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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2012

OF THE CONDITION AND AFFAIRS OF

Aetna Better Health Inc. (an Ohio corporation)

NAIC Group Code ..... **0001** **0001** (Current Period) (Prior Period) NAIC Company Code .... **14229** Employer's ID Number **45-2764938**

Organized under the Laws of **Ohio** State of Domicile or Port of Entry …….. **Ohio** Country of Domicile ………… **United States**

Licensed as business type: Life, Accident & Health [ ] Property/Casualty [ ] Hospital, Medical & Dental Service or Indemnity [ ]
Dental Service Corporation [ ] Vision Service Corporation [ ] Health Maintenance Organization [X]
Other [ ] Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized .... **July 15, 2011** Commenced Business .... **March 16, 2012**

Statutory Home Office ……... **7400 W. Campus Road** (Street and Number) .... **New Albany ...... OH ... US ... 43054** (City, State, Country, and Zip Code)

Main Administrative Office ……….………...……………..……... **7400 W. Campus Road** (Street and Number)

……………………………………….. **New Albany .... OH ... US ... 43054** (City, State, Country, and Zip Code) ………………………………..……........... **614-933-7400** (Area Code) (Telephone Number)

Mail Address ....……......................... **980 Jolly Road, U11S** (Street and Number or P. O. Box) ..………...…......... **Blue Bell ...... PA ... US ... 19422-1904** (City, State, Country, and Zip Code)

Primary Location of Books and Records ....…….……………….….... **980 Jolly Road** (Street and Number)

…………………………………. **Blue Bell .... PA ... US ... 19422-1904** (City, State, Country, and Zip Code) …………………………………….......... **800-872-3862** (Area Code) (Telephone Number)

Internet Website Address …………………..………………..……….. **www.aetna.com**

Statutory Statement Contact .... **Steven Matthew Conte** (Name) ....……..…................ **215-775-6508** (Area Code) (Telephone Number) (Extension)

.... **Aetna.HMOReporting@aetna.com** (E-mail Address) ....……....................................... **860-262-7767** (Fax Number)

OFFICERS

Pamela Sue Sedmak, Chief Executive Officer and President #
Robert Mark Kessler, Vice President and Secretary
Steven Matthew Conte, Principal Financial Officer and Controller

OTHER

Elaine Rose Cofrancesco, Vice President and Treasurer
Edward-Chung-I Lee, Vice President and Assistant Secretary
Kevin James Casey, Senior Investment Officer
Brian Christopher Winters, Assistant Controller

DIRECTORS OR TRUSTEES

Paul Don Fawson **Pamela Sue Sedmak #** **Janet Marie Stallmeyer**

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 manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Pamela Sue Sedmak	**Robert Mark Kessler**	**Steven Matthew Conte**
Chief Executive Officer and President	**Vice President and Secretary@**	**Principal Financial Officer and Controller@@**

State of........ Arizona	State of........ Connecticut	State of........ Pennsylvania
County of..... Maricopa	County of..... Hartford	County of..... Montgomery
Subscribed and sworn to before me this	@Subscribed and sworn to before me this	@@Subscribed and sworn to before me this
____ day of ____________ 2013	____ day of ____________ 2013	____ day of February 2013
NOTARY PUBLIC (Seal)	NOTARY PUBLIC (Seal)	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 ……

ASSETS

	Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols. 1 - 2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	506,745	0	506,745	507,890
2. Stocks (Schedule D):				
2.1 Preferred stocks	0	0	0	0
2.2 Common stocks	0	0	0	0
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens	0	0	0	0
3.2 Other than first liens	0	0	0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $.........0 encumbrances)	0	0	0	0
4.2 Properties held for the production of income (less $.........0 encumbrances)	0	0	0	0
4.3 Properties held for sale (less $.........0 encumbrances)	0	0	0	0
5. Cash ($.....1,700,192, Schedule E-Part 1), cash equivalents ($.....794,910, Schedule E-Part 2) and short-term investments ($.....1,295, Schedule DA)	2,496,397	0	2,496,397	2,491,274
6. Contract loans (including $.........0 premium notes)	0	0	0	0
7. Derivatives (Schedule DB)	0	0	0	0
8. Other invested assets (Schedule BA)	0	0	0	0
9. Receivables for securities	0	0	0	0
10. Securities lending reinvested collateral assets (Schedule DL)	0	0	0	0
11. Aggregate write-ins for invested assets	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11)	3,003,142	0	3,003,142	2,999,164
13. Title plants less $.........0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	2,549	0	2,549	2,541
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	0	0	0	0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $.........0 earned but unbilled premiums)	0	0	0	0
15.3 Accrued retrospective premiums	0	0	0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	0
16.2 Funds held by or deposited with reinsured companies	0	0	0	0
16.3 Other amounts receivable under reinsurance contracts	0	0	0	0
17. Amounts receivable relating to uninsured plans	0	0	0	0
18.1 Current federal and foreign income tax recoverable and interest thereon	0	0	0	0
18.2 Net deferred tax asset	0	0	0	0
19. Guaranty funds receivable or on deposit	0	0	0	0
20. Electronic data processing equipment and software	0	0	0	0
21. Furniture and equipment, including health care delivery assets ($.........0)	0	0	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0	0
23. Receivables from parent, subsidiaries and affiliates	0	0	0	0
24. Health care ($.........0) and other amounts receivable	0	0	0	0
25. Aggregate write-ins for other than invested assets	0	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	3,005,691	0	3,005,691	3,001,705
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. TOTALS (Lines 26 and 27)	3,005,691	0	3,005,691	3,001,705

DETAILS OF WRITE-INS

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

LIABILITIES, CAPITAL AND SURPLUS

	Current Period 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $..........0 reinsurance ceded)	0	0	0	0
2. Accrued medical incentive pool and bonus amounts	0	0	0	0
3. Unpaid claims adjustment expenses	0	0	0	0
4. Aggregate health policy reserves, including the liability of $..........0 for medical loss ratio rebate per the Public Health Service Act	0	0	0	0
5. Aggregate life policy reserves	0	0	0	0
6. Property/casualty unearned premium reserve	0	0	0	0
7. Aggregate health claim reserves	0	0	0	0
8. Premiums received in advance	0	0	0	0
9. General expenses due or accrued	0	0	0	0
10.1 Current federal and foreign income tax payable and interest thereon (including $..........0 on realized capital gains (losses))	41	0	41	554
10.2 Net deferred tax liability	0	0	0	0
11. Ceded reinsurance premiums payable	0	0	0	0
12. Amounts withheld or retained for the account of others	0	0	0	0
13. Remittances and items not allocated	0	0	0	0
14. Borrowed money (including $..........0 current) and interest thereon $..........0 (including $..........0 current)	0	0	0	0
15. Amounts due to parent, subsidiaries and affiliates	0	0	0	0
16. Derivatives	0	0	0	0
17. Payable for securities	0	0	0	0
18. Payable for securities lending	0	0	0	0
19. Funds held under reinsurance treaties with ($..........0 authorized reinsurers, $..........0 unauthorized and $..........0 certified reinsurers)	0	0	0	0
20. Reinsurance in unauthorized and certified ($..........0) companies	0	0	0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates	0	0	0	0
22. Liability for amounts held under uninsured plans	0	0	0	0
23. Aggregate write-ins for other liabilities (including $..........0 current)	0	0	0	0
24. Total liabilities (Lines 1 to 23)	41	0	41	554
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	0	0
27. Preferred capital stock	XXX	XXX	1	1
28. Gross paid in and contributed surplus	XXX	XXX	2,999,999	2,999,999
29. Surplus notes	XXX	XXX	0	0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	5,650	1,151
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 $..........0)	XXX	XXX	0	0
32.2 .....0.000 shares preferred (value included in Line 27 $..........0)	XXX	XXX	0	0
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	3,005,650	3,001,151
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	3,005,691	3,001,705

DETAILS OF WRITE-INS

	1	2	3	4
2301.	0	0	0	0
2302.	0	0	0	0
2303.	0	0	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	0	0	0	0
2501.	XXX	XXX	0	0
2502.	XXX	XXX	0	0
2503.	XXX	XXX	0	0
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	0	0
3002.	XXX	XXX	0	0
3003.	XXX	XXX	0	0
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 1 Uncovered	Current Year 2 Total	Prior Year 3 Total
1. Member months	XXX	0	0
2. Net premium income (including $..........0 non-health premium income)	XXX	0	0
3. Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4. Fee-for-service (net of $..........0 medical expenses)	XXX	0	0
5. Risk revenue	XXX	0	0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	0	0
Hospital and Medical:			
9. Hospital/medical benefits	0	0	0
10. Other professional services	0	0	0
11. Outside referrals	0	0	0
12. Emergency room and out-of-area	0	0	0
13. Prescription drugs	0	0	0
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	0	0
16. Subtotal (Lines 9 to 15)	0	0	0
Less:			
17. Net reinsurance recoveries	0	0	0
18. Total hospital and medical (Lines 16 minus 17)	0	0	0
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including $..........0 cost containment expenses	0	0	0
21. General administrative expenses	0	0	0
22. Increase in reserves for life and accident and health contracts including $..........0 increase in reserves for life only)	0	0	0
23. Total underwriting deductions (Lines 18 through 22)	0	0	0
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	0	0
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	6,921	1,771
26. Net realized capital gains or (losses) less capital gains tax of $..........0	0	0	0
27. Net investment gains or (losses) (Lines 25 plus 26)	0	6,921	1,771
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered $..........0) (amount charged off $..........0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	6,921	1,771
31. Federal and foreign income taxes incurred	XXX	2,422	620
32. Net income (loss) (Lines 30 minus 31)	XXX	4,499	1,151

DETAILS OF WRITE-INS

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

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period	3,001,151	0
34. Net income or (loss) from Line 32	4,499	1,151
35. Change in valuation basis of aggregate policy and claim reserves	0	0
36. Change in net unrealized capital gains and (losses) less capital gains tax of $.........0	0	0
37. Change in net unrealized foreign exchange capital gain or (loss)	0	0
38. Change in net deferred income tax	0	0
39. Change in nonadmitted assets	0	0
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	0	0
44. Capital changes:		
44.1 Paid in	0	1
44.2 Transferred from surplus (Stock Dividend)	0	0
44.3 Transferred to surplus	0	0
45. Surplus adjustments:		
45.1 Paid in	0	2,999,999
45.2 Transferred to capital (Stock Dividend)	0	0
45.3 Transferred from capital	0	0
46. Dividends to stockholders	0	0
47. Aggregate write-ins for gains or (losses) in surplus	0	0
48. Net change in capital and surplus (Lines 34 to 47)	4,499	3,001,151
49. Capital and surplus end of reporting period (Line 33 plus 48)	3,005,650	3,001,151

