



# HEALTH ANNUAL STATEMENT

AS OF DECEMBER 31, 2022  
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 Glenn Howard Amnott # 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

Glenn Howard Amnott # Peter Andrew Charles Robert Sean Healy  
Tracy Louise Smith

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.

Glenn Howard Amnott  
President

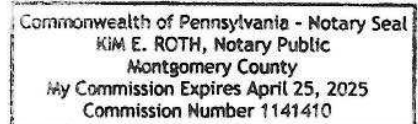
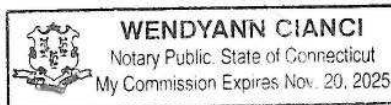
Edward Chung-I Lee  
Vice President and Secretary

Xiaoqi Wang  
Controller

State of..... New Hampshire  
County of..... Merrimack  
Subscribed and sworn to before me this  
30<sup>th</sup> day of January, 2023  
  
NOTARY PUBLIC (Seal)

State of..... Connecticut  
County of..... Hartford  
Subscribed and sworn to before me this  
10<sup>th</sup> day of February, 2023  
  
NOTARY PUBLIC (Seal)

State of..... Pennsylvania  
County of..... Montgomery  
Subscribed and sworn to before me this  
8<sup>th</sup> day of February, 2023  
  
NOTARY PUBLIC (Seal)



- 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 2022 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) .....	4,118,106		4,118,106	3,914,481
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 (\$ .....(21,426,849) , Schedule E - Part 1), cash equivalents (\$ .....314,038,116 , Schedule E - Part 2) and short-term investments (\$ ..... , Schedule DA) .....	292,611,267		292,611,267	304,700,555
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) .....	296,729,373	0	296,729,373	308,615,036
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	1,673,358		1,673,358	26,218
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	36,902,409	14,762,946	22,139,463	21,574,692
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....			0	0
15.3 Accrued retrospective premiums (\$ ..... ) and contracts subject to redetermination (\$ ..... 58,466,437 ) .....	58,466,437		58,466,437	20,914,093
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....			0	0
16.2 Funds held by or deposited with reinsured companies .....	95,240,590		95,240,590	69,324,189
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....	2,228,061,895	156,887	2,227,905,008	2,452,276,226
18.1 Current federal and foreign income tax recoverable and interest thereon .....	0		0	0
18.2 Net deferred tax asset .....	89,131,647	1,477,583	87,654,064	100,081,637
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 .....	105,488,098	266,111	105,221,987	157,883,778
24. Health care (\$ .....388,214,881 ) and other amounts receivable .....	311,163,114	3,164,379	307,998,735	192,884,659
25. Aggregate write-ins for other than invested assets .....	1,675,610	1,527,536	148,074	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	3,224,532,531	21,355,442	3,203,177,089	3,323,580,528
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27)	3,224,532,531	21,355,442	3,203,177,089	3,323,580,528
<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 .....	1,527,536	1,527,536	0	0
2502. Premium Tax Recoverable .....	148,074		148,074	
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)	1,675,610	1,527,536	148,074	0

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....			0	24
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 .....	33,369,340		33,369,340	32,193,615
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.....	34,284,140		34,284,140	33,160,290
9. General expenses due or accrued.....	2,715,804		2,715,804	6,941,321
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....	14,750,237		14,750,237	16,297,613
10.2 Net deferred tax liability.....			0	0
11. Ceded reinsurance premiums payable.....	54,162,859		54,162,859	45,785,884
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.....	11,849,726		11,849,726	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.....	1,904,537,967		1,904,537,967	2,145,192,518
23. Aggregate write-ins for other liabilities (including \$ ..... current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	2,055,670,073	0	2,055,670,073	2,279,571,265
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	1,020,007,016	916,509,263
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	1,147,507,016	1,044,009,263
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,203,177,089	3,323,580,528
<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	57,527,166	53,237,344
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	1,558,430,902	1,636,739,792
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	36,376,618	13,595,305
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	0
5. Risk revenue .....	XXX	0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	(61,250)	16,257,334
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	1,594,746,270	1,666,592,431
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		7,020	2,876
10. Other professional services .....		0	0
11. Outside referrals .....		0	0
12. Emergency room and out-of-area .....		0	0
13. Prescription drugs .....		1,465,543,940	1,528,454,926
14. Aggregate write-ins for other hospital and medical.....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		0	173,946
16. Subtotal (Lines 9 to 15) .....	0	1,465,550,960	1,528,631,748
<b>Less:</b>			
17. Net reinsurance recoveries .....		270,899,852	287,767,934
18. Total hospital and medical (Lines 16 minus 17) .....	0	1,194,651,108	1,240,863,814
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....9,421,822 cost containment expenses ....		148,326,472	158,478,536
21. General administrative expenses .....		180,199,999	167,392,628
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	1,523,177,579	1,566,734,978
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	71,568,691	99,857,453
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		4,259,702	124,917
26. Net realized capital gains (losses) less capital gains tax of \$ .....		(55)	(28,022)
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	4,259,647	96,895
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....296,607 ) (amount charged off \$ ..... (4,892,062) )] .....		(4,595,455)	(38,706,085)
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	71,232,883	61,248,263
31. Federal and foreign income taxes incurred .....	XXX	14,750,155	16,297,612
32. Net income (loss) (Lines 30 minus 31)	XXX	56,482,728	44,950,651
<b>DETAILS OF WRITE-INS</b>			
0601. Enhanced Medication Therapy Management (eMTM) revenue from CMS .....	XXX	(61,250)	16,257,334
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	(61,250)	16,257,334
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.....	1,044,009,263	1,006,719,503
34. Net income or (loss) from Line 32 .....	56,482,728	44,950,651
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 .....	(12,691,210)	6,455,566
39. Change in nonadmitted assets .....	59,706,235	(14,116,458)
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 .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	0	1
48. Net change in capital and surplus (Lines 34 to 47) .....	103,497,753	37,289,760
49. Capital and surplus end of reporting period (Line 33 plus 48)	1,147,507,016	1,044,009,263
<b>DETAILS OF WRITE-INS</b>		
4701. Rounding .....		1
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	1

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	1,551,330,513	1,642,714,898
2. Net investment income .....	2,625,633	145,955
3. Miscellaneous income .....	(61,250)	16,257,334
4. Total (Lines 1 through 3) .....	1,553,894,896	1,659,118,187
5. Benefit and loss related payments .....	1,248,624,214	940,232,595
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	300,845,688	568,160,882
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	16,297,531	62,558,645
10. Total (Lines 5 through 9) .....	1,565,767,433	1,570,952,122
11. Net cash from operations (Line 4 minus Line 10) .....	(11,872,537)	88,166,065
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	0	3,500,000
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 .....	(55)	(3)
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	(55)	3,499,997
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	216,696	3,330,085
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) .....	216,696	3,330,085
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) .....	(216,751)	169,912
<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	0
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	0
<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) .....	(12,089,288)	88,335,977
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	304,700,555	216,364,578
19.2 End of year (Line 18 plus Line 19.1) .....	292,611,267	304,700,555

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

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ANNUAL STATEMENT FOR THE YEAR 2022 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	1,558,430,902		9,629						1,558,421,273	
2. Change in unearned premium reserves and reserve for rate credit	36,376,618		(5)						36,376,623	
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	(61,250)	0	0	0	0	0	0	0	(61,250)	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)	1,594,746,270	0	9,624	0	0	0	0	0	1,594,736,646	0
8. Hospital/medical benefits	7,020		7,020							XXX
9. Other professional services	0									XXX
10. Outside referrals	0									XXX
11. Emergency room and out-of-area	0									XXX
12. Prescription drugs	1,465,543,940								1,465,543,940	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	0									XXX
15. Subtotal (Lines 8 to 14)	1,465,550,960	0	7,020	0	0	0	0	0	1,465,543,940	XXX
16. Net reinsurance recoveries	270,899,852								270,899,852	XXX
17. Total medical and hospital (Lines 15 minus 16)	1,194,651,108	0	7,020	0	0	0	0	0	1,194,644,088	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 9,421,821 cost containment expenses	148,326,472		0						148,326,472	
20. General administrative expenses	180,199,999		1,712						180,198,287	
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)	1,523,177,579	0	8,732	0	0	0	0	0	1,523,168,847	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	71,568,691	0	892	0	0	0	0	0	71,567,799	0
DETAILS OF WRITE-INS										
0501. Enhanced Medication Therapy Management (eMTM) revenue from CMS	(61,250)								(61,250)	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)	(61,250)	0	0	0	0	0	0	0	(61,250)	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 2022 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) individual .....				0
2. Comprehensive (hospital and medical) group .....				0
3. Medicare Supplement .....	9,629			9,629
4. Dental only .....				0
5. Vision only .....				0
6. Federal Employees Health Benefits Plan .....	0			0
7. Title XVIII - Medicare .....	0			0
8. Title XIX - Medicaid .....	0			0
9. Credit A&H .....				0
10. Disability Income .....				0
11. Long-Term Care .....				0
12. Other health .....	1,956,094,067		397,672,794	1,558,421,273
13. Health subtotal (Lines 1 through 12) .....	1,956,103,696	0	397,672,794	1,558,430,902
14. Life .....	0			0
15. Property/casualty .....	0			0
16. Totals (Lines 13 to 15)	1,956,103,696	0	397,672,794	1,558,430,902

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other Health	14 Other Non-Health
		2 Individual	3 Group											
1. Payments during the year:														
1.1 Direct .....	1,535,442,703			7,044									1,535,435,659	
1.2 Reinsurance assumed .....	0													
1.3 Reinsurance ceded .....	270,899,852												270,899,852	
1.4 Net .....	1,264,542,851	0	0	7,044	0	0	0	0	0	0	0	0	1,264,535,807	0
2. Paid medical incentive pools and bonuses .....	0													
3. Claim liability December 31, current year from Part 2A:														
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	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	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	0													
6. Net health care receivables (a) .....	69,891,719												69,891,719	
7. Amounts recoverable from reinsurers December 31, current year .....	0													
8. Claim liability December 31, prior year from Part 2A:														
8.1 Direct .....	24			24	0	0	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed .....	0			0	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	0			0	0	0	0	0	0	0	0	0	0	0
8.4 Net .....	24	0	0	24	0	0	0	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	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 .....	1,465,550,960	0	0	7,020	0	0	0	0	0	0	0	0	1,465,543,940	0
12.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded .....	270,899,852	0	0	0	0	0	0	0	0	0	0	0	270,899,852	0
12.4 Net .....	1,194,651,108	0	0	7,020	0	0	0	0	0	0	0	0	1,194,644,088	0
13. Incurred medical incentive pools and bonuses .....	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13	14
	Total	2 Individual	3 Group	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Credit A&H	Disability Income	Long-Term Care	Other Health	Other Non-Health
1. Reported in Process of Adjustment:														
1.1 Direct .....														
1.2 Reinsurance assumed .....														
1.3 Reinsurance ceded .....														
1.4 Net .....														
2. Incurred but Unreported:														
2.1 Direct .....														
2.2 Reinsurance assumed .....														
2.3 Reinsurance ceded .....														
2.4 Net .....														
3. Amounts Withheld from Paid Claims and Capitations:														
3.1 Direct .....														
3.2 Reinsurance assumed .....														
3.3 Reinsurance ceded .....														
3.4 Net .....														
4. TOTALS:														
4.1 Direct .....														
4.2 Reinsurance assumed .....														
4.3 Reinsurance ceded .....														
4.4 Net .....														

NONE

ANNUAL STATEMENT FOR THE YEAR 2022 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) individual .....					0	
2. Comprehensive (hospital and medical) group .....					0	
3. Medicare Supplement .....	66	6,978	0	0	66	24
4. Dental Only .....					0	0
5. Vision Only .....					0	0
6. Federal Employees Health Benefits Plan .....					0	0
7. Title XVIII - Medicare .....					0	0
8. Title XIX - Medicaid .....					0	0
9. Credit A&H .....					0	
10. Disability Income .....					0	
11. Long-Term Care .....					0	
12. Other health .....	(251,538,480)	1,500,155,650			(251,538,480)	0
13. Health subtotal (Lines 1 to 12) .....	(251,538,414)	1,500,162,628	0	0	(251,538,414)	24
14. Health care receivables (a) .....	(9,701,467)	320,864,581			(9,701,467)	257,190,032
15. Other non-health .....					0	0
16. Medical incentive pools and bonus amounts .....					0	0
17. Totals (Lines 13 - 14 + 15 + 16)	(241,836,947)	1,179,298,047	0	0	(241,836,947)	(257,190,008)

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

ANNUAL STATEMENT FOR THE YEAR 2022 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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior .....	0	0	0	0	0
2. 2018 .....					
3. 2019 .....	XXX				
4. 2020 .....	XXX	XXX	7	7	7
5. 2021 .....	XXX	XXX	XXX	3	3
6. 2022 .....	XXX	XXX	XXX	XXX	7

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior .....	0	0	0	0	0
2. 2018 .....					
3. 2019 .....	XXX				
4. 2020 .....	XXX	XXX	7	7	7
5. 2021 .....	XXX	XXX	XXX	3	3
6. 2022 .....	XXX	XXX	XXX	XXX	7

**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. 2018 .....				0.0	0	0.0			0	0.0
2. 2019 .....				0.0	0	0.0			0	0.0
3. 2020 .....	6	7		0.0	7	116.7			7	116.7
4. 2021 .....	10	3		0.0	3	30.0			3	30.0
5. 2022 .....	10	7		0.0	7	70.0			7	70.0

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ANNUAL STATEMENT FOR THE YEAR 2022 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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior .....	(659)	(5,015)	(31,927)	(29,722)	(35,591)
2. 2018 .....	2,252,425	2,238,481	2,218,983	2,229,718	2,233,071
3. 2019 .....	XXX	2,097,023	2,122,350	2,127,781	2,122,153
4. 2020 .....	XXX	XXX	1,709,867	1,712,893	1,708,699
5. 2021 .....	XXX	XXX	XXX	1,219,463	1,247,154
6. 2022 .....	XXX	XXX	XXX	XXX	1,179,291

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior .....	2,745	(5,015)	(31,927)	(29,722)	(35,591)
2. 2018 .....	2,256,512	2,238,481	2,218,983	2,229,718	2,233,071
3. 2019 .....	XXX	2,097,023	2,122,350	2,127,781	2,122,153
4. 2020 .....	XXX	XXX	1,709,867	1,712,893	1,708,699
5. 2021 .....	XXX	XXX	XXX	1,219,463	1,247,154
6. 2022 .....	XXX	XXX	XXX	XXX	1,179,291

**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. 2018 .....	2,693,112	2,233,071	81,060	3.6	2,314,131	85.9			2,314,131	85.9
2. 2019 .....	2,553,547	2,122,153	75,588	3.6	2,197,741	86.1			2,197,741	86.1
3. 2020 .....	2,159,197	1,708,699	85,852	5.0	1,794,551	83.1			1,794,551	83.1
4. 2021 .....	1,650,325	1,247,154	161,049	12.9	1,408,203	85.3			1,408,203	85.3
5. 2022 .....	1,594,798	1,179,291	132,794	11.3	1,312,085	82.3			1,312,085	82.3

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ANNUAL STATEMENT FOR THE YEAR 2022 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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior .....	(659)	(5,015)	(31,927)	(29,722)	(35,591)
2. 2018 .....	2,252,425	2,238,481	2,218,983	2,229,718	2,233,071
3. 2019 .....	XXX	2,097,023	2,122,350	2,127,781	2,122,153
4. 2020 .....	XXX	XXX	1,709,874	1,712,900	1,708,706
5. 2021 .....	XXX	XXX	XXX	1,219,466	1,247,157
6. 2022 .....	XXX	XXX	XXX	XXX	1,179,298

