



# HEALTH ANNUAL STATEMENT

AS OF DECEMBER 31, 2021  
OF THE CONDITION AND AFFAIRS OF THE

## SilverScript Insurance Company

NAIC Group Code 0001 0001 NAIC Company Code 12575 Employer's ID Number 20-2833904  
(Current) (Prior)

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

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health

Is HMO Federally Qualified? Yes [ ] No [ ]

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

Statutory Home Office 1021 Reams Fleming Boulevard Franklin, TN, US 37064  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 1021 Reams Fleming Boulevard Franklin, TN, US 37064 615-807-7500  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1021 Reams Fleming Boulevard Franklin, TN, US 37064  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1021 Reams Fleming Boulevard Franklin, TN, US 37064 615-807-7500  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.silverscript.com

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

**OFFICERS**

President Terri Ann Swanson Controller Xiaoqi Wang  
Vice President and Secretary Edward Chung-I Lee

**OTHER**

Derek Scott Blunt, Senior Investment Officer # Jeffrey James Drzazgowski, Appointed Actuary Tracy Louise Smith, Vice President and Treasurer

**DIRECTORS OR TRUSTEES**

Peter Andrew Charles Robert Sean Healy Tracy Louise Smith  
Terri Ann Swanson

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.

Terri Ann Swanson  
President

Edward Chung-I Lee  
Vice President and Secretary

Xiaoqi Wang  
Controller

State of..... Pennsylvania  
County of..... Montgomery

Subscribed and sworn to before me this  
24th day of January, 2022

NOTARY PUBLIC (Seal)

Commonwealth of Pennsylvania - Notary Seal  
KIM E. ROTH, Notary Public  
Montgomery County  
My Commission Expires April 25, 2025  
Commission Number 1141410

State of..... Connecticut  
County of..... Hartford

Subscribed and sworn to before me this  
3th day of February, 2022

NOTARY PUBLIC (Seal)

CYNTHIA MONTANO  
Notary Public, State of Connecticut  
My Commission Expires Mar. 31, 2026

State of..... Pennsylvania  
County of..... Montgomery

Subscribed and sworn to before me this  
10th day of February, 2022

NOTARY PUBLIC (Seal)

Commonwealth of Pennsylvania - Notary Seal  
KIM E. ROTH, Notary Public  
Montgomery County  
My Commission Expires April 25, 2025  
Commission Number 1141410

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	3,914,481		3,914,481	4,128,827
2. Stocks (Schedule D):				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ encumbrances) .....			0	0
5. Cash (\$ .....(20,623,320) , Schedule E - Part 1), cash equivalents (\$ .....325,323,875 , Schedule E - Part 2) and short-term investments (\$ ..... , Schedule DA) .....	304,700,555		304,700,555	216,364,578
6. Contract loans, (including \$ ..... premium notes) .....			0	0
7. Derivatives (Schedule DB) .....			0	0
8. Other invested assets (Schedule BA) .....			0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0	0
11. Aggregate write-ins for invested assets .....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	308,615,036	0	308,615,036	220,493,405
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	26,218		26,218	30,844
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	33,273,626	11,698,934	21,574,692	22,489,219
15.2 Deferred premiums and 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 (\$ ..... 20,914,093 ) .....	20,914,093		20,914,093	25,945,538
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....	69,324,189		69,324,189	147,239,147
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	2,452,415,618	139,392	2,452,276,226	1,607,836,892
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
18.2 Net deferred tax asset .....	101,822,857	1,741,220	100,081,637	93,366,157
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 .....	158,149,889	266,111	157,883,778	196,792,635
24. Health care (\$ ..... 257,182,167 ) and other amounts receivable .....	257,190,032	64,305,373	192,884,659	548,098,366
25. Aggregate write-ins for other than invested assets .....	2,910,647	2,910,647	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,404,642,205	81,061,677	3,323,580,528	2,862,292,203
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	3,404,642,205	81,061,677	3,323,580,528	2,862,292,203
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Prepaid Expenses .....	2,910,647	2,910,647	0	0
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	2,910,647	2,910,647	0	0

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ .....0 reinsurance ceded).....	24		24	22
2. Accrued medical incentive pool and bonus amounts.....			0	0
3. Unpaid claims adjustment expenses.....			0	0
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act.....	32,193,615		32,193,615	50,820,365
5. Aggregate life policy reserves.....			0	0
6. Property/casualty unearned premium reserves.....			0	0
7. Aggregate health claim reserves.....			0	0
8. Premiums received in advance.....	33,160,290		33,160,290	25,113,643
9. General expenses due or accrued.....	6,941,321		6,941,321	8,046,898
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)).....	16,297,613		16,297,613	62,558,646
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....	45,785,884		45,785,884	45,302,841
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 \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers).....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies.....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	0
22. Liability for amounts held under uninsured plans.....	2,145,192,518		2,145,192,518	1,663,730,285
23. Aggregate write-ins for other liabilities (including \$ current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	2,279,571,265	0	2,279,571,265	1,855,572,700
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	2,750,000	2,750,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	124,750,000	124,750,000
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	916,509,263	879,219,503
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	1,044,009,263	1,006,719,503
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	3,323,580,528	2,862,292,203
<b>DETAILS OF WRITE-INS</b>				
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above).....	0	0	0	0
2501. Section 9010 Special Surplus.....	XXX	XXX		0
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above).....	XXX	XXX	0	0
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above).....	XXX	XXX	0	0

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	53,237,344	50,816,547
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	1,636,739,792	2,128,084,717
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	13,595,305	31,117,775
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	16,257,334	24,132,267
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	1,666,592,431	2,183,334,759
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		2,876	6,720
10. Other professional services .....		0	
11. Outside referrals .....		0	
12. Emergency room and out-of-area .....		0	
13. Prescription drugs .....		1,528,454,926	2,098,845,437
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		173,946	846,331
16. Subtotal (Lines 9 to 15) .....	0	1,528,631,748	2,099,698,488
<b>Less:</b>			
17. Net reinsurance recoveries .....		287,767,934	410,908,916
18. Total hospital and medical (Lines 16 minus 17) .....	0	1,240,863,814	1,688,789,572
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ ..... 22,378,000 cost containment expenses .....		158,478,536	76,484,826
21. General administrative expenses .....		167,392,628	280,641,765
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		0	0
23. Total underwriting deductions (Lines 18 through 22) .....	0	1,566,734,978	2,045,916,163
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	99,857,453	137,418,596
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		124,917	2,328,069
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(28,022)	199,412
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	96,895	2,527,481
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... 203,372 ) (amount charged off \$ ..... (38,909,457) )] .....		(38,706,085)	(2,655,932)
29. Aggregate write-ins for other income or expenses .....	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	61,248,263	137,290,145
31. Federal and foreign income taxes incurred .....	XXX	16,297,612	62,558,629
32. Net income (loss) (Lines 30 minus 31) .....	XXX	44,950,651	74,731,516
<b>DETAILS OF WRITE-INS</b>			
0601. Enhanced Medication Therapy Management (eMTM) revenue from CMS .....	XXX	16,257,334	24,132,267
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	16,257,334	24,132,267
0701. ....	XXX		0
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			0
1402. ....			0
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. ....			0
2902. ....			0
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	0	0

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	1,006,719,503	1,128,229,548
34. Net income or (loss) from Line 32.....	44,950,651	74,731,516
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.....	6,455,566	25,456,779
39. Change in nonadmitted assets.....	(14,116,458)	(21,698,336)
40. Change in unauthorized and certified reinsurance.....	0	0
41. Change in treasury stock.....	0	0
42. Change in surplus notes.....	0	0
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in.....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....	0	0
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		(200,000,000)
47. Aggregate write-ins for gains or (losses) in surplus.....	1	(4)
48. Net change in capital and surplus (Lines 34 to 47).....	37,289,760	(121,510,045)
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,044,009,263	1,006,719,503
<b>DETAILS OF WRITE-INS</b>		
4701. Rounding.....	1	(4)
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	1	(4)

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	1,642,714,898	2,116,733,525
2. Net investment income .....	145,955	3,333,217
3. Miscellaneous income .....	16,257,334	24,132,267
4. Total (Lines 1 through 3) .....	1,659,118,187	2,144,199,009
5. Benefit and loss related payments .....	940,232,595	1,865,193,032
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	568,160,882	177,194,154
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	62,558,645	67,792,025
10. Total (Lines 5 through 9) .....	1,570,952,122	2,110,179,211
11. Net cash from operations (Line 4 minus Line 10) .....	88,166,065	34,019,798
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	3,500,000	199,401
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	(3)	.11
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	3,499,997	199,412
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	3,330,085	0
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	3,330,085	0
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	169,912	199,412
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	200,000,000
16.6 Other cash provided (applied) .....	0	0
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	0	(200,000,000)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	88,335,977	(165,780,790)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	216,364,578	382,145,368
19.2 End of year (Line 18 plus Line 19.1) .....	304,700,555	216,364,578

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

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	1,636,739,792		9,962						1,636,729,830	
2. Change in unearned premium reserves and reserve for rate credit	13,595,305		41						13,595,264	
3. Fee-for-service (net of \$ medical expenses)	0									XXX
4. Risk revenue	0									XXX
5. Aggregate write-ins for other health care related revenues	16,257,334	0	0	0	0	0	0	0	16,257,334	XXX
6. Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6)	1,666,592,431	0	10,003	0	0	0	0	0	1,666,582,428	0
8. Hospital/medical benefits	2,876		2,876							XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	1,528,454,926								1,528,454,926	XXX
13. Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts	173,946								173,946	XXX
15. Subtotal (Lines 8 to 14)	1,528,631,748	0	2,876	0	0	0	0	0	1,528,628,872	XXX
16. Net reinsurance recoveries	287,767,934								287,767,934	XXX
17. Total medical and hospital (Lines 15 minus 16)	1,240,863,814	0	2,876	0	0	0	0	0	1,240,860,938	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 22,378,000 cost containment expenses	158,478,536		2						158,478,534	
20. General administrative expenses	167,392,628		650,091						166,742,537	
21. Increase in reserves for accident and health contracts	0									XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	1,566,734,978	0	652,969	0	0	0	0	0	1,566,082,009	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	99,857,453	0	(642,966)	0	0	0	0	0	100,500,419	0
DETAILS OF WRITE-INS										
0501. Enhanced Medication Therapy Management (eMTM) revenue from CMS	16,257,334								16,257,334	XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	16,257,334	0	0	0	0	0	0	0	16,257,334	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....				0
2. Medicare Supplement .....	9,962			9,962
3. Dental only .....				0
4. Vision only .....				0
5. Federal Employees Health Benefits Plan .....	0			0
6. Title XVIII - Medicare .....	0			0
7. Title XIX - Medicaid .....	0			0
8. Other health .....	2,050,103,349		413,373,519	1,636,729,830
9. Health subtotal (Lines 1 through 8) .....	2,050,113,311	0	413,373,519	1,636,739,792
10. Life .....	0			0
11. Property/casualty .....	0			0
12. Totals (Lines 9 to 11)	2,050,113,311	0	413,373,519	1,636,739,792

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	1,152,668,780		2,874						1,152,665,906	
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	287,733,145								287,733,145	
1.4 Net	864,935,635	0	2,874	0	0	0	0	0	864,932,761	0
2. Paid medical incentive pools and bonuses	139,157								139,157	
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	24	0	24	0	0	0	0	0	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	24	0	24	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	0									
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	0									
6. Net healthcare receivables (a)	(375,789,020)								(375,789,020)	
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	22	0	22	0	0	0	0	0	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	22	0	22	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	0									
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0									
12. Incurred Benefits:										
12.1 Direct	1,528,457,802	0	2,876	0	0	0	0	0	1,528,454,926	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	287,733,145	0	0	0	0	0	0	0	287,733,145	0
12.4 Net	1,240,724,657	0	2,876	0	0	0	0	0	1,240,721,781	0
13. Incurred medical incentive pools and bonuses	139,157	0	0	0	0	0	0	0	139,157	0

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	24		24							
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	0									
1.4 Net .....	24	0	24	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1 Direct .....	0									
2.2 Reinsurance assumed .....	0									
2.3 Reinsurance ceded .....	0									
2.4 Net .....	0	0	0	0	0	0	0	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	0									
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct .....	24	0	24	0	0	0	0	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	24	0	24	0	0	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....					0	0
2. Medicare Supplement .....	173	2,700	0	24	173	22
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 .....	(536,562,198)	1,476,652,763			(536,562,198)	0
9. Health subtotal (Lines 1 to 8) .....	(536,562,025)	1,476,655,463	0	24	(536,562,025)	22
10. Healthcare receivables (a) .....		257,190,032			0	557,821,249
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	139,157				139,157	0
13. Totals (Lines 9 - 10 + 11 + 12)	(536,422,868)	1,219,465,431	0	24	(536,422,868)	(557,821,227)

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

**Section A - Paid Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	0	0	0	0	
2. 2017 .....					
3. 2018 .....	XXX				
4. 2019 .....	XXX	XXX			
5. 2020 .....	XXX	XXX	XXX	7	7
6. 2021 .....	XXX	XXX	XXX	XXX	3

**Section B - Incurred Health Claims - Medicare Supplement**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior .....	0	0	0	0	
2. 2017 .....					
3. 2018 .....	XXX				
4. 2019 .....	XXX	XXX			
5. 2020 .....	XXX	XXX	XXX	7	7
6. 2021 .....	XXX	XXX	XXX	XXX	3

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Medicare Supplement**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....				0.0	0	0.0			0	0.0
2. 2018 .....				0.0	0	0.0			0	0.0
3. 2019 .....				0.0	0	0.0			0	0.0
4. 2020 .....	6	7		0.0	7	116.7			7	116.7
5. 2021 .....	10	3		0.0	3	30.0			3	30.0

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

**Section A - Paid Health Claims - Other**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	(52,954)	(47,617)	(48,696)	(55,774)	(58,752)
2.	2017 .....	2,311,010	2,305,014	2,301,737	2,281,903	2,287,086
3.	2018 .....	XXX	2,252,425	2,238,481	2,218,983	2,229,718
4.	2019 .....	XXX	XXX	2,097,023	2,122,350	2,127,781
5.	2020 .....	XXX	XXX	XXX	1,709,867	1,712,893
6.	2021 .....	XXX	XXX	XXX	XXX	1,219,463