DETAILS OF WRITE-INS

4701.	0	0
4702.	0	0
4703.	0	0
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	0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance	0	0
2. Net investment income	8,058	(457)
3. Miscellaneous income	0	0
4. Total (Lines 1 through 3)	8,058	(457)
5. Benefit and loss related payments	0	0
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	0	0
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of $..........0 tax on capital gains (losses)	2,935	66
10. Total (Lines 5 through 9)	2,935	66
11. Net cash from operations (Line 4 minus Line 10)	5,123	(523)
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
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	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	508,203
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)	0	508,203
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14)	0	(508,203)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	3,000,000
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	3,000,000
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	5,123	2,491,274
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	2,491,274	0
19.2 End of year (Line 18 plus Line 19.1)	2,496,397	2,491,274

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

20.0001	0	0

Analysis of Operations by Lines of Business
NONE

U & I Ex.-Pt.1
NONE

U & I Ex.-Pt.2
NONE

U & I Ex.-Pt.2A
NONE

U & I Ex.-Pt.2B
NONE

U & I Ex.-Pt.2C-Sn A-Paid Claims-Grand Total
NONE

U & I Ex.-Pt.2C-Sn B-Incurred Claims-Grand Total
NONE

U & I Ex.-Pt.2C-Sn C-Expense Ratio-Grand Total
NONE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

U & I Ex.-Pt.2D
NONE

U & I Ex.-Pt.3
NONE

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 6,354	6,369
1.1	Bonds exempt from U.S. tax	(a) 0	0
1.2	Other bonds (unaffiliated)	(a) 0	0
1.3	Bonds of affiliates	(a) 0	0
2.1	Preferred stocks (unaffiliated)	(b) 0	0
2.11	Preferred stocks of affiliates	(b) 0	0
2.2	Common stocks (unaffiliated)	0	0
2.21	Common stocks of affiliates	0	0
3.	Mortgage loans	(c) 0	0
4.	Real estate	(d) 0	0
5.	Contract loans	0	0
6.	Cash, cash equivalents and short-term investments	(e) 559	552
7.	Derivative instruments	(f) 0	0
8.	Other invested assets	0	0
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	6,913	6,921
11.	Investment expenses		(g) 0
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h) 0
14.	Depreciation on real estate and other invested assets		(i) 0
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		0
17.	Net investment income (Line 10 minus Line 16)		6,921
	DETAILS OF WRITE-INS		
0901.		0	0
0902.		0	0
0903.		0	0
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.			0
1502.			0
1503.			0
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above)		0

(a) Includes $..........0 accrual of discount less $.....1,145 amortization of premium and less $..........0 paid for accrued interest on purchases.
(b) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued dividends on purchases.
(c) Includes $..........0 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(d) Includes $..........0 for company's occupancy of its own buildings; and excludes $..........0 interest on encumbrances.
(e) Includes $.....551 accrual of discount less $..........0 amortization of premium and less $..........0 paid for accrued interest on purchases.
(f) Includes $..........0 accrual of discount less $..........0 amortization of premium.
(g) Includes $..........0 investment expenses and $..........0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts.
(h) Includes $..........0 interest on surplus notes and $..........0 interest on capital notes.
(i) Includes $..........0 depreciation on real estate and $..........0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

NONE

		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	0	0	0	0
1.2	Other bonds (unaffiliated)	0	0	0	0	0
1.3	Bonds of affiliates	0	0	0	0	0
2.1	Preferred stocks (unaffiliated)	0	0	0	0	0
2.11	Preferred stocks of affiliates	0	0	0	0	0
2.2	Common stocks (unaffiliated)	0	0	0	0	0
2.21	Common stocks of affiliates	0	0	0	0	0
3.	Mortgage loans	0	0	0	0	0
4.	Real estate	0	0	0	0	0
5.	Contract loans	0	0	0	0	0
6.	Cash, cash equivalents and short-term investments	0	0	0	0	0
7.	Derivative instruments	0	0	0	0	0
8.	Other invested assets	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses)	0	0	0	0	0
10.	Total capital gains (losses)	0	0	0	0	0
	DETAILS OF WRITE-INS					
0901.		0	0	0	0	0
0902.		0	0	0	0	0
0903.		0	0	0	0	0
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above)	0	0	0	0	0

Ex. of Nonadmitted Assets
NONE

Ex. 1
NONE

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

A. Accounting practices

The accompanying statutory financial statements of Aetna Better Health Inc. (an Ohio corporation) (the "Company"), indirectly a wholly-owned subsidiary of Aetna Inc. ("Aetna"), have been prepared in conformity with accounting practices prescribed or permitted by the Ohio Department of Insurance ("Ohio Department") ("Ohio Accounting Practices"). The Ohio Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio 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").

The Ohio Accounting Practices vary from U.S. generally accepted accounting principles ("GAAP"). The primary differences include:

- Certain assets, designated as nonadmitted assets (other receivables, which are nonadmitted in accordance with SSAP No. 4, *Assets and Nonadmitted Assets*) are not recorded as assets, but are charged to surplus. Assets having economic value other than those which can be used to fulfill policyholder obligations, or those assets which are unavailable due to encumbrances or other third party interests should not be recognized on the balance sheet, and are, therefore, considered nonadmitted;
- Bonds are recorded at amortized cost except for those with an NAIC designation of 3 through 6, which are reported at the lower of amortized cost or fair value. Therefore, changes in unrealized gains and losses for those securities held at amortized cost are not reflected in the financial statements. Under GAAP, bonds classified as available for sale are recorded at fair value, and related changes in unrealized gains and losses are recorded as a component of equity, net of deferred Federal income taxes; and
- Deferred tax assets and liabilities are determined and admitted in accordance with SSAP No. 101, *Income Taxes –A Replacement of SSAP No. 10R and SSAP No. 10.* SSAP No. 101 became authoritative guidance for accounting and reporting of income taxes beginning January 1, 2012 and replaced SSAP No. 10R, *Income Taxes – Revised, A Temporary Replacement of SSAP 10.* Changes in net deferred tax assets and liabilities are reflected as changes in surplus. Under GAAP, changes in such assets and liabilities are reflected in net income. In addition, statutory accounting requires an admissibility test for deferred tax assets.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Ohio for the year ending December 31, 2012 is as follows:

(in thousands)	State of Domicile	December 31, 2012
Capital and surplus (derived using Ohio Accounting Practices)	OH	$3,006
State of Ohio Prescribed Practices:		
None	OH	-
State of Ohio Permitted Practices:		
None	OH	-
Capital and surplus (derived using NAIC SAP)		$3,006
Net income (derived using Ohio Accounting Practices)	OH	$4
State of Ohio Prescribed Practices:		
None	OH	-
State of Ohio Permitted Practices:		
None	OH	-
Net income (derived using NAIC SAP)		$4

B. Use of estimates in the preparation of the financial statements

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

C. Significant accounting policies

The Company applies the following significant accounting policies:

(1) Cash, cash equivalents and short-term investments

Cash and cash equivalents include all highly liquid instruments readily convertible to cash with a maturity of three months or less from the date of purchase. Short-term investments primarily consist of investments purchased with an original maturity of one year or less. The carrying amounts of cash and cash equivalents and short-term investments reported in the accompanying Statutory Statements of Assets approximate fair value.

(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 reported at the lower of amortized cost or fair value. The amount reported 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 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, 2012. Bonds include all investments whose maturity is greater than one year when purchased.

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than temporary. For bonds, other than loan-backed and structured securities, 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. 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. Declines deemed to be OTTI are recognized as realized capital losses.

For loan-backed and structured securities, the Company records OTTI when the fair value of the loan-backed or structured security is less than the amortized cost basis at the balance sheet date and (1) the Company intends to sell the investment, or (2) the Company does not have the intent and ability to retain the investment for the time sufficient to recover the amortized cost basis, or (3) the Company does not expect to recover the entire amortized cost basis of the security, even if it does not intend to sell the security and has the intent and ability to hold. If it is determined an OTTI has occurred because of (1) or (2), the amount of the OTTI is equal to the difference between the amortized cost and the fair value of the security at the balance sheet date and this difference is recorded as a realized capital loss. If it is determined an OTTI has occurred because of (3), the amount of the OTTI is equal to the difference between the amortized cost and the present value of cash flows expected to be collected, discounted at the loan-backed or structured security's effective interest rate and this difference is also accounted for as a realized capital loss.

The Company analyzes all relevant facts and circumstances for each investment when performing its analysis to determine whether an OTTI impairment 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 our expectations and the risk that facts and circumstances factored into our 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.

(3) The Company did not own any common stock at December 31, 2012.

(4) The Company did not own any preferred stock at December 31, 2012.

(5) The Company did not have any mortgage loans at December 31, 2012.

(6) Securities lending

The Company engages in securities lending by lending certain debt securities from its investment portfolio to other institutions for short periods of time. Borrowers must post cash collateral in the amount of 102% to 105% of the fair value of the loaned securities. The fair value of the loaned securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loan securities fluctuate. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company. Pursuant to SSAP No. 91R Revised, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* (“SSAP 91R”), collateral required under the Company’s securities lending program is carried on the Company’s Statutory Statements of Assets, Liabilities, Capital and Surplus as both a receivable and payable. Also pursuant to SSAP 91R, if the collateral received from a counterparty is less than 100 percent at the reporting date, the difference between the actual collateral and 100 percent is nonadmitted. Collateral value is measured and compared to the loaned securities in aggregate by counterparty.

The Company did not have any loaned securities at December 31, 2012.

(7) The Company did not have any investments in any subsidiaries or affiliated companies at December 31, 2012.

(8) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2012.

(9) The Company did not have any derivatives at December 31, 2012.

(10) Aggregate health policy reserves and related expenses

Premium deficiency reserves (“PDR”) are recognized when it is probable that the expected future hospital and medical costs, including maintenance costs, will exceed anticipated future premiums and reinsurance recoveries on existing contracts. Anticipated investment income is considered in the calculation of any PDR. For purposes of calculating a PDR, contracts are grouped in manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts. The Company had no PDR at December 31, 2012.

Unearned premium reserves (“UEP”) are recognized for premiums that are recorded by the Company that have not been earned as of the statement date. The Company had no UEP at December 31, 2012.

(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 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 of Assets, 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 patterns, medical cost trends, historical utilization of health care services, claim inventory levels, 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 which 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) The Company did not modify its capitalization policy from the prior period.