**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 2018	2 2019	3 2020	4 2021	5 2022
1. Prior .....	2,745	(5,015)	(31,927)	(29,722)	(35,591)
2. 2018 .....	2,256,512	2,238,481	2,218,983	2,229,718	2,233,071
3. 2019 .....	XXX	2,097,023	2,122,350	2,127,781	2,122,153
4. 2020 .....	XXX	XXX	1,709,874	1,712,900	1,708,706
5. 2021 .....	XXX	XXX	XXX	1,219,466	1,247,157
6. 2022 .....	XXX	XXX	XXX	XXX	1,179,298

**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. 2018 .....	2,693,112	2,233,071	81,060	3.6	2,314,131	85.9	0	0	2,314,131	85.9
2. 2019 .....	2,553,547	2,122,153	75,588	3.6	2,197,741	86.1	0	0	2,197,741	86.1
3. 2020 .....	2,159,203	1,708,706	85,852	5.0	1,794,558	83.1	0	0	1,794,558	83.1
4. 2021 .....	1,650,335	1,247,157	161,049	12.9	1,408,206	85.3	0	0	1,408,206	85.3
5. 2022 .....	1,594,808	1,179,298	132,794	11.3	1,312,092	82.3	0	0	1,312,092	82.3

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ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Dental Only	6 Vision Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Credit A&H	11 Disability Income	12 Long-Term Care	13 Other
		2 Individual	3 Group										
1. Unearned premium reserves .....	64			64									
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) ..	33,369,276												33,369,276
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	33,369,340	0	0	64	0	0	0	0	0	0	0	0	33,369,276
7. Reinsurance ceded .....	0												
8. Totals (Net)(Page 3, Line 4) .....	33,369,340	0	0	64	0	0	0	0	0	0	0	0	33,369,276
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	0	0	0	0
12. Totals (gross) .....	0	0	0	0	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	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	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	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	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0	0	0	0	0

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

ANNUAL STATEMENT FOR THE YEAR 2022 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 .....	0	0	64,242,118		64,242,118
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....	0	0	112,224,990		112,224,990
4. Legal fees and expenses .....					0
5. Certifications and accreditation fees .....	0	0	0		0
6. Auditing, actuarial and other consulting services ...	0	0	500,000		500,000
7. Traveling expenses .....	0	0	104,940		104,940
8. Marketing and advertising .....	0	0	4,223,362		4,223,362
9. Postage, express and telephone .....	0	0	2,215,947		2,215,947
10. Printing and office supplies .....	0	0	2,219,826		2,219,826
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 .....	1,803,802	0	3,812,427		5,616,229
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....	0	0	0		0
17. Collection and bank service charges .....	0	0	2,626,398		2,626,398
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....	(5,461,435)	(83,232,264)	(20,535,815)		(109,229,514)
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....					0
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....	0	0	1,901,390		1,901,390
23.2 State premium taxes .....			22,100		22,100
23.3 Regulatory authority licenses and fees .....	0	0	5,103,783		5,103,783
23.4 Payroll taxes .....	0	0	111,051		111,051
23.5 Other (excluding federal income and real estate taxes) .....	0	0	52,948		52,948
24. Investment expenses not included elsewhere .....					0
25. Aggregate write-ins for expenses .....	13,079,455	222,136,914	1,374,534	0	236,590,903
26. Total expenses incurred (Lines 1 to 25) .....	9,421,822	138,904,650	180,199,999	0	(a) 328,526,471
27. Less expenses unpaid December 31, current year .....			2,715,804		2,715,804
28. Add expenses unpaid December 31, prior year .....			6,941,321		6,941,321
29. Amounts receivable relating to uninsured plans, prior year .....	1,077,690	6,165,802	1,590,089		8,833,581
30. Amounts receivable relating to uninsured plans, current year .....	363,108	7,271,706	1,920,719		9,555,533
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	8,707,240	140,010,554	184,756,146	0	333,473,940
<b>DETAILS OF WRITE-INS</b>					
2501. Related party PBM Management fees .....	15,445,718	236,317,460	58,476,546		310,239,724
2502. CMS fees .....	0	0	7,550,639		7,550,639
2503. Reinsurance Expense ceded-related party .....	(2,366,263)	(14,180,546)	(64,652,651)		(81,199,460)
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) .....	13,079,455	222,136,914	1,374,534	0	236,590,903

(a) Includes management fees of \$ 494,537,791 to affiliates and \$ ..... to non-affiliates.

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 27,030	37,251
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 30,600	9,311
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) 6,268,669	7,913,806
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	0	0
10. Total gross investment income	6,326,299	7,960,368
11. Investment expenses		(g) 0
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13. Interest expense		(h) 3,700,666
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)		3,700,666
17. Net investment income (Line 10 minus Line 16)		4,259,702
<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 \$ 8,230 accrual of discount less \$ 21,301 amortization of premium and less \$ 220 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 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	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		
4. Real estate			0		
5. Contract loans			0		
6. Cash, cash equivalents and short-term investments		(55)	(55)		
7. Derivative instruments			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	(55)	(55)	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 2022 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 .....	14,762,946	11,698,934	(3,064,012)
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 .....	156,887	139,392	(17,495)
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....	1,477,583	1,741,220	263,637
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 .....	3,164,379	64,305,373	61,140,994
25. Aggregate write-ins for other than invested assets .....	1,527,536	2,910,647	1,383,111
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	21,355,442	81,061,677	59,706,235
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27)	21,355,442	81,061,677	59,706,235
<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 .....	1,527,536	2,910,647	1,383,111
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)	1,527,536	2,910,647	1,383,111

**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.....	4,481,262	4,769,191	4,780,792	4,819,777	4,854,260	57,527,166
7. Total	4,481,262	4,769,191	4,780,792	4,819,777	4,854,260	57,527,166
<b>DETAILS OF WRITE-INS</b>						
0601. Medicare Part D .....	4,481,257	4,769,186	4,780,787	4,819,772	4,854,255	57,527,106
0602. Medicare Supplement .....	5	5	5	5	5	60
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)	4,481,262	4,769,191	4,780,792	4,819,777	4,854,260	57,527,166

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies and Going Concern

#### A. Accounting Practices

The accompanying statutory financial statements of SilverScript Insurance Company (the “Company”), indirectly a wholly-owned subsidiary of CVS Health Corporation (“CVS Health”), have been prepared in conformity with accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance (“Tennessee Department”) (“Tennessee Accounting Practices”). The Tennessee Department recognizes 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, which include accounting practices and procedures adopted by the National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP”).

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Tennessee for the years ending December 31, 2022 and 2021 is as follows:

	SSAP #	F/S Page	F/S Line #	2022	2021
<b>NET INCOME</b>					
(1) SilverScript Insurance Company state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 56,482,728	\$ 44,950,651
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 56,482,728	\$ 44,950,651
<b>SURPLUS</b>					
(5) SilverScript Insurance Company state basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 1,147,507,016	\$ 1,044,009,263
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 1,147,507,016	\$ 1,044,009,263

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

The preparation of these financial statements in conformity with Tennessee Accounting Practices requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses. Actual results could differ from those estimates.

#### C. Accounting Policies

The Company applies the following significant accounting policies:

##### (1) Cash, Cash Equivalents and Short-Term Investments

Cash, cash equivalents and short-term investments, consisting primarily of money market instruments and other debt issues with an original maturity of up to one year, are carried at amortized cost. Short-term investments consist primarily of investments purchased with an original maturity date of greater than three months but less than one year. Cash equivalents consist of highly liquid instruments, which mature within three months from the date of purchase. The carrying amount of cash, cash equivalents and short-term investments approximates fair value. Cash accounts with positive balances shall not be reported separately from cash accounts with negative balances. If in the aggregate, the reporting entity has a net negative cash balance, it shall be reported as a negative asset and shall not be recorded as a liability.

##### (2) Bonds

Bonds, which include special deposits, are carried at amortized cost except for those bonds with an NAIC designation of 3 through 6, which are carried at the lower of amortized cost or fair value. The amount carried at fair value is not material to the financial statements. Bond premiums and discounts are amortized using the scientific interest method. When quoted prices in active markets for identical assets are available, the Company uses these quoted market prices to determine the fair value of bonds. This is used primarily for U.S. government securities. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the Company estimates fair values using valuation methodologies based on available and observable market information or by using a matrix pricing model. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal

## NOTES TO FINANCIAL STATEMENTS

analysis of each investment's financial performance and cash flow projections. The Company had no investments where fair value was determined using broker quotes or an internal analysis of financial performance and cash flow projections at December 31, 2022 or 2021. Bonds include all investments whose maturity is greater than one year when purchased. All adjustments between amortized cost and carrying value are reflected in unrealized capital gains and losses and are reported as direct adjustments to surplus.

Bonds are recorded as purchases or sales on the trade date.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than-temporary. For bonds, an other-than-temporary impairment ("OTTI") shall be recorded if it is probable that the Company will be unable to collect all amounts due according to the contractual terms in effect at the date of acquisition. Declines deemed to be OTTI in the cost basis are recognized as realized capital losses. Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI exists. Among the factors considered in evaluating whether a decline is other-than-temporary, management considers whether the decline in fair value results from a change in the quality of the investment security itself, whether the decline results from a downward movement in the market as a whole, the prospects for realizing the carrying value of the bond based on the investee's current and short-term prospects for recovery and other factors. The risks inherent in assessing the impairment of an investment include the risk that market factors may differ from the Company's expectations and the risk that facts and circumstances factored into its assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than-temporarily-impaired in prior reporting periods.

The Company had no Securities Valuation Office-identified investments that are being reported at a different measurement method from the prior year annual statement.

(3) Common Stocks

The Company did not own any common stock at December 31, 2022 or 2021.

(4) Preferred Stocks

The Company did not own any preferred stock at December 31, 2022 or 2021.

(5) Mortgage Loans

The Company did not have any mortgage loans at December 31, 2022 or 2021.

(6) Loan-Backed and Structured Securities

The Company did not have any loan-backed and structured securities at December 31, 2022 or 2021.

(7) Investments in Subsidiaries, Controlled or Affiliated Companies

The Company did not have any investments in subsidiaries, controlled or affiliated companies at December 31, 2022 and 2021.

(8) Investments in Joint Ventures, Partnerships and Limited Liability Companies

The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2022 or 2021.

(9) Derivatives

The Company did not have any derivatives at December 31, 2022 or 2021.

(10) Aggregate Health Policy Reserves and Related Expenses

For Medicare plans, the Company's annual contract with Centers for Medicare & Medicaid Services ("CMS") provides a risk-sharing arrangement to limit exposure to unexpected expenses. The risk-sharing arrangement provides a risk corridor whereby the amount the Company received in premiums from members and CMS based on its annual bid is compared to actual drug costs incurred during the contract year. Based on the risk corridor provision and Part D activity-to-date, estimated risk-sharing payables of \$33,369,340 and \$32,193,615 were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2022 and 2021, respectively.

(11) Hospital and Medical Costs and Claims Adjustment Expenses and Related Reserves

Hospital and medical costs consist principally of fee-for-service medical claims and capitation costs. Claims unpaid and aggregate health claim reserves include the Company's estimate of payments to be made on claims reported but not yet paid and for health care services rendered to enrollees but not yet reported to the Company as of the Statutory Statements

## NOTES TO FINANCIAL STATEMENTS

of Assets and Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions, which consider, among other things, historical and projected claim submission and processing payment patterns, medical cost trends, historical utilization of health care services, claim inventory levels, medical inflation, contract requirement changes in membership and product mix, seasonality and other relevant factors. The Company reflects changes in estimates in hospital and medical costs in the Statutory Statements of Revenue and Expenses in the period they are determined. Capitation costs, which are recorded in hospital and medical expenses in the Statutory Statements of Revenue and Expenses, represent contractual monthly fees paid to participating physicians and other medical providers for providing medical care, regardless of the medical services provided to the enrollee.

The Company uses the triangulation method to estimate reserves for claims incurred but not reported. The method of triangulation makes estimates of completion factors that are then applied to the total paid claims (net of coordination of benefits) to date for each incurral month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). For the most current dates of service where there is insufficient paid claim data to rely solely on the triangulation method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, changes in membership and/or benefits, and historical seasonal patterns to estimate the reserve required for these months.

Claims adjustment expenses, which include cost containment expenses, represent the costs incurred related to the claim settlement process such as costs to record, process and adjust claims. These expenses are included in the Company's management agreement with an affiliate described in Note 10.

### (12) Capitalization Policy

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

### (13) Pharmaceutical Rebate Receivables

The Company estimates pharmaceutical rebate receivables based upon historical payment trends, actual utilization and other variables. Pharmaceutical rebates for a quarter are billed to the vendor within one month of the completion of the quarter with any adjustment to previously recorded amounts reflected at the time of billing. The Company reports pharmaceutical rebate receivables as health care receivables. Pharmacy rebate receivables not in accordance with SSAP No. 84 – *Health Care and Government Insured Plan Receivables* or are over 90 days past due are nonadmitted. All rebates are processed and settled monthly with an affiliated entity, including adjustments to previously billed periods. The pharmaceutical rebate receivables are more fully discussed in Note 28.

### (14) Premiums and Amounts Due and Unpaid

Premium revenue for health products are recognized as income in the month in which enrollees are entitled to health services. Premiums collected before the effective period are reported as premiums received in advance. Premiums related to unexpired contractual coverage periods are reported as unearned premiums and are included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus.

Nonadmitted amounts consist of all premiums due and unpaid greater than 90 days past due, with the exception of amounts due under government insured plans, which may be admitted assets under certain circumstances. In addition, for any customer for which the premiums due and unpaid greater than 90 days past due is more than a de minimus portion of the entire balance of premiums due and unpaid for that customer, the entire balance of premiums due and unpaid for that customer is nonadmitted. Management also performs a specific review of accounts and based on the results of the review, additional amounts may be nonadmitted.

Through the Company's Medicare Part D annual contract with CMS, the Company receives monthly premium payments from CMS and members, as determined by the Company's annual bid process. The Company recognizes the revenue related to the CMS contract ratably over the term of its annual contract.

The CMS payment is subject to risk sharing provisions through the CMS risk corridor provision, which is accounted for as a retrospectively rated contract in accordance with SSAP No. 66 - *Retrospectively Rated Contracts*. Receivables related to the CMS risk corridor provision are included in accrued retrospective premiums and contracts subject to redetermination on the Statutory Statements of Assets.

### (15) Investment Income Due and Accrued

Accrued investment income consists primarily of interest. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; and (b) bonds delinquent more than 90 days or where collection of interest is improbable. At December 31, 2022 and 2021, the Company did not have any nonadmitted investment income due and accrued.

### (16) Reinsurance

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results and to help balance its risks and capital by reinsuring certain levels of risk with other insurance enterprises. The reinsurance coverage does not relieve the Company of its primary obligations. Reinsurance premiums and reserves related to reinsured business are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums and claims ceded and

## NOTES TO FINANCIAL STATEMENTS

the related unpaid reserves have been reported as reductions of these items. The reinsurance agreements are more fully discussed in Note 23.

### (17) Federal and State Income and Premium Taxes

The Company is included in the consolidated federal income tax return of its ultimate parent company, CVS Health, pursuant to the terms of a tax sharing agreement. In accordance with the agreement, the Company's current federal and state income tax provisions are generally computed as if the Company were filing a separate federal and state income tax return; current income tax benefits, including those resulting from net operating losses, are recognized to the extent expected to be realized in the consolidated return. Pursuant to the agreement, the Company has the enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses, which it may incur, or to recoup its net losses carried forward as an offset to future net income subject to federal and state income taxes.

