
				-	-
12/31/2013	848,627,331	852,682,185	852,682,185	-	-
9/30/2013	810,829,528	822,402,388	822,402,388	-	-

B. Risk Sharing Receivables:

None

C. Other Healthcare Receivables:

CVS Part D Services, the Company’s pharmacy benefit manager, has a pharmacy network that includes a retrospective pharmacy network rebate (PNR). The PNR is performance based upon whether the participating pharmacies have met certain pre-established criteria in the contract. The PNR is calculated by multiplying the applicable claims with a variable network rate. The PNR agreement for 2016 has three performance measurement periods (measurement period), ending April 30, August 31, and December 31, respectively. The PNR receivables fit the category of Other Health Care Receivables per SSAP No. 84 *Health Care and Government Insured Plan Receivables*.

Part D Services is the administrator of the PNR agreement. Based on the contract with participating pharmacies, Part D Services will calculate the performance rebate amount within 2 months (calculation period) after the measurement period ends. After the calculation period is complete, Part D Services, on behalf of the Company, will invoice and collect the PNR from the participating pharmacies over a three month period (collection period). During the collection period, Part D Services holds the collected dollars until the collection period is complete. Upon completion of the collection period, during the following month Part D Services will remit all the dollars collected to the Company.

The following table is an Illustration of the PNR receivables for the current and prior plan years, net of reinsurance ceded:

Plan Year	Estimated PNR as reported on the Financial Statements	PNR as Billed or Otherwise Confirmed	Actual PNR Received Within 90 Days of Billing	Actual PNR Received Within 91 to 120 Days of Billing	Actual PNR Received More Than 120 Days After Billing
2016-YTD June	$ 247,919,496	$ -	$ -	$ -	$ -
2015	309,373,288	309,373,288	309,373,288	-	-
2014	156,363,080	156,363,080	156,363,080	-	-

29. Participating Policies

None

30. Premium Deficiency Reserves

None

31. Anticipated Salvage and Subrogation

None

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

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

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

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

2.2 If yes, date of change:

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]
If yes, complete Schedule Y, Parts 1 and 1A.

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

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

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

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

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

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

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/17/2015

6.4 By what department or departments?
State of Tennessee, Department of Commerce & Insurance

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

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

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

7.2 If yes, give full information:

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

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

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

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

GENERAL INTERROGATORIES

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

9.11 If the response to 9.1 is No, please explain:

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [X]

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

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: $

13. Amount of real estate and mortgages held in short-term investments: $

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ ] No [X]

14.2 If yes, please complete the following:

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

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [X]

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

GENERAL INTERROGATORIES

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian Address
Bank of America, N.A.	1655 Grant Street, Concord, CA 94520
Bank of America, N.A.	200 N College Street, Charlotte, NC 28255
Regions Bank	400 West Capitol, Little Rock, AR 72201
Wells Fargo Bank, N.A.	1021 E. Carry Street, MAC R3529-062 Richmond, VA 23219
US Bank	225 Water Street, Ste. 700, Jacksonville, FL 32202
Xerox State & Local Solutions, Inc.	100 Hancock Street, 10th Floor, Quincy, MA 02171

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

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

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

17.4 If yes, give full information relating thereto:

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

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

1 Central Registration Depository	2 Name(s)	3 Address

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

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:

   1.1 A&H loss percent .... 89.7 %

   1.2 A&H cost containment percent .... 0.5 %

   1.3 A&H expense percent excluding cost containment expenses .... 13.9 %

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

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

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

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

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating

NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

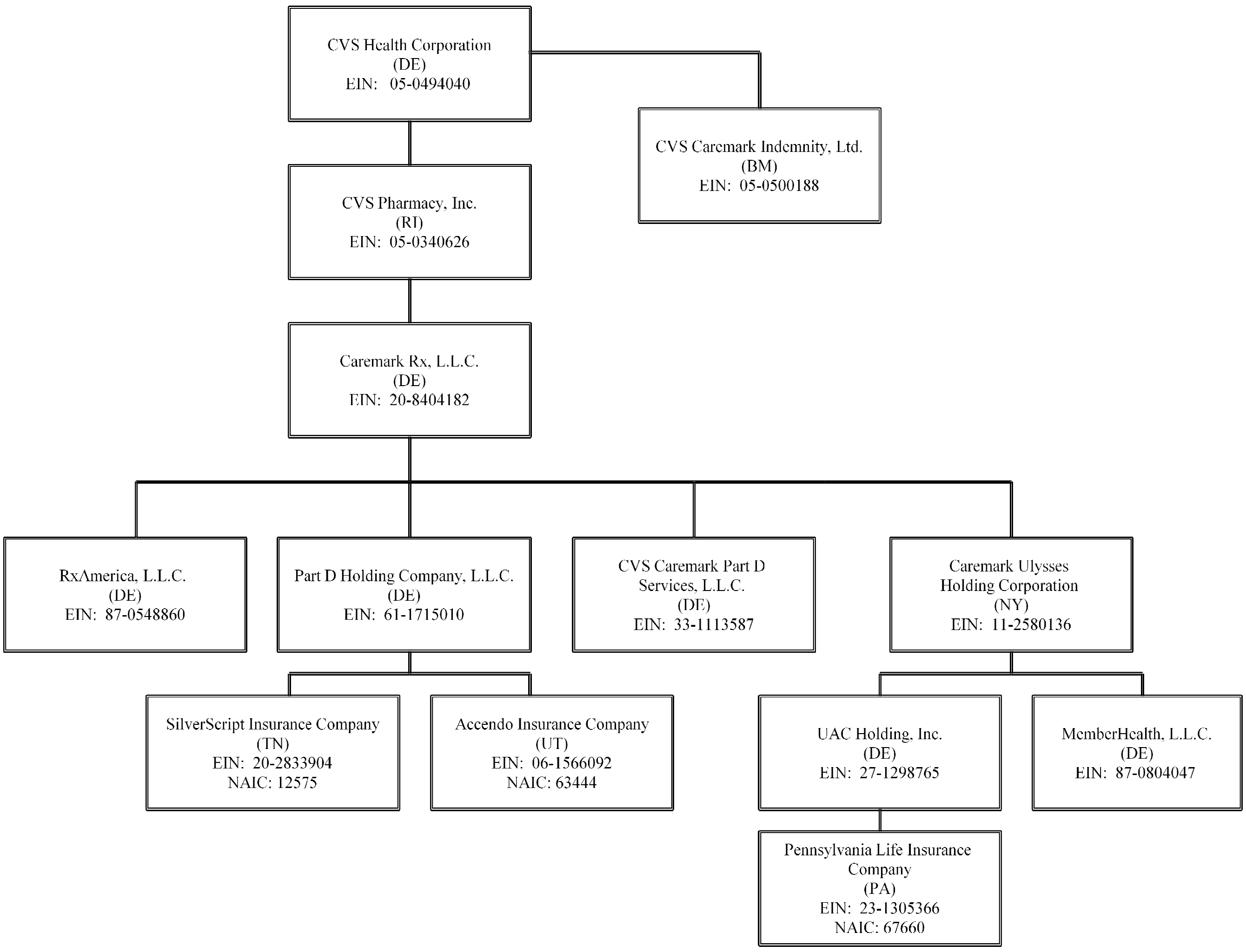
Current Year to Date - Allocated by States and Territories