(13) The Company did not have any pharmaceutical rebate receivables at December 31, 2012.

(14) Premiums and amounts due and unpaid

Premium revenue for prepaid health care products is recognized as income in the month in which enrollees are entitled to health care services.

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.

The Company did not have any premiums or amounts due and unpaid at December 31, 2012.

(15) Covered and uncovered expenses and related liabilities

Covered expenses and related liabilities represent costs for health care expenses for which a member is not responsible in the event of the insolvency of the Company. Uncovered expenses and related liabilities represent costs to the Company for health care services that are the obligation of the Company and for which a member may also be liable in the event of the Company's insolvency.

(16) Federal income taxes

In accordance with a written tax sharing agreement with an affiliate, the Company’s current Federal income tax provisions are generally computed as if the Company were filing a separate Federal income tax return. Current income tax benefits, including those resulting from net operating losses, are recognized to the extent realized in the consolidated return. Pursuant to this agreement, the Company has the enforceable right to recoup Federal 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 income taxes.

Deferred income tax assets (“DTAs”) and liabilities (“DTLs”) represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in Statement of SSAP No. 101. 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.

SSAP No. 101, as mentioned above, replaces SSAP No. 10R which was effective for 2009 annual statements and 2010 and 2011 interim and annual financial statements. 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 IRS tax loss carryback provisions.

(B) The amount of adjusted gross DTAs, after the application of paragraph a. above, expected to 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 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, EDP 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 percent of Stat Cap ExDTA, 1 year and 10 percent 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.

DTAs for the year ending December 31, 2011 were recalculated pursuant to SSAP No. 101. If recalculation resulted in an adjustment to the December 31, 2011 admitted DTA balance, a “cumulative effect of changes in accounting principle” was recorded in 2012 as a separate component of surplus (“Cumulative effect of changes in accounting principles”).

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. Any increased amount of admitted assets and statutory surplus for periods prior to 2012 resulting from SSAP No. 10R are reported separately as part of aggregate write-ins for special surplus funds.

2. Accounting changes and corrections of errors

The Company had no accounting changes or correction of errors at December 31, 2012.

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 period ending December 31, 2012.

4. Discontinued operations

The Company did not have any discontinued operations in the period ending December 31, 2012.

5. Investments

A. The Company did not have any mortgage loans, including mezzanine real estate loans, at December 31, 2012.

B. The Company did not have any debt restructuring in the period ending December 31, 2012.

C. The Company did not have any reverse mortgages at December 31, 2012.

D. Loan-Backed Securities

(1) Prepayment assumptions for single class and multi-class mortgage backed/asset backed securities were obtained from industry market sources.

(2) The Company had no other-than-temporary impairment ("OTTI") losses during 2012 on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R, *Loan-Backed and Structured Securities* ("SSAP No. 43R").

(3) The Company had no recognized OTTI on loan-backed and structured securities currently held, in which the present value of cash flows expected to be collected is less than the amortized cost basis, at December 31, 2012.

(4) The Company had no unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2012.

E. The Company did not have any repurchase agreements or loaned securities transactions at December 31, 2012.

F. The Company did not have any real estate at December 31, 2012.

G. The Company did not have any low-income housing tax credits at December 31, 2012.

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, 2012.

B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies.

7. Investment income

A. and B.

There was no investment income due and accrued excluded from surplus at December 31, 2012 or 2011.

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2012.

9. Income taxes

A.

1. The components of the net DTAs recognized in the Company's Assets, Liabilities, Surplus and Other Funds are as follows:

	December 31, 2012		
	Ordinary	Capital	Total
Total of gross DTAs	-	-	-
Statutory valuation allowance adjustment	-	-	-
Adjusted gross DTAs	-	-	-
DTAs nonadmitted	-	-	-
Subtotal net admitted DTAs	-	-	-
DTLs	-	-	-
Net admitted DTAs/(DTLs)	-	-	-

	December 31, 2011		
	Ordinary	Capital	Total
Total of gross DTAs	-	-	-
Statutory valuation allowance adjustment	-	-	-
Adjusted gross DTAs	-	-	-
DTAs nonadmitted	-	-	-
Subtotal net admitted DTAs	-	-	-
DTLs	-	-	-
Net admitted DTAs/(DTLs)	-	-	-

	Change		
	Ordinary	Capital	Total
Total of gross DTAs	-	-	-
Statutory valuation allowance adjustment	-	-	-
Adjusted gross DTAs	-	-	-
DTAs nonadmitted	-	-	-
Subtotal net admitted DTAs	-	-	-
DTLs	-	-	-
Net admitted DTAs/(DTLs)	-	-	-

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

	December 31, 2012		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	-	-	-
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	-	-	-
1) Adjusted gross DTAs expected to realized following the balance sheet date	-	-	-
2) Adjusted gross DTAs allowed per limitation threshold	-	-	$300,565
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	-	-
(d) DTAs admitted as the result of application of SSAP 101	-	-	-

	December 31, 2011		
	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	-	-	-
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	-	-	-
1) Adjusted gross DTAs expected to realized following the balance sheet date	-	-	-
2) Adjusted gross DTAs allowed per limitation threshold	-	-	-
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	-	-
(d) DTAs admitted as the result of application of SSAP 101	-	-	-

(cont.)

	Change Ordinary	Change Capital	Change Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	-	-	-
(b) Adjusted gross DTAs expected to be realized (excluding the amount of DTAs) after application of the threshold limitations (the lesser of 2(b)1 and 2(b)2 below)	-	-	-
1) Adjusted gross DTAs expected to realized following the balance sheet date	-	-	-
2) Adjusted gross DTAs allowed per limitation threshold	-	-	$300,565
(c) Adjusted gross DTAs (excluding the amount of DTAs from 2(a) and 2(b) above) offset by gross DTLs	-	-	-
(d) DTAs admitted as the result of application of SSAP 101	-	-	-

3.

	2012	2011
(a) Ratio percentage used to determine recovery period and threshold limitation amount	59,120%	0%
(b) Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 2(b)2 above	$3,005,650	-

4. The impact of tax planning strategies are as follows:

	December 31, 2012 Ordinary	December 31, 2012 Capital	December 31, 2012 Total
(a) Adjusted gross DTAs (percentage of total adjusted gross DTAs)	0%	0%	0%
(b) Net admitted adjusted gross DTAs (percentage total net admitted adjusted)	0%	0%	0%

	December 31, 2011 Ordinary	December 31, 2011 Capital	December 31, 2011 Total
(a) Adjusted gross DTAs (percentage of total adjusted gross DTAs)	0%	0%	0%
(b) Net admitted adjusted gross DTAs (percentage total net admitted adjusted)	0%	0%	0%

	Change Ordinary	Change Capital	Change Total
(a) Adjusted gross DTAs (percentage of total adjusted gross DTAs)	0%	0%	0%
(b) Net admitted adjusted gross DTAs (percentage total net admitted adjusted)	0%	0%	0%

(c) Does 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, 2012 or 2011.

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

	December 31, 2012	December 31, 2011	Change
1. Current income tax			
Federal income tax expense on operations	$2,422	$620	$1,802
Federal income tax expense on net capital gains	-	-	-
Utilization of capital loss carryforwards	-	-	-
Federal income tax expense incurred	$2,422	$620	$1,802

	December 31, 2012	December 31, 2011	Change
2. DTAs:			
Ordinary	-	-	-
Total ordinary DTAs	-	-	-
Statutory valuation allowance adjustment	-	-	-
Nonadmitted ordinary DTAs	-	-	-
Admitted ordinary DTAs	-	-	-
Capital	-	-	-
Total capital DTAs	-	-	-
Statutory valuation allowance adjustment	-	-	-
Nonadmitted capital DTAs	-	-	-
Admitted capital DTAs	-	-	-
Admitted DTAs	-	-	-
3. DTLs:			
Ordinary	-	-	-
Ordinary DTLs	-	-	-
Capital	-	-	-
Capital DTLs	-	-	-
Total DTLs	-	-	-
4. Net admitted DTAs	-	-	-

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

	December 31, 2012	December 31, 2011	Change
Total DTAs	-	-	-
Total DTLs	-	-	-
Net DTAs/(DTLs)	-	-	-
Tax effect of unrealized gains (losses)			-
Change in net deferred income tax			-

The valuation allowance adjustment to gross DTAs was $0 for both December 31, 2012 and 2011.

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:

	December 31, 2012	Effective tax rate	December 31, 2011	Effective tax rate
Provision computed as statutory rate	$2,422	35.0%	$620	35.0%
Total	$2,422	35.0%	$620	35.0%
Federal and foreign income tax (benefit) or expense incurred	$2,422	35.0%	$620	35.0%
Change in net deferred income taxes	-	-	-	-
Total statutory income taxes	$2,422	35.0%	$620	35.0%

The transfer pricing adjustment allows taxpayers to apply different methods to price current period intercompany services at arm’s length prices as compared to what would be charged to an unrelated entity, which results in a permanent deduction for tax reporting purposes.

E.

1. At December 31, 2012, the Company had no net capital loss or net operating loss carryforwards for tax purposes.

2. The amount of Federal income taxes incurred that are available for recoupment in the event of future net losses is $2,422 and $620 for the years ended December 31, 2012 and 2011, respectively.

3. The Company did not report any deposits as admitted assets under IRC Section 6603 at December 31, 2012 and 2011.

F.