Income taxes are accounted for under the asset and liability method. Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101 - *Income Taxes*. DTAs and DTLs are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

Pursuant to SSAP No. 101, gross DTAs are first reduced by a statutory valuation allowance adjustment to an amount that is more likely than not to be realized ("adjusted gross DTAs"). Adjusted gross DTAs are then admitted in an amount equal to the sum of paragraphs a. b. and c. below:

- a. Federal income taxes paid in prior years that can be recovered through loss carrybacks for existing temporary differences that reverse during a timeframe corresponding with Internal Revenue Code ("IRC") tax loss carryback provisions.
- b. The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to be realized within the applicable period and that is no greater than the applicable percentage as determined using the applicable Realization Threshold Limitation Table. The applicable period refers to the number of years in which the DTA will reverse in the Company's tax return and the applicable percentage refers to the percentage of the Company's statutory capital and surplus as required to be shown on the statutory balance sheet adjusted to exclude any net DTAs, electronic data processing equipment and operating system software and any net positive goodwill ("Stat Cap ExDTA").

The Realization Threshold Limitation Tables allow DTAs to be admitted based upon either realization within 3 years and 15% of Stat Cap ExDTA, 1 year and 10% of Stat Cap ExDTA, or no DTA admitted pursuant to this paragraph b. In general, the Realization Threshold Limitation Tables allow the Company to admit more DTAs if total DTAs as reported by the Company are a smaller percentage of statutory capital and surplus.

- c. The amount of gross DTAs, after the application of paragraphs a. and b. above that can be offset against existing gross DTLs. In applying this offset, the Company considers the character (i.e. ordinary versus capital) of the DTAs and DTLs such that offsetting would be permitted in the tax return under existing enacted federal income tax laws and regulations and the reversal patterns of temporary differences.

Changes in DTAs and DTLs are recognized as a separate component of gains and losses in surplus ("Change in net deferred income tax") except to the extent allocated to changes in unrealized gains and losses. Changes in DTAs and DTLs allocated to unrealized gains and losses are netted against the related changes in unrealized gains and losses and are reported as "Change in net unrealized capital gains (losses)", also a separate component of gains and losses in surplus.

The Company is subject to state income taxes in various states. State income tax expense is recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. For the years ended December 31, 2022 and 2021, the Company incurred state income tax expense (benefit) of \$1,901,390 and \$(46,649), respectively.

The Company had \$826,756 and \$1,166,598 of state income tax payables at December 31, 2022 and 2021, respectively. These balances were included in general expenses due or accrued in the Statutory Statements of Liabilities, Capital and Surplus.

The Company is subject to premium taxes in various states. These tax expenses were recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. The expenses for these taxes were \$22,100 and \$230,487 for the years ended December 31, 2022 and 2021, respectively.

### D. Going Concern

As of February 25, 2022, management evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern and management has determined that it is not probable that the Company will be unable to meet its obligations as they become due within one year after the financial statements are available to be issued. Management will continuously evaluate the Company's ability to continue as a going concern and will take appropriate action and will make appropriate disclosures if there is any change in any condition or events that would raise substantial doubt about the Company's ability to continue as a going concern.

## NOTES TO FINANCIAL STATEMENTS

2. Accounting Changes and Corrections of Errors

The Company did not have any accounting changes or correction of errors in the years ended December 31, 2022 and 2021.

3. Business Combinations and Goodwill

The Company was not a part of any business combinations that involved the statutory purchase method, a statutory merger, an assumption reinsurance, or an impairment loss in the years ending December 31, 2022 and 2021.

4. Discontinued Operations

The Company did not have any operations receiving discontinued operations accounting treatment during the years ending December 31, 2022 and 2021.

5. Investments

- A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2022 or 2021.
- B. The Company did not have any debt restructuring in the years ending December 31, 2022 or 2021.
- C. The Company did not have any reverse mortgages at December 31, 2022 or 2021.
- D. The Company did not have any loan-backed securities at December 31, 2022 or 2021.
- E. The Company had no dollar repurchase agreements and/or securities lending transactions at December 31, 2022.
- F. The Company did not have any repurchase agreements transactions accounted for as secured borrowing at December 31, 2022.
- G. The Company did not have any reverse repurchase agreements transactions accounted for as secured borrowing at December 31, 2022.
- H. The Company did not have any repurchase agreements transactions accounted for as a sale at December 31, 2022.
- I. The Company did not have any reverse repurchase agreements transactions accounted for as a sale at December 31, 2022.
- J. The Company did not have any real estate at December 31, 2022.
- K. The Company did not have any low-income housing tax credits at December 31, 2022 or 2021.

## NOTES TO FINANCIAL STATEMENTS

### L. Restricted Assets

#### (1) Restricted assets (including pledged):

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 (a)	7 Admitted Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown						— %	— %
b. Collateral held under security lending agreements						—	—
c. Subject to repurchase agreements						—	—
d. Subject to reverse repurchase agreements						—	—
e. Subject to dollar repurchase agreements						—	—
f. Subject to dollar reverse repurchase agreements						—	—
g. Placed under option contracts						—	—
h. Letter stock or securities restricted as to sale - excluding FHLB capital stock						—	—
i. FHLB capital stock						—	—
j. On deposit with states	\$ 4,118,106	\$ 3,304,125	\$ 813,981		\$ 4,118,106	0.129	0.129
k. On deposit with other regulatory bodies	\$ —	\$ 610,356	\$ (610,356)			—	—
l. Pledged collateral to FHLB (including assets backing funding agreements)						—	—
m. Pledged as collateral not captured in other categories						—	—
n. Other restricted assets						—	—
o. Total Restricted Assets (Sum of a through n)	\$ 4,118,106	\$ 3,914,481	\$ 203,625	\$ —	\$ 4,118,106	0.129	0.129

(a) Column 1 divided by Asset Page, Column 1, Line 28  
(b) Column 5 divided by Asset Page, Column 3, Line 28

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2022 or 2021.

(3) The Company did not have any other restricted assets at December 31, 2022 or 2021.

(4) The Company did not have any collateral received and reflected within its financial statements at December 31, 2022.

M. The Company did not have any working capital finance investments at December 31, 2022.

N. The Company did not have any offsetting and netting of derivative, repurchase and reverse repurchase, and securities borrowing and securities lending assets or liabilities at December 31, 2022.

O. The Company did not have any 5GI securities at December 31, 2022 or 2021.

P. The Company did not have any short sales at December 31, 2022.

Q. The Company did not have any prepayment penalty and acceleration fees at December 31, 2022.

R. The Company did not participate in any qualified cash pools at December 31, 2022.

### 6. Joint Ventures, Partnerships, and Limited Liability Companies

A. The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2022 or 2021.

B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2022 or 2021.

### 7. Investment Income

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

Bonds - where collection of interest is uncertain.

B. There was no amount excluded at December 31, 2022 or 2021.

**NOTES TO FINANCIAL STATEMENTS**

8. Derivative Instruments

The Company did not have any derivative instruments at December 31, 2022 or 2021.

9. Income Taxes

A.

(1) The components of the net DTAs recognized in the Company's Statutory Statements of Assets and Liabilities, Capital and Surplus are as follows:

	12/31/2022			12/31/2021			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$89,127,130	\$ 41,443	\$89,168,573	\$ 101,868,602	\$ —	\$101,868,602	\$(12,741,472)	\$ 41,443	\$(12,700,029)
(b) Statutory Valuation Allowance Adjustment	—	—	—	—	—	—	—	—	—
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	89,127,130	41,443	89,168,573	101,868,602	—	101,868,602	(12,741,472)	41,443	(12,700,029)
(d) Deferred Tax Assets Nonadmitted	1,436,140	41,443	1,477,583	1,741,220	—	1,741,220	(305,080)	41,443	(263,637)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	87,690,990	—	87,690,990	100,127,382	—	100,127,382	(12,436,392)	—	(12,436,392)
(f) Deferred Tax Liabilities	36,926	—	36,926	45,745	—	45,745	(8,819)	—	(8,819)
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$87,654,064	\$ —	\$87,654,064	\$ 100,081,637	\$ —	\$100,081,637	\$(12,427,573)	\$ —	\$(12,427,573)

(2) The amount of admitted gross DTAs admitted under each component of SSAP No. 101:

	12/31/2022			12/31/2021			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$31,047,686	\$ —	\$31,047,686	\$ 54,940,131	\$ —	\$ 54,940,131	\$(23,892,445)	\$ —	\$(23,892,445)
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	56,606,378	—	56,606,378	45,141,507	—	45,141,507	11,464,871	—	11,464,871
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	—	—	—	—	—	—	—	—	—
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XX	XX	158,977,943	XX	XX	141,589,144	XX	XX	17,388,799
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	36,926	—	36,926	45,745	—	45,745	(8,819)	—	(8,819)
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$87,690,990	\$ —	\$87,690,990	\$100,127,382	\$ —	\$100,127,382	\$(12,436,392)	\$ —	\$(12,436,392)

(3)

	2022	2021
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	1,546 %	1,798 %
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$1,059,852,952	\$ 943,927,626

## NOTES TO FINANCIAL STATEMENTS

(4) The impact of tax planning strategies is as follows:

	12/31/2022		12/31/2021		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
Impact of Tax Planning Strategies:						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1(c)	\$89,127,130	\$ 41,443	\$101,868,602	\$ —	\$(12,741,472)	\$ 41,443
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	— %	— %	— %	— %	— %	— %
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	87,690,990	—	100,127,382	—	(12,436,392)	—
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning	— %	— %	— %	— %	— %	— %

(b) Do the Company's tax-planning strategies include the use of reinsurance?

Yes [ ] No [X]

B. There are no DTLs that were not recognized at December 31, 2022 or 2021.

## NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:

	(1) 12/31/2022	(2) 12/31/2021	(3) (Col. 1 - 2) Change
1. Current Income Tax			
(a) Federal	\$ 14,750,155	\$ 16,297,613	\$ (1,547,458)
(b) Foreign	—	—	—
(c) Subtotal (1a+1b)	14,750,155	16,297,613	(1,547,458)
(d) Federal income tax on net capital gains	—	—	—
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred (1c+1d+1e+1f)	14,750,155	16,297,613	(1,547,458)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	—	—	—
(2) Unearned premium reserve	1,439,937	1,392,732	47,205
(3) Policyholder reserves	—	—	—
(4) Investments	—	—	—
(5) Deferred acquisition costs	—	—	—
(6) Policyholder dividends accrual	—	—	—
(7) Fixed assets	—	—	—
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	4,174,350	16,657,296	(12,482,946)
(11) Net operating loss carry-forward	—	—	—
(12) Tax credit carry-forward	—	—	—
(13) Other	83,512,843	83,777,131	(264,288)
(99) Subtotal (sum of 2a1 through 2a13)	89,127,130	101,827,160	(12,700,030)
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	1,436,140	1,699,778	(263,638)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	87,690,990	100,127,382	(12,436,392)
(e) Capital:			
(1) Investments	41,443	41,443	—
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other	—	—	—
(99) Subtotal (2e1+2e2+2e3+2e4)	41,443	41,443	—
(f) Statutory valuation allowance adjustment	—	—	—
(g) Nonadmitted	41,443	41,443	—
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	—	—	—
(i) Admitted deferred tax assets (2d + 2h)	87,690,990	100,127,382	(12,436,392)
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	2,092	368	1,724
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other	34,834	45,377	(10,543)
(99) Subtotal (3a1+3a2+3a3+3a4+3a5)	36,926	45,745	(8,819)
(b) Capital:			
(1) Investments	—	—	—
(2) Real estate	—	—	—
(3) Other	—	—	—
(99) Subtotal (3b1+3b2+3b3)	—	—	—
(c) Deferred tax liabilities (3a99 + 3b99)	36,926	45,745	(8,819)
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 87,654,064	\$ 100,081,637	\$ (12,427,573)

The change in net deferred income taxes is comprised of the following:

	12/31/2022	12/31/2021	Change
Total Deferred Tax Assets	\$ 89,168,573	\$ 101,868,602	\$ (12,700,029)
Total Deferred Tax Liabilities	(36,926)	(45,745)	8,819
Net Deferred Tax Assets/(Liabilities)	89,131,647	101,822,857	(12,691,210)
Tax Effect of Unrealized Gains/(Losses)			—
Change in Net Deferred Income Tax			<u>\$ (12,691,210)</u>

## NOTES TO FINANCIAL STATEMENTS

There was no valuation allowance adjustment to gross DTAs December 31, 2022. There was no valuation allowance adjustment to gross DTAs December 31, 2021. The Company bases its estimates of the future realization of DTAs primarily on historic taxable income and existing DTLs.

- D. The provision for federal income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The items causing this difference were as follows:

	12/31/2022	Effective Tax Rate	12/31/2021	Effective Tax Rate
Provision computed at statutory rate	\$ 14,958,905	21.0 %	\$ 12,862,135	21.0 %
Tax-Exempt Interest	(1,465)	0.0 %	(1,141)	0.0 %
Meals & Entertainment, Lobbying Expenses, Etc.	979	0.0 %	91	0.0 %
Impact of Non-Admitted Assets	12,482,946	17.5 %	(3,019,038)	(4.9)%
Total	<u>\$ 27,441,365</u>	<u>38.5 %</u>	<u>\$ 9,842,047</u>	<u>16.1 %</u>
Federal and foreign income taxes incurred	\$ 14,750,155	20.7 %	\$ 16,297,613	26.6 %
Change in net deferred income taxes	12,691,210	17.8 %	(6,455,566)	(10.5)%
Total statutory income taxes	<u>\$ 27,441,365</u>	<u>38.5 %</u>	<u>\$ 9,842,047</u>	<u>16.1 %</u>

The transfer pricing adjustment allows taxpayers to apply different methods to price current period intercompany services at arm's length prices (i.e., prices at which unrelated entities would be willing to transact), which results in a permanent deduction for tax reporting purposes.

E.

- (1) At December 31, 2022 and 2021, the Company had no net capital loss or net operating loss carryforwards for tax purposes.
- (2) The amount of federal income taxes incurred that is available for recoupment in the event of future net losses is as follows:

Year	Ordinary	Capital	Total
2022	\$ 14,750,155	\$ —	\$ 14,750,155
2021	16,297,613	—	16,297,613
2020	N/A	—	—
Total	<u>\$ 31,047,768</u>	<u>\$ —</u>	<u>\$ 31,047,768</u>

- (3) The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2022 and 2021.

F.

- (1) At December 31, 2022, the Company's Federal Income Tax Return was consolidated with the following entities:

CVS HEALTH CORPORATION	Mental Health Network of New York IPA, Inc.
CVS PHARMACY INC.	Meritain Health, Inc.
ACCENDO INSURANCE COMPANY	Niagara Re, Inc.
BRUIN ACQUISITION CO., INC.	Performax, Inc.
CORAM ALTERNATE SITE SERVICES, INC.	Precision Benefit Services, Inc.
Apria Finance Holdings, Inc.	PrimeNet, Inc.
Coram Healthcare Corporation of Alabama	Prodigy Health Group, Inc.
CORAM HEALTHCARE CORPORATION OF GREATER D.C.	Professional Risk Management, Inc.
CORAM HEALTHCARE CORPORATION OF FLORIDA	Resources for Living, LLC
Coram Healthcare Corporation of Indiana	Schaller Anderson Medical Administrators Inc
Coram Healthcare Corporation of Massachusetts	The Vasquez Group, Inc.
Coram Healthcare Corporation of Mississippi	U.S. Healthcare Properties, Inc.
Coram Healthcare Corporation of Northern California	Work & Family Benefits, Inc.
Coram Healthcare Corporation of North Texas	Aetna Better Health, Inc. (Connecticut)
Coram Healthcare Corporation of Nevada	Aetna Better Health Inc. (Georgia)
Coram Healthcare Corporation of Greater New York	Aetna Better Health Premier Plan MMAI Inc.
Coram Healthcare Corporation of Southern California	Aetna Better Health, Inc. (LA)
CORAM HEALTHCARE CORPORATION OF SOUTHERN FLORIDA	Aetna Better Health Inc. (NJ)
Coram Healthcare Corporation of Utah	Aetna Better Health Inc. (NY)
SKY ACQUISITION LLC	Aetna Better Health Inc. (OH)
T2 Medical, Inc.	Aetna Better Health, Inc. (PA)
ALABAMA CVS PHARMACY, L.L.C.	Aetna Better Health of Tennessee Inc.
CVS ARCLIGHT, INC.	Aetna Better Health of California, Inc.
CONNECTICUT CVS PHARMACY, L.L.C.	Aetna Health of Ohio, Inc.