**Section B - Incurred Health Claims - Other**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	(50,128)	(46,623)	(48,696)	(55,774)	(58,752)
2.	2017 .....	2,313,855	2,307,424	2,301,737	2,281,903	2,287,086
3.	2018 .....	XXX	2,256,512	2,238,481	2,218,983	2,229,718
4.	2019 .....	XXX	XXX	2,097,023	2,122,350	2,127,781
5.	2020 .....	XXX	XXX	XXX	1,709,867	1,712,893
6.	2021 .....	XXX	XXX	XXX	XXX	1,219,463

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....	2,863,027	2,287,086	90,920	4.0	2,378,006	83.1			2,378,006	83.1
2. 2018 .....	2,693,112	2,229,718	80,894	3.6	2,310,612	85.8			2,310,612	85.8
3. 2019 .....	2,553,547	2,127,781	75,866	3.6	2,203,647	86.3			2,203,647	86.3
4. 2020 .....	2,159,197	1,712,893	86,060	5.0	1,798,953	83.3			1,798,953	83.3
5. 2021 .....	1,650,325	1,219,463	144,805	11.9	1,364,268	82.7			1,364,268	82.7

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**

(\$000 Omitted)

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	(52,954)	(47,617)	(48,696)	(55,774)	(58,752)
2.	2017 .....	2,311,010	2,305,014	2,301,737	2,281,903	2,287,086
3.	2018 .....	XXX	2,252,425	2,238,481	2,218,983	2,229,718
4.	2019 .....	XXX	XXX	2,097,023	2,122,350	2,127,781
5.	2020 .....	XXX	XXX	XXX	1,709,874	1,712,900
6.	2021 .....	XXX	XXX	XXX	XXX	1,219,466

**Section B - Incurred Health Claims - Grand Total**

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2017	2 2018	3 2019	4 2020	5 2021
1.	Prior .....	(50,128)	(46,623)	(48,696)	(55,774)	(58,752)
2.	2017 .....	2,313,855	2,307,424	2,301,737	2,281,903	2,287,086
3.	2018 .....	XXX	2,256,512	2,238,481	2,218,983	2,229,718
4.	2019 .....	XXX	XXX	2,097,023	2,122,350	2,127,781
5.	2020 .....	XXX	XXX	XXX	1,709,874	1,712,900
6.	2021 .....	XXX	XXX	XXX	XXX	1,219,466

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2017 .....	2,863,027	2,287,086	90,920	4.0	2,378,006	83.1	0	0	2,378,006	83.1
2. 2018 .....	2,693,112	2,229,718	80,894	3.6	2,310,612	85.8	0	0	2,310,612	85.8
3. 2019 .....	2,553,547	2,127,781	75,866	3.6	2,203,647	86.3	0	0	2,203,647	86.3
4. 2020 .....	2,159,203	1,712,900	86,060	5.0	1,798,960	83.3	0	0	1,798,960	83.3
5. 2021 .....	1,650,335	1,219,466	144,805	11.9	1,364,271	82.7	0	0	1,364,271	82.7

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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	59		59						
2. Additional policy reserves (a) .....	0								
3. Reserve for future contingent benefits .....	0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....	32,559,620								32,559,620
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	32,559,679	0	59	0	0	0	0	0	32,559,620
7. Reinsurance ceded .....	366,064								366,064
8. Totals (Net)(Page 3, Line 4) .....	32,193,615	0	59	0	0	0	0	0	32,193,556
9. Present value of amounts not yet due on claims .....	0								
10. Reserve for future contingent benefits .....	0								
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0								
14. Totals (Net)(Page 3, Line 7) .....	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above) .....	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ ..... for occupancy of own building) .....					0
2. Salary, wages and other benefits .....			60,601,164		60,601,164
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			98,864,651		98,864,651
4. Legal fees and expenses .....					0
5. Certifications and accreditation fees .....					0
6. Auditing, actuarial and other consulting services .....			500,000		500,000
7. Traveling expenses .....			3,301		3,301
8. Marketing and advertising .....			5,645,390		5,645,390
9. Postage, express and telephone .....			632,758		632,758
10. Printing and office supplies .....			3,155,110		3,155,110
11. Occupancy, depreciation and amortization .....					0
12. Equipment .....					0
13. Cost or depreciation of EDP equipment and software .....					0
14. Outsourced services including EDP, claims, and other services .....	1,876,744	2	3,607,399		5,484,145
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....					0
17. Collection and bank service charges .....			2,548,003		2,548,003
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....	(13,328,602)	(76,257,083)	(19,665,822)		(109,251,507)
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....			(46,649)		(46,649)
23.2 State premium taxes .....			230,487		230,487
23.3 Regulatory authority licenses and fees .....			7,607,699		7,607,699
23.4 Payroll taxes .....			110,545		110,545
23.5 Other (excluding federal income and real estate taxes) .....			36,251		36,251
24. Investment expenses not included elsewhere .....					0
25. Aggregate write-ins for expenses .....	33,829,858	212,357,617	3,562,341	0	249,749,816
26. Total expenses incurred (Lines 1 to 25) .....	22,378,000	136,100,536	167,392,628	0	(a) 325,871,164
27. Less expenses unpaid December 31, current year .....			6,941,321		6,941,321
28. Add expenses unpaid December 31, prior year .....			8,046,898		8,046,898
29. Amounts receivable relating to uninsured plans, prior year .....	958,243	2,455,497	6,568,031		9,981,771
30. Amounts receivable relating to uninsured plans, current year .....	1,077,690	6,165,802	1,590,089		8,833,581
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	22,497,447	139,810,841	163,520,263	0	325,828,551
<b>DETAILS OF WRITE-INS</b>					
2501. Related party PBM Management fees .....	39,465,013	226,004,992	58,558,938		324,028,943
2502. CMS fees .....			7,543,322		7,543,322
2503. Reinsurance Expense ceded-related party .....	(5,635,155)	(13,647,375)	(62,539,919)		(81,822,449)
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	33,829,858	212,357,617	3,562,341	0	249,749,816

(a) Includes management fees of \$ 491,584,859 to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 55,546	54,927
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 9,623	9,623
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract Loans		
6. Cash, cash equivalents and short-term investments	(e) 64,374	60,367
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	129,543	124,917
11. Investment expenses		(g) 0
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		0
16. Total deductions (Lines 11 through 15)		0
17. Net investment income (Line 10 minus Line 16)		124,917
<b>DETAILS OF WRITE-INS</b>		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 4,565 accrual of discount less \$ 20,977 amortization of premium and less \$ 900 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	(28,019)	(28,019)	0	0
1.1 Bonds exempt from U.S. tax			0		
1.2 Other bonds (unaffiliated)	0	0	0	0	0
1.3 Bonds of affiliates	0	0	0	0	0
2.1 Preferred stocks (unaffiliated)	0	0	0	0	0
2.11 Preferred stocks of affiliates	0	0	0	0	0
2.2 Common stocks (unaffiliated)	0	0	0	0	0
2.21 Common stocks of affiliates	0	0	0	0	0
3. Mortgage loans		0	0	0	0
4. Real estate		0	0	0	0
5. Contract loans		0	0	0	0
6. Cash, cash equivalents and short-term investments		(3)	(3)		
7. Derivative instruments		0	0		
8. Other invested assets		0	0	0	0
9. Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10. Total capital gains (losses)	0	(28,022)	(28,022)	0	0
<b>DETAILS OF WRITE-INS</b>					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens .....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income .....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	0	0	0
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	11,698,934	47,418,951	35,720,017
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....	139,392	84,896	(54,496)
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....	1,741,220	2,001,134	259,914
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....			0
21. Furniture and equipment, including health care delivery assets .....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....	266,111	266,111	0
24. Health care and other amounts receivable .....	64,305,373	9,722,883	(54,582,490)
25. Aggregate write-ins for other than invested assets .....	2,910,647	7,451,244	4,540,597
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	81,061,677	66,945,219	(14,116,458)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	81,061,677	66,945,219	(14,116,458)
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Prepaid expenses .....	2,910,647	7,451,244	4,540,597
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	2,910,647	7,451,244	4,540,597

**EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....						
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....	4,147,425	4,434,987	4,417,837	4,450,654	4,481,262	53,237,344
7. Total	4,147,425	4,434,987	4,417,837	4,450,654	4,481,262	53,237,344
<b>DETAILS OF WRITE-INS</b>						
0601. Medicare Part D .....	4,147,419	4,434,981	4,417,831	4,450,648	4,481,257	53,237,274
0602. Medicare Supplement .....	6	6	6	6	5	70
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	4,147,425	4,434,987	4,417,837	4,450,654	4,481,262	53,237,344

# 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” or (TDCI)).

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:

<u>NET INCOME:</u>	<u>SSAP#</u>	<u>F/S Page</u>	<u>F/S Line#</u>	<u>Year Ending December 31, 2021</u>	<u>Year Ending December 31, 2020</u>
(1) SilverScript State Basis (Page 4, Line 32, Column 2 & 4)				\$ 44,950,651	\$ 74,731,516
(2) State Prescribed Practices that increase (decrease) NAIC SAP					
(3) State Permitted Practices that increase (decrease) NAIC SAP					
(4) NAIC SAP (1-2-3=4)				\$ 44,950,651	\$ 74,731,516
<u>SURPLUS:</u>				<u>December 31, 2021</u>	<u>December 31, 2020</u>
(5) SilverScript State Basis (Page 3, Line 33, Column 3 & 4)				\$ 1,044,009,263	\$ 1,006,719,503
(6) State Prescribed Practices that increase (decrease) NAIC SAP					
(7) State Permitted Practices that increase (decrease) NAIC SAP				-	
(8) NAIC SAP (5-6-7=8)				\$ 1,044,009,263	\$ 1,006,719,503

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

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

### C. Accounting Policy

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

- (1) Short-term investments, including bonds with an original purchase maturity date of less than one year but greater than three months, are stated at amortized cost using the scientific interest method of amortization on premiums or discounts. Cash Equivalents include money market holdings that are stated at fair value, and bonds with an original purchase maturity date of less than three months that are stated at amortized cost using the scientific interest method of amortization on premiums or discounts and are classified as cash equivalents.

# Notes to Financial Statement

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

- (2) Bonds with an original purchase maturity date greater than one year are stated at amortized cost using the scientific interest method of amortization on premiums or discounts. For the years ending December 31, 2021 and 2020, the Company recognized a capital loss of \$28 thousand and a capital gain of \$199 thousand, respectively, primarily as a result of the impairments of the bonds.
- (3) As of December 31, 2021 and 2020, 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
- (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. Incurred but not reported claims (IBNR) are estimated based on historical experience. Prescription drug claims under Medicare Part D business are typically reported and adjudicated within a very short period of time and the unreported claims are negligible.
- (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 affiliate of the Parent Company, expects to collect from various pharmaceutical manufacturers.

D. Going Concern: Not Applicable

## 2. Accounting Changes and Corrections of Errors

Accounting Changes: None

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
- E. Subcomponents and Calculation of Adjusted Surplus and Total Admitted Goodwill: 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. Dollar Repurchase Agreements and/or Securities Lending Transactions: None
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing: None
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing: None
- H. Repurchase Agreements Transactions Accounted for as a Sale: None

# Notes to Financial Statement

## 5. Investments (continued)

- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale: None
- J. Real Estate: None
- K. Low-Income Housing Tax Credits (“LIHTC”): None
- L. Restricted Assets:

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase/(Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets	7 Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.000 %	0.000 %
b. Collateral held under security lending agreements	0	0	0	0	0	0.000	0.000
c. Subject to repurchase agreements	0	0	0	0	0	0.000	0.000
d. Subject to reverse repurchase agreements	0	0	0	0	0	0.000	0.000
e. Subject to dollar repurchase agreements	0	0	0	0	0	0.000	0.000
f. Subject to dollar reverse repurchase agreements	0	0	0	0	0	0.000	0.000
g. Placed under option contracts	0	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	0.000	0.000
i. FHLB capital stock	0	0	0	0	0	0.000	0.000
j. On deposit with states	3,304,125	3,337,609	(33,484)	0	3,304,125	0.097	0.099
k. On deposit with other regulatory bodies	610,356	631,333	(20,977)	0	610,356	0.018	0.018
l. Pledged collateral to FHLB (including assets backing funding agreements)	0	0	0	0	0	0.000	0.000
m. Pledged as collateral not captured in other categories	0	0	0	0	0	0.000	0.000
n. Other restricted assets	0	0	0	0	0	0.000	0.000
o. Total Restricted Assets	\$ 3,914,481	\$ 3,968,942	\$ (54,461)	0	\$ 3,914,481	0.115%	0.118%

- (1) Restricted Assets (Including Pledged)
- (2) Detail of Assets Pledged as Collateral Not Captured in Other categories: None
- (3) Detail of Other Restricted Assets: None
- (4) Collateral received and reflected as assets within the reporting entity’s financial statements: None

- M. Working Capital Finance Investments: None
- N. Offsetting and Netting of Assets and Liabilities: None
- O. 5GI Securities: None
- P. Short Sales: None

# Notes to Financial Statement

## 5. Investments (continued)

- Q. Prepayment Penalty and Acceleration Fees: None
- R. Reporting Entity's Share of Cash Pool by Asset Type.

Asset Type	Percent Share
(1) Cash	-6.8%
(2) Cash Equivalents	106.8%
(3) Short Term Investments	0.0%
(4) Total	100.0%

## 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

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

(1) DTA/DTL Components

Description	2021 Ordinary	2020 Ordinary	Change Ordinary
(a) Gross deferred tax assets	\$ 101,868,602	\$ 95,423,832	\$ 6,444,770
(b) Statutory valuation allowance adjustment	-	-	-
(c) Adjusted gross deferred tax assets	101,868,602	95,423,832	6,444,770
(d) Adjusted gross deferred tax assets non-admitted	(1,741,220)	(2,001,134)	259,914
(e) Sub-total admitted adjusted gross deferred tax asset	100,127,382	93,422,698	6,704,684
(f) Gross deferred tax liabilities	(45,745)	(56,541)	10,796
(g) Net admitted deferred tax asset/(liability)	\$ 100,081,637	\$ 93,366,157	\$ 6,715,480

(2) Admission calculation components:

Description	2021 Ordinary	2020 Ordinary	Change Ordinary
<b>Admission calculation under ¶11.a.-¶11.c.</b>			
(a) Admitted pursuant to ¶11.a. (loss carrybacks)	\$ 54,940,131	\$ 74,449,097	\$ (19,508,966)
(b) Admitted pursuant to ¶11.b. (Realization)	45,141,507	18,917,060	26,224,447
Realization per ¶11.b.i.	-	-	-
Limitation per ¶11.b.ii.	141,589,144	137,003,002	4,586,142
(c) Admitted pursuant to ¶11.c.	45,745	56,541	(10,796)
Deferred tax liabilities	(45,745)	(56,541)	10,796
(d) Total admitted adjusted gross deferred tax asset	\$ 100,127,382	\$ 93,422,698	\$ 6,704,684

(3) Used in ¶11.b

# Notes to Financial Statement

## 9. Income Taxes (continued)

- (a) Applicable ratio for realization limitation threshold table 1,797.80% and 1,168.33% for 2021 and 2020, respectively.
- (b) Adjusted Capital and Surplus used to determine recovery period and threshold limitation of \$943,927,626 and \$1,006,719,503 for 2021 and 2020, respectively.
- (4) There is no impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs.