1. At December 31, 2012, the Company's Federal Income Tax Return was consolidated with the following entities:

Aetna Inc. - Parent Company
@ Credentials Inc.
Active Health Management, Inc.
Adminco, Inc.
Administrative Enterprises, Inc.
AE Fourteen, Incorporated
AET Health Care Plan, Inc.
Aetna ACO Holdings, Inc.
Aetna Better Health Inc. (Connecticut)
Aetna Better Health Inc. (Florida)
Aetna Better Health Inc. (Illinois)
Aetna Better Health Inc. (Georgia)
Aetna Better Health, Inc. (Louisiana)
Aetna Better Health Inc. (New York)
Aetna Better Health Inc. (Ohio)
Aetna Better Health Inc. (Pennsylvania)
Aetna Dental Inc. (New Jersey)
Aetna Dental Inc. (Texas)
Aetna Dental of California Inc.
Aetna Health and Life Insurance Company
Aetna Health Inc. (Connecticut)
Aetna Health Inc. (Florida)
Aetna Health Inc. (Georgia)
Aetna Health Inc. (Maine)
Aetna Health Inc. (Michigan)
Aetna Health Inc. (New Jersey)
Aetna Health Inc. (New York)
Aetna Health Inc. (Pennsylvania)
Aetna Health Inc. (Texas)
Aetna Health Insurance Company
Aetna Health Insurance Company of New York
Aetna Health of California Inc.
Aetna Insurance Company of Connecticut
Aetna Integrated Informatics, Inc.
Aetna International Inc.
Aetna Ireland Inc.
Aetna Life and Casualty (Bermuda) Ltd.
Aetna Life Assignment Company
Aetna Life Insurance Company
Aetna Risk Indemnity Company Limited
Aetna Student Health Agency Inc.
AHP Holdings, Inc.
Allviant Corporation
American Health Holding, Inc.
AUSHC Holdings, Inc.
Broadspire National Services, Inc.
Chickering Claims Administrators, Inc.
Cofinity, Inc.
Delaware Physicians Care, Incorporated
Health and Human Resource Center, Inc.
Health Data & Management Solutions, Inc.
Health Re, Incorporated
Jaguar Merger Subsidiary, Inc.
Luettgens Limited
Managed Care Coordinators, Inc.
Medicity Inc.
Meritain Health, Inc.
Missouri Care, Incorporated
Niagara Re, Inc.
PayFlex Holdings, Inc.
PayFlex Systems USA, Inc.
Performax, Inc.
Precision Benefit Services, Inc.
Prime Net, Inc.
Prodigy Health Group, Inc.
Professional Risk Management, Inc.
Resources for Living, LLC
Schaller Anderson Medical Administrators, Incorporated
Strategic Resource Company
The Vasquez Group Inc.
U.S. Healthcare Properties, Inc.
Work and Family Benefits, 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 Federal or foreign income tax loss contingencies.

10. Information concerning parent, subsidiaries, affiliates, and related parties

A. B. and C.

The Company was incorporated on July 15, 2011 and received an initial capital contribution of $3,000,000 on July 27, 2011.

D. Amounts due to and due from affiliates shown in the accompanying Statutory Statements of Assets, Liabilities, Capital and Surplus include the Company's net receipts and disbursements processed by affiliates and transactions related to its administrative services agreement with Schaller Anderson, LLC (“SA”), indirectly a wholly-owned subsidiary of Aetna.

E. At December 31, 2012, the Company did not have any guarantees or undertakings with its affiliates or parent company.

F. As of and for the year ending December 31, 2012, the Company had the following significant transactions with affiliates:

The Company and SA are parties to an administrative services agreement, under which SA provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company will remit a percentage of its earned premium revenue, as applicable, to SA as a fee.

The Company has coverage for certain litigation exposures ($10,000,000 per claim and in the aggregate including defense costs) through an affiliated captive insurance company.

As explained in Note 1, the Company participates in a tax sharing agreement with Aetna and Aetna's other subsidiaries. All Federal income tax receivables/payables were due from/due to Aetna.

G. All outstanding shares of the Company are owned by Aetna Health Holdings, LLC, whose ultimate parent is Aetna.

H. At December 31, 2012, the Company did not hold any investments in any affiliate and did not own shares of any upstream intermediate of Aetna.

I. At December 31, 2012, the Company did not hold any investments in any subsidiary, controlled or affiliated (“SCA”) entity.

J. At December 31, 2012, the Company did not hold any investments in any impaired SCA entity.

K. At December 31, 2012, the Company did not hold any investments in any foreign insurance subsidiaries.

L. At December 31, 2012, the Company did not hold any investments in a downstream noninsurance holding company.

11. Debt

A. The Company did not have any items related to debt, including capital notes at December 31, 2012.

B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2012.

12. Retirement plans, deferred compensation, postemployment benefits and compensated absences and other postretirement benefit plans

The Company did not have a retirement plan, deferred compensation plan, or other postretirement benefit plan at December 31, 2012.

13. Capital and surplus, shareholders’ dividend restrictions and quasi-reorganizations

(1) The Company had 1,000 shares of common stock authorized with a par value of $.01, with 100 shares issued and outstanding at December 31, 2012.

(2) The Company did not have any preferred stock outstanding at December 31, 2012.

(3) Dividend restrictions

Pursuant to Ohio statute, the Company shall not pay any extraordinary dividend unless the Company has notified the superintendent on a form provided by the superintendent at least 30 days prior thereto or such shorter period as the superintendent may permit and the superintendent has not disapproved it within such period. An extraordinary dividend is any dividend or other distribution which, together with other dividends and distributions made within the preceding 12 months, exceeds the greater of: ten percent of such insurer's surplus as regards policyholders as of the next preceding December 31; or the net income of such insurer for the period covered by such statement, but shall not include pro rata distributions of any class of the insurer's own securities. The Company may not make a non-extraordinary dividend without prior notification to the Insurance Department within five business days following the declaration thereto and at least ten days, commencing from the date of receipt by the superintendent, prior to the payment thereof. Ordinary dividends are ultimately limited to earned surplus.

(4) The Company did not pay dividends or receive capital contributions in 2012.

(5) December 31, 2012, there was no material portion of the Company’s profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company’s surplus, including for whom the surplus was being held at December 31, 2012, except as noted in Note 21.

(7) Not applicable to the Company.

(8) The Company did not hold any stock for any special purposes at December 31, 2012.

(9) There were no changes in the balances of any special surplus funds from the prior period.

(10) At December 31, 2012, there was no portion of unassigned funds (surplus) that was represented or reduced by unrealized gains and (losses).

(11) The Company did not have any special surplus funds or surplus notes at December 31, 2012.

(12) The Company did not participate in any quasi-reorganizations during the statement year.

(13) The Company did not participate in any quasi-reorganizations in the past 10 years.

14. Contingencies

A. The Company did not have any contingent commitments at December 31, 2012.

B. The Company did not have any contingent assessments at December 31, 2012.

C. The Company did not have any gain contingencies at December 31, 2012.

D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2012.

E. All other contingencies

Litigation and regulatory proceedings

The following litigation footnotes cover Aetna Inc. and certain of its subsidiaries, including the Company (collectively, “we”, “our” or “us”). Certain footnotes below may not impact the Company directly but may have indirect impact on the Company as the Company is a member of the Aetna holding company structure.

Out-of-Network Benefit Proceedings

We are named as a defendant in several purported class actions and individual lawsuits arising out of our practices related to the payment of claims for services rendered to our members by health care providers with whom we do not have a contract (“out-of-network providers”). Among other things, these lawsuits allege that we paid too little to our health plan members and/or providers for these services, among other reasons, because of our use of data provided by Ingenix, Inc., a subsidiary of one of our competitors (“Ingenix”). Other major health insurers are the subject of similar litigation or have settled similar litigation.

Various plaintiffs who are health care providers or medical associations seek to represent nationwide classes of out-of-network providers who provided services to our members during the period from 2001 to the present. Various plaintiffs who are members in our health plans seek to represent nationwide classes of our members who received services from out-of-network providers during the period from 2001 to the present. Taken together, these lawsuits allege that we violated state law, the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), the Racketeer Influenced and Corrupt Organizations Act and federal antitrust laws, either acting alone or in concert with our competitors. The purported classes seek reimbursement of all unpaid benefits, recalculation and repayment of deductible and coinsurance amounts, unspecified damages and treble damages, statutory penalties, injunctive and declaratory relief, plus interest, costs and attorneys’ fees, and seek to disqualify us from acting as a fiduciary of any benefit plan that is subject to ERISA. Individual lawsuits that generally contain similar allegations and seek similar relief have been brought by health plan members and out-of-network providers.

The first class action case was commenced on July 30, 2007. The federal Judicial Panel on Multi-District Litigation (the “MDL Panel”) has consolidated these class action cases in the U.S. District Court for the District of New Jersey (the “New Jersey District Court”) under the caption In re: Aetna UCR Litigation, MDL No. 2020 (“MDL 2020”). In addition, the MDL Panel has transferred the individual lawsuits to MDL 2020. On May 9, 2011, the New Jersey District Court dismissed the physician plaintiffs from MDL 2020 without prejudice. The New Jersey District Court’s action followed a ruling by the United States District Court for the Southern District of Florida (the “Florida District Court”) that the physician plaintiffs were enjoined from participating in MDL 2020 due to a prior settlement and release. The United States Court of Appeals for the Eleventh Circuit has dismissed the physician plaintiffs' appeal of the Florida District Court’s ruling.

On December 6, 2012, we entered into an agreement to settle MDL No. 2020. Under the terms of the proposed nationwide settlement, we will be released from claims relating to our out-of-network reimbursement practices from the beginning of the applicable settlement class period through the date the New Jersey District Court preliminarily approves the settlement. The settlement class period for health plan members begins on March 1, 2001, and the settlement class period for health care providers begins on June 3, 2003. The agreement contains no admission of wrongdoing. The medical associations are not parties to the settlement agreement.

Under the settlement agreement, we will pay $60 million, the substantial majority of which will be payable upon final court approval of the settlement, and pay up to an additional $60 million at the end of a claim submission and validation period that commences upon final court approval of the settlement. These payments will fund claims submitted by health plan members who are members of the plaintiff class and health care providers who are members of the plaintiff class. These payments also will fund the legal fees of plaintiffs' counsel and the costs of administering the settlement, in each case in amounts to be determined by the New Jersey District Court.

The proposed settlement is subject to preliminary and final court approval. Final court approval of the settlement is expected during 2013 but could be delayed by appeals or other proceedings. In addition, the Company has the right to terminate the settlement agreement if more than certain percentages of class members, or class members collectively holding specified dollar amounts of claims, elect to opt-out of the settlement. In connection with the proposed settlement, the Company recorded an after-tax charge to net income of approximately $78 million in the fourth quarter of 2012. The Company will pay for the settlement with available resources and expects the settlement payments to occur over the next twelve to twenty-four months. We intend to continue to vigorously defend ourselves against the claims brought in these cases by non-settling plaintiffs.

We also have received subpoenas and/or requests for documents and other information from, and been investigated by, attorneys general and other state and/or federal regulators, legislators and agencies relating to our out-of-network benefit payment practices. It is reasonably possible that others could initiate additional litigation or additional regulatory action against us with respect to our out-of-network benefit payment practices.

CMS Actions

In June 2011, the Centers for Medicare & Medicaid Services ("CMS") lifted the intermediate sanctions it had previously imposed on us in April 2010 that required us to suspend the enrollment of and marketing to new members of all Aetna Medicare Advantage and Standalone Prescription Drug Plan ("PDP") contracts. The sanctions related to our compliance with certain Medicare Part D requirements. On September 27, 2012, CMS notified us that we were again eligible to receive assignments of low-income subsidy PDP members from CMS.