## NOTES TO FINANCIAL STATEMENTS

DELAWARE CVS PHARMACY, L.L.C.	Aetna Better Health of Kentucky Insurance Co.
HOLIDAY CVS, L.L.C.	Aetna Better Health of Kansas Inc.
IOWA CVS PHARMACY, L.L.C.	Aetna Better Health of Michigan, Inc.
CVS INTERNATIONAL, L.L.C.	Aetna Better Health of Missouri LLC
KENTUCKY CVS PHARMACY, L.L.C.	Aetna Better Health of Nevada Inc.
MASSACHUSETTS CVS PHARMACY, INC.	Aetna Better Health of Oklahoma Inc.
MARYLAND CVS PHARMACY, L.L.C.	Aetna Better Health of Texas, Inc.
NORTH CAROLINA CVS PHARMACY, L.L.C.	Aetna Dental Inc. (New Jersey)
OKLAHOMA CVS PHARMACY, L.L.C.	Aetna Dental Inc. (Texas)
CVS PR Center, Inc.	Aetna Dental of California, Inc.
TENNESSEE CVS PHARMACY, L.L.C.	Aetna Florida, Inc.
VIRGINIA CVS PHARMACY, L.L.C.	Aetna Health Inc. (Connecticut)
ECKERD CORPORATION OF FL, INC.	Aetna Health Inc. (Florida)
E.T.B., INC.	Aetna Health Inc. (Georgia)
CVS WWRE, INC.	Aetna Health Inc. (LA)
CVS RX SERVICES, INC.	Aetna Health Inc. (Maine)
MELVILLE REALTY CO., INC.	Aetna Health of Michigan Inc.
MINUTECLINIC DIAGNOSTIC OF ILLINOIS, LLC	Aetna Health Inc. (New Jersey)
ACS Acqco Corp.	Aetna Health Inc. (NY)
Advanced Care Scripts, Inc.	Aetna Health Inc. (Pennsylvania)
CVS CAREMARK INDEMNITY LTD.	Aetna Health Inc. (Texas)
CVS FOREIGN, INC.	Aetna Health Insurance Co
RICHMOND HEIGHTS ACQUISITION CORP.	Aetna Health Insurance Company of New York
SILVERSCRIPT INSURANCE COMPANY	Aetna Health of California Inc.
RETRAC, INC.	Aetna Health of Iowa, Inc
UAC HOLDING, INC.	Aetna Health of Utah, Inc.
CAREMARK ULYSSES HOLDING CORP.	HealthAssurance Pennsylvania, Inc.
Aetna Inc.	Aetna Risk Assurance Company of Connecticut
@ Credentials Inc.	Coventry Health and Life Insurance Company
Active Health Management, Inc.	Aetna Better Health of Florida, Inc.
ADMINCO, Inc.	Coventry Health Care of Illinois, Inc.
Administrative Enterprises, Inc.	Coventry Health Care of Kansas, Inc.
CVS Accountable Care Organization Inc.	Coventry Health Care of Missouri, Inc.
Aetna Ireland Inc.	Coventry Health Care of Nebraska, Inc.
Aetna Student Health Agency, Inc.	Coventry Health Care of Virginia, Inc.
American Health Holding, Inc.	Coventry Health Care of West Virginia, Inc.
AUSHC Holdings, Inc. (CT)	Coventry Health Plan of Florida, Inc.
Carefree Insurance Services, Inc.	Delaware Physicians Care, Inc.
Claims Administration Corporation	First Health Life and Health Insurance Company
Cofinity, Inc.	Group Dental Service of Maryland, Inc.
Coventry Consumer Advantage, Inc.	Health Re, Inc.
Coventry Health Care National Accounts, Inc.	Aetna Better Health of Washington, Inc.
Coventry Health Care National Network, Inc.	Aetna Better Health of North Carolina, Inc.
Coventry HealthCare Management Corporation	CVS AOC Corporation
Coventry Prescription Management Services, Inc.	MinuteClinic Physician Practice of Texas
Coventry Transplant Network, Inc.	MinuteClinic Telehealth Services of Texas Associatio
Echo Merger Sub, Inc	Aetna Corporate Services LLC
First Health Group Corp.	Aetna Better Health of Illinois Inc. (fka IlliniCare Health Plan, Inc.)
Florida Health Plan Administrators, LLC	Aetna Health and Life Insurance Company
Group Dental Service, Inc.	First Choice of the Midwest Inc.
Health and Human Resource Center, Inc.	Aetna Better Health of Indiana Inc.
Health Data & Management Solutions, Inc.	Zinc Health Ventures LLC
Managed Care Coordinators, Inc.	Aetna HealthAssurance Pennsylvania, Inc.
Mental Health Associates, Inc.	MHNet of Florida, Inc.

(2) As explained in Note 1, the Company participates in a tax sharing agreement with its parent and affiliates.

- G. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.
- H. The Company was not subject to the Repatriation Transition Tax at December 31, 2022 and 2021.
- I. The Company did not recognize any gross Alternative Minimum Tax credit at December 31, 2022 and 2021.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act (the “Act”). Effective for tax years beginning after December 31, 2022, the Act includes a new corporate alternative minimum tax (“CAMT”) on certain corporations. The aggregate group of which the Company is a member has not determined as of the reporting date if it will be liable for CAMT in 2023. The financial statements as of December 31, 2022 do not include an estimated impact of the CAMT because a reasonable estimate cannot be made.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. and B.:

Transactions occurring between the Company and its parent, subsidiaries and affiliates excluding reinsurance transactions and non-insurance transactions involving less than ½ of 1% of the Company's total admitted assets and cost allocation transactions follow:

December 31, 2022

Date of transaction	Explanation of transaction	Name of reporting entity	Name of affiliate	Assets received by insurer		Assets transferred by insurer	
				Statement value	Statement description	Statement value	Statement description
6/28/2022	Returned Performance Network Rebate prepayment	SilverScript Insurance Company	Part D Services			\$500,000,000	Cash
6/28/2022	Advance from commercial revolving promissory note	SilverScript Insurance Company	CVS Health Corporation	\$350,000,000	Cash		
12/28/2022	Performance Network Rebate prepayment	SilverScript Insurance Company	Part D Services	\$500,000,000	Cash		
12/28/2022	Repayment of advance from commercial revolving promissory note plus interest	SilverScript Insurance Company	CVS Health Corporation			\$353,700,666	Cash

December 31, 2021

Date of transaction	Explanation of transaction	Name of reporting entity	Name of affiliate	Assets received by insurer		Assets transferred by insurer	
				Statement value	Statement description	Statement value	Statement description
12/30/2021	Performance Network Rebate prepayment	SilverScript Insurance Company	Part D Services	\$500,000,000	Cash	\$—	

C. The Company did not have any transactions with related parties who are not reported on Schedule Y at December 31, 2022.

D. At December 31, 2022 and 2021, the Company had the following amounts due to and due from affiliates, which exclude amounts related to pharmacy rebate transactions as discussed more fully in Note 28 and the Company's reinsurance agreements if applicable.

	December 31	
	2022	2021
Amounts due to affiliates		
Aetna Health Management, LLC	\$ 11,849,726	\$ —
Total due to affiliates	<u>\$ 11,849,726</u>	<u>\$ —</u>
	December 31	
	2022	2021
Amounts due from affiliates		
Part D Services, LLC and other	\$ 105,221,987	\$ 157,883,778
Total due from affiliates	<u>\$ 105,221,987</u>	<u>\$ 157,883,778</u>

The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter.

E. As of and for the years ended December 31, 2022 and 2021, the Company had the following significant transactions with affiliates:

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 and affiliates 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.

## NOTES TO FINANCIAL STATEMENTS

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, 2022 and December 31, 2021, the Company reported a net receivable of \$23,898,520 and \$94,899,794 due 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.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<i>Taxes payable (lines 9 &amp; 10.1)</i>	\$ 15,576,993	\$ 17,464,211
<i>Ceded Reinsurance Premiums payable(line 11)(receivables)(line 16.1)</i>	54,162,859	45,785,884
<i>Amounts due from parent, subsidiaries and affiliates (Page 2, Line 23, Column 1)</i>	(105,488,098)	(158,149,889)
<i>Amounts due to parent, subsidiaries and affiliates (Page 3, Line 15, Column 1)</i>	11,849,726	—
<b>Total</b>	<u>\$ (23,898,520)</u>	<u>\$ (94,899,794)</u>

*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, 2022, the Company reported a receivable from affiliates of \$105,488,098, 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 2023. As of December 31, 2022, the Company reported a payable to affiliates of \$11,849,726, primarily as a result of direct expense transfers due to Aetna Health Management. As of December 31, 2021, the Company reported a receivable from affiliates of \$158,149,889, 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 and reinsurance expenses ceded to the CVS Caremark Indemnity, Ltd. and Accendo.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<b>Statement of Revenue and Expenses</b>		
Management fee		
<i>Claims adjustment expenses(line 20)</i>	\$ 253,566,980	\$ 267,247,917
<i>General and administrative expenses (line 21)</i>	240,970,811	224,336,942
<b>Total management fee</b>	<u>\$ 494,537,791</u>	<u>\$ 491,584,859</u>
Reinsurance expenses ceded		
<i>Claims adjustment expenses(line 20)</i>	\$ 16,546,809	\$ 19,282,529
<i>General and administrative expenses (line 21)</i>	64,652,651	62,539,920
<b>Total reinsurance expenses ceded</b>	<u>\$ 81,199,460</u>	<u>\$ 81,822,449</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

## NOTES TO FINANCIAL STATEMENTS

based on actual Performance Rebates earned during the calendar year. In December 2022, the Company received a prepaid performance network rebate in the amount of \$500,000,000 from Part D Services. In December 2021, the Company received a prepaid performance network rebate in the amount of \$500,000,000 from Part D Service which was returned in June 2022.

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.

As of December 31, 2022 the Company owed \$14,750,237 to the Ultimate Parent, and as of December 31, 2021 the Company owed the Ultimate Parent \$16,297,613, for federal income taxes, which is reported as *Current federal and foreign income tax recoverable and current federal and foreign income tax payable* in the Statement of Liabilities, Capital and Surplus, respectively. As of December 31, 2022 the Company was owed \$826,756 from the Ultimate Parent, and as of December 31, 2021 the Company owed the Ultimate Parent \$1,166,598, 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, 2022 of and December 31, 2021, the Company didn't enter any Sale and Purchase Agreement with its affiliates.

- F. The Company does not have any guarantees or undertakings, written or otherwise, at December 31, 2022.
- G. All outstanding shares of the Company are owned by the Part D Holding Company, L.L.C. (the "Parent").
- H. At December 31, 2022, the Company did not own shares of an upstream intermediate entity or CVS Health, either directly or indirectly.
- I. At December 31, 2022, the Company did not hold any investments in any subsidiary, controlled or affiliated ("SCA") entity that exceeded 10% of the Company's admitted assets.
- J. At December 31, 2022, the Company did not hold any investments in any impaired SCA entity.
- K. At December 31, 2022, the Company did not hold any investments in any foreign insurance subsidiaries.
- L. At December 31, 2022, the Company did not hold any investments in a downstream noninsurance holding company.
- M. At December 31, 2022, the Company did not have any SCA investments.
- N. At December 31, 2022, the Company did not have any investments in an insurance SCA for which the audited statutory equity reflects a departure from the NAIC statutory accounting practices and procedures.
- O. The Company did not have any SCA or SSAP No. 48 entity investments where the Company's share of losses in the SCA exceeds its investment in the SCA.

### 11. Debt

- A. The Company did not have any items related to debt, including capital notes at December 31, 2022.
- B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2022.

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

- A.- I. The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2022 or 2021.

### 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

- A. The Company had 10,000,000 shares of common capital stock authorized, and 2,750,000 of such shares issued and outstanding with a par value of \$1 per share at December 31, 2022 and 2021.
- B. The Company had no shares of preferred stock issued and outstanding at December 31, 2022 and 2021.
- C. Dividend Restrictions

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.

- D. Company did not pay any dividends in December 31, 2022 and 2021.

## NOTES TO FINANCIAL STATEMENTS

- E. Within the limitations of (C) above, there are no other restrictions placed on the portion of the Company profits that may be paid as ordinary dividends to stockholders.
- F. There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- G. The Company had no advances to surplus not repaid.
- H. The Company did not hold any stock for any special purposes at December 31, 2022 or 2021.
- I. There were no changes in the balances of special surplus funds from the prior year.
- J. At December 31, 2022, , there were no unassigned funds that were represented or reduced by unrealized gains and losses.
- K. The Company has not issued any surplus notes or debentures or similar obligations at December 31, 2022 or 2021.
- L. The Company did not participate in any quasi-reorganizations during the statement year.
- M. The Company did not participate in any quasi-reorganizations in the past 10 years.

### 14. Liabilities, Contingencies and Assessments

- A. The Company did not have any contingent commitments at December 31, 2022 or 2021.

#### B. Assessments

##### Guaranty Fund Assessments

- (1) Under guaranty fund laws existing in all states, insurers doing business in those states can be assessed (in most states up to prescribed limits) for certain obligations of insolvent insurance companies to policyholders and claimants. The life and health insurance guaranty associations in which the Company participates that operate under these laws respond to insolvencies of long-term care insurers and life insurers as well as health insurers. The Company's assessments generally are based on a formula relating to the Company's health care premiums in the state compared to the premiums of other insurers. Certain states allow assessments to be recovered over time as offsets to premium taxes. Some states have similar laws relating to HMOs and/or other payers such as not-for-profit consumer-governed health plans established under the ACA.

The Company did not have any contingent assessments at December 31, 2022 or 2021.

- C. The Company did not have any gain contingencies at December 31, 2022 or 2021.
- D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2022 or 2021.
- E. The Company did not have any joint and several liability arrangements at December 31, 2022 or 2021.
- F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books.

The Company maintains insurance coverage for certain litigation exposures in an amount it believes is reasonable.

### 15. Leases

The Company did not have any material lease obligations at December 31, 2022 or 2021.

### 16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company did not have any financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk at December 31, 2022 or 2021.

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

#### A. Transfers of Receivables Reported as Sales

The Company did not have any transfers of receivables reported as sales for the years ending December 31, 2022 or 2021.

#### B. Transfer and Servicing of Financial Assets

- (1) The Company did not have any loaned securities at December 31, 2022 or 2021.

(2) and (3):

## NOTES TO FINANCIAL STATEMENTS

The Company did not have any servicing assets or liabilities at December 31, 2022 or 2021.

- (4) The Company did not have any securitized financial assets at December 31, 2022 or 2021.
- (5) The Company did not have any transfers of financial assets accounted for as secured borrowing at December 31, 2022 or 2021.
- (6) The Company did not have any transfers of receivables with recourse at December 31, 2022 or 2021.
- (7) The Company did not have any dollar repurchase or reverse repurchase agreements at December 31, 2022 or 2021.