B. The Company does not have any unrecorded DTLs.

C. Significant components of income taxes incurred.

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

Description	2021	2020
(a) Current federal income tax expense / (benefit)	\$ 16,297,612	\$ 62,558,645
(b) Foreign Income tax expense / (benefit)	-	-
(c) Subtotal	16,297,612	62,558,645
Tax expense / (benefit) on realized capital gains /		
(d) (losses)	-	-
(e) Utilization of capital loss carryforwards	-	-
(f) Other, including prior year underaccrual/(overaccrual)	-	(16)
(g) Federal and foreign income taxes incurred	<u>\$ 16,297,612</u>	<u>\$ 62,558,629</u>

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

- (2) DTAs Resulting From

Book/Tax Differences In	December 31, 2021	December 31, 2020	Change
<b>(a) Ordinary</b>			
(1) Discounting of unpaid losses and LAE	\$ -	\$ -	\$ -
(2) Unearned premiums	1,392,732	1,054,773	337,959
(3) Intangibles	2,566,965	2,839,421	(272,456)
(4) Allowance-Manufacturer	81,210,167	77,855,758	3,354,408
(5) Nonadmitted Assets	16,657,296	13,638,258	3,019,038
(6) Net operating loss carryforward	-	-	-
(7) Accrued Medical Incentive Pool	-	-	-
Subtotal - Gross ordinary DTAs	\$ 101,827,160	\$ 95,388,210	\$ 6,438,949
(b) Statutory valuation adjustment - ordinary (-)	-	-	-
(c) Nonadmitted ordinary DTAs (-)	<u>(1,699,778)</u>	<u>(1,965,512)</u>	<u>265,735</u>
(d) Admitted ordinary DTAs	\$ 100,127,382	\$ 93,422,698	\$ 6,704,684
<b>(e) Capital</b>			
(1) Investments	\$ 41,443	\$ 35,621	\$ 5,821
Gross Capital DTAs	41,443	35,621	5,821
(f) Statutory valuation adjustment	-	-	-
(g) Nonadmitted capital DTAs (-)	(41,443)	(35,621)	(5,821)
(h) Admitted capital DTAs	<u>-</u>	<u>-</u>	<u>-</u>
Admitted DTAs	<u>\$ 100,127,382</u>	<u>\$ 93,422,698</u>	<u>\$ 6,704,684</u>

- (3) DTLs Resulting From

# Notes to Financial Statement

## 9. Income Taxes (continued)

<u>Book/Tax</u>	<u>Differences In</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>Change</u>
(a)	<b>Ordinary</b>			
(1)	Investments	\$ (368)	\$ (621)	\$ 252
(1)	Goodwill	\$ (41,657)	\$ (51,270)	\$ 9,613
(5)	Other (including items <5% of total Ordinary tax liabilities)	\$ (3,720)	\$ (4,650)	\$ 930
(99)	Ordinary DTLs	\$ (45,745)	\$ (56,541)	\$ 10,796
(c)	<b>DTLs</b>	\$ (45,745)	\$ (56,541)	\$ 10,796
(4)	Net deferred tax assets/liabilities	\$ 100,081,637	\$ 93,366,157	\$ 6,715,480

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

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>Bal. Sheet</u> <u>Change</u>
Total deferred tax assets	\$ 101,868,602	\$ 95,423,832	\$ 6,444,770
Total deferred tax liabilities	(45,745)	(56,541)	10,796
Net deferred tax assets/liabilities	\$ 101,822,857	\$ 95,367,291	\$ 6,455,566
Statutory valuation allowance adjustment	-	-	-
Net deferred tax assets/liabilities after SVA	\$ 101,822,857	\$ 95,367,291	\$ 6,455,566
Tax effect of unrealized gains/(losses)			-
Statutory valuation allowance adjustment allocated to unrealized (+)			-
Other intra-period allocation of deferred tax movement			-
Change in net deferred income tax (charge)/benefit			\$ 6,455,566

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

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

The significant items causing this difference are as follows:

<u>Description</u>	<u>Amount</u>	<u>Statutory</u> <u>21%</u> <u>Tax Effect</u>	<u>Effective</u> <u>Tax</u> <u>Rate</u>
Income Before Taxes (including all realized capital gains / (losses))	\$ 61,248,263	\$ 12,862,135	21.00%
ACA fee			-
Tax-Exempt Interest	(5,432)	(1,141)	21.00%
Dividends Received Deduction	-	-	-
Meals & Entertainment, Lobbying Expenses, etc.	431	91	21.11%
Statutory Valuation Allowance Adjustment	-	-	-
Foreign tax rate differential	-	-	-
Change in Tax Rate	-	-	-
Impact of Non-Admitted Assets	(14,376,372)	(3,019,038)	-4.93%
Other, Including Prior Year True-Up	-	-	-
Total	\$ 46,866,891	\$ 9,842,047	16.07%
Federal income taxed incurred expense/(benefit)		16,297,612	26.61%
Change in net deferred income tax charge/(benefit)		(6,455,566)	-10.54%
Total statutory income taxes		\$ 9,842,046	16.07%

### D. Carryforwards, recoverable taxes, and IRC §6603 deposits:

# Notes to Financial Statement

## 9. Income Taxes (continued)

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

The income tax expense/(benefit) for 2021 and 2020 that is available for recoupment in the event of future net losses is \$16,297,613 and \$62,558,629, respectively.

No deposits are admitted under IRC §6603.

### F. Income tax loss contingencies

The Company does not have any income tax loss contingencies

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

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

### H. Repatriation Transition Tax: None

### I. Alternative Minimum Tax (AMT) Credit: None

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

A & B. In December 2021, the Company received a prepaid performance net rebate in the amount of \$500 million from Part D Services with approval from the Department. An extraordinary dividend of \$200.0 million was paid to its Parent during the fourth quarter of 2020 also with approval from the Department. The Company did not have any other material transactions during the year ending December 31, 2021 and 2020 with its parent, subsidiaries, and affiliates. Reinsurance transactions, non-insurance transactions involving less than 1/2 of 1% of the Company's total admitted assets, and cost allocation transactions are excluded.

C. Transactions with related parties who are not reported on Schedule Y: No other material transactions with related parties which are not reported on Schedule Y.

D. The Company reported a gross receivable of \$158.1 million and \$197.1 million from affiliates on line 23 of page 2 as of December 31, 2021 and 2020, respectively.

E. 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, please refer to the Organizational Chart contained in Schedule Y.

For the Company's Medicare Part D business, except for amounts due to 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.

Aetna Health Management, L.L.C. ("Aetna Health Management"), an affiliate, provides the services or arranges services from third parties to manage and support the Company's Medicare Supplement business and certain Medicare Part D functions.

As of December 31, 2021 and 2020, the Company reported a net receivable of \$94.9 million and \$83.3 million from the Parent Company and its affiliates, respectively.

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

<b>Assets, Liabilities, Capital and Surplus</b>	<b><u>December 31, 2021</u></b>	<b><u>December 31, 2020</u></b>
<i>Taxes payable (lines 9 &amp; 10.1)</i>	\$ 17,464,211	\$ 68,406,743
<i>Ceded reinsurance premiums payable (line 11) / (amounts recoverable from reinsurers) (line 16.1)</i>	45,785,884	45,302,841
<i>Amounts due / (from) to parent, subsidiaries and affiliates (Page 2, Line 23, Column 1)</i>	(158,149,889)	(197,058,746)
	<u>\$ (94,899,794)</u>	<u>\$ (83,349,162)</u>

# Notes to Financial Statement

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

*Amounts due (from) and to parent, subsidiaries and affiliates* is primarily comprised of amounts due for pharmacy claims processed, management fees from Part D Services and intercompany funding. As of December 31, 2021, the Company reported a receivable from affiliates of \$158.1 million, primarily as a result of prefunding of claims activity from Part D Services, offset by unsettled intercompany payables. The prefunding amount was released with the claim's payments in the first week of October 2021. As of December 31, 2020, the Company reported a receivable from affiliates of \$197.1 million, primarily as a result of prefunding of claims activity from Part D Services. The prefunding amount was released with the claim's payments in the first week of January of the following year. *Ceded reinsurance premiums payable or amounts recoverable from reinsurers* is related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd. and Accendo Insurance Company (Accendo). Both are affiliates of the Company.

Before January 1, 2020, the Company paid Part D Services management fees for sales, accounting, tax, legal, information technology, compliance, claims processing and other administrative functions under a management services agreement that had been filed with the Department. Effective January 1, 2020, the Company amended the management services agreement with Part D Services, kept most of services intact but removed the services related to finance, actuarial and underwriting, and Medicare Part D management operations, etc. from its administrative services agreement with Part D Services. The management fee was assessed on a per-member, per-month ("pmpm") and a per claim basis. Effective January 1, 2021, management fee is primarily assessed on a per claim basis based on amended services agreement. A new administrative services agreement was entered with Aetna Health Management, effective January 1, 2020. Per this new agreement, Aetna Health Management, replaced Part D Services to provide the services, or arrange services from third parties related to finance, actuarial and underwriting, and Medicare Part D management operations to the Company. Additional services have been provided by Aetna Health Management according to the Amendment, effective January 1, 2021. The fees charged by Aetna Health Management are primarily based on the full time equivalent (FTE) time allocation or actual expenses incurred. Management agreements have been filed with the Department.

In addition, related to the Company's reinsurance agreement with CVS Caremark Indemnity, Ltd. and Accendo, 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. and Accendo.

<b>Statement of Revenue and Expenses</b>	<b><u>December 31, 2021</u></b>		<b><u>December 31, 2020</u></b>	
Management fee				
<i>Claims adjustment expenses(line 20)</i>	\$	267,247,917	\$	132,775,868
<i>General and administrative expenses (line 21)</i>		224,336,942		266,855,782
Total management fee	\$	<u>491,584,859</u>	\$	<u>399,631,650</u>
Reinsurance expenses ceded				
<i>Claims adjustment expenses(line 20)</i>	\$	19,282,529	\$	19,438,082
<i>General and administrative expenses (line 21)</i>		62,539,920		71,140,031
Total reinsurance expenses ceded	\$	<u>81,822,449</u>	\$	<u>90,578,113</u>

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 pharmaceutical rebates happens within ninety days of the beginning of the calendar quarter following receipt of such rebates by Part D Services.

Payment terms related to performance network rebates require Part D Services to collect network performance rebates from participating pharmacies and providers and remit them to the Company. Effective starting with calendar year 2021, the Company has an option to receive performance network rebates earlier based on Part D Services' estimate prior to the end of each calendar year. Part D Services will calculate the actual Performance Rebates upon receipt of the payments from the participating pharmacies and providers. The Company will true up the payments with Part D Services based on actual Performance Rebates earned during the calendar year. In December 2021, the Company received a prepaid performance network rebate in the amount of \$500 million from Part D Services.

Payment terms require the Company to settle with Aetna Health Management within 15 calendar days after the end of each calendar month and in no event more than 45 calendar days after the end of each calendar quarter.

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.

# Notes to Financial Statement

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

As of December 31, 2021, and 2020, the Company owed the Ultimate Parent \$16.3 million and \$62.6 million, respectively, for federal income taxes, which is reported as *current federal and foreign income tax payable* in the Statement of Liabilities, Capital and Surplus. As of December 31, 2021, and 2020, the Company owed the Ultimate Parent \$1.2 million and \$5.8 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. During the year ending December 31, 2021 and the year ending December 31, 2020, the Company didn't enter any Sale and Purchase Agreement with its affiliates.

- F. 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.
- 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.
- M. The Company does not have any subsidiary, controlled and affiliated (SCA) investments.
- N. The Company does not have any investments in insurance SCA's.
- O. SCA and SSAP No.48 Loss Tracking: Not applicable

## 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

- A. As of December 31, 2021 and 2020, the Company had 10.0 million shares, (\$1 par), of Class A common c capital stock authorized, and 2.75 million of such shares issued and outstanding.
- B. The Company has no preferred stock outstanding.
- C. 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.
- D. No dividends were declared and paid by the Company during the year of 2021. The Tennessee Department of Commerce and Insurance (TDCI) approved an extra ordinary dividend request in the amount of \$200 million on August 18, 2020. The extraordinary dividend of \$200 million was paid to Part D Holding Company on October 30, 2020.
- E. The portion of the Company's profits that may be paid as ordinary dividends is limited by the laws of Tennessee. Tennessee law states that ordinary dividends must follow Tennessee Code Ann. § 56-11-105(e) and Tennessee Code Ann. § 56-11-106(b) for extraordinary dividends. Ordinary dividends are limited to the greater of ten percent of surplus or the net gain from operations for previous twelve months.
- F. The Company is subject to certain Risk-Based Capital ("RBC") requirements as specified by the NAIC. Under those requirements, the amount of capital and surplus maintained by a life/health insurance company is to be determined based on the various risk factors related to it. As of December 31, 2021 and 2020, there were no restrictions placed on the unassigned funds (surplus).
- G. The Company has no mutual reciprocals or any similarly organized entities.
- H. The Company does not hold any stock of the Ultimate Parent, including stock of affiliated entities for special purposes.
- I. The Company had no special surplus as of December 31, 2021 and December 31, 2020.
- J. As of December 31, 2021 and 2020, the Company had no unrealized gains or losses.
- K. The Company did not issue any surplus debenture of similar obligations.
- L. The Company did not experience an impact of any restatement due to prior quasi-reorganization.
- M. Not applicable.