CMS regularly audits our performance to determine our compliance with CMS's regulations and our contracts with CMS and to assess the quality of services we provide to Medicare beneficiaries. CMS uses various payment mechanisms to allocate and adjust premium payments to our and other companies' Medicare plans by considering the applicable health status of Medicare members as supported by information maintained and provided by health care providers. We collect claim and encounter data from providers and generally rely on providers to appropriately code their submissions and document their medical records. CMS pays increased premiums to Medicare Advantage plans and PDPs for members who have certain medical conditions identified with specific diagnosis codes. Federal regulators review and audit the providers' medical records and related diagnosis codes that determine the members' health status and the resulting risk-adjusted premium payments to us. In that regard, CMS has instituted risk adjustment data validation ("RADV") audits of various Medicare Advantage plans, including certain of the Company's plans. The Office of Inspector General (the "OIG") also is auditing risk adjustment data of other companies, and we expect CMS and the OIG to continue auditing risk adjustment data.

In February 2012, CMS published a Notice of Final Payment Error Calculation Methodology for Part C Medicare Advantage Risk Adjustment Data Validation Contract-Level Audits (the "Notice"). The Notice outlines the methodology that CMS will use to determine RADV audit premium refunds payable by Medicare Advantage plans for contract years 2011 and forward. Under that methodology, the RADV audit premium refund calculation will include an adjustment for the differences in documentation standards between the RADV audits and the risk adjustment model; however, the Notice provides limited information about that adjustment. In addition, CMS will project the error rate identified in the audit sample to all risk adjusted premium payments made under the contract being audited. Historically, CMS did not make an adjustment for differences in documentation standards or project sample error rates to the entire contract. During 2013, CMS is expected to select Medicare Advantage contracts for contract year 2011 for audit. We are currently unable to predict which of our Medicare Advantage contracts will be selected for future audit, the financial impact of the documentation standard adjustment, the amounts of any retroactive refunds of, or prospective adjustments to, Medicare Advantage premium payments made to us, the effect of any such refunds or adjustments on the actuarial soundness of our Medicare Advantage bids, or whether any RADV audit findings would cause a change to our method of estimating future premium revenue in bid submissions to CMS for the current or future contract years or compromise premium assumptions made in our bids for prior contract years or the current contract year. Any premium refunds or adjustments resulting from regulatory audits, whether as a result of RADV or other audits by CMS, the OIG or otherwise, could be material and could adversely affect our operating results, financial position and cash flows.

Other Litigation and Regulatory Proceedings

We are involved in numerous other lawsuits arising, for the most part, in the ordinary course of our business operations, including litigation related to the proposed acquisition of Coventry, employment litigation and claims of bad faith, medical malpractice, non-compliance with state and federal regulatory regimes, marketing misconduct, failure to timely or appropriately pay medical and/or group insurance claims (including post-payment audit and collection practices), rescission of insurance coverage, improper disclosure of personal information, patent infringement and other intellectual property litigation and other litigation in our Health Care and Group Insurance businesses. Some of these other lawsuits are or are purported to be class actions. We intend to vigorously defend ourselves against the claims brought in these matters.

In addition, our operations, current and past business practices, current and past contracts, and accounts and other books and records are subject to routine, regular and special investigations, audits, examinations and reviews by, and from time to time we receive subpoenas and other requests for information from, CMS, the U.S. Department of Health and Human Services, various state insurance and health care regulatory authorities, state attorneys general and offices of inspector general, the Center for Consumer Information and Insurance Oversight, OIG, the Office of Personnel Management, the U.S. Department of Labor, committees, subcommittees and members of the U.S. Congress, the U.S. Department of Justice, the Federal Trade Commission, U.S. attorneys and other state, federal and international governmental authorities. These government actions include inquiries by, and testimony before, certain members, committees and subcommittees of the U.S. Congress regarding certain of our current and past business practices, including our overall claims processing and payment practices, our business practices with respect to our small group products, student health products or individual customers (such as market withdrawals, rating information, premium increases and medical benefit ratios), executive compensation matters and travel and entertainment expenses, as well as the investigations by, and subpoenas and requests from, attorneys general and others described above under “Out-of-Network Benefit Proceedings.”

There also continues to be heightened review by regulatory authorities of and increased litigation regarding the health care and related benefits industry’s business and reporting practices, including premium rate increases, utilization management, development and application of medical policies, complaint, grievance and appeal processing, information privacy, provider network structure (including the use of performance-based networks and termination of provider contracts), delegated arrangements, rescission of insurance coverage, limited benefit health products, student health products, pharmacy benefit management practices, sales practices, and claim payment practices (including payments to out-of-network providers and payments on life insurance policies). For example, New York is one of over 35 states that are investigating life insurers' claims payment and related escheat practices, and these investigations have resulted in significant charges to earnings by other life insurers in connection with related settlements. We have received requests for information from a number of states, including New York, and certain of our subsidiaries are being audited, with respect to our life insurance claim payment and related escheat practices.

As a leading national health and related benefits company, we regularly are the subject of government actions of the types described above. These government actions may prevent or delay us from implementing planned premium rate increases and may result, and have resulted, in restrictions on our business, changes to or clarifications of our business practices, retroactive adjustments to premiums, refunds or other payments to members, beneficiaries, states or the federal government, assessments of damages, civil or criminal fines or penalties, or other sanctions, including the possible loss of licensure or suspension or exclusion from participation in government programs, such as the intermediate sanctions previously imposed on us by CMS that are described above under “CMS Actions.”

Estimating the probable losses or a range of probable losses resulting from litigation, government actions and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve fines, penalties or punitive damages that are discretionary in amount, involve a large number of claimants or regulatory authorities, represent a change in regulatory policy, present novel legal theories, are in the early stages of the proceedings, are subject to appeal or could result in a change in business practices. In addition, because most legal proceedings are resolved over long periods of time, potential losses are subject to change due to, among other things, new developments, changes in litigation strategy, the outcome of intermediate procedural and substantive rulings and other parties’ settlement posture and their evaluation of the strength or weakness of their case against us. As a result, we are currently unable to predict the ultimate outcome of, or reasonably estimate the losses or a range of losses resulting from, the matters described above, and it is reasonably possible that their outcome could be material to us.

15. Leases

The Company did not have any material lease obligations at December 31, 2012.

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, 2012.

17. Sale, transfer and servicing of financial assets and extinguishments of liabilities

A. Transfers of receivables reported as sales

(1) The Company did not have any transfers of receivables as sales for the period ending December 31, 2012.

B. Transfer and servicing of financial assets

(1) The Company did not have any transfers of financial assets at December 31, 2012.

(2) The Company engages in securities lending by lending certain debt securities from its investment portfolio to other institutions for short periods of time. Borrowers must post cash collateral in the amount of 102% to 105% of the fair value of the loaned securities. The fair value of the loaned securities is monitored on a daily basis, with additional collateral obtained or refunded as the fair value of the loan securities fluctuate. The collateral is retained and invested by a lending agent according to the Company's guidelines to generate additional investment income for the Company. Pursuant to SSAP No. 91R, collateral required under the Company's securities lending program is carried on the Company's Statutory Statements of Assets, Liabilities, Capital and Surplus as both a receivable and payable. Also pursuant to SSAP 91R, if the collateral received from a counterparty is less than 100 percent at the reporting date, the difference between the actual collateral and 100 percent is nonadmitted. Collateral value is measured and compared to the loaned securities in aggregate by counterparty.

The Company did not have any loaned securities at December 31, 2012.

(3) The Company did not have any servicing assets or liabilities at December 31, 2012.

(4) The Company did not have any securitized financial assets at December 31, 2012.

(5) The Company did not have any interests that continue to be held by a transferor in securitized financial assets at December 31, 2012.

(6) The Company did not have any transfers of receivables with recourse at December 31, 2012.

C. Wash sales

(1) The Company did not have any wash sales for the period ending December 31, 2012.

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 for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2012.

B. The Company did not serve as an Administrative Services Contract plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2012.

C. The Company did not have any Medicare or other similarly structured cost based reimbursement contracts for the period ended December 31, 2012.

19. Direct premium written/produced by managing general agents/third party administrators

The Company did not have any direct premiums written through/produced by managing general agents or third party administrators for the period ended December 31, 2012.

20. Fair value measurements

A. and B.

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2012.

C. The carrying values and estimated fair values of the Company's financial instruments at December 31, 2012 were as follows (in thousands):

December 31, 2012

Type of financial instrument	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Not practicable (carrying value)
Bonds, short-term investments and cash equivalents	$1,314	$1,303	$1,313	$1	-	-
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	-	-	-
Total	$1,314	$1,303	$1,313	$1	-	-

December 31, 2011

Type of financial instrument	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3	Not practicable (carrying value)
Bonds, short-term investments and cash equivalents	$1,299	$1,299	$507	$792	-	-
Preferred stock	-	-	-	-	-	-
Common stock	-	-	-	-	-	-
Total	$1,299	$1,299	$507	$792	-	-

The valuation methods and assumptions used by the Company in estimating the fair value of debt securities are discussed in Note 1.

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.

21. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the period ended December 31, 2012.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the period ended December 31, 2012.

C. Other disclosures

(1) Minimum capital and surplus

Pursuant to the laws of Ohio, the Company is required to maintain admitted assets equal to 110% of the Company’s liabilities with a minimum net worth equal to $1,700,000.

The NAIC and the State of Ohio adopted 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 the 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, 2012, the Company had capital and surplus that exceeded the highest threshold specified by the State of Ohio's RBC requirements and minimum net worth requirements.

(2) Patient Protection and Affordable Care Act

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, “Health Care Reform”), enacted in March 2010, has changed and will continue to make broad-based changes to the U.S. health care system which could significantly affect the U.S. economy and which Aetna expects will continue to significantly impact Aetna’s business operations and financial results, including Aetna’s pricing and medical benefit ratios. Health Care Reform presents Aetna with new business opportunities, but also with new financial and regulatory challenges. It is reasonably possible that Health Care Reform, in the aggregate, could have a material adverse effect on Aetna’s business operations and financial results.

On June 28, 2012, the U.S. Supreme Court generally upheld the constitutionality of Health Care Reform. However, federal budget negotiations, pending efforts in the U.S. Congress to amend or restrict funding for various aspects of Health Care Reform and the possibility of additional litigation challenging aspects of the law continue to create uncertainty about the ultimate impact of Health Care Reform. In addition, the federal and state governments continue to enact and seriously consider many other broad-based legislative and regulatory proposals that have impacted or could materially impact various aspects of the health care system. Aetna cannot predict whether pending or future federal or state legislation or court proceedings will change various aspects of the health care system or Health Care Reform or the impact those changes will have on Aetna’s business operations or financial results, but the effect could be materially adverse.