### C. Wash Sales

- (1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.
- (2) The Company had no securities sold during the year for the year ended December 31, 2022 and reacquired within 30 days of the sale date.

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

- A. The Company did not serve as an Administrative Services Only ("ASO") plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2022.
- B. ASC Plans: The Company has several Administrative Services Contracts ("ASC") with Self-Funded Employer Group Waiver Plans ("SF EGWPs").

The gain from operations from ASC uninsured plans was as follows:

#### December 31, 2022

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 4,858,792,909	\$ —	\$ 4,858,792,909
b. Gross administrative fees accrued	109,228,692	—	109,228,692
c. Other income or expense	—	—	—
d. Gross expenses incurred (claims and administrative)	(4,964,162,391)	—	(4,964,162,391)
e. Net of Operations	<u>\$ 3,859,210</u>	<u>\$ —</u>	<u>\$ 3,859,210</u>

#### December 31, 2021

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost 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	—	—	—
d. Gross expenses incurred (claims and administrative)	(4,695,871,442)	—	(4,695,871,442)
e. Net of Operations	<u>\$ 3,977,859</u>	<u>\$ —</u>	<u>\$ 3,977,859</u>

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

- (1) Revenue and prescription drug amounts for the years ending December 31, 2022 and 2021, exclude \$12,381,281,674 and \$12,004,689,829, 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, 2022 and 2021, the admitted amounts receivable relating to uninsured plans includes the following:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
CMS settlement- 2020	\$ —	\$ 671,157,661
CMS settlement- 2021	1,121,932,893	783,116,525
CMS settlement- 2022	32,294,443	—
Coverage gap discount receivable	767,711,945	703,378,799
Unbilled group receivable	305,965,727	291,200,705
Rx Rebate Receivable for uninsured plan	—	3,422,536
<b>Total amounts receivable related to uninsured plans</b>	<u>\$ 2,227,905,008</u>	<u>\$ 2,452,276,226</u>

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,

## NOTES TO FINANCIAL STATEMENTS

2022 the Company recorded a CMS settlement receivable of \$32,294,443 for the plan year 2022. As of December 31, 2022 and 2021, the Company recorded a CMS settlement receivable of \$1,121,932,893 and \$783,116,525, respectively for the plan year 2021. The CMS settlement for plan year 2020 wasn't settled until January 2022 in accordance with the 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.

Amounts payable relating to uninsured plans include the following:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Reopener payables	81,780,920	82,205,605
SF EGWP payables	1,822,757,047	2,062,986,913
<b>Total amounts payable related to uninsured plans</b>	<b>\$ 1,904,537,967</b>	<b>\$ 2,145,192,518</b>

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) In connection with the Company's Medicare (or similarly structured cost based reimbursement contract) contract, the Company has recorded allowance and reserves for adjustment of recorded revenues as and if applicable.
- (4) CMS periodically perform audits of Medicare revenue and may seek return of premium payments made to the Company if risk adjustment factors are not properly supported by medical record data. The Company estimates and records reserves for CMS audits based on information available at the time the estimates are made. Although the Company believes it maintains appropriate reserves for its exposure to the CMS audits, actual results could differ materially from those estimates.

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

The Company did not have any material direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2022 and 2021.

### 20. Fair Value Measurements

A.

- (1) The Company had no material assets and liabilities that are measured and reported at fair value in the financial statements as of December 31, 2022 and 2021.
- (2) There were no material realized and unrealized capital gains, purchases, sales, settlements, or transfers into or out of the Company's Level 3 financial assets during 2022 or 2021.
- (3) Transfers in and out of all levels are recognized at the end of the reporting period of which the transfer occurred.
- (4) The Company's fair value measurement valuation techniques are described in B. below.
- (5) The Company did not have any derivative instruments at December 31, 2022 and 2021.

B. The fair values of the Company's financial instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies a financial asset or liability for each level:

- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
- **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
- **Level 3** – Developed from unobservable data, reflecting the Company's own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, the Company uses these quoted market prices to determine the fair value of financial assets and liabilities and classifies these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, the

## NOTES TO FINANCIAL STATEMENTS

Company estimates fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, the Company determines fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

- C. The carrying values and estimated fair values of the Company's financial instruments at December 31, 2022 and 2021 were as follows:

December 31, 2022

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds, short-term investments and cash equivalents	\$317,764,503	\$318,156,222	\$317,197,544	\$ 566,959	\$ —	\$ —	\$ —

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, short-term investments and cash equivalents	\$329,216,807	\$325,608,617	\$328,587,543	\$ 629,264	\$ —	\$ —	\$ —

In evaluating the Company's management of interest rate and liquidity risk and currency exposures, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

- D. The Company did not have any financial instruments where it was not practicable to estimate the fair value.  
E. The Company has not elected to use the net asset value practical expedient to fair value to measure its investments.

### 21. Other Items

#### A. Unusual or Infrequent Items

The Company did not have any unusual or infrequent items for the years ended December 31, 2022 and 2021.

#### B. Troubled Debt Restructuring

The Company did not have any troubled debt restructuring in the years ended December 31, 2022 and 2021.

#### C. Other Disclosures

##### Minimum Capital and Surplus

Pursuant to the laws of the states in which the Company is licensed to do business, the Company is required to maintain a minimum surplus and capital stock as defined by the statutes and regulations of those states. At both December 31, 2022 and 2021, the Company was in compliance with the minimum surplus and capital stock requirements of the states in which it is licensed to do business.

The NAIC utilizes risk-based capital ("RBC") standards for health organizations, including HMOs, that are designed to identify weakly capitalized companies by comparing each company's adjusted capital and surplus to its required capital and surplus (the "RBC Ratio"). The RBC Ratio is designed to reflect the risk profile of a company. Within certain ratio ranges, regulators have increasing authority to take action as the RBC Ratio decreases. There are four levels of regulatory action, ranging from requiring insurers to submit a comprehensive plan to the state insurance commissioner to requiring the state insurance commissioner to place the insurer under regulatory control. At December 31, 2022 and 2021, the Company had capital and surplus that exceeded the level that would require regulatory action.

##### COVID-19

The Coronavirus Disease 2019 ("COVID-19") pandemic continues to evolve, and the Biden administration has indicated that they intend for the COVID-19 public health emergency to expire on May 11, 2023. 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 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.

## NOTES TO FINANCIAL STATEMENTS

### Medicare

The Company's Medicare Part D products are heavily regulated by CMS. The regulations and contractual requirements applicable to the Company and other private participants in Medicare programs are complex, expensive to comply with and subject to change.

The Company has invested significant resources to comply with Medicare standards, and its Medicare compliance efforts will continue to require significant resources. CMS may seek premium and other refunds, prohibit the Company from continuing to market and/or enroll members in or refuse to passively enroll members in one or more of the Company's Medicare or Medicare-Medicaid demonstration (historically known as "dual eligible") plans, exclude the Company from participating in one or more Medicare, dual eligible or dual eligible special needs plan programs and/or institute other sanctions and/or civil monetary penalties against the Company if it fails to comply with CMS regulations or its Medicare contractual requirements.

- D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2022 or 2021.
- E. The Company did not have any state transferable and non-transferable tax credits for the years ending December 31, 2022 or 2021.
- F. The Company did not have any subprime mortgage related risk exposures at December 31, 2022 or 2021.
- G. The Company did not have any retained assets at December 31, 2022 or 2021.
- H. The Company did not have any insurance-linked securities contracts at December 31, 2022 or 2021.
- I. The Company did not have amounts that could be realized on life insurance at December 31, 2022 or 2021.

### 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.

The Company had no known reportable nonrecognized subsequent events.

### 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

- (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)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary,

**NOTES TO FINANCIAL STATEMENTS**

the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate. N/A.

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? N/A.

- (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)

If yes, give full details. N/A

## 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)

If yes, what is the amount of reinsurance credit, whether an asset or a reduction of liability, taken for such new agreements or amendments? N/A.

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 of Medicare Part D business. 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 of Medicare Part D business. 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, 2022</u>	<u>Year ending</u> <u>December 31, 2021</u>
<b>Statement of Revenue and Expense:</b>		
Premiums and other revenue	\$ 407,627,264	\$ 416,769,508
Benefits	(270,899,852)	(287,767,934)
Commission expenses	(82,441,564)	(81,904,867)
Interest expense	1,242,104	82,418
Total revenue and expense ceded	<u>\$ 55,527,952</u>	<u>\$ 47,179,125</u>
<b>Balance Sheet:</b>		
Aggregate Health Policy Reserve	\$ —	\$ 366,064
Accrued retrospective premiums	(16,091,666)	(6,487,947)
Premiums received in advance	6,602,055	6,488,846
Premiums receivable	(5,534,834)	(5,393,644)
Healthcare Receivable	(80,216,145)	(64,297,508)
Total ceded balance sheet Items	<u>\$ (95,240,590)</u>	<u>\$ (69,324,189)</u>
<b>Unsettled Prior Year Balance</b>	<u>\$ (1,365,093)</u>	<u>\$ (1,393,242)</u>
Amount due from Accendo & CVS Caremark Indemnity, Ltd.	<u>\$ (41,077,731)</u>	<u>\$ (23,538,305)</u>

## NOTES TO FINANCIAL STATEMENTS

The following is a financial summary of the ceded amounts by assumed companies:

	<b>Year ending December 31, 2022</b>
<b>Funds held by or deposited with reinsured companies (Line 16.2 of Page 2)</b>	
Accendo Insurance Company	\$ (23,810,147)
CVS Caremark Indemnity, Ltd.	(71,430,443)
	\$ (95,240,590)
<b>Ceded reinsurance premiums Payable (Line 11 of Page 3)</b>	
Accendo Insurance Company	\$ 13,540,712
CVS Caremark Indemnity, Ltd.	40,622,147
	\$ 54,162,859
<b>Amount Due from Accendo &amp; CVS Caremark as of 12/31/22</b>	<b>\$ (41,077,731)</b>

- B. The Company did not have uncollectible reinsurance at December 31, 2022 or 2021.
  - C. The Company did not have any commutation of ceded reinsurance at December 31, 2022 or 2021.
  - D. The Company's certified reinsurer's rating has not been downgraded or its status subject to revocation at December 31, 2022 or 2021.
  - E. The Company had no reinsurance contracts to which the reinsurance credit disclosure applies at December 31, 2022.
24. Retrospectively Rated Contracts and 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, 2022 and December 31, 2021 accrued retroactive premium adjustments were reported as aggregate health policy reserves in the amount of \$33,369,340 and \$33,160,290, respectively, and as accrued retrospective premiums and contracts subject to redetermination of \$58,466,437 and \$20,914,093, respectively, for different plan years.
  - B. The Company records the risk corridor adjustment as an adjustment to earned premiums
  - C. Contracts Subject to Retrospective Rating Features  
  
The Company had net premiums written of \$1,473,425,962 that were subject to retrospective rating features for the year ending December 31, 2022 representing 76.3% of total net premiums written.
  - D. Medical loss ratio rebates required pursuant to the Public Health Service Act  
  
The Company did not have any medical loss ratio rebates required pursuant to the Public Health Service Act in 2022 or 2021.
  - E. Risk Sharing Provisions of the Affordable Care Act ("ACA")
    - (1) Did the reporting entity write accident and health insurance premium which is subject to the ACA risk sharing provisions (YES/NO)? Yes [ ] No [X]
    - (2) through (5): Not applicable.

**NOTES TO FINANCIAL STATEMENTS****25. Change in Incurred Claims and Claims Adjustment Expense**

The following table shows the components of the change in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves for the years ended December 31, 2022 and 2021.

	2022	2021
Balances as of January 1:		
Reserves for unpaid claims	\$ 24	\$ 22
Health care receivable	(257,190,032)	(557,821,249)
Reserves of unpaid Claims Adj Expense	—	—
	<u>\$ (257,190,008)</u>	<u>\$ (557,821,227)</u>
Incurred related to:		
Current year	\$ 1,327,624,519	\$ 1,377,943,992
Prior years	15,353,061	21,398,358
	<u>\$ 1,342,977,580</u>	<u>\$ 1,399,342,350</u>
Paid (received) related to:		
Current year	\$ 1,648,489,100	\$ 1,635,134,000
Prior years	(251,538,414)	(536,422,869)
	<u>\$ 1,396,950,686</u>	<u>\$ 1,098,711,131</u>
Balances as of December 31:		
Reserves for unpaid claims	\$ —	\$ 24
Health care receivables	(311,163,114)	(257,190,032)
Reserves of unpaid Claims Adj Expense	—	—
	<u>\$ (311,163,114)</u>	<u>\$ (257,190,008)</u>

A. Reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years increased by \$15,353,061 in 2022 and \$21,398,358 in 2021. Changes in prior periods' estimates represents the effect of unfavorable development of prior period health care cost estimates on current year net income, at each financial statement date. The unfavorable development of these reserves is primarily a result of the actual claim submission times for health care claims being longer than the Company had anticipated, as well as higher than expected health care cost trends in determining claims unpaid at prior financial statement date for both 2022 and 2021. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this increase, the Company experienced \$15,353,061 of unfavorable prior year claim development on retrospectively rated policies. However the business to which it relates is subject to premium adjustments.

B. There has been no significant change in the Company's methodologies and assumptions used in calculating the liability for unpaid claims and claim adjustment expenses.

**26. Intercompany Pooling Arrangements**

The Company did not have any intercompany pooling arrangements at December 31, 2022 or 2021.

**27. Structured Settlements**

The Company did not have any structured settlements at December 31, 2022 or 2021.

**28. Health Care Receivables**

The following is a summary of the Company's Health Care and Other Amounts Receivable as of December 31, 2022 and December 31, 2021, respectively. The amounts are presented gross of non-admitted receivable, but net of reinsurance ceded:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Pharmaceutical Rebates Receivable	\$ 1,482,569	\$ 1,409,627
Performance Network Rebate Receivable	309,680,545	255,780,405
<b>Total Health Care and Other Amounts Receivable</b>	<u>\$ 311,163,114</u>	<u>\$ 257,190,032</u>

**A. Pharmaceutical Rebate 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.

## NOTES TO FINANCIAL STATEMENTS

The Company reported a pharmaceutical rebate receivable of \$1,482,569 and \$1,409,627, net of reinsurance ceded, as of December 31, 2022 and December 31, 2021, respectively. All rebates are determined to be received within 90 days after Part D Services receives the payments from manufactures. The pharmaceutical rebates receivables reported below are gross of reinsurance ceded.

The following table discloses the quarterly revenue and subsequent cash collections relating to the pharmaceutical rebates discussed in Note 10:

Quarter	Estimated Pharmacy Rebates 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
12/31/2022	\$ 2,048,205,514	\$ 2,048,205,514	\$ 2,046,352,302	\$ —	\$ —
9/30/2022	2,038,824,375	2,032,208,707	2,032,208,707	—	—
6/30/2022	2,001,661,886	2,006,282,346	2,006,282,346	—	—
3/31/2022	1,959,646,213	1,974,497,346	1,974,497,346	—	—
12/31/2021	1,918,386,633	1,904,186,081	1,904,186,081	—	—
9/30/2021	1,928,833,659	1,917,419,114	1,917,419,114	—	—
6/30/2021	1,915,535,929	1,902,727,174	1,902,727,174	—	—
3/31/2021	1,813,826,830	1,870,930,033	1,870,930,033	—	—
12/31/2020	1,918,110,145	1,905,805,365	1,905,805,365	—	—
9/30/2020	1,898,800,635	1,900,215,061	1,900,215,061	—	—
6/30/2020	1,878,658,855	1,882,465,384	1,882,465,384	—	—
3/31/2020	1,879,954,111	1,916,713,236	1,916,713,236	—	—

### B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2022 or 2021.

### 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 2022 and 2021 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 administered 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

The Company did not have any participating policies at December 31, 2022 or 2021.