# Notes to Financial Statement

## 14. Liabilities, Contingencies and Assessments

- A. Contingent Commitments: None
- B. Assessments: None
- C. Gain Contingencies: None
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits: None
- E. Joint and Several Liabilities: None
- F. All Other Contingencies:
  - a. Bad debt write-offs, net of recoveries, totaled \$38.7 million and \$2.7 million for year ended December 31, 2021 and 2020 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

## 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 year ending December 31, 2021 and 2020, the gain from operations from ASC uninsured plans is as follows:

### December 31, 2021

	<u>ASC Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASC</u>
a. Gross reimbursement for medical costs incurred	\$ 4,590,598,466	\$ -	\$ 4,590,598,466
b. Gross administrative fees accrued	109,250,835	-	109,250,835
c. Other income or expense (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>(4,695,871,442)</u>	<u>-</u>	<u>(4,695,871,442)</u>
e. Total Net Operations	<u>\$ 3,977,859</u>	<u>\$ -</u>	<u>\$ 3,977,859</u>

### December 31, 2020

	<u>ASC Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASC</u>
a. Gross reimbursement for medical costs incurred	\$ 4,568,434,638	\$ -	\$ 4,568,434,638
b. Gross administrative fees accrued	112,028,835	-	112,028,835
c. Other income or expense (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>(4,676,240,682)</u>	<u>-</u>	<u>(4,676,240,682)</u>
e. Total Net Operations	<u>\$ 4,222,791</u>	<u>\$ -</u>	<u>\$ 4,222,791</u>

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

# Notes to Financial Statement

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

- (1) Revenue and prescription drug amounts for the years ending December 31, 2021 and 2020, exclude \$12,004.7 million and \$12,212.7 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 December 31, 2021 and 2020, the admitted *amounts receivable relating to uninsured plans* includes the following:

	<u>12/31/2021</u>	<u>12/31/2020</u>
CMS settlements - 2019	\$ -	\$ 207,116,535
CMS settlements - 2020	671,157,661	349,809,751
CMS settlements- 2021	783,116,525	-
Coverage gap discount receivable	703,378,799	662,167,165
Unbilled group receivable	291,200,705	274,442,597
Rx Rebate Receivable for uninsured plan	3,422,536	114,300,844
Total amounts receivable related to uninsured plans	\$ 2,452,276,226	\$ 1,607,836,892

These CMS settlements are related to LICS, drugs covered by the catastrophic reinsurance feature and unsettled coverage discount payments from CMS. 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 December 31, 2021 the Company recorded a CMS settlement receivable of \$783.1M for the plan year 2021. As of December 31, 2021, and December 31, 2020, the Company recorded a CMS settlement receivable of \$671.2 million and \$349.8 million for the plan year 2020, respectively. As of December 31, 2021 and December 31, 2020, the Company recorded a CMS settlement receivable of \$0 and \$207.1 million for the plan year 2019, respectively. The CMS settlement for plan year 2020 wasn’t settled until January 2022 in accordance with CMS settlement calendar.

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

Unbilled group receivables primarily represent the last week of claims for the month that are billed to the respective SF EGWPs the first week of the following month.

As of December 31, 2021 and December 31, 2020, *amounts payable relating to uninsured plans* includes the following:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Reopener payables	82,205,605	78,045,074
SF EGWP client payables	2,062,986,913	1,585,685,210
Total amounts payable related to uninsured plans	\$ 2,145,192,518	\$ 1,663,730,284

Reopener payables represent accruals for prior plan years that are due back to CMS and are the results of retroactivities that happen after the initial settlement with CMS. Reopeners are settled with CMS according to CMS timetable 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.

- (3) As of December 31, 2021 and 2020, 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.

# Notes to Financial Statement

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

None

## 20. Fair Value Measurements

SSAP 100R, *Fair Value*, 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 100R 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”) and net asset value (NAV) after initial recognition.

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

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

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

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

Investment reported at NAV is not captured within fair value hierarchy, but separately identified.

A.

### (1) Fair Value Measurements at Reporting Date:

#### December 31, 2021

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at fair value					
Cash	\$ (20,623,320)	\$ -	\$ -	\$ -	\$ (20,623,320)
Cash equivalents	325,320,866	3,009	-	-	325,323,875
Total Assets at fair value/NAV	\$ 304,697,546	\$ 3,009	\$ -	\$ -	\$ 304,700,555

#### December 31, 2020

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
Assets at fair value					
Cash	\$ (15,255,308)	\$ -	\$ -	\$ -	\$ (15,255,308)
Cash equivalents	231,619,886	-	-	-	231,619,886
Total Assets at fair value/NAV	\$ 216,364,578	\$ -	\$ -	\$ -	\$ 216,364,578

# Notes to Financial Statement

## 20. Fair Value Measurements (continued)

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 is utilized to estimate fair market value.
- (5) Fair Value of Derivative Assets and Liabilities: Not Applicable

B. Other Accounting Pronouncements: Not Applicable

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

### December 31, 2021

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 3,892,932	\$ 3,914,481	\$ 3,266,676	\$ 626,255	\$ -	\$ -	\$ -
Cash	\$ (20,623,320)	\$ (20,623,320)	\$ (20,623,320)	\$ -	\$ -	\$ -	\$ -
Cash equivalents	\$ 325,323,875	\$ 321,694,136	\$ 325,320,866	\$ 3,009	\$ -	\$ -	\$ -

### December 31, 2020

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 4,199,592	\$ 4,128,827	\$ 4,199,592	\$ -	\$ -	\$ -	\$ -
Cash	\$ (15,255,308)	\$ (15,255,308)	\$ (15,255,308)	\$ -	\$ -	\$ -	\$ -
Cash equivalents	\$ 231,619,886	\$ 231,619,886	\$ 231,619,886	\$ -	\$ -	\$ -	\$ -

D. Not Practicable to Estimate Fair Value

As of December 31, 2021 and 2020, the Company did not own any financial instruments that were not practicable to estimate fair value.

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

As of December 31, 2021 and 2020 bonds with an admitted asset value of \$3.9 million and \$4.0 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. During the year of 2021 and 2020, the Company recognized a capital gain of \$0 and \$199 thousand related to the impaired Puerto Rico bond, respectively. The Company recognized a capital loss of \$28 thousand and \$0 during the year of 2021 and 2020.

E. Investments Measured Using the NAV Practical Expedient: Not applicable

# Notes to Financial Statement

## 21. Other Items

- A. Unusual or Infrequent Items: None
- B. Troubled Debt Restructuring - Debtors: None
- C. Other Disclosures: The Coronavirus Disease 2019 (“COVID-19”) pandemic continues to evolve. The Company believes COVID-19’s impact on the Company’s businesses, operating results, cash flows and/or financial condition primarily will be driven by the geographies impacted and the severity and duration of the pandemic; the pandemic’s impact on the U.S. and global economies and consumer behavior and health care utilization patterns; and the timing, scope and impact of stimulus legislation as well as other federal, state and local governmental responses to the pandemic. Those primary drivers are beyond the Company’s knowledge and control. As a result, the impact COVID-19 will have on the Company’s businesses, operating results, cash flows and/or financial condition is uncertain, but the impact could be adverse and material. COVID-19 also may result in legal and regulatory proceedings, investigations and claims against the Company.
- D. Business Interruption Insurance Recoveries: None
- E. State Transferable and Non-transferable Tax Credits: None
- F. Subprime-Mortgage-Related Risk Exposure: None
- G. Retained Assets: None
- H. Insurance Linked Securities (ILS) Contracts: None
- I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy: Not Applicable

## 22. Events Subsequent

### Type I - Recognized Subsequent Events

Subsequent events have been considered through February 25, 2022 for the statutory statement issued on February 26, 2022.

The Company had no known reportable recognized subsequent events.

### Type II - Nonrecognized Subsequent Events

Subsequent events have been considered through February 25, 2022 for the statutory statement issued on February 26, 2022.

On January 1, 2020, the Company was subject to an annual fee under Section 9010 of the ACA. This annual fee was allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that was written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. In December 2019, the annual fee was repealed beginning in 2021. As a result of this repeal, there is no annual fee payable in 2021 and thereafter and therefore no estimated subsequent fee year assessment was required to be reclassified from unassigned funds to special surplus funds at December 31, 2020.

## 23. Reinsurance

### A. Ceded Reinsurance Report

#### Section 1 – General Interrogatories

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

Yes ( ) No (X)

If yes, give full details. N/A

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

Yes ( ) No (X)

If yes, give full details. N/A

#### Section 2 – Ceded Reinsurance Report – Part A

# Notes to Financial Statement

## 23. Reinsurance (continued)

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

Yes ( ) No (X)

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

Yes ( ) No (X)

### Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the insurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. N/A.

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

Yes ( ) No (X)

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 a percentage of the Company's share of the risk associated with individual and group premiums, claims and administrative expenses. This agreement was amended in 2017. The percentage risk ceded decreased from 20% to 15%, effective January 1, 2018. The original agreement was approved by the Department on August 15, 2011 and was retroactive to January 1, 2011.

The Company also has a quota share reinsurance agreement with another affiliate of the Parent Company, Accendo Insurance Company, a Utah domiciled insurer. Under the terms of this agreement, the Company cedes 5% of the Company's share of the risk associated with individual and group premiums, claims and administrative expenses. This agreement was effective January 1, 2018.

The following is a financial summary of the ceded amounts and related expenses under these agreements:

	<u>Year ending</u> <u>December 31, 2021</u>	<u>Year ending</u> <u>December 31, 2020</u>
<b>Statement of Revenue and Expense:</b>		
Premiums and other revenue	\$ 416,769,508	\$ 546,403,639
Benefits	(287,767,934)	(410,908,916)
Commission expenses	(81,904,867)	(90,761,222)
Interest expense	82,418	183,109
Total revenue and expense ceded	<u>\$ 47,179,125</u>	<u>\$ 44,916,610</u>
<b>Balance Sheet:</b>		
Aggregate Health Policy Reserve	\$ 366,064	\$ -
Accrued retrospective premiums	(6,487,947)	(6,790,228)
Premiums received in advance	6,488,846	4,628,669
Premiums receivable	(5,393,644)	(5,622,277)
Healthcare Receivable	(64,297,508)	(139,455,312)
Total ceded balance sheet Items	<u>\$ (69,324,189)</u>	<u>\$ (147,239,148)</u>
<b>Unsettled Prior Year Balance</b>	<b>\$ (1,393,242)</b>	<b>\$ 386,231</b>
Funds held by or deposited with reinsured companies	\$ 423,706,836	\$ 551,215,418
Funds held under reinsurance treaties with unauthorized reinsurers	(447,245,141)	(653,151,724)
Amount due from Accendo & CVS Caremark Indemnity, Ltd.	<u>\$ (23,538,305)</u>	<u>\$ (101,936,306)</u>

# 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

E. Reinsurance Credit: None

## 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company's Medicare Part D contract with CMS contains a risk corridor feature. Due to the risk corridor feature, the Company's business is accounted for as a retrospectively rated contract. The Company estimates retrospective premium adjustments using a mathematical approach based on the Company's underwriting experience. As of December 31, 2021 and 2020 accrued retroactive premium adjustments were reported as *aggregate health policy reserves* in the amount of \$32.2 million and \$50.8 million, respectively, and as *accrued retrospective premiums and contracts subject to redetermination* of \$20.9 million and \$25.9 million, respectively, for different plan years.

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 year ending December 31, 2021 and 2020 that was subject to the retrospective rating feature was \$1,869.4 million and \$2,518.5 million, respectively, which represented 90.07%, and 94.28%, respectively, of the total premiums written, excluding risk corridor adjustment.

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

D. Medical loss ratio rebates required pursuant to the Public Health Service Act: There was no MLR recorded during the years ending December 31, 2021 and 2020

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.

## 25. Change in Incurred Claims and Claim Adjustment Expenses

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

	Year Ending December 31, 2021	Year Ending December 31, 2020
<b>Balances as of January 1:</b>		
Reserves for unpaid claims	\$ 22	\$ -
Health Care Receivable	(557,821,249)	(381,417,767)
	\$ (557,821,227)	\$ (381,417,767)
<b>Incurred related to:</b>		
Current year	\$ 1,219,465,456	\$ 1,709,873,616
Prior year	21,398,358	(21,084,044)
	\$ 1,240,863,814	\$ 1,688,789,572
<b>Paid (received) related to:</b>		
Current year	\$ 1,476,655,464	\$ 2,267,694,842
Prior year	(536,422,869)	(402,501,810)
	\$ 940,232,595	\$ 1,865,193,032
<b>Balances as of December 31, 2021 and 2020:</b>		
Reserves for unpaid claims	\$ 24	\$ 22
Health Care Receivable	(257,190,032)	(557,821,249)
	\$ (257,190,008)	\$ (557,821,227)

Changes in prior year reserves are generally the results 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 reserves for prior years could occur within one year from the date of these financial statements and that such a change in these estimates could be material to the financial statements.

## Notes to Financial Statement

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

During the year 2021 and 2020, the Company experienced \$21.4 million unfavorable and \$21.1 million favorable, respectively, of prior year claims development, all of which was related to retrospectively rated policies. In 2021 the unfavorable development is due to unfavorable performance network rebates related to prior year givebacks, unfavorable self-audit reserve adjustments, and unfavorable pharmacy audit development. In 2020 the favorable development occurred primarily due to favorable pharmaceutical rebates related to the prior year credits to the Company by Part D Services and the favorable changes of IBNR reserves in 2019. In addition, there were changes in the valuation of settlement amounts with CMS and favorable claim run-out activities related to prior years.

- B. There were no changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expense during the year of 2021 and the year of 2020. Prescription drugs claims under Medicare Part D business are typically reported and adjudicated within a very short period of time. The Company considers the potential unreported claims for Medicare Part D business as negligible, and no reserves are deemed as necessary.