(3) Medicaid

Medicaid products are regulated by CMS, which has the right to audit our performance to determine compliance with CMS contracts and regulations. Medicaid products and State Children's Health Insurance Program ("SCHIP") contracts also are subject to federal and state regulations and oversight by state Medicaid agencies regarding the services we provide to Medicaid enrollees, payment for those services and other aspects of these programs, and by external review organizations which audit Medicaid plans on behalf of the state Medicaid agencies. The regulations and contractual requirements applicable to the Company and other participants in Medicaid programs are extensive, complex and subject to change. Aetna has invested significant resources to comply with these standards, and Aetna's Medicaid compliance efforts will continue to require significant resources. CMS and/or state Medicaid agencies may fine Aetna, seek premium refunds, elect not to award Aetna new contracts or renew existing contracts, prohibit Aetna from continuing to market and/or enroll members in one or more Medicaid products, exclude Aetna from participating in one or more Medicaid programs and/or institute other sanctions against us if Aetna fails to comply with CMS or state regulations or contractual requirements.

D. The Company did not have any accounts receivable for uninsured plans and amounts due from agents at December 31, 2012. Therefore, there were no balances for assets that would be reasonably possible to be uncollectible.

E. The Company did not have any business interruption insurance recoveries for the period ending December 31, 2012.

F. The Company did not have any transferable and non-transferable state tax credits for the year ending December 31, 2012.

G. The Company did not have any subprime mortgage related risk exposures at December 31, 2012.

H. The Company did not have any retained assets at December 31, 2012.

22. Events subsequent

A. Type I - Recognized subsequent events

Subsequent events have been considered through February 25, 2013 for the statutory statement issued on March 1, 2013.

The Company had no known reportable recognized subsequent events.

B. Type II - Nonrecognized subsequent events

Subsequent events have been considered through February 25, 2013 for the statutory statement issued on March 1, 2013.

The Company had no known reportable recognized subsequent events.

23. Reinsurance

The Company did not have any reinsurance recoverables in dispute, reinsurance assumed, uncollectible reinsurance, commutation of ceded reinsurance, or retroactive reinsurance at December 31, 2012.

24. Retrospectively rated contracts and contracts subject to redetermination

The Company did not have any retrospectively rated contracts or contracts subject to redetermination at December 31, 2012.

25. Change in claims unpaid, unpaid claims adjustment expense, and aggregate health claim reserves

There was no change in incurred claims and claims adjustment expense at December 31, 2012.

Net coordination of benefits are implicit in the claims incurred but not reported calculation and could not be specifically identified.

26. Intercompany pooling arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2012.

27. Structured settlements

Not applicable to health entities.

28. Health care receivables

A. Pharmaceutical rebate receivables

The Company did not have any pharmaceutical rebate receivables at December 31, 2012.

B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2012.

29. Participating policies

The Company did not have any participating policies at December 31, 2012.

30. Premium deficiency reserves

	December 31, 2012
1. Liability carried for premium deficiency reserves	$0
2. Date of the most recent evaluation of this liability	12/31/2012
3. Was anticipated investment income utilized in the calculation?	Yes

31. Anticipated salvage and subrogation

See discussion of hospital and medical costs and claims adjustment expenses and related reserves in Note 1.

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 [ ]

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? Ohio

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: N/A

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. N/A

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. N/A

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). N/A

3.4 By what department or departments?
N/A

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 [ ] No [ ] N/A [X]

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]

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

1 Name of Entity	2 NAIC Co. Code	3 State of Domicile
N/A		

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:
N/A

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 ....0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity
N/A	

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

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

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9\. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
N/A; The Company has received an exemption from filing the audited financial statements.

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:
N/A

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:
N/A

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 answer to 10.5 is no or n/a, please explain.
N/A

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?
N/A; The Company has received an exemption from filing the actuarial opinion.

GENERAL INTERROGATORIES

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
N/A

12.12 Number of parcels involved 0
12.13 Total book/adjusted carrying value $..........0
12.2 If yes, provide explanation.
N/A

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 [X]
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:
N/A

14.2 Has the code of ethics for senior managers been amended? Yes [ ] No [X]
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
N/A

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).
N/A

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 [X] No [ ]
15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
122043518	Union Bank	Provider has insufficient or unavailable to pay Provider's subcontracted	114,750
		providers or any other providers; Provider has engaged in a pattern	
		of failure to pay its providers or any other providers, when due, that	
		are undisputed in good faith; Provider is insolvent; or Provider has	
		ceased to conduct business; or Provider has failed to pay Aetna	
		any amount due to Aetna when due.	

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [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 [ ]

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [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 $..........0
21.22 Borrowed from others $..........0
21.23 Leased from others $..........0
21.24 Other $..........0
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 $..........0
22.22 Amount paid as expenses $..........0
22.23 Other amounts paid $..........0
23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ ] No [X]
23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount. $..........0

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)? Yes [X] No [ ]

PART 1 - COMMON INTERROGATORIES - INVESTMENT

24.02 If no, give full and complete information relating thereto.
N/A

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).
See Notes to Financial Statement - Note 17, Sale, transfer and servicing of financial assets and extinguishments of liabilities

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [ ] N/A [ ]
24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $...............................0
24.06 If answer to 24.04 is no, report amount of collateral for other programs. $...............................0
24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [X] No [ ] N/A [ ]
24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [X] No [ ] N/A [ ]
24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes [X] No [ ] N/A [ ]
24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $...............................0
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $...............................0
24.103 Total payable for securities lending reported on the liability page. $...............................0
25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes [X] No [ ]
25.2 If yes, state the amount thereof at December 31 of the current year:
25.21 Subject to repurchase agreements $...............................0
25.22 Subject to reverse repurchase agreements $...............................0
25.23 Subject to dollar repurchase agreements $...............................0
25.24 Subject to reverse dollar repurchase agreements $...............................0
25.25 Pledged as collateral $...............................0
25.26 Placed under option agreements $...............................0
25.27 Letter stock or securities restricted as to sale $...............................0
25.28 On deposit with state or other regulatory body $....................506,745
25.29 Other $...............................0
25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount
N/A		

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

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]
27.2 If yes, state the amount thereof at December 31 of the current year: $...............................0
28. Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]
28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
State Street Bank and Trust Company	225 Franklin Street; Boston MA 02110

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

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
All agreements comply		

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]
28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
N/A			

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

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

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes [ ] No [X]
29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adj.Carrying Value
	N/A	
29.2999. TOTAL		0

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds..	1,302,950	1,313,901	10,951
30.2 Preferred stocks..	....	....	0
30.3 Totals..	1,302,950	1,313,901	10,951

PART 1 - COMMON INTERROGATORIES - INVESTMENT

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

Fair values 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 quotes or an internal analysis of each investment's financial performance and cash flow projections. Short term investments are carried at amortized cost which approximates fair value. The carrying amount of cash equivalents approximates fair value.

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [X] No [ ]

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

N/A

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

32.2 If no, list exceptions:

N/A

PART 1 - COMMON INTERROGATORIES - OTHER

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

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

1 Name	2 Amount Paid
N/A	

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

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

1 Name	2 Amount Paid
N/A	

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

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

1 Name	2 Amount Paid
N/A	

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

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

1.2 If yes, indicate premium earned on U.S. business only $.....0

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

1.31 Reason for excluding

N/A

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

1.5 Indicate total incurred claims on all Medicare Supplement insurance. $.....0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $.....0

1.62 Total incurred claims $.....0

1.63 Number of covered lives 0

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	0	0
2.2 Premium Denominator	0	0
2.3 Premium Ratio (2.1/2.2)	0.0	0.0
2.4 Reserve Numerator	0	0
2.5 Reserve Denominator	0	0
2.6 Reserve Ratio (2.4/2.5)	0.0	0.0

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

3.2 If yes, give particulars:

N/A

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 [X] No [ ]

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

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

5.2 If no, explain:

The Company does not have stop loss reinsurance.

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive medical $.....0

5.32 Medical only $.....0

5.33 Medicare supplement $.....0

5.34 Dental and vision $.....0

5.35 Other limited benefit plan $.....0

5.36 Other $.....0

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

Provider agreements contain hold harmless provisions: "Hospital agrees not to seek or accept or rely upon waivers of the member protections provided by this Section 4.3 of our individual provider contracts."

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

7.2 If no, give details:

N/A

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 0

8.2 Number of providers at end of reporting year 6,271

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

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

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

11.1. Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, Yes [ ] No [X]

11.13 An Individual Practice Association (IPA), or Yes [ ] No [X]

11.14 A Mixed Model (combination of above)? Yes [X] No [ ]

11.2. Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]

11.3. If yes, show the name of the state requiring such net worth. Ohio

11.4. If yes, show the amount required. $.......................1,700,000

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:
See Notes to Financial Statement - Note 21, Other Items, C., Other Disclosures.