### 30. Premium Deficiency Reserves

#### December 31, 2022

- |   |   |
|---|---|
| 1. Liability carried for premium deficiency reserves              | \$—   |
| 2. Date of the most recent evaluation of this liability           | 12/31/2022  |
| 3. Was anticipated investment income utilized in the calculation? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

### 31. Anticipated Salvage and Subrogation

The Company did not reduce its liability for unpaid claims/losses by any estimated anticipated salvage and subrogation at December 31, 2022 or 2021 as the Company records salvage and subrogation on a paid basis when cash is received.

# 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. .... 12/31/2020
- 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). .... 06/28/2022
- 3.4 By what department or departments?  
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, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....	.....

ANNUAL STATEMENT FOR THE YEAR 2022 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 depository institution holding company? ..... 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 LLP; One Manhattan West; New York, NY 10001 .....
- 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 J.Drzazgowski, F.S.A., M.A.A.A.; CVS; 151 Farmington Ave., RE52; Hartford, CT 06156; Appointed Actuary .....
- 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 ..... \$ .....0
- 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?  
N/A .....
- 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).  
In November 2022, CVS completed the annual benchmarking exercise which resulted in the following updates/revisions: general format/layout/branding, relocation of topics, updating "Advice & Counsel" to "Colleague Relations" and updating related contact information, inclusion of a Commitment to Quality and Safety section, updated Heart At Work Behaviors, and misc. definitions and revisions throughout. ...
- 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 or is likely to 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: .....\$ .....0
- 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 [ ]

**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)  
N/A .....
- 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. .... \$ .....0
- 25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. .... \$ .....0
- 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 ..... \$ .....0
- 26.22 Subject to reverse repurchase agreements ..... \$ .....0
- 26.23 Subject to dollar repurchase agreements ..... \$ .....0
- 26.24 Subject to reverse dollar repurchase agreements ..... \$ .....0
- 26.25 Placed under option agreements ..... \$ .....0
- 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock ..... \$ .....0
- 26.27 FHLB Capital Stock ..... \$ .....0
- 26.28 On deposit with states ..... \$ ..... 4, 118, 106
- 26.29 On deposit with other regulatory bodies ..... \$ .....0
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB ..... \$ .....0
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements ..... \$ .....0
- 26.32 Other ..... \$ .....0

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 [ ]
- 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. .... \$ .....0
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
State Street Bank and Trust Company .....	State Street Financial Center; One Lincoln Street; Boston, MA 02111-2900 .....
Regions Bank .....	400 West Capitol, Little Rock, AR 72001 .....

**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 [ X ]

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
Derek S. Blunt as Senior Investment Officer .....	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 [ X ]

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 [ X ]

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
N/A .....	Derek S. Blunt .....	N/A .....	Not registered .....	NO.....

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 [ X ]

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 .....	6,633,588	6,241,869	(391,719)
31.2 Preferred stocks .....	0		0
31.3 Totals	6,633,588	6,241,869	(391,719)

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. The carrying value of cash equivalents 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:  
.....

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

38.1 Does the reporting entity directly hold cryptocurrencies? ..... Yes [ ] No [ X ]

38.2 If the response to 38.1 is yes, on what schedule are they reported?  
 .....

39.1 Does the reporting entity directly or indirectly accept cryptocurrencies as payments for premiums on policies? ..... Yes [ ] No [ X ]

39.2 If the response to 39.1 is yes, are the cryptocurrencies held directly or are they immediately converted to U.S. dollars?  
 39.21 Held directly ..... Yes [ ] No [ ]  
 39.22 Immediately converted to U.S. dollars ..... Yes [ ] No [ ]

39.3 If the response to 38.1 or 39.1 is yes, list all cryptocurrencies accepted for payments of premiums or that are held directly.

1 Name of Cryptocurrency	2 Immediately Converted to USD, Directly Held, or Both	3 Accepted for Payment of Premiums
.....	.....	.....

### OTHER

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

40.2 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
.....	.....

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

41.2 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
.....	.....

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

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

1 Name	2 Amount Paid
.....	.....

# GENERAL INTERROGATORIES

## PART 2 - HEALTH INTERROGATORIES

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

1.2 If yes, indicate premium earned on U.S. business only. .... \$ 9,624

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 ..... \$

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. .... \$ 7,020

1.6 Individual policies: Most current three years:

1.61 Total premium earned ..... \$ 9,624

1.62 Total incurred claims ..... \$ 7,020

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 .....	1,558,430,902	1,636,739,792
2.2 Premium Denominator .....	1,558,430,902	1,636,739,792
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	33,369,340	32,193,639
2.5 Reserve Denominator .....	33,369,340	32,193,639
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 does not have any stop loss agreements. ....

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 ..... \$

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:  
The Company is a member of the state guaranty associations that provide a level of protection to consumers against insolvency. ....

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.. \$..... 0

9.22 Business with rate guarantees over 36 months ..... \$..... 0

# GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ ] No [ X ]
- 10.2 If yes:
- 10.21 Maximum amount payable bonuses.....\$ .....0
  - 10.22 Amount actually paid for year bonuses.....\$ .....0
  - 10.23 Maximum amount payable withholds.....\$ .....0
  - 10.24 Amount actually paid for year withholds.....\$ .....0

- 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. .... \$ 120,000,026
- 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  
 1,558,421,273 (total Med D premiums) x .07= 109,089,489 x 110% = 119,998,437 Med D Surplus Requirement and 9,629 (total Med Supp premiums) x .15= 1,444 x 110% = 1,589 Med Supp Surplus Requirement

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 ..... \$ .....0
  - 15.2 Total Incurred Claims .....\$ .....0
  - 15.3 Number of Covered Lives ..... 0

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary 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 2022 OF THE SilverScript Insurance Company

**FIVE-YEAR HISTORICAL DATA**

	1 2022	2 2021	3 2020	4 2019	5 2018
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	3,203,177,089	3,323,580,528	2,862,292,203	2,875,304,609	2,371,801,053
2. Total liabilities (Page 3, Line 24) .....	2,055,670,073	2,279,571,265	1,855,572,700	1,747,075,061	1,372,957,202
3. Statutory minimum capital and surplus requirement .....	120,000,026	126,029,841	163,862,523	199,620,603	206,328,975
4. Total capital and surplus (Page 3, Line 33) .....	1,147,507,016	1,044,009,263	1,006,719,503	1,128,229,548	998,843,851
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	1,594,746,270	1,666,592,431	2,183,334,759	2,577,979,487	2,720,502,343
6. Total medical and hospital expenses (Line 18) .....	1,194,651,108	1,240,863,814	1,688,789,572	2,071,232,541	2,253,585,674
7. Claims adjustment expenses (Line 20) .....	148,326,472	158,478,536	76,484,826	74,503,915	81,330,769
8. Total administrative expenses (Line 21) .....	180,199,999	167,392,628	280,641,765	262,858,071	331,858,127
9. Net underwriting gain (loss) (Line 24) .....	71,568,691	99,857,453	137,418,596	169,384,960	53,727,773
10. Net investment gain (loss) (Line 27) .....	4,259,647	96,895	2,527,481	9,528,935	12,562,204
11. Total other income (Lines 28 plus 29) .....	(4,595,455)	(38,706,085)	(2,655,932)	(1,823,875)	(1,774,120)
12. Net income or (loss) (Line 32) .....	56,482,728	44,950,651	74,731,516	109,297,977	28,262,634
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(11,872,537)	88,166,065	34,019,798	259,581,422	(33,657,899)
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	1,147,507,016	1,044,009,263	1,006,719,503	1,128,229,548	998,843,851
15. Authorized control level risk-based capital .....	68,559,386	52,504,614	81,840,223	78,175,856	86,052,531
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	4,854,260	4,481,262	4,147,425	4,683,817	4,868,345
17. Total members months (Column 6, Line 7) .....	57,527,166	53,237,344	50,816,547	56,681,882	58,090,814
<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) .....	74.9	75.2	78.2	81.1	83.7
20. Cost containment expenses .....	0.6	1.4	1.0	0.8	0.9
21. Other claims adjustment expenses .....	8.7	8.2	2.5	2.1	2.1
22. Total underwriting deductions (Line 23) .....	95.5	94.9	94.8	94.3	99.0
23. Total underwriting gain (loss) (Line 24) .....	4.5	6.1	6.4	6.6	2.0
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 17, Col. 5) .....	(241,836,947)	(536,422,868)	(402,501,811)	(436,723,865)	(495,720,282)
25. Estimated liability of unpaid claims-[prior year (Line 17, Col. 6)] .....	(257,190,008)	(557,821,227)	(381,417,768)	(410,933,357)	(492,794,139)
<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 2022 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	21,465,329							21,465,329	
2. Alaska	AK	913,814						913,814		
3. Arizona	AZ	25,749,568						25,749,568		
4. Arkansas	AR	26,321,686						26,321,686		
5. California	CA	229,852,267						229,852,267		
6. Colorado	CO	17,192,328						17,192,328		
7. Connecticut	CT	22,925,764						22,925,764		
8. Delaware	DE	6,509,165						6,509,165		
9. District of Columbia	DC	4,104,040						4,104,040		
10. Florida	FL	213,064,357						213,064,357		
11. Georgia	GA	58,762,239						58,762,239		
12. Hawaii	HI	2,231,446						2,231,446		
13. Idaho	ID	8,313,538						8,313,538		
14. Illinois	IL	59,572,659						59,572,659		
15. Indiana	IN	39,555,590						39,555,590		
16. Iowa	IA	24,617,717						24,617,717		
17. Kansas	KS	25,053,171						25,053,171		
18. Kentucky	KY	28,244,155						28,244,155		
19. Louisiana	LA	31,513,228						31,513,228		
20. Maine	ME	4,884,452						4,884,452		
21. Maryland	MD	38,465,496						38,465,496		
22. Massachusetts	MA	81,568,327						81,568,327		
23. Michigan	MI	37,558,776						37,558,776		
24. Minnesota	MN	32,681,406						32,681,406		
25. Mississippi	MS	28,828,978						28,828,978		
26. Missouri	MO	46,459,730						46,459,730		
27. Montana	MT	8,723,432						8,723,432		
28. Nebraska	NE	13,008,715						13,008,715		
29. Nevada	NV	6,694,812						6,694,812		
30. New Hampshire	NH	10,137,700						10,137,700		
31. New Jersey	NJ	60,009,453						60,009,453		
32. New Mexico	NM	10,482,297						10,482,297		
33. New York	NY	172,805,976						172,805,976		
34. North Carolina	NC	61,155,959						61,155,959		
35. North Dakota	ND	7,811,038						7,811,038		
36. Ohio	OH	51,192,824						51,192,824		
37. Oklahoma	OK	32,623,215						32,623,215		
38. Oregon	OR	15,475,349						15,475,349		
39. Pennsylvania	PA	76,741,959						76,741,959		
40. Rhode Island	RI	4,290,537						4,290,537		
41. South Carolina	SC	32,338,271						32,338,271		
42. South Dakota	SD	8,835,061						8,835,061		
43. Tennessee	TN	36,814,663						36,814,663		
44. Texas	TX	93,929,409						93,929,409		
45. Utah	UT	6,906,144						6,906,144		
46. Vermont	VT	6,337,822						6,337,822		
47. Virginia	VA	41,151,079						41,151,079		
48. Washington	WA	31,869,005						31,869,005		
49. West Virginia	WV	11,830,148						11,830,148		
50. Wisconsin	WI	33,010,173						33,010,173		
51. Wyoming	WY	5,350,069						5,350,069		
52. American Samoa	AS							0		
53. Guam	GU	7,385						7,385		
54. Puerto Rico	PR	124,870						124,870		
55. U.S. Virgin Islands	VI	34,554						34,554		
56. Northern Mariana Islands	MP	2,551						2,551		
57. Canada	CAN							0		
58. Aggregate Other Aliens	OT	0	0	0	0	0	0	0	0	0
59. Subtotal	XXX	1,956,103,696	0	0	0	0	0	1,956,103,696	0	0
60. Reporting Entity Contributions for Employee Benefit Plans	XXX							0		
61. Totals (Direct Business)	XXX	1,956,103,696	0	0	0	0	0	1,956,103,696	0	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:

- |  |    |  |   |
|--|----|--|---|
| 1. L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....                    | 55 | 4. Q - Qualified - Qualified or accredited reinsurer.....                  | 0 |
| 2. R - Registered - Non-domiciled RRGs.....  | 0  | 5. N - None of the above - Not allowed to write business in the state..... | 2 |
| 3. E - Eligible - Reporting entities eligible or approved to write surplus lines in the state..... | 0  |  |   |

(b) Explanation of basis of allocation by states, premiums by state, etc.

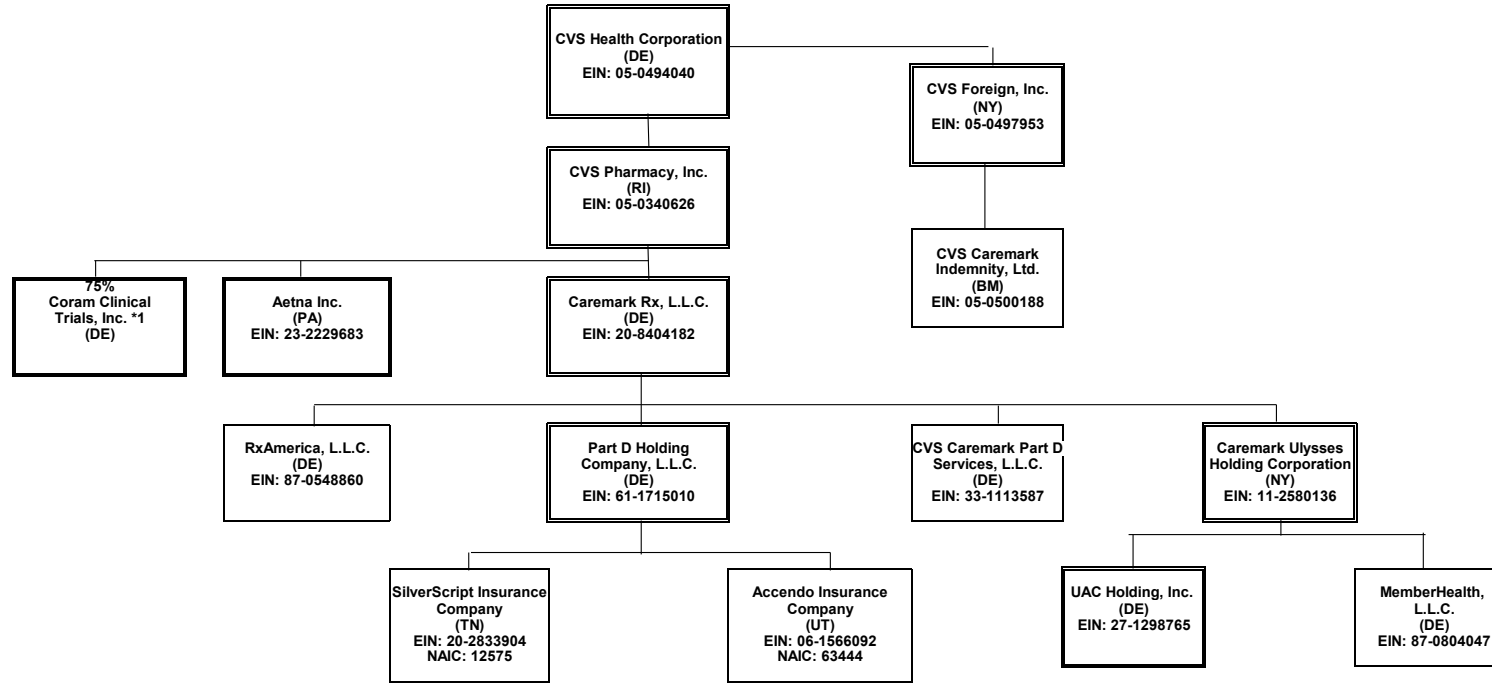
The basis of the allocation by state is the residency of the member.