### 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 December 31, 2021 and 2020, respectively. The amounts are presented gross of non-admitted receivable, but net of reinsurance ceded:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Pharmaceutical Rebates Receivable	\$ 1,409,627	\$ 65,245,752
Performance Network Rebate Receivable	255,780,405	492,575,497
<b>Total Health Care and Other Amounts Receivable</b>	<b>\$ 257,190,032</b>	<b>\$ 557,821,249</b>

- 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 pharmaceutical rebate receivable of \$1.4 million and \$65.2 million, net of reinsurance ceded, as of December 31, 2021 and 2020, respectively. All rebates are determined to be received within 90 days after Part D Services receives the payments from manufacturers. 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
12/31/2021	\$ 1,918,386,633	\$ 1,918,386,633	\$ 1,913,202,063	\$ -	\$ -
9/30/2021	1,928,833,659	1,920,563,754	1,920,563,754	-	-
6/30/2021	1,915,535,929	1,901,735,831	1,901,735,831	-	-
3/31/2021	1,813,826,830	1,870,018,524	1,870,018,524	-	-
12/31/2020	1,918,110,145	1,906,384,726	1,906,384,726	-	-
9/30/2020	1,898,800,635	1,900,359,975	1,900,359,975	-	-
6/30/2020	1,878,658,855	1,879,603,282	1,879,603,282	-	-
3/31/2020	1,879,954,111	1,917,886,461	1,917,886,461	-	-
12/31/2019	1,994,126,804	1,970,570,675	1,970,570,675	-	-
9/30/2019	2,028,740,752	2,016,667,253	2,016,667,253	-	-
6/30/2019	2,045,546,398	2,030,397,249	2,030,397,249	-	-
3/31/2019	1,975,150,308	2,009,178,521	2,009,178,521	-	-

- B. Risk Sharing Receivables:

None

# Notes to Financial Statement

## 28. Health Care Receivables (continued)

Other Healthcare Receivables:

CVS Part D Services, the Company's pharmacy benefit manager, has a pharmacy network that includes a retrospective performance network rebate (PNR) program. The PNR is performance based upon whether the participating pharmacies have met certain pre-established criteria in the contract. The PNR agreements for both 2021 and 2020 have three performance measurement periods (measurement period), ending April 30, August 31, and December 31, respectively. The Company also contracted with AHM for a pharmacy network rebate program focusing on generic drugs. The rebate reflects the difference between the contracted generic effective rate discount of average wholesale price (AVP) and the actual AWP discount at point of sale. Most of these rebates are collected monthly on a one-month lag via an automated process administrated by Part D Services. Final settlements with pharmacies will be completed within twelve months after year end. The receivables related to with these programs fit the category of Other Health Care Receivables per SSAP No. 84 *Health Care and Government Insured Plan Receivables*.

## 29. Participating Policies

None

## 30. Premium Deficiency Reserves

None

## 31. Anticipated Salvage and Subrogation

None

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? ..... Yes [ X ] No [ ]  
If yes, complete Schedule Y, Parts 1, 1A, 2 and 3.
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? ..... Yes [ X ] No [ ] N/A [ ]
- 1.3 State Regulating? ..... Tennessee
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? ..... Yes [ X ] No [ ]
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. .... 0000064803
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? ..... Yes [ ] No [ X ]
- 2.2 If yes, date of change: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2020
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .... 12/31/2018
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .... 06/29/2020
- 3.4 By what department or departments?  
State of Tennessee, Department of Commerce and Insurance .....
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? ..... Yes [ ] No [ ] N/A [ X ]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? ..... Yes [ X ] No [ ] N/A [ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business? ..... Yes [ ] No [ X ]  
4.12 renewals? ..... Yes [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]  
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? ..... Yes [ ] No [ X ]
- 6.2 If yes, give full information: .....
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? ..... Yes [ ] No [ X ]
- 7.2 If yes,  
7.21 State the percentage of foreign control; ..... %  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact, and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**GENERAL INTERROGATORIES**

- 8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? ..... Yes [ ] No [ X ]
- 8.2 If the response to 8.1 is yes, please identify the name of the DIHC.  
.....
- 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

- 8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? ..... Yes [ ] No [ X ]
- 8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? ..... Yes [ ] No [ X ] N/A [ ]
9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Ernst & Young, 20 Church Street, 19th Floor, Hartford, CT 06103 .....
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:  
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? ..... Yes [ ] No [ X ]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:  
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? ..... Yes [ X ] No [ ] N/A [ ]
- 10.6 If the response to 10.5 is no or n/a, please explain  
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Jeffrey James Drzazgowski, Actuary, CVS Health, 151 Farmington Avenue, Hartford, CT 06156 .....
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? ..... Yes [ ] No [ X ]
- 12.11 Name of real estate holding company .....
- 12.12 Number of parcels involved .....
- 12.13 Total book/adjusted carrying value ..... \$ .....
- 12.2 If, yes provide explanation:  
.....
13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? ..... Yes [ ] No [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? ..... Yes [ X ] No [ ]
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:  
.....
- 14.2 Has the code of ethics for senior managers been amended? ..... Yes [ X ] No [ ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
On May 1, 2021, First Health Group Corp. acquired First Choice of the Midwest, Inc. On May 6, 2021, the following shareholding changes were made for Aetna Health Insurance (Thailand) Public Company Limited: Aetna Holdings (Thailand) Limited acquired one ordinary share from Ms Srisa-ard Sansnaphongpricha, Aetna Services (Thailand) Limited acquired one ordinary share from Mrs Supee Wongsiri (formerly known as Mrs Suphee Wattana) and Saifon Khongjitngam acquired one ordinary share from Mr Jitprasong Itsaraphakdee. On September 24, 2021, Allina Health and Aetna Health Plan Inc., a Minnesota corporation, was incorporated. The Maintaining Trust section that contained Corporate Integrity Agreement (CIA) information was removed as the CIA expired. The index was removed. Annual benchmarking exercise was performed resulting in the following updates/revisions: general format/layout/branding, relocation of topics, addition of accessibility channels, colleague intro letter, Diversity and Inclusion, MGE, Social Media, misc. definitions and revisions throughout, etc. ....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? ..... Yes [ ] No [ X ]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).  
.....

**GENERAL INTERROGATORIES**

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

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

**BOARD OF DIRECTORS**

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

**FINANCIAL**

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? ..... Yes [ ] No [ X ]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$ .....0
  - 20.12 To stockholders not officers.....\$ .....0
  - 20.13 Trustees, supreme or grand (Fraternal Only) .....\$ .....0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$ .....0
  - 20.22 To stockholders not officers.....\$ .....0
  - 20.23 Trustees, supreme or grand (Fraternal Only) .....\$ .....0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? ..... Yes [ ] No [ X ]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$ .....
  - 21.22 Borrowed from others.....\$ .....
  - 21.23 Leased from others.....\$ .....
  - 21.24 Other.....\$ .....
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? ..... Yes [ ] No [ X ]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ .....
  - 22.22 Amount paid as expenses.....\$ .....
  - 22.23 Other amounts paid.....\$ .....
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? ..... Yes [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....\$ .....
- 24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? ..... Yes [ ] No [ X ]
- 24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

Name of Third-Party	Is the Third-Party Agent a Related Party (Yes/No)

**INVESTMENT**

- 25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03)..... Yes [ X ] No [ ]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**GENERAL INTERROGATORIES**

25.02 If no, give full and complete information relating thereto

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

25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$

25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$

25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [ X ]

25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]

25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [ X ]

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

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

26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [ X ] No [ ]

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

26.21 Subject to repurchase agreements \$  
 26.22 Subject to reverse repurchase agreements \$  
 26.23 Subject to dollar repurchase agreements \$  
 26.24 Subject to reverse dollar repurchase agreements \$  
 26.25 Placed under option agreements \$  
 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$  
 26.27 FHLB Capital Stock \$  
 26.28 On deposit with states \$ 3,304,125  
 26.29 On deposit with other regulatory bodies \$ 610,356  
 26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$  
 26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$  
 26.32 Other \$

26.3 For category (26.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes [ ] No [ X ]

27.4 If the response to 27.3 is YES, does the reporting entity utilize:

27.41 Special accounting provision of SSAP No. 108 Yes [ ] No [ ]  
 27.42 Permitted accounting practice Yes [ ] No [ ]  
 27.43 Other accounting guidance Yes [ ] No [ ]

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following: Yes [ ] No [ ]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated within the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts.

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

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

29. 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 [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
Bank of America, N.A.	2000 Clayton Rd. 5th floor, 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	1021 E. Cary Steet, Richmond, VA 23219
US Bank	225 Water Street, Ste. 700, Jacksonville, FL 32202

**ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company**

<sup>1</sup> Name of Custodian(s)	<sup>2</sup> Custodian's Address
State Street Bank and Trust Company .....	State Street Financial Center, One Lincoln Street, Boston, MA 02111-2900 .....

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**GENERAL INTERROGATORIES**

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

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

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?..... Yes [  ] No [  ]

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

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

29.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
David S. Blunt .....	A.....

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [  ] No [  ]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [  ] No [  ]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
	David S. Blunt .....		Not registered .....	

30.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? ..... Yes [  ] No [  ]

30.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
30.2999 - Total		0

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

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

**GENERAL INTERROGATORIES**

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds .....	3,914,481	3,892,931	(21,550)
31.2 Preferred stocks .....	0		0
31.3 Totals	3,914,481	3,892,931	(21,550)

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

Fair value of long term bonds and preferred stocks are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market information or by using matrix pricing. If quoted market prices are not available, we determine fair value using broker quoted or an internal analysis of each investment's financial performance and cash flow projections. Short Term investments are carried at amortized cost which approximated fair value. ....

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

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] No [ ]

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
N/A .....

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

33.2 If no, list exceptions:  
.....

34. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:  
a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.  
b. Issuer or obligor is current on all contracted interest and principal payments.  
c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.  
Has the reporting entity self-designated 5GI securities? ..... Yes [ ] No [ X ]

35. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:  
a. The security was purchased prior to January 1, 2018.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.  
d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.  
Has the reporting entity self-designated PLGI securities? ..... Yes [ ] No [ X ]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:  
a. The shares were purchased prior to January 1, 2019.  
b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.  
c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.  
d. The fund only or predominantly holds bonds in its portfolio.  
e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.  
f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.  
Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? ..... Yes [ ] No [ X ]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA, Part 1 or Schedule E Part 2 (identified through a code (%) in those investment schedules), the reporting entity is certifying to the following:  
a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.  
b. If the investment is with a nonrelated party or nonaffiliate, then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.  
c. If the investment is with a related party or affiliate, then the reporting entity has completed robust re-underwriting of the transaction for which documentation is available for regulator review.  
d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a - 37.c are reported as long-term investments.  
Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? ..... Yes [ X ] No [ ] N/A [ ]

## GENERAL INTERROGATORIES

### OTHER

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

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

1 Name	2 Amount Paid

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

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

1 Name	2 Amount Paid

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? .....\$ .....0

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

1 Name	2 Amount Paid

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**GENERAL INTERROGATORIES**

**PART 2 - HEALTH INTERROGATORIES**

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

1.2 If yes, indicate premium earned on U.S. business only ..... \$ 10,003

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? ..... \$ 0

1.31 Reason for excluding  
.....

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above ..... \$ 0

1.5 Indicate total incurred claims on all Medicare Supplement Insurance ..... \$ 2,876

1.6 Individual policies: Most current three years:

1.61 Total premium earned ..... \$ 10,003

1.62 Total incurred claims ..... \$ 2,876

1.63 Number of covered lives ..... 5

All years prior to most current three years:

1.64 Total premium earned ..... \$ 0

1.65 Total incurred claims ..... \$ 0

1.66 Number of covered lives ..... 0

1.7 Group policies: Most current three years:

1.71 Total premium earned ..... \$ 0

1.72 Total incurred claims ..... \$ 0

1.73 Number of covered lives ..... 0

All years prior to most current three years:

1.74 Total premium earned ..... \$ 0

1.75 Total incurred claims ..... \$ 0

1.76 Number of covered lives ..... 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	1,636,739,792	2,128,084,717
2.2 Premium Denominator .....	1,636,739,792	2,128,084,717
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	32,193,639	50,820,387
2.5 Reserve Denominator .....	32,193,639	50,820,387
2.6 Reserve Ratio (2.4/2.5) .....	1.000	1.000

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

3.2 If yes, give particulars:  
.....

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

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

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

5.2 If no, explain:  
The Company has quota share reinsurance agreements with two affiliates of the Parent Company .....

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical ..... \$

5.32 Medical Only ..... \$

5.33 Medicare Supplement ..... \$ 9,999,999

5.34 Dental & Vision ..... \$

5.35 Other Limited Benefit Plan ..... \$

5.36 Other ..... \$ 9,999,999

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

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

7.2 If no, give details  
.....

8. Provide the following information regarding participating providers:

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

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

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

9.2 If yes, direct premium earned:

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

9.22 Business with rate guarantees over 36 months ..... \$

**GENERAL INTERROGATORIES**

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ X ] No [ ]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses ..... \$ ..... 139,157
- 10.22 Amount actually paid for year bonuses ..... \$ ..... 139,157
- 10.23 Maximum amount payable withholds ..... \$ .....
- 10.24 Amount actually paid for year withholds ..... \$ .....

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

- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... Wisconsin
- 11.4 If yes, show the amount required. .... \$ 126,029,841
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation  
 1,636,729,830 (total Med D premiums) x .07= 114,571,088 x 110% = 126,028,197 Med D Surplus Requirement and 9,962 (total Med Supp premiums) x .15= 1,494 x 110% = 1,644 Med Supp Surplus Requirement. Total Security Surplus Requirement: 126,028,197 (Med D) + 1,644 (Med Supp) = 126,029,841 .....

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

1 Name of Service Area
All states listed in Schedule T .....

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

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

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

- 15.1 Direct Premium Written ..... \$ .....
- 15.2 Total Incurred Claims ..... \$ .....
- 15.3 Number of Covered Lives .....