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

1 Name of Service Area
Butler, Clermont, Clinton, Delaware, Franklin, Fulton, Hamilton,
Lucas, Madison, Ottawa, Pickaway, Union, Warren, Wood

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

13.2. If yes, please provide the amount of custodial funds held as of the reporting date. $....................................0

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

13.4. If yes, please provide the balance of the funds administered as of the reporting date. $....................................0

FIVE-YEAR HISTORICAL DATA

	1 2012	2 2011	3 2010	4 2009	5 2008
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	3,005,691	3,001,705	0	0	0
2. Total liabilities (Page 3, Line 24)	41	554	0	0	0
3. Statutory surplus	1,700,000	0	0	0	0
4. Total capital and surplus (Page 3, Line 33)	3,005,650	3,001,151	0	0	0
Income Statement Items (Page 4)					
5. Total revenues (Line 8)	0	0	0	0	0
6. Total medical and hospital expenses (Line 18)	0	0	0	0	0
7. Claims adjustment expenses (Line 20)	0	0	0	0	0
8. Total administrative expenses (Line 21)	0	0	0	0	0
9. Net underwriting gain (loss) (Line 24)	0	0	0	0	0
10. Net investment gain (loss) (Line 27)	6,921	1,771	0	0	0
11. Total other income (Lines 28 plus 29)	0	0	0	0	0
12. Net income or (loss) (Line 32)	4,499	1,151	0	0	0
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	5,123	(523)	0	0	0
Risk-Based Capital Analysis					
14. Total adjusted capital	3,005,650	0	0	0	0
15. Authorized control level risk-based capital	5,084	0	0	0	0
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	0	0	0	0	0
17. Total member months (Column 6, Line 7)	0	0	0	0	0
Operating Percentage (Page 4) **(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0**					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	0.0	0.0	0.0	0.0	0.0
20. Cost containment expenses	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses	0.0	0.0	0.0	0.0	0.0
22. Total underwriting deductions (Line 23)	0.0	0.0	0.0	0.0	0.0
23. Total underwriting gain (loss) (Line 24)	0.0	0.0	0.0	0.0	0.0
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5)	0	0	0	0	0
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	0	0	0	0	0
Investments in Parent, Subsidiaries and Affiliates					
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 Sch. DA, Verification, Column 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:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

State, Etc.	1 Active Status	Direct Business Only 2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums and Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama AL	N	0	0	0	0	0	0	0	0
2. Alaska AK	N	0	0	0	0	0	0	0	0
3. Arizona AZ	N	0	0	0	0	0	0	0	0
4. Arkansas AR	N	0	0	0	0	0	0	0	0
5. California CA	N	0	0	0	0	0	0	0	0
6. Colorado CO	N	0	0	0	0	0	0	0	0
7. Connecticut CT	N	0	0	0	0	0	0	0	0
8. Delaware DE	N	0	0	0	0	0	0	0	0
9. District of Columbia DC	N	0	0	0	0	0	0	0	0
10. Florida FL	N	0	0	0	0	0	0	0	0
11. Georgia GA	N	0	0	0	0	0	0	0	0
12. Hawaii HI	N	0	0	0	0	0	0	0	0
13. Idaho ID	N	0	0	0	0	0	0	0	0
14. Illinois IL	N	0	0	0	0	0	0	0	0
15. Indiana IN	N	0	0	0	0	0	0	0	0
16. Iowa IA	N	0	0	0	0	0	0	0	0
17. Kansas KS	N	0	0	0	0	0	0	0	0
18. Kentucky KY	N	0	0	0	0	0	0	0	0
19. Louisiana LA	N	0	0	0	0	0	0	0	0
20. Maine ME	N	0	0	0	0	0	0	0	0
21. Maryland MD	N	0	0	0	0	0	0	0	0
22. Massachusetts MA	N	0	0	0	0	0	0	0	0
23. Michigan MI	N	0	0	0	0	0	0	0	0
24. Minnesota MN	N	0	0	0	0	0	0	0	0
25. Mississippi MS	N	0	0	0	0	0	0	0	0
26. Missouri MO	N	0	0	0	0	0	0	0	0
27. Montana MT	N	0	0	0	0	0	0	0	0
28. Nebraska NE	N	0	0	0	0	0	0	0	0
29. Nevada NV	N	0	0	0	0	0	0	0	0
30. New Hampshire NH	N	0	0	0	0	0	0	0	0
31. New Jersey NJ	N	0	0	0	0	0	0	0	0
32. New Mexico NM	N	0	0	0	0	0	0	0	0
33. New York NY	N	0	0	0	0	0	0	0	0
34. North Carolina NC	N	0	0	0	0	0	0	0	0
35. North Dakota ND	N	0	0	0	0	0	0	0	0
36. Ohio OH	L	0	0	0	0	0	0	0	0
37. Oklahoma OK	N	0	0	0	0	0	0	0	0
38. Oregon OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania PA	N	0	0	0	0	0	0	0	0
40. Rhode Island RI	N	0	0	0	0	0	0	0	0
41. South Carolina SC	N	0	0	0	0	0	0	0	0
42. South Dakota SD	N	0	0	0	0	0	0	0	0
43. Tennessee TN	N	0	0	0	0	0	0	0	0
44. Texas TX	N	0	0	0	0	0	0	0	0
45. Utah UT	N	0	0	0	0	0	0	0	0
46. Vermont VT	N	0	0	0	0	0	0	0	0
47. Virginia VA	N	0	0	0	0	0	0	0	0
48. Washington WA	N	0	0	0	0	0	0	0	0
49. West Virginia WV	N	0	0	0	0	0	0	0	0
50. Wisconsin WI	N	0	0	0	0	0	0	0	0
51. Wyoming WY	N	0	0	0	0	0	0	0	0
52. American Samoa AS	N	0	0	0	0	0	0	0	0
53. Guam GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands MP	N	0	0	0	0	0	0	0	0
57. Canada CAN	N	0	0	0	0	0	0	0	0
58. Aggregate Other alien OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	0	0	0	0	0	0	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0
61. Total (Direct Business)	(a) 1	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
58001.		0	0	0	0	0	0	0	0
58002.		0	0	0	0	0	0	0	0
58003.		0	0	0	0	0	0	0	0
58998. Summary of remaining write-ins for line 58		0	0	0	0	0	0	0	0
58999. Total (Lines 58001 thru 58003 + 58998)		0	0	0	0	0	0	0	0

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

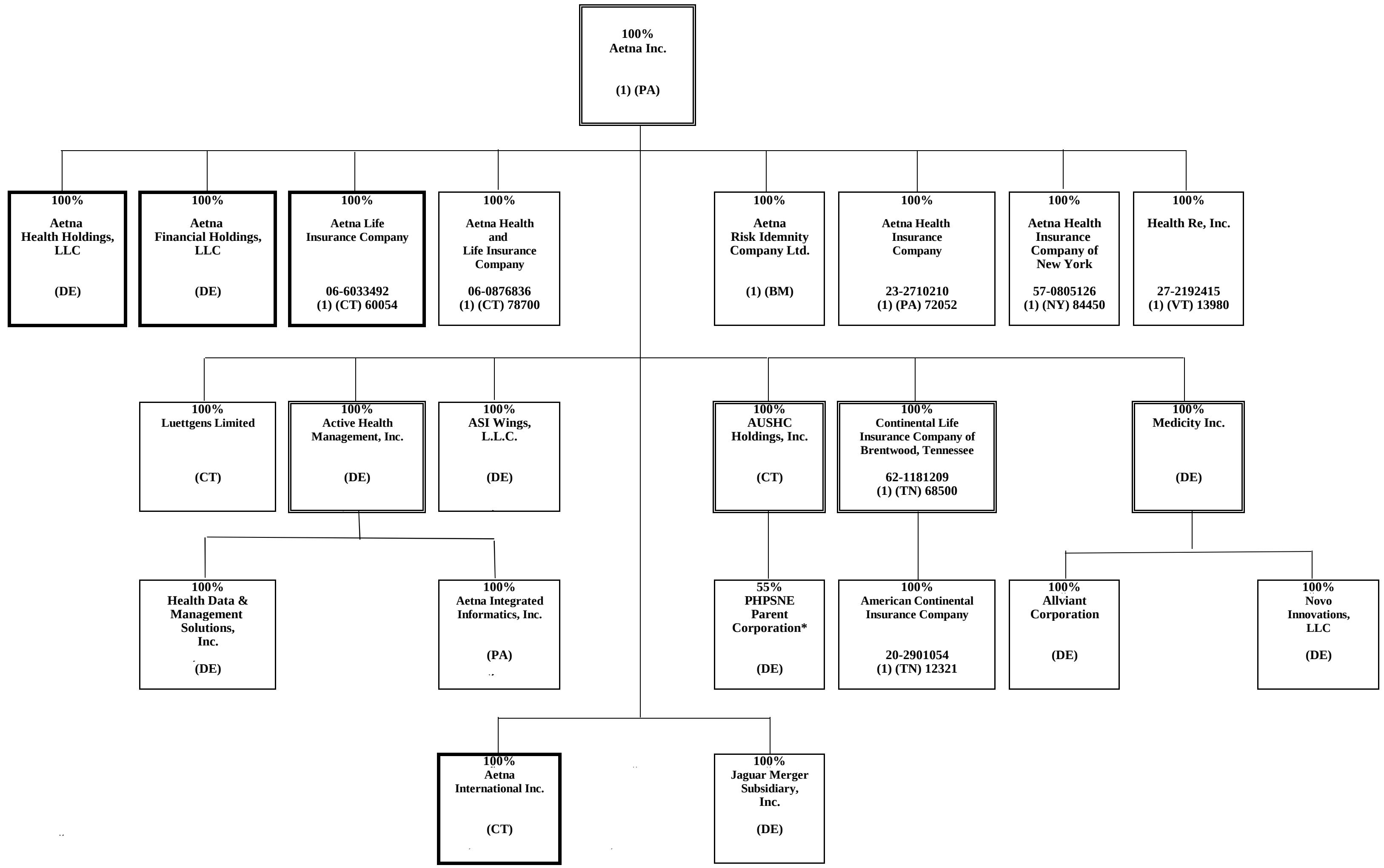
Explanation of basis of allocation by states, premiums by state, etc.