	1	Direct Business Only							
		2	3	4	5	6	7	8	9
States, etc.	Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama AL	L	27,556,727						27,556,727	
2. Alaska AK	L	780,477						780,477	
3. Arizona AZ	L	17,703,444						17,703,444	
4. Arkansas AR	L	24,146,465						24,146,465	
5. California CA	L	182,749,930						182,749,930	
6. Colorado CO	L	11,010,224						11,010,224	
7. Connecticut CT	L	24,177,277						24,177,277	
8. Delaware DE	L	5,308,340						5,308,340	
9. District of Columbia DC	L	3,420,370						3,420,370	
10. Florida FL	L	74,780,512						74,780,512	
11. Georgia GA	L	56,994,247						56,994,247	
12. Hawaii HI	L	3,596,285						3,596,285	
13. Idaho ID	L	6,886,926						6,886,926	
14. Illinois IL	L	50,116,146						50,116,146	
15. Indiana IN	L	35,023,450						35,023,450	
16. Iowa IA	L	22,296,023						22,296,023	
17. Kansas KS	L	19,080,827						19,080,827	
18. Kentucky KY	L	31,534,197						31,534,197	
19. Louisiana LA	L	34,077,982						34,077,982	
20. Maine ME	L	3,154,839						3,154,839	
21. Maryland MD	L	29,275,123						29,275,123	
22. Massachusetts MA	L	58,449,833						58,449,833	
23. Michigan MI	L	40,577,660						40,577,660	
24. Minnesota MN	L	25,853,242						25,853,242	
25. Mississippi MS	L	29,226,283						29,226,283	
26. Missouri MO	L	53,649,229						53,649,229	
27. Montana MT	L	6,462,656						6,462,656	
28. Nebraska NE	L	12,717,654						12,717,654	
29. Nevada NV	L	5,618,015						5,618,015	
30. New Hampshire NH	L	5,400,181						5,400,181	
31. New Jersey NJ	L	56,644,790						56,644,790	
32. New Mexico NM	L	10,533,033						10,533,033	
33. New York NY	L	102,687,146						102,687,146	
34. North Carolina NC	L	68,214,798						68,214,798	
35. North Dakota ND	L	6,687,236						6,687,236	
36. Ohio OH	L	71,654,689						71,654,689	
37. Oklahoma OK	L	30,346,803						30,346,803	
38. Oregon OR	L	13,624,891						13,624,891	
39. Pennsylvania PA	L	75,990,004						75,990,004	
40. Rhode Island RI	L	8,985,293						8,985,293	
41. South Carolina SC	L	30,841,326						30,841,326	
42. South Dakota SD	L	6,471,618						6,471,618	
43. Tennessee TN	L	32,350,921						32,350,921	
44. Texas TX	L	90,636,140						90,636,140	
45. Utah UT	L	5,361,390						5,361,390	
46. Vermont VT	L	7,108,510						7,108,510	
47. Virginia VA	L	35,274,605						35,274,605	
48. Washington WA	L	30,019,942						30,019,942	
49. West Virginia WV	L	20,096,532						20,096,532	
50. Wisconsin WI	L	32,265,061						32,265,061	
51. Wyoming WY	L	3,110,946						3,110,946	
52. American Samoa AS	N							0	
53. Guam GU	L	8,300						8,300	
54. Puerto Rico PR	L	170,886						170,886	
55. U.S. Virgin Islands VI	L	18,457						18,457	
56. Northern Mariana Islands MP	L	1,428						1,428	
57. Canada CAN	N							0	
58. Aggregate Other Aliens OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	1,640,729,309	0	0	0	0	0	1,640,729,309	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX							0	
61. Totals (Direct Business)	(a) 55	1,640,729,309	0	0	0	0	0	1,640,729,309	0
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

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

(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



This organizational chart reflects the insurance entity reporting system and identifies the relationship between the ultimate parent and all member insurers. The ultimate controlling company is a Fortune 7 company with numerous subsidiaries, the majority of which do not interact with the insurance entities.

SCHEDULE Y
PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity/Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
4667	CVS HEALTH GRP	00000	05-0494040			NYSE	CVS Health Corporation	DE	UIP	Board of Directors	Board of Directors	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	63444	06-1566092				Accendo Insurance Company	UT	IA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	12575	20-2833904				SilverScript Insurance Company	TN	IA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	67660	23-1305366				Pennsylvania Life Insurance Co.	PA	IA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	05-0340626				CVS Pharmacy, Inc.	RI	NIA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	20-8404182				Caremark Rx., L.L.C.	DE	NIA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	61-1715010				Part D Holding Company, L.L.C.	DE	UDP	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	33-1113587				CVS Caremark Part D Services, L.L.C.	DE	NIA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	87-0548860				RxAmerica, L.L.C.	DE	NIA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	11-2580136				Caremark Ulysses Holding Corporation	NY	NIA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	87-0804047				MemberHealth L.L.C.	DE	NIA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	05-0500188				CVS Caremark Indemnity, Ltd.	BMU	IA	CVS Health Corporation	Management	100.000	CVS Health Corporation	
4667	CVS HEALTH GRP	00000	27-1298765				UAC Holding, Inc.	DE	NIA	CVS Health Corporation	Management	100.000	CVS Health Corporation	

Asterisk	Explanation

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

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

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

		1 Year to Date	2 Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	2,768,519	2,819,579
2.	Cost of bonds and stocks acquired		487,291
3.	Accrual of discount	39,693	39,632
4.	Unrealized valuation increase (decrease)		0
5.	Total gain (loss) on disposals		0
6.	Deduct consideration for bonds and stocks disposed of		560,000
7.	Deduct amortization of premium	5,152	17,983
8.	Total foreign exchange change in book/adjusted carrying value		0
9.	Deduct current year's other than temporary impairment recognized		0
10.	Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	2,803,060	2,768,519
11.	Deduct total nonadmitted amounts	300,759	262,237
12.	Statement value at end of current period (Line 10 minus Line 11)	2,502,301	2,506,282