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

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ X ] No [ ]
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ ]

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

**FIVE-YEAR HISTORICAL DATA**

	1 2021	2 2020	3 2019	4 2018	5 2017
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	3,323,580,528	2,862,292,203	2,875,304,609	2,371,801,053	2,075,392,052
2. Total liabilities (Page 3, Line 24) .....	2,279,571,265	1,855,572,700	1,747,075,061	1,372,957,202	1,109,806,795
3. Statutory minimum capital and surplus requirement .....	126,029,841	163,862,523	199,620,603	206,328,975	202,794,758
4. Total capital and surplus (Page 3, Line 33) .....	1,044,009,263	1,006,719,503	1,128,229,548	998,843,851	965,585,257
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	1,666,592,431	2,183,334,759	2,577,979,487	2,720,502,343	2,880,300,041
6. Total medical and hospital expenses (Line 18) .....	1,240,863,814	1,688,789,572	2,071,232,541	2,253,585,674	2,253,062,495
7. Claims adjustment expenses (Line 20) .....	158,478,536	76,484,826	74,503,915	81,330,769	93,058,728
8. Total administrative expenses (Line 21) .....	167,392,628	280,641,765	262,858,071	331,858,127	239,168,857
9. Net underwriting gain (loss) (Line 24) .....	99,857,453	137,418,596	169,384,960	53,727,773	295,009,961
10. Net investment gain (loss) (Line 27) .....	96,895	2,527,481	9,528,935	12,562,204	4,985,799
11. Total other income (Lines 28 plus 29) .....	(38,706,085)	(2,655,932)	(1,823,875)	(1,774,120)	(3,732,443)
12. Net income or (loss) (Line 32) .....	44,950,651	74,731,516	109,297,977	28,262,634	214,250,876
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	88,166,065	34,019,798	259,581,422	(33,657,899)	(1,151,996,899)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	1,044,009,263	1,006,719,503	1,128,229,548	998,843,851	965,585,257
15. Authorized control level risk-based capital .....	52,504,614	81,840,223	78,175,856	86,052,531	69,362,321
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	4,481,262	4,147,425	4,683,817	4,868,345	4,519,889
17. Total members months (Column 6, Line 7) .....	53,237,344	50,816,547	56,681,882	58,090,814	54,092,424
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	75.2	78.2	81.1	83.7	78.7
20. Cost containment expenses .....	1.4	1.0	0.8	0.9	1.1
21. Other claims adjustment expenses .....	8.2	2.5	2.1	2.1	2.1
22. Total underwriting deductions (Line 23) .....	94.9	94.8	94.3	99.0	90.3
23. Total underwriting gain (loss) (Line 24) .....	6.1	6.4	6.6	2.0	10.3
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	(536,422,868)	(402,501,811)	(436,723,865)	(495,720,282)	(341,521,447)
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	(557,821,227)	(381,417,768)	(410,933,357)	(492,794,139)	(280,728,512)
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....	0	0	0	0	0
30. Affiliated mortgage loans on real estate .....	0	0	0	0	0
31. All other affiliated .....	0	0	0	0	0
32. Total of above Lines 26 to 31 .....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above .....	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company  
**SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

States, etc.	1 Active Status (a)	Direct Business Only									
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 CHIP Title XXI	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums & Other Considerations	8 Property/Casualty Premiums	9 Total Columns 2 Through 8	10 Deposit-Type Contracts	
1. Alabama	AL	L	27,401,808							27,401,808	
2. Alaska	AK	L	807,082							807,082	
3. Arizona	AZ	L	22,962,414							22,962,414	
4. Arkansas	AR	L	30,972,117							30,972,117	
5. California	CA	L	240,286,657							240,286,657	
6. Colorado	CO	L	16,422,685							16,422,685	
7. Connecticut	CT	L	26,862,143							26,862,143	
8. Delaware	DE	L	6,248,619							6,248,619	
9. District of Columbia	DC	L	3,083,317							3,083,317	
10. Florida	FL	L	190,691,137							190,691,137	
11. Georgia	GA	L	62,129,347							62,129,347	
12. Hawaii	HI	L	2,908,526							2,908,526	
13. Idaho	ID	L	9,359,034							9,359,034	
14. Illinois	IL	L	64,464,755							64,464,755	
15. Indiana	IN	L	40,941,743							40,941,743	
16. Iowa	IA	L	25,678,462							25,678,462	
17. Kansas	KS	L	25,507,461							25,507,461	
18. Kentucky	KY	L	31,637,692							31,637,692	
19. Louisiana	LA	L	38,257,356							38,257,356	
20. Maine	ME	L	5,151,698							5,151,698	
21. Maryland	MD	L	37,212,228							37,212,228	
22. Massachusetts	MA	L	89,325,146							89,325,146	
23. Michigan	MI	L	46,197,861							46,197,861	
24. Minnesota	MN	L	35,475,663							35,475,663	
25. Mississippi	MS	L	34,793,030							34,793,030	
26. Missouri	MO	L	49,987,479							49,987,479	
27. Montana	MT	L	9,275,973							9,275,973	
28. Nebraska	NE	L	13,946,111							13,946,111	
29. Nevada	NV	L	5,820,834							5,820,834	
30. New Hampshire	NH	L	9,310,856							9,310,856	
31. New Jersey	NJ	L	66,005,467							66,005,467	
32. New Mexico	NM	L	12,056,555							12,056,555	
33. New York	NY	L	177,085,066							177,085,066	
34. North Carolina	NC	L	62,382,215							62,382,215	
35. North Dakota	ND	L	8,483,208							8,483,208	
36. Ohio	OH	L	47,349,179							47,349,179	
37. Oklahoma	OK	L	34,412,467							34,412,467	
38. Oregon	OR	L	18,864,371							18,864,371	
39. Pennsylvania	PA	L	87,525,478							87,525,478	
40. Rhode Island	RI	L	5,725,154							5,725,154	
41. South Carolina	SC	L	35,402,302							35,402,302	
42. South Dakota	SD	L	8,682,504							8,682,504	
43. Tennessee	TN	L	39,661,632							39,661,632	
44. Texas	TX	L	93,410,348							93,410,348	
45. Utah	UT	L	7,939,507							7,939,507	
46. Vermont	VT	L	8,061,864							8,061,864	
47. Virginia	VA	L	41,295,194							41,295,194	
48. Washington	WA	L	34,849,730							34,849,730	
49. West Virginia	WV	L	16,227,248							16,227,248	
50. Wisconsin	WI	L	35,913,304							35,913,304	
51. Wyoming	WY	L	5,487,313							5,487,313	
52. American Samoa	AS	N								0	
53. Guam	GU	L	8,938							8,938	
54. Puerto Rico	PR	L	130,752							130,752	
55. U.S. Virgin Islands	VI	L	31,615							31,615	
56. Northern Mariana Islands	MP	L	2,666							2,666	
57. Canada	CAN	N								0	
58. Aggregate Other Aliens	OT	XXX	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX		2,050,113,311	0	0	0	0	0	0	2,050,113,311	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX									0	
61. Totals (Direct Business)	XXX		2,050,113,311	0	0	0	0	0	0	2,050,113,311	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	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX		0	0	0	0	0	0	0	0	0

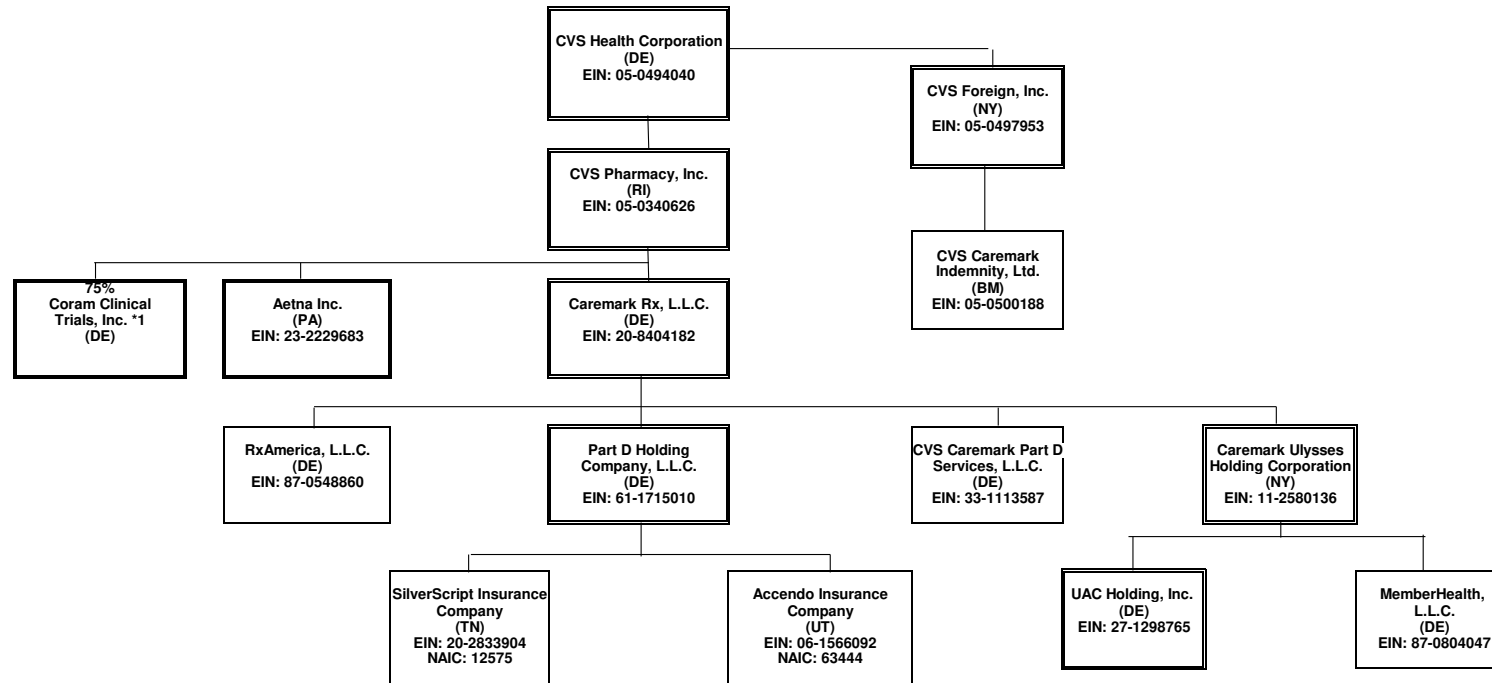
(a) Active Status Counts:  
 L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG..... 55      R - Registered - Non-domiciled RRGs..... 0  
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... 0      Q - Qualified - Qualified or accredited reinsurer..... 0  
 N - None of the above - Not allowed to write business in the state..... 2

(b) Explanation of basis of allocation by states, premiums by state, etc.  
 The basis of the allocation by state is the residency of the member.  
 The basis of the allocation by state is the residency of the member.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE 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.

(1) Insurers/HMO's

Percentages are rounded to the nearest whole percent and based on ownership of voting rights.

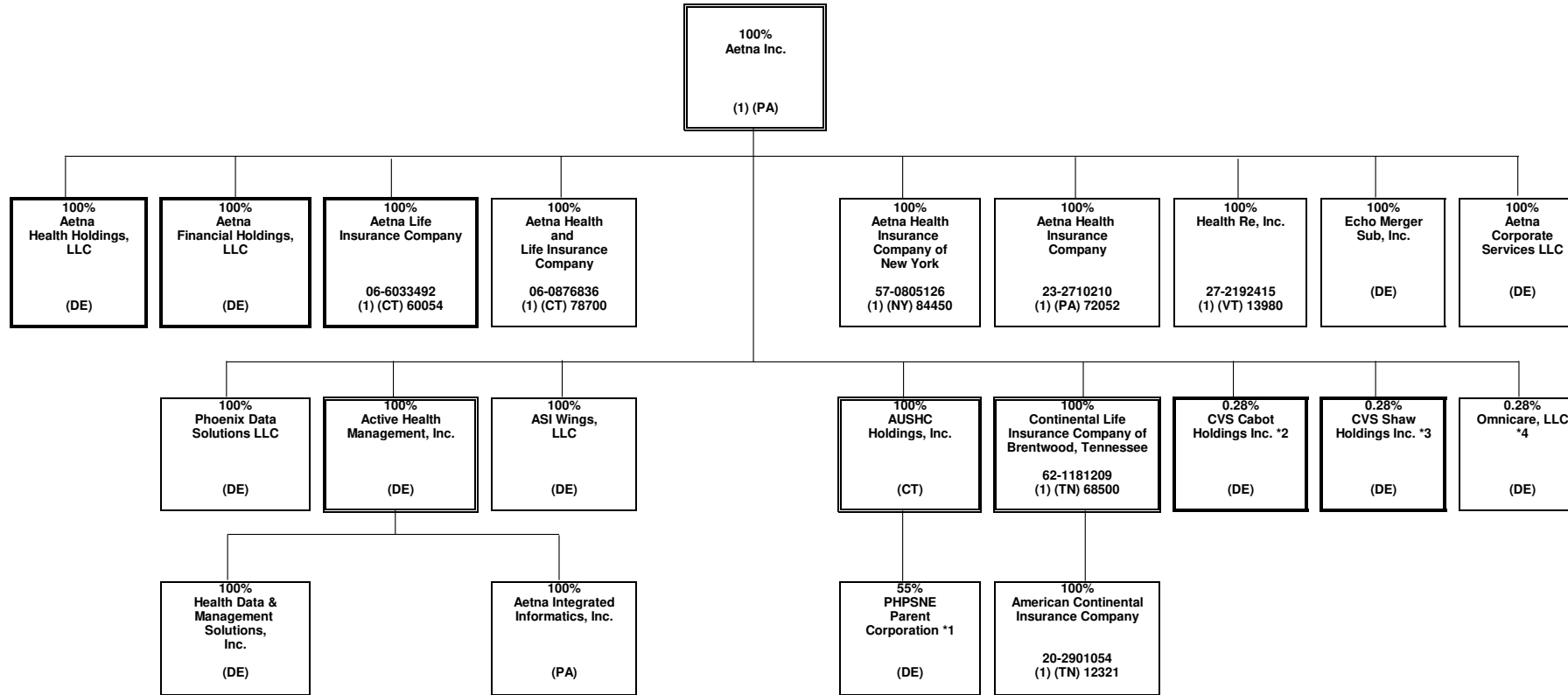
Double borders indicate entity has subsidiaries shown on the same page.

Bold borders indicate entity has subsidiaries shown on a separate page.