The basis of the allocation by state is the residency of the member.

ANNUAL STATEMENT FOR THE YEAR 2022 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.

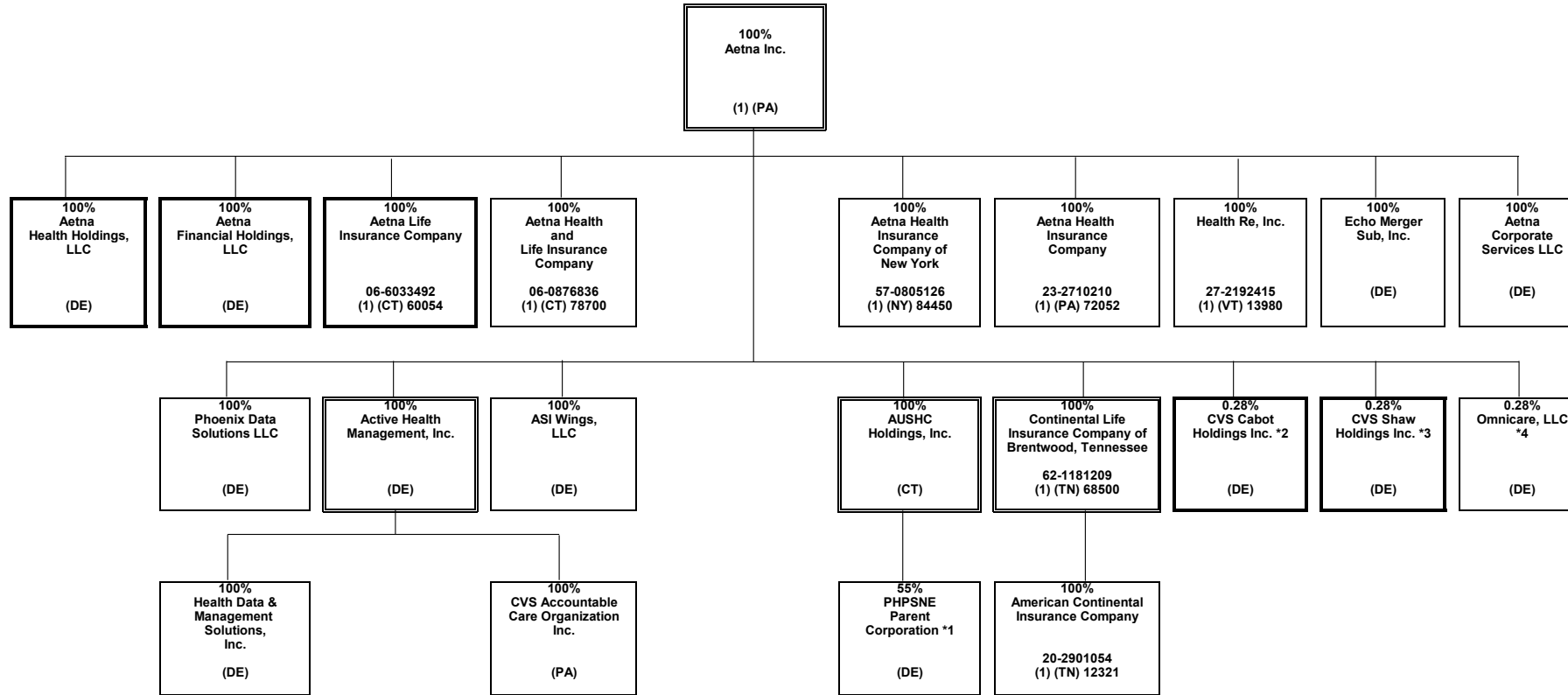
Double borders indicate entity has subsidiaries shown on the same page.

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 2022 OF THE SilverScript Insurance Company  
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

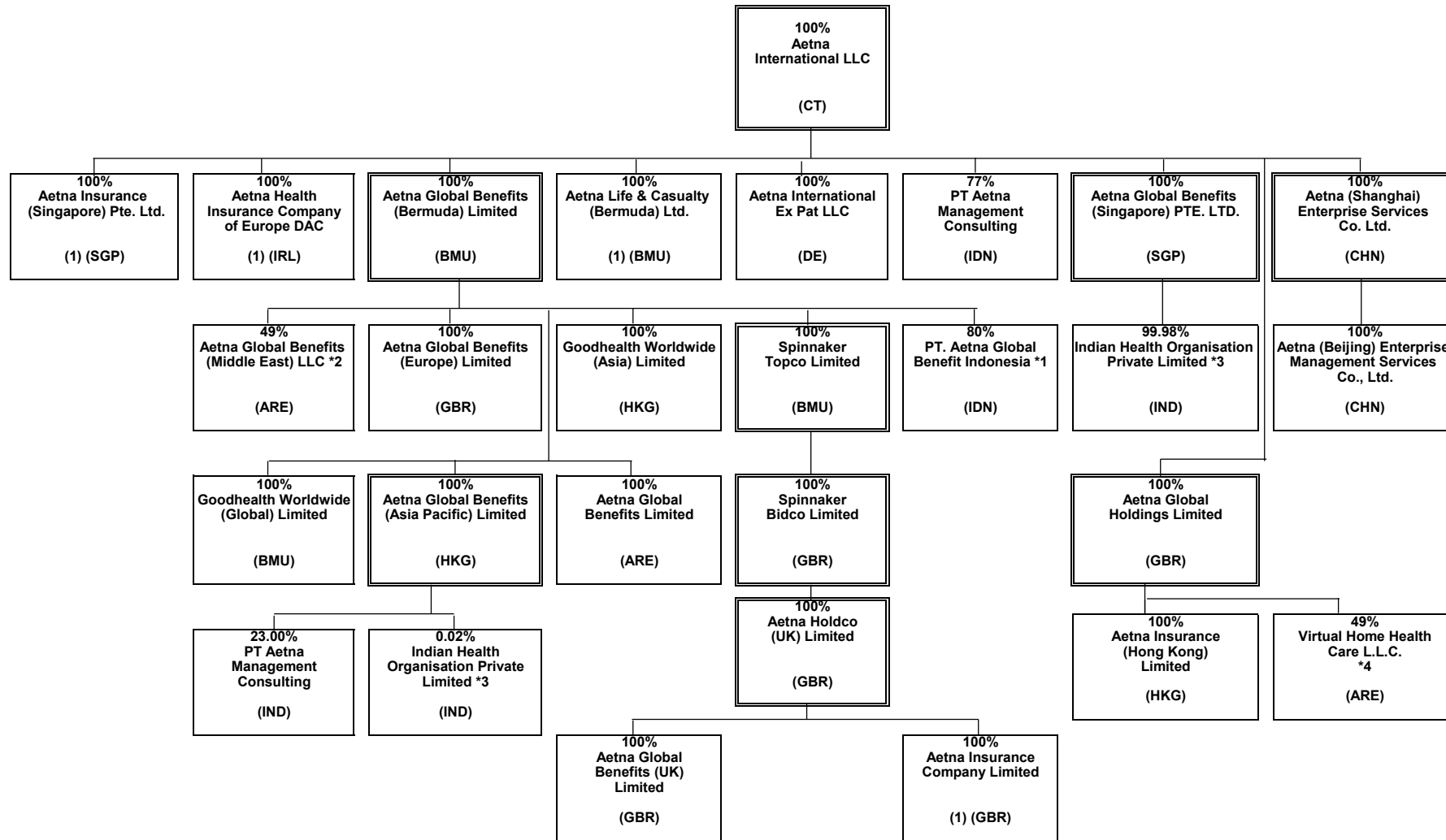


\*1 PPSNE Parent Corporation is also 45% owned by third parties.  
 \*2 CVS Cabot Holdings Inc. is also 99.72% owned by Coram Clinical Trials, Inc.  
 \*3 CVS Shaw Holdings Inc. is also 99.72% owned by Coram Clinical Trials, Inc.  
 \*4 Omnicare, LLC is also owned by CVS Cabot Holdings Inc and CVS Shaw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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company

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

PART 1 - ORGANIZATIONAL CHART

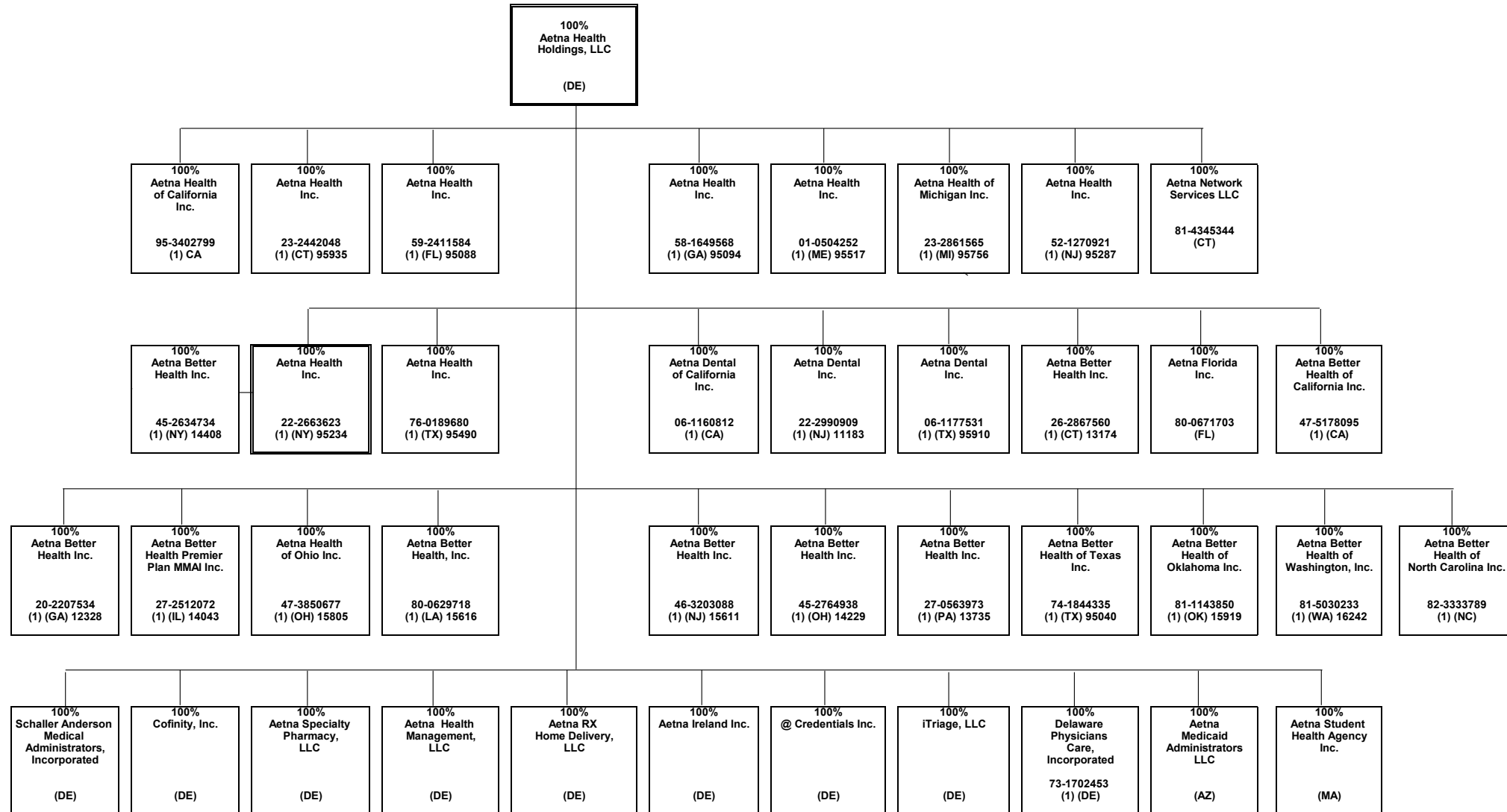


\*1 PT. Aetna Global Benefits Indonesia is also 20% owned by Suhatsyah Rivai, Aetna's Nominee.  
 \*2 Aetna Global Benefits (Middle East) LLC is also 51% is owned by Euro Gulf LLC, Aetna's Nominee.  
 \*3 Indian Health Organisation Private Limited is 0.019857% owned by Aetna Global Benefits (Asia Pacific) 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

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company

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

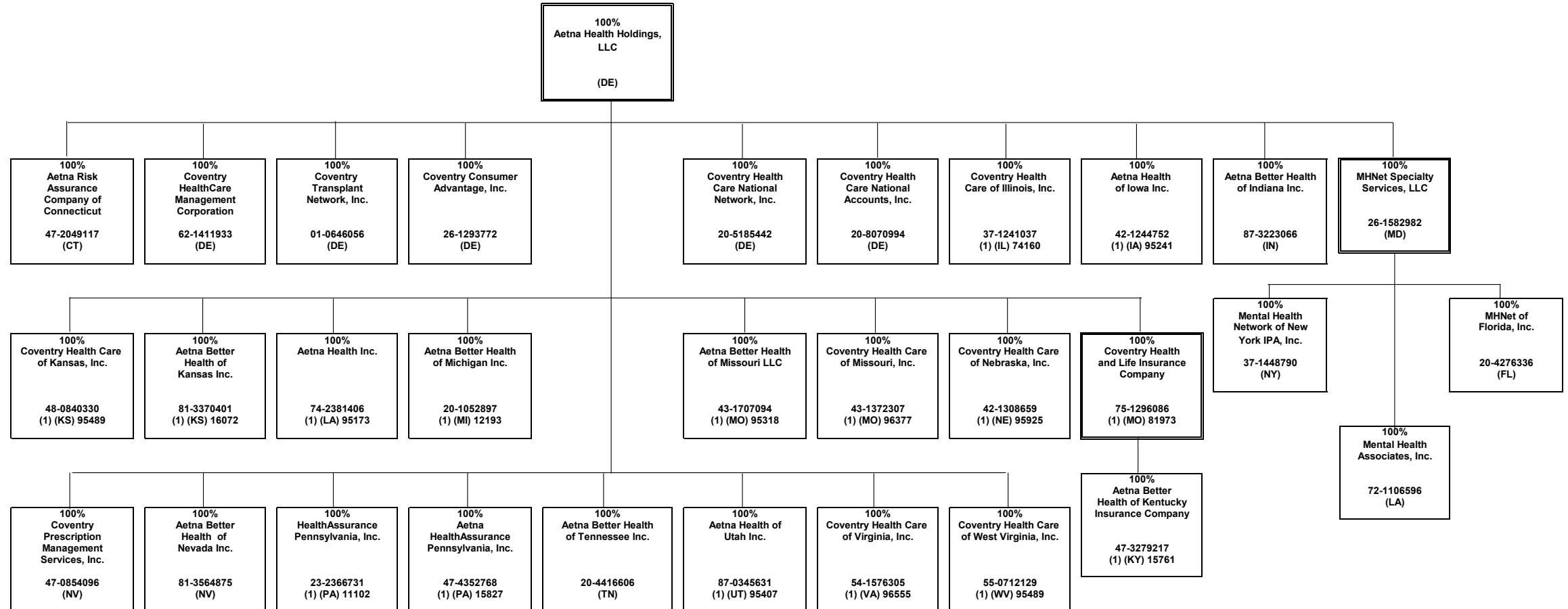
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company