SCHEDULE D - PART 1B

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

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	8,106,982	326,781,087	123,627,951	(1,991)	8,106,982	211,258,127		59,327,928
2. NAIC 2 (a)	0				0	0		0
3. NAIC 3 (a)	0				0	0		0
4. NAIC 4 (a)	0				0	0		0
5. NAIC 5 (a)	0				0	0		0
6. NAIC 6 (a)	281,498			19,261	281,498	300,759		262,237
7. Total Bonds	8,388,480	326,781,087	123,627,951	17,270	8,388,480	211,558,886	0	59,590,165
PREFERRED STOCK								
8. NAIC 1	0				0	0		0
9. NAIC 2	0				0	0		0
10. NAIC 3	0				0	0		0
11. NAIC 4	0				0	0		0
12. NAIC 5	0				0	0		0
13. NAIC 6	0				0	0		0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	8,388,480	326,781,087	123,627,951	17,270	8,388,480	211,558,886	0	59,590,165

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

SCHEDULE DA - PART 1

Short-Term Investments

	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year-to-Date	5 Paid for Accrued Interest Year-to-Date
9199999 Totals	208,755,826	XXX	208,755,826	2,250	

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	56,821,646	64,189,764
2. Cost of short-term investments acquired	498,218,180	1,119,642,530
3. Accrual of discount		0
4. Unrealized valuation increase (decrease)		0
5. Total gain (loss) on disposals		0
6. Deduct consideration received on disposals	346,284,000	1,127,010,648
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	208,755,826	56,821,646
11. Deduct total nonadmitted amounts		0
12. Statement value at end of current period (Line 10 minus Line 11)	208,755,826	56,821,646

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

NONE

Schedule DB - Part B - Verification - Futures Contracts

NONE

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

NONE

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

NONE

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

NONE

Schedule E - Verification - Cash Equivalents

NONE

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

NONE

Schedule A - Part 3 - Real Estate Disposed

NONE

Schedule B - Part 2 - Mortgage Loans Acquired and Additions Made

NONE

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

NONE

Schedule BA - Part 2 - Other Long-Term Invested Assets Acquired and Additions Made

NONE

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

NONE

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

NONE

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

NONE

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

NONE

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

NONE

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

NONE

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

NONE

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

NONE

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

NONE

Schedule DL - Part 1 - Reinvested Collateral Assets Owned

NONE

Schedule DL - Part 2 - Reinvested Collateral Assets Owned

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1	2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
					6	7	8	
Depository	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	First Month	Second Month	Third Month	*
Bank of America Concord, CA					(2,408,014)	(1,248,857)	(2,287,914)	XXX
0199998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Open Depositories	XXX	XXX						XXX
0199999. Totals - Open Depositories	XXX	XXX	0	0	(2,408,014)	(1,248,857)	(2,287,914)	XXX
0299998. Deposits in ... depositories that do not exceed the allowable limit in any one depository (See instructions) - Suspended Depositories	XXX	XXX						XXX
0299999. Totals - Suspended Depositories	XXX	XXX	0	0	0	0	0	XXX
0399999. Total Cash on Deposit	XXX	XXX	0	0	(2,408,014)	(1,248,857)	(2,287,914)	XXX
0499999. Cash in Company's Office	XXX	XXX	XXX	XXX				XXX
0599999. Total - Cash	XXX	XXX	0	0	(2,408,014)	(1,248,857)	(2,287,914)	XXX

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due and Accrued	8 Amount Received During Year
NONE							
8699999 - Total Cash Equivalents							

SUPPLEMENT FOR THE QUARTER ENDING JUNE 30, 2016 OF THE SilverScript Insurance Company

MEDICARE PART D COVERAGE SUPPLEMENT

(Net of Reinsurance)

NAIC Group Code 4667 NAIC Company Code 12575

	Individual Coverage		Group Coverage		5
	1 Insured	2 Uninsured	3 Insured	4 Uninsured	Total Cash
1. Premiums Collected	1,272,305,090	XXX	22,061,093	XXX	1,294,366,183
2. Earned Premiums	1,414,839,946	XXX	18,697,477	XXX	XXX
3. Claims Paid	1,555,318,336	XXX	17,233,028	XXX	1,572,551,364
4. Claims Incurred	1,261,832,150	XXX	16,106,508	XXX	XXX
5. Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a)	XXX	(887,900,464)	XXX	115,931,771	(771,968,693)
6. Aggregate Policy Reserves - Change		XXX		XXX	XXX
7. Expenses Paid	172,648,189	XXX	2,281,591	XXX	174,929,780
8. Expenses Incurred	203,708,358	XXX	2,692,059	XXX	XXX
9. Underwriting Gain or Loss	(50,700,562)	XXX	(101,090)	XXX	XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	318,853,732

(a) Uninsured Receivable/Payable with CMS at End of Quarter: $ 1,733,455,765 due from CMS or $ 809,036,503 due to CMS