\*1 Coram Clinical Trials, Inc. is also 25% owned by Aetna Life Insurance Company

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company  
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

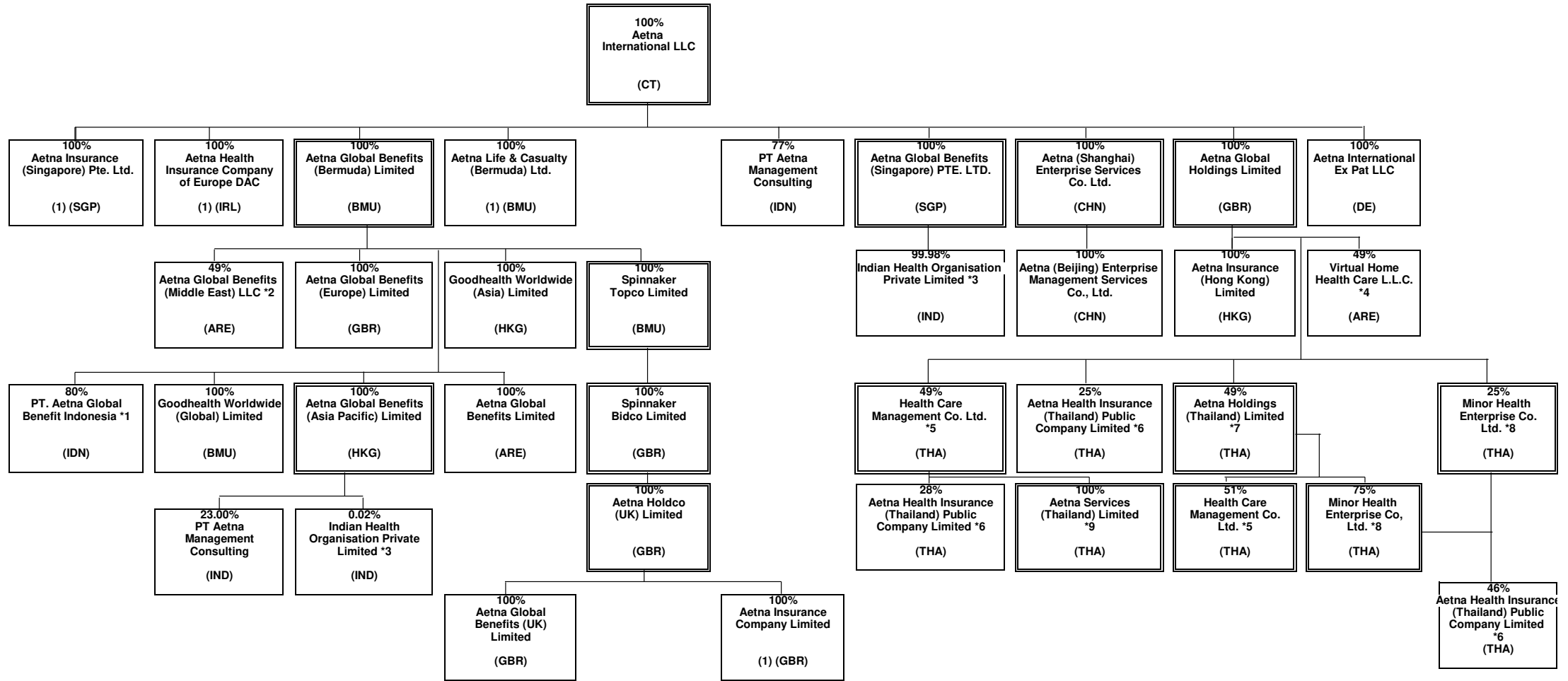


\*1 PPSNE Parent Corporation is also 45% owned by third parties.  
 \*2 CVS Cabot Holdings Inc. is also 99.72% owned by Coram Clinical Trials, Inc.  
 \*3 CVS Shaw Holdings Inc. is also 99.72% owned by Coram Clinical Trials, Inc.  
 \*4 Omnicare, LLC is also owned by CVS Cabot Holdings Inc and CVS Shaw Holdings Inc., each with 49.86% ownership.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

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

PART 1 - ORGANIZATIONAL CHART



\*1 PT. Aetna Global Benefits Indonesia is also 20% owned by Suhatsyah Rivai, Aetna's Nominee.

\*2 Aetna Global Benefits (Middle East) LLC is also 51% is owned by Euro Gulf LLC, Aetna's Nominee.

\*3 Indian Health Organisation Private Limited is 0.019857% owned by Aetna Global Benefits (Asia Pacific) and 99.980143% owned by Aetna Global Benefits (Singapore) PTE. LTD.

\*4 Virtual Home Health Care L.L.C. is also 51% owned by CBD Commercial Brokers LLC, Aetna's Nominee

\*5 Health Care Management Co. Ltd. is also owned by Aetna Global Benefits (Bermuda) Limited (1 share).

\*6 Aetna Health Insurance (Thailand) Public Company Limited is also owned by Aetna Global Benefits (Bermuda) Limited (1 share), Aetna Health Holdings (Thailand) Limited (1 share), Aetna Services (Thailand) Limited (1 share), Ms. Saifon Khongjitngam (1 share), and Mr. Buncha Tanphragorn (1 share)

\*7 Aetna Holdings (Thailand) Limited is also 51% owned by Mr. Paiboon Sutantivorakoon plus Aetna Benefits (Bermuda) Limited owns 1 share.

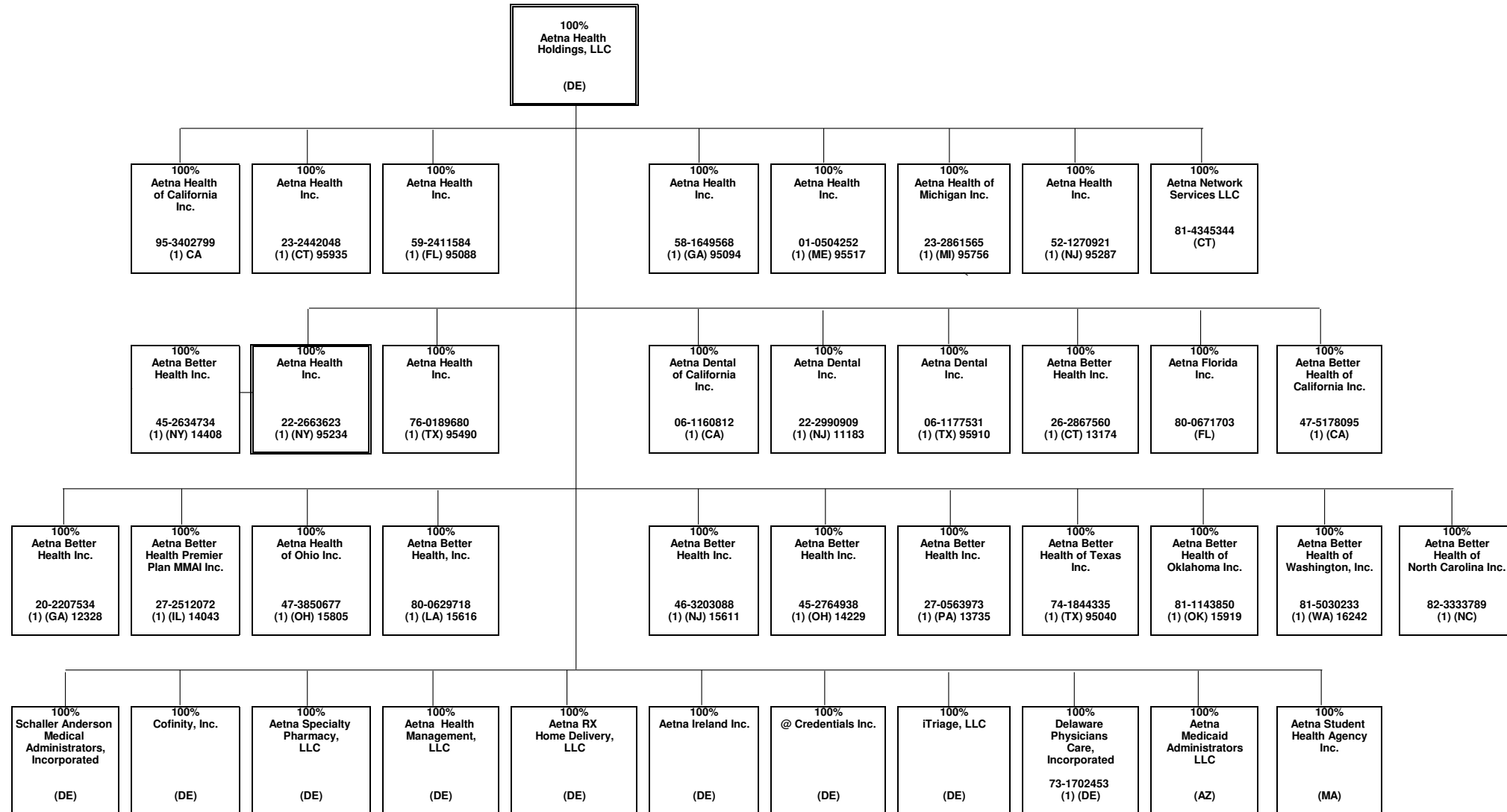
\*8 Minor Health Enterprise Co, Ltd is also (1 share) owned by Aetna Global Benefits (Bermuda) Limited

\*9 Aetna Services (Thailand) Limited is also (1 share) owned by Aetna Global Benefits (Bermuda) Limited and (1 share) owned by Aetna Global Holdings Limited

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

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

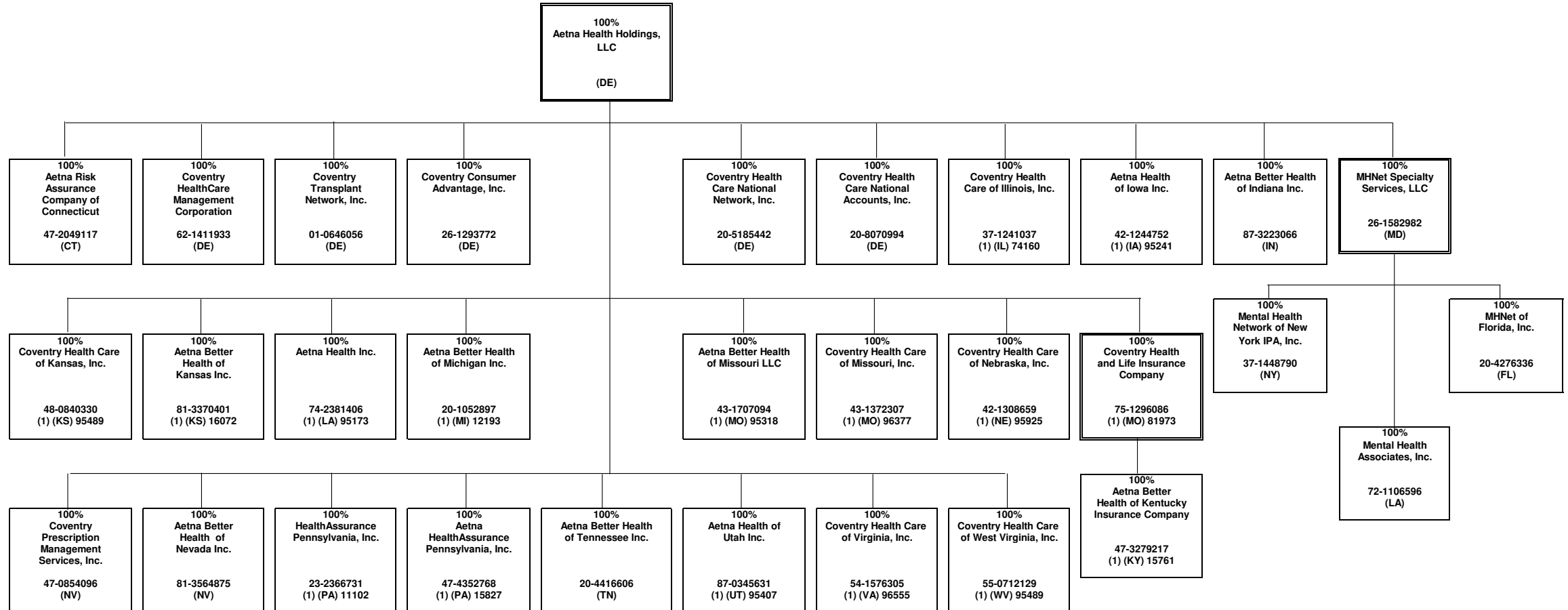
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

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

PART 1 - ORGANIZATIONAL CHART

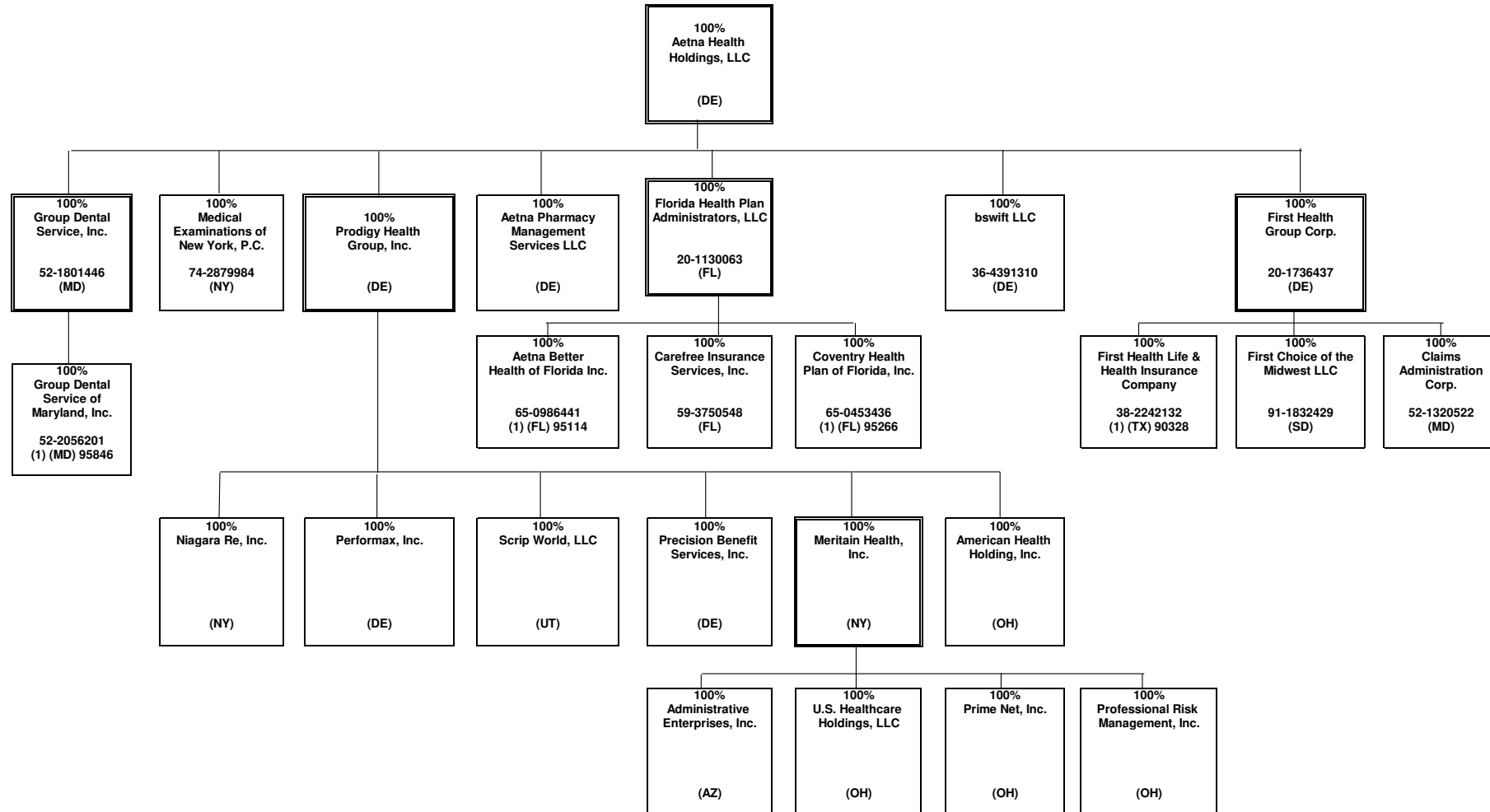


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ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company