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

PART 1 - ORGANIZATIONAL CHART

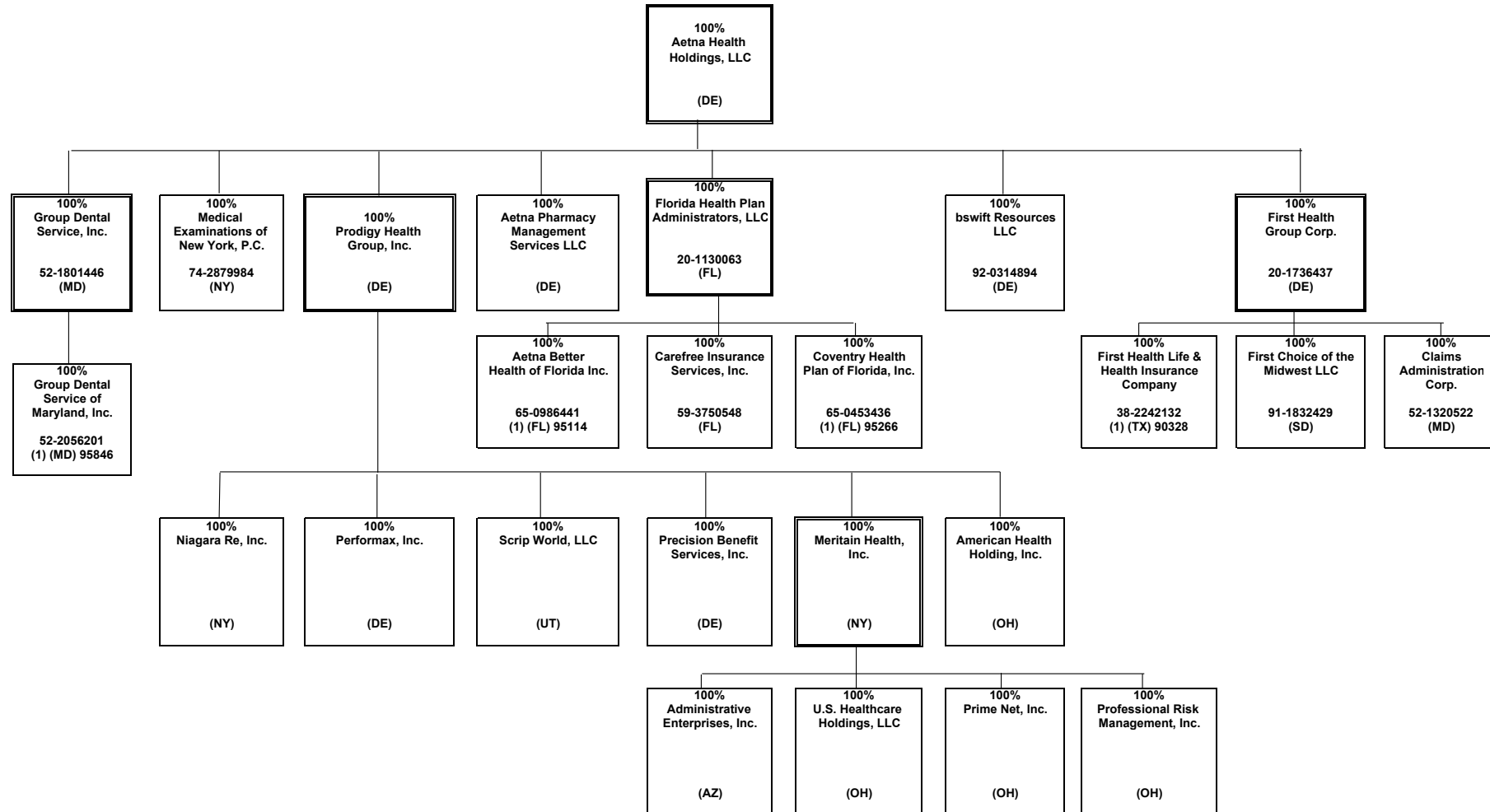


40.4

ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company

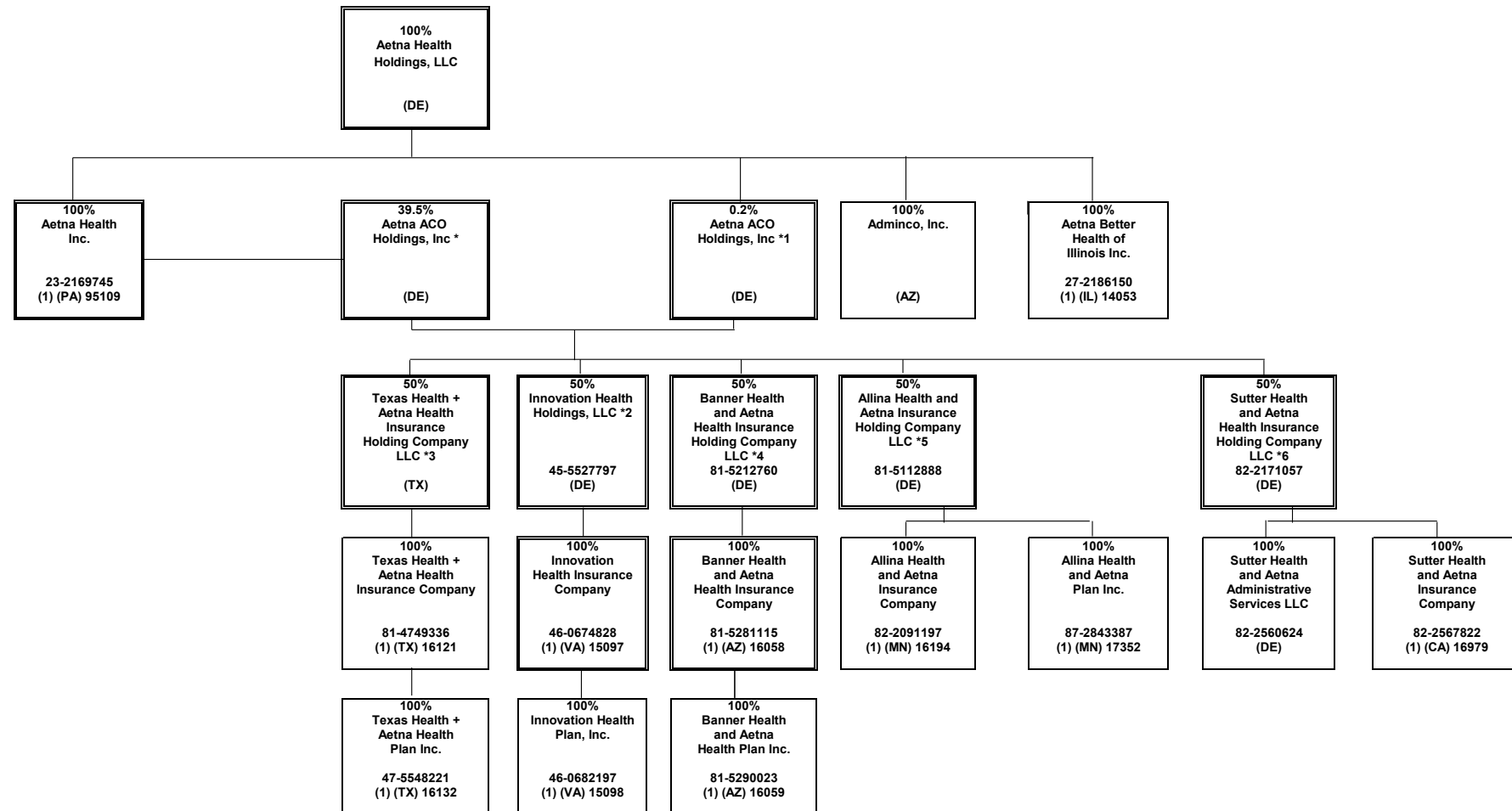
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2022 OF THE SilverScript Insurance Company  
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP**

**PART 1 - ORGANIZATIONAL CHART**

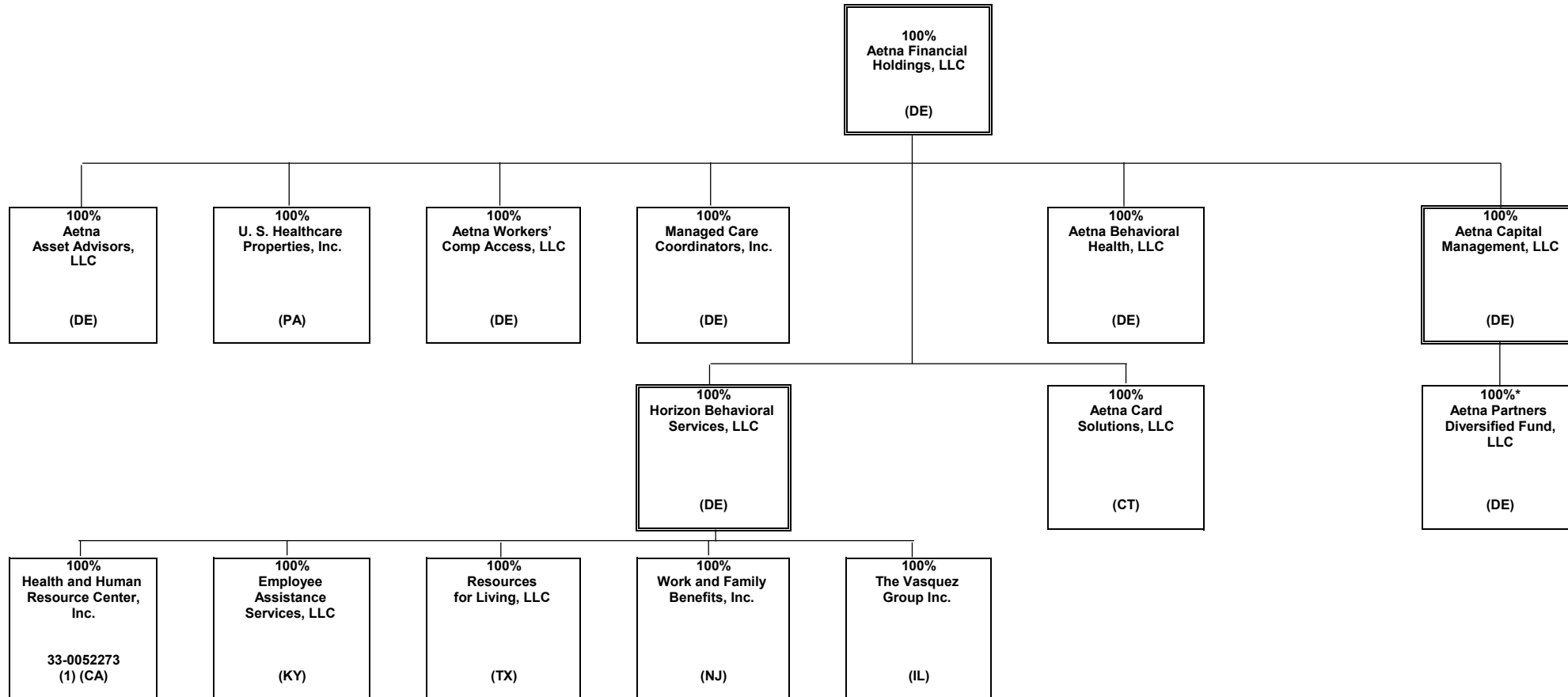


40.6

\*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**

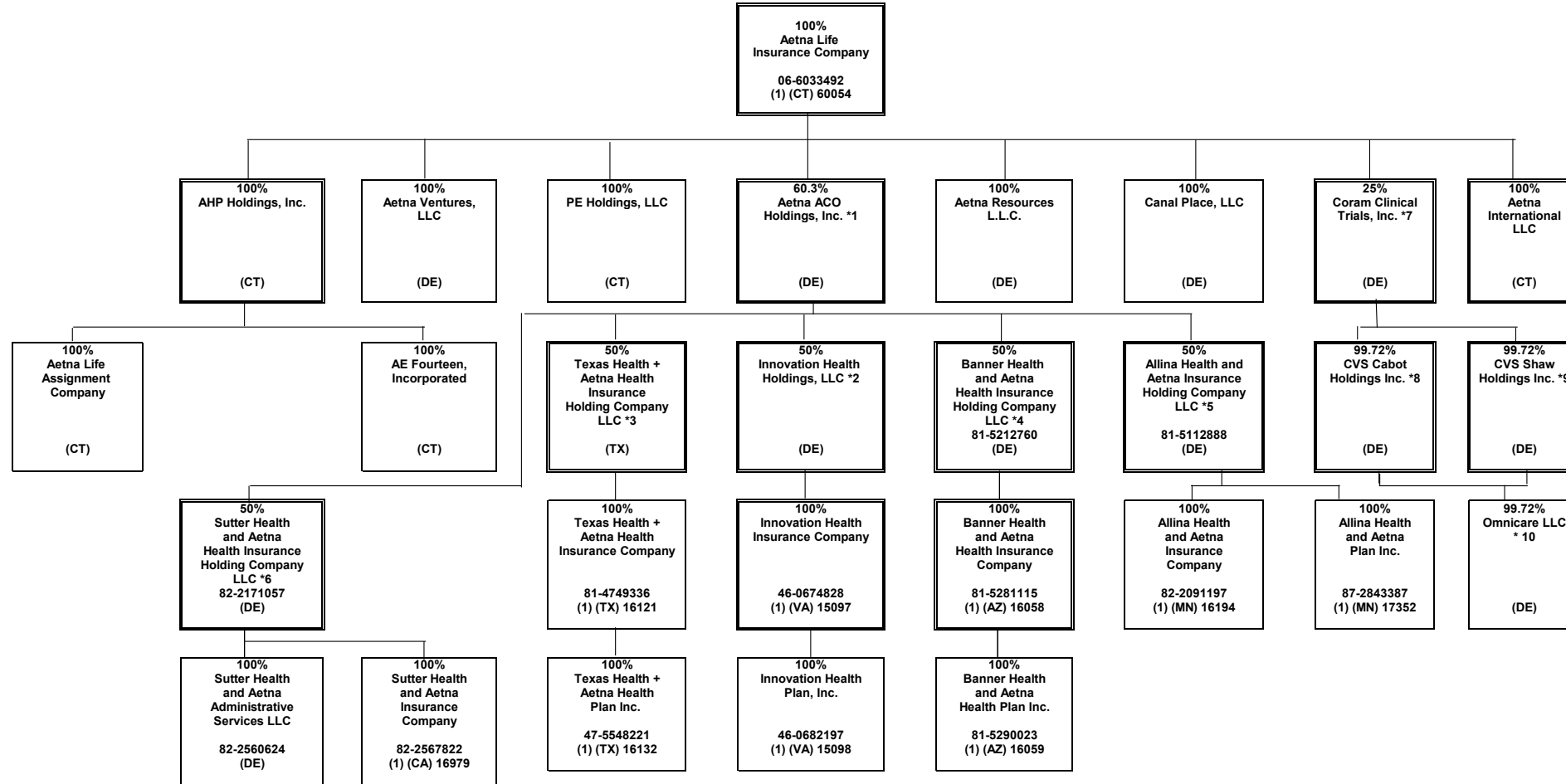


\* Aetna Capital Management, LLC owns 100% of the voting rights of Aetna Partners Diversified Fund, LLC ("APDF"). APDF is a fund of hedge funds and certain subsidiaries of CVS Health Group invest in this fund, which does not confer any managing or controlling ownership interests in APDF.

ANNUAL STATEMENT FOR THE YEAR 2022 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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\*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 System.

\*6 Sutter Health and Aetna Insurance Holding Company LLC is also 50% owned by Sutter Health Plan Products Organization, LLC.

\*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**

**NONE**