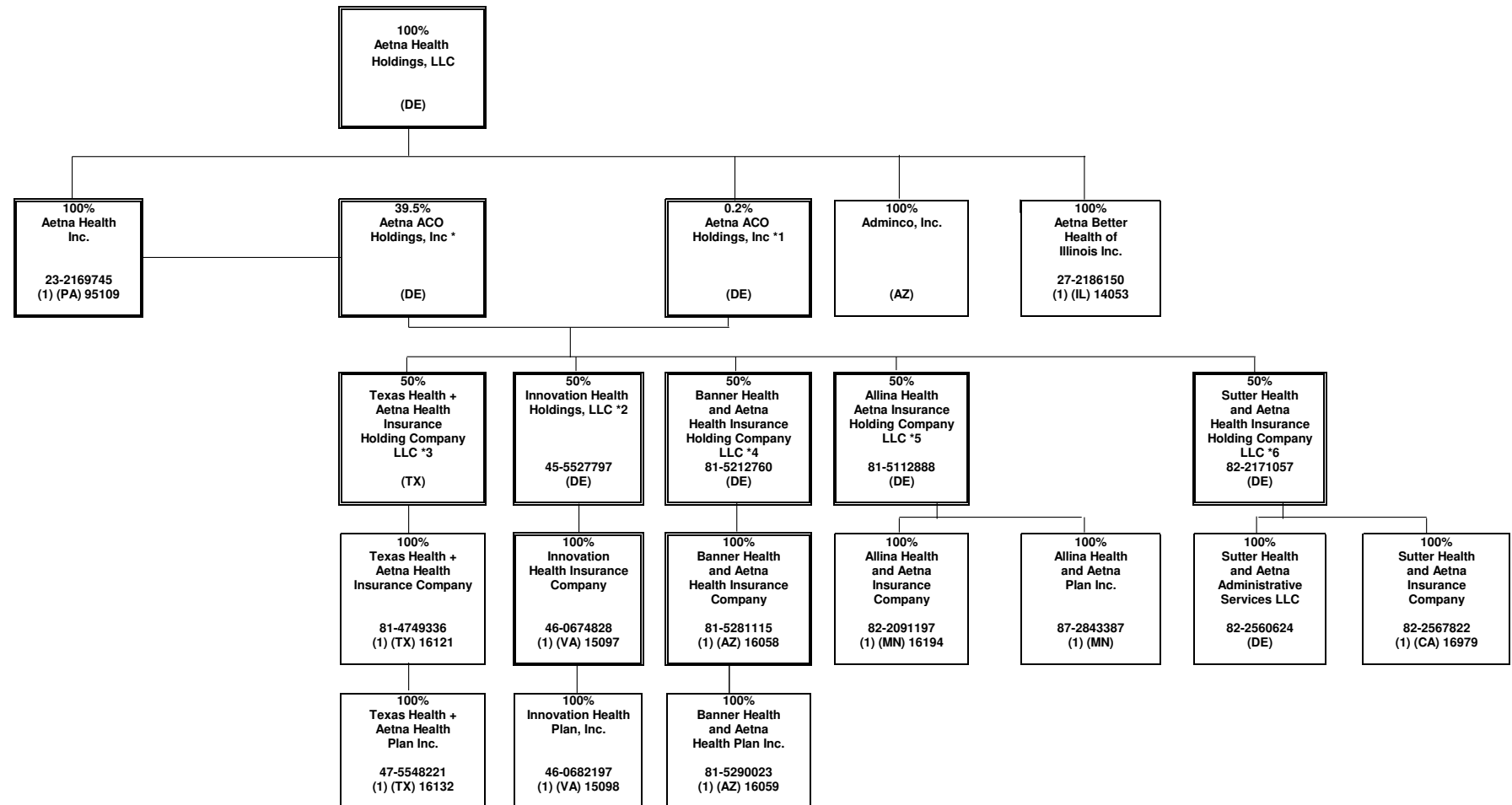
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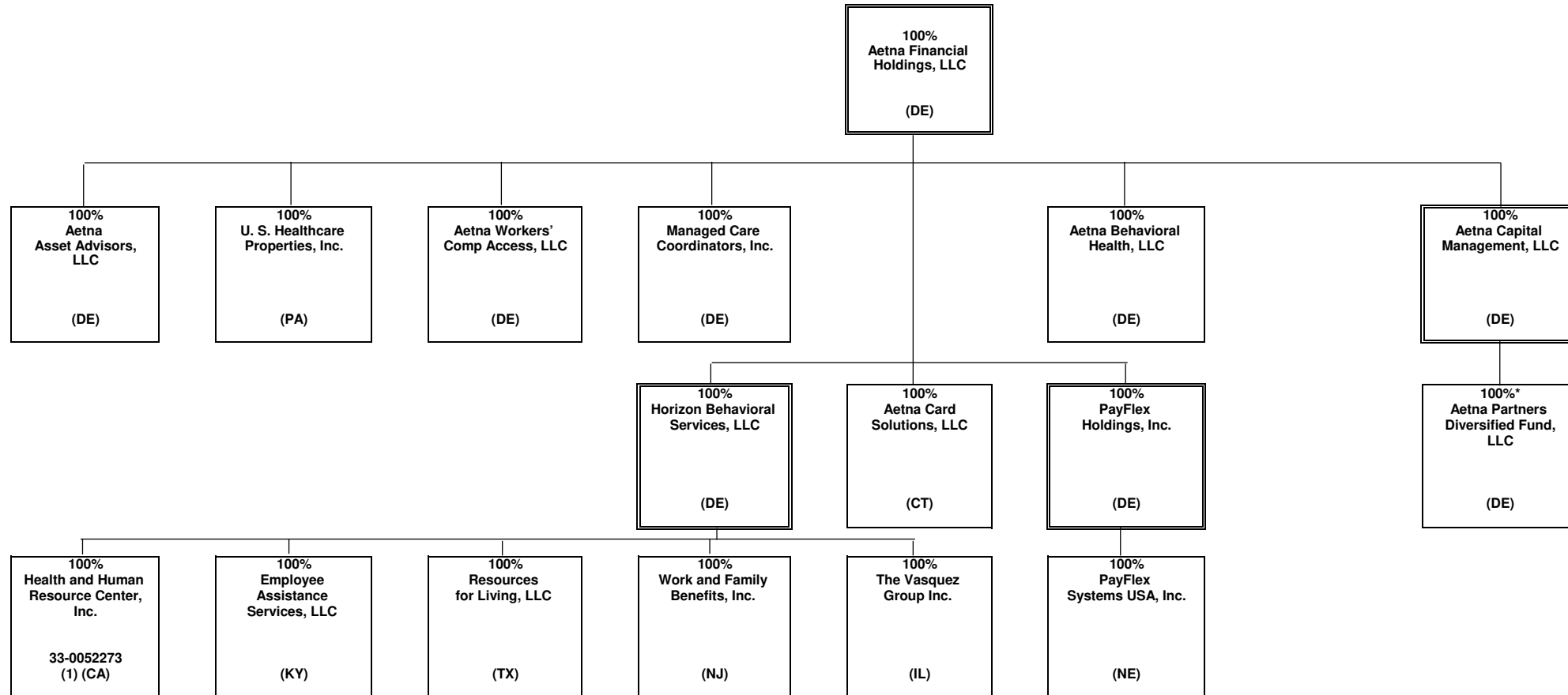
**PART 1 - ORGANIZATIONAL CHART**



\*1 Aetna ACO Holdings Inc. is owned by Aetna Life Insurance Company (302 shares); Aetna Health Inc. (PA) (198 shares); and Aetna Health Holdings, LLC (1 share).  
 \*2 Innovation Health Holdings, LLC is also 50% owned by Inova Health System Foundation.  
 \*3 Texas Health + Aetna Health Insurance Holding Company LLC is also 50% owned by Texas Health Resources.  
 \*4 Banner Health and Aetna Health Insurance Holding Company LLC is also 50% owned by Banner Health.  
 \*5 Allina Health and Aetna Insurance Holding Company LLC is also 50% owned by Allina Health.  
 \*6 Sutter Health and Aetna Insurance Holding Company LLC is also 50% owned by Sutter Health Plan Products Organization, LLC.

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

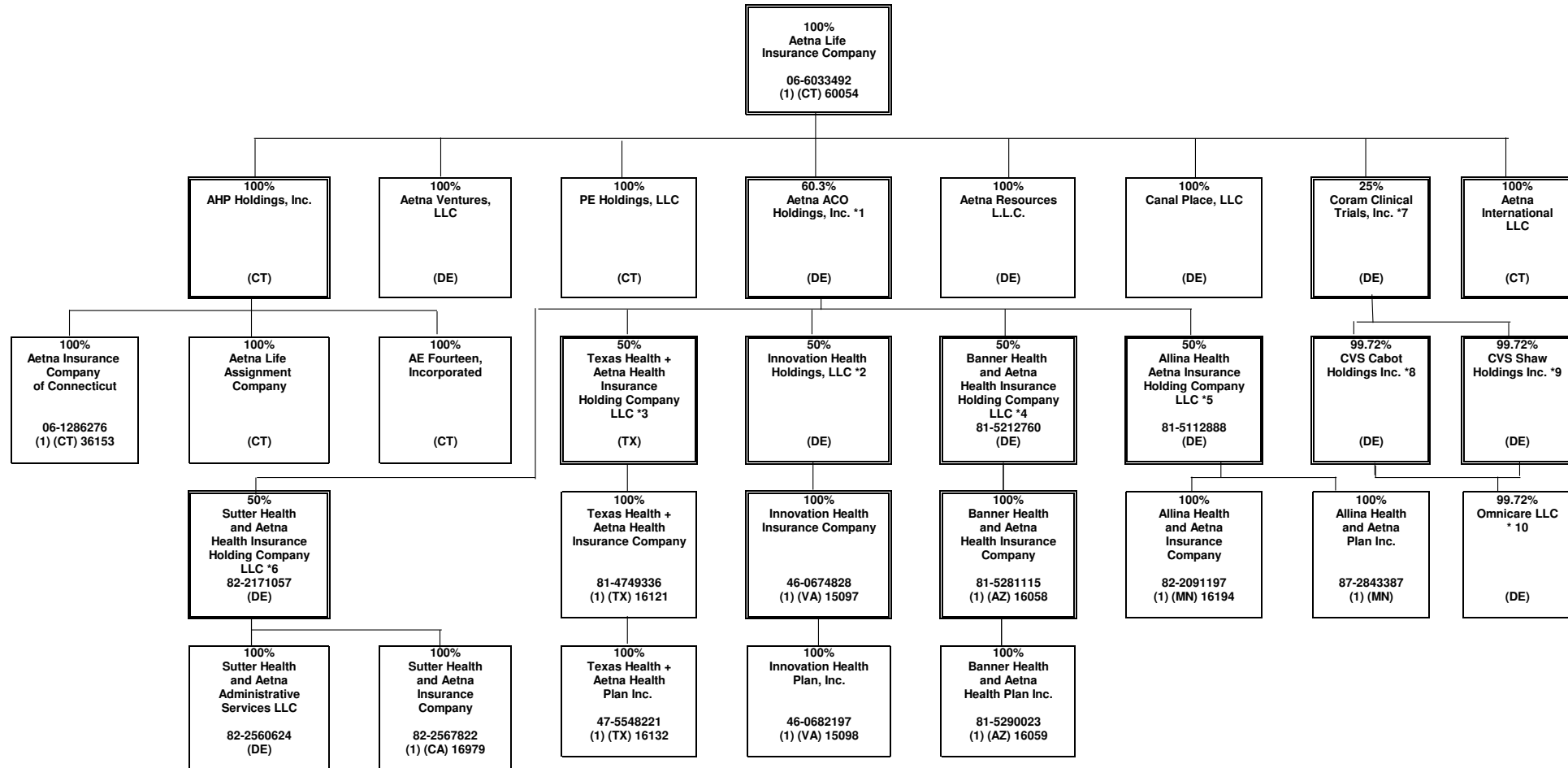
**PART 1 - ORGANIZATIONAL CHART**



\* Aetna Capital Management, LLC owns 100% of the voting rights of Aetna Partners Diversified Fund, LLC ("APDF"). APDF is a fund of hedge funds and certain subsidiaries of CVS Health Group invest in this fund, which does not confer any managing or controlling ownership interests in APDF.

ANNUAL STATEMENT FOR THE YEAR 2021 OF THE SilverScript Insurance Company  
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\*7 Coram Clinical Trials, Inc. is also 75% owned by CVS Pharmacy, Inc.

\*8 CVS Cabot Holdings Inc. is also .28% owned by Aetna Inc.

\*9 CVS Shaw Holdings Inc. is also .28% owned by Aetna Inc.

\*10 Remaining .28% owned by Aetna Inc. CVS Cabot Holdings Inc. and CVS Shaw Holdings Inc. each owning 49.86%.

**OVERFLOW PAGE FOR WRITE-INS**