N/A

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

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

PART 1 - ORGANIZATIONAL CHART

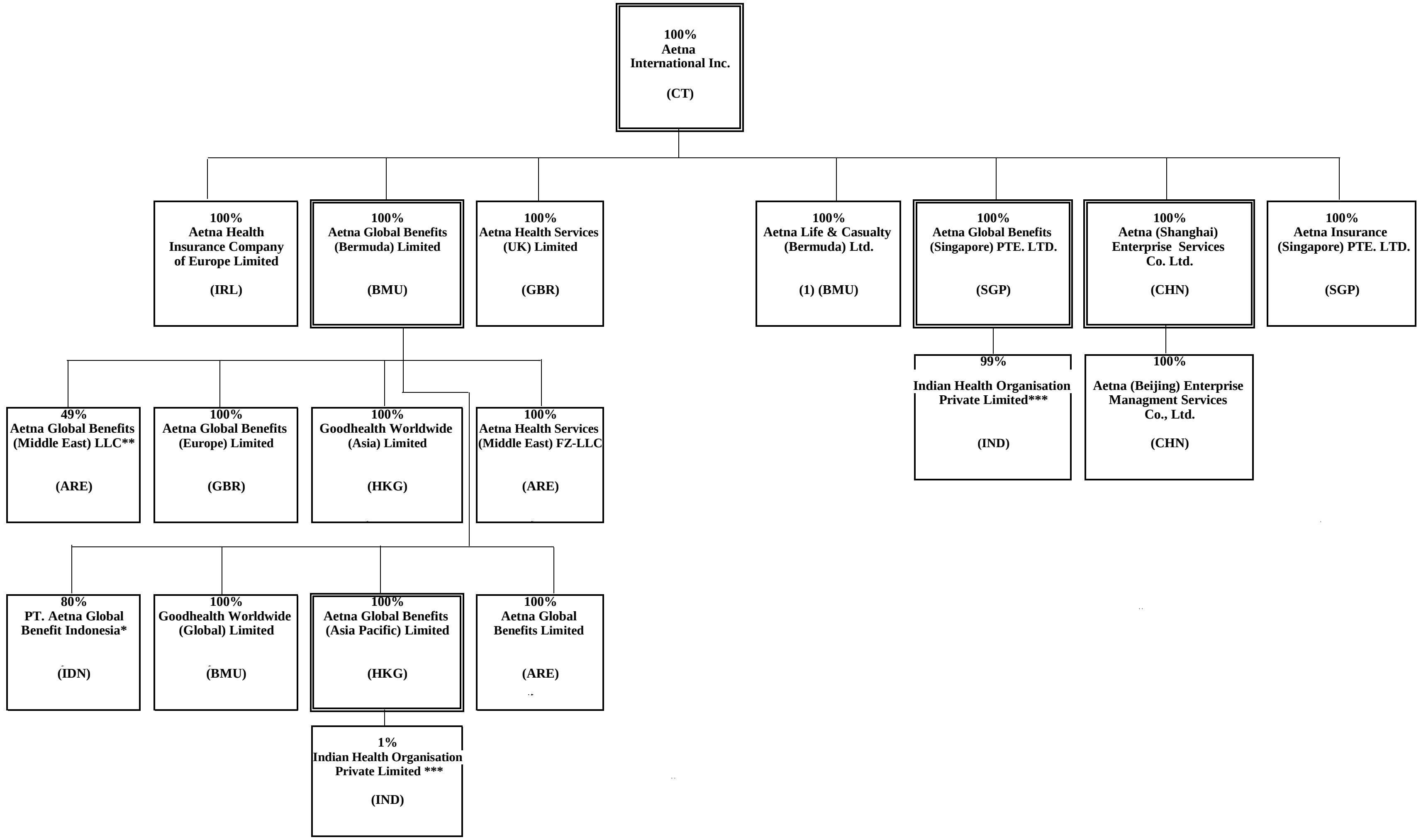


(1) Insurers/HMO's
Percentages are rounded to the nearest whole percent and based on ownership of voting rights
Double borders indicate entity has subsidiaries shown on the same page
Bold borders indicate entity has subsidiaries shown on a separate page
Percentages are rounded to the nearest whole percent and based on ownership of voting rights

*** 55% is owned by AUSHC Holdings, Inc. and 45% is owned by third parties.**

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

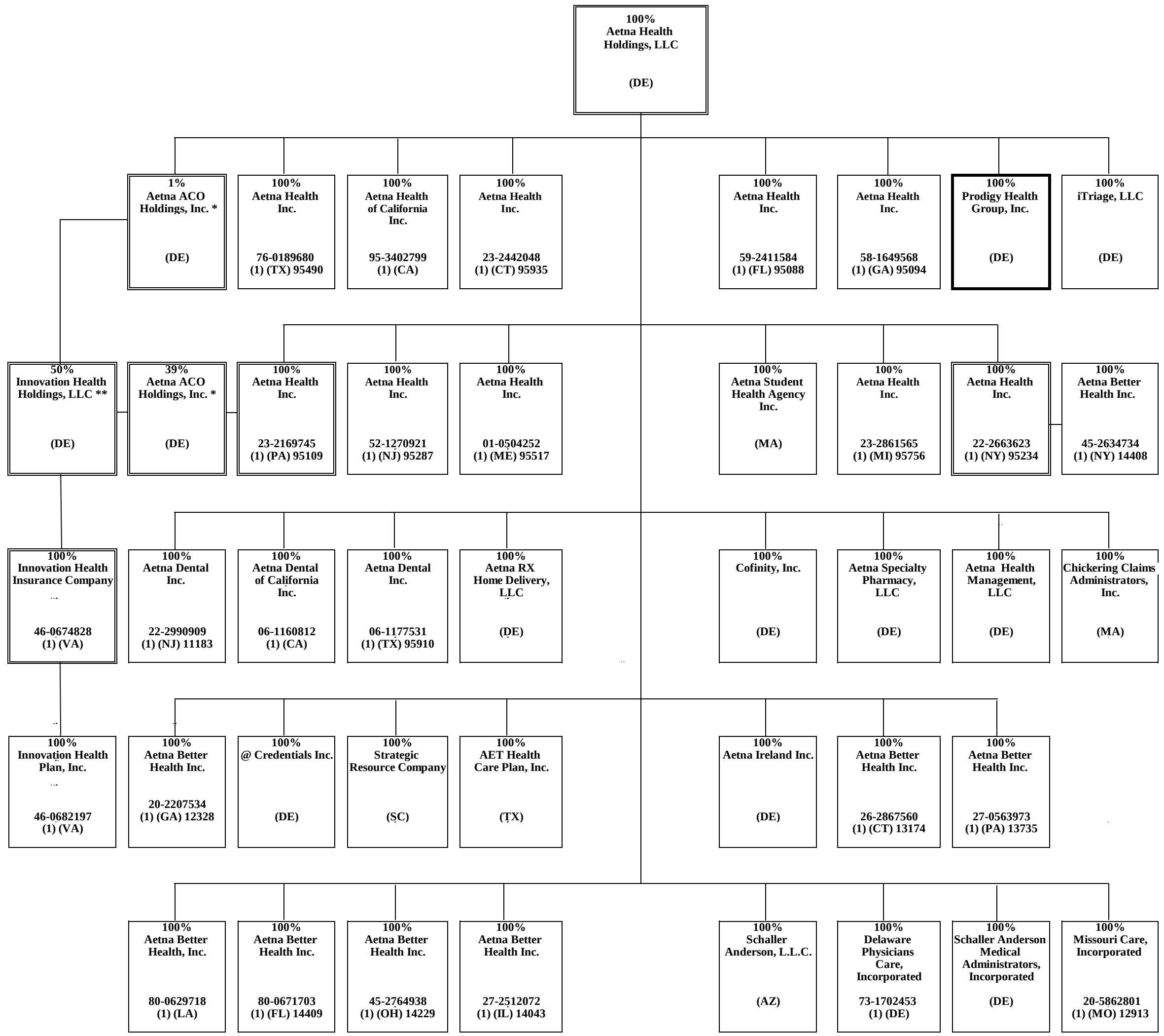
PART 1 - ORGANIZATIONAL CHART



* 20% owned by Suhatsyah Rivai, Aetna's Nominee.
** 51% owned by Euro Gulf LLC, Aetna's Nominee.
*** Aetna Global Benefits (Asia Pacific) Limited owns 1% of Indian Health Organisation Private Limited and Aetna Global Benefits (Singapore) PTE. LTD. owns 99%.

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

PART 1 - ORGANIZATIONAL CHART



* Aetna ACO Holdings, Inc. is owned by Aetna Life Insurance Company (60%); Aetna Health Inc. (PA) (39%); and Aetna Health Holdings, LLC (1%).
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Innova Health System Foundation, an unaffiliated company.

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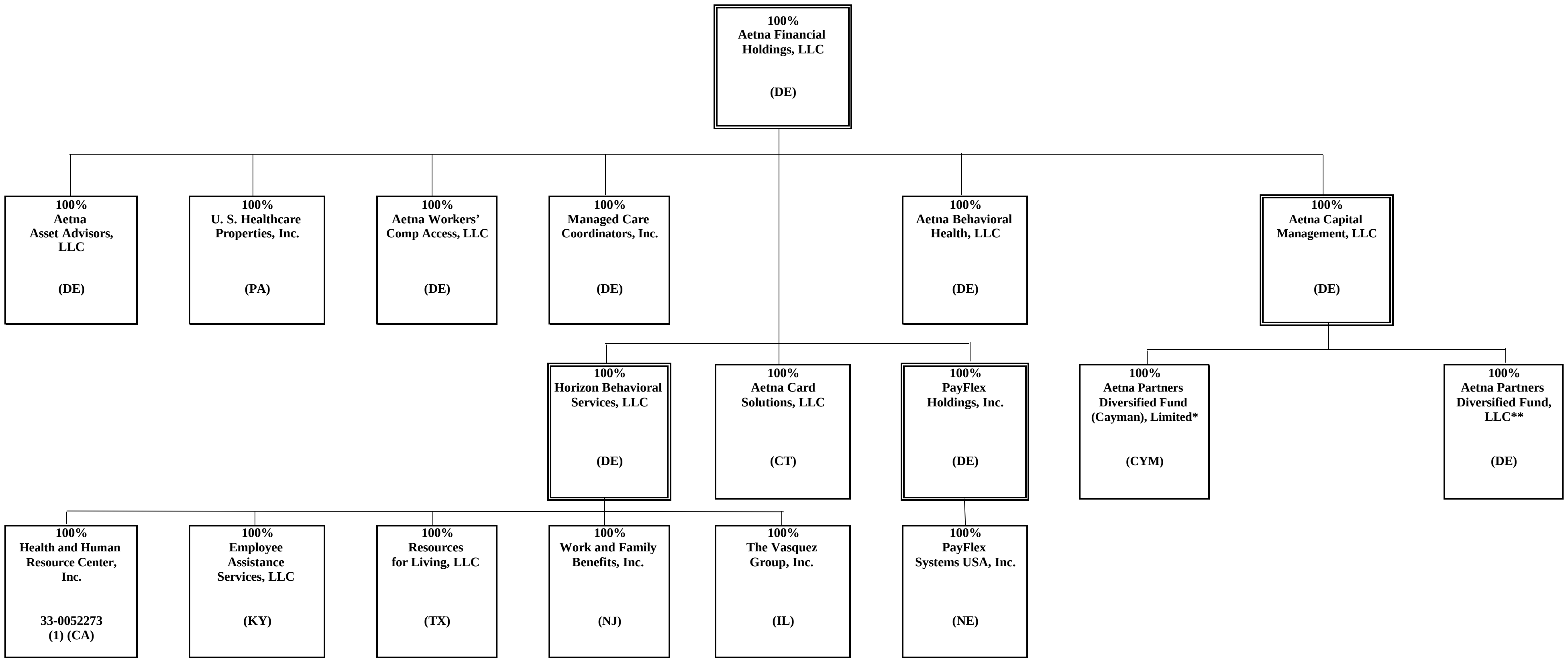

* Aetna Life Insurance Company owns the Class C participating shares of Aetna Partners Diversified Fund (Cayman), Limited.
** Aetna Life Insurance Company and Aetna Health and Life Insurance Company own substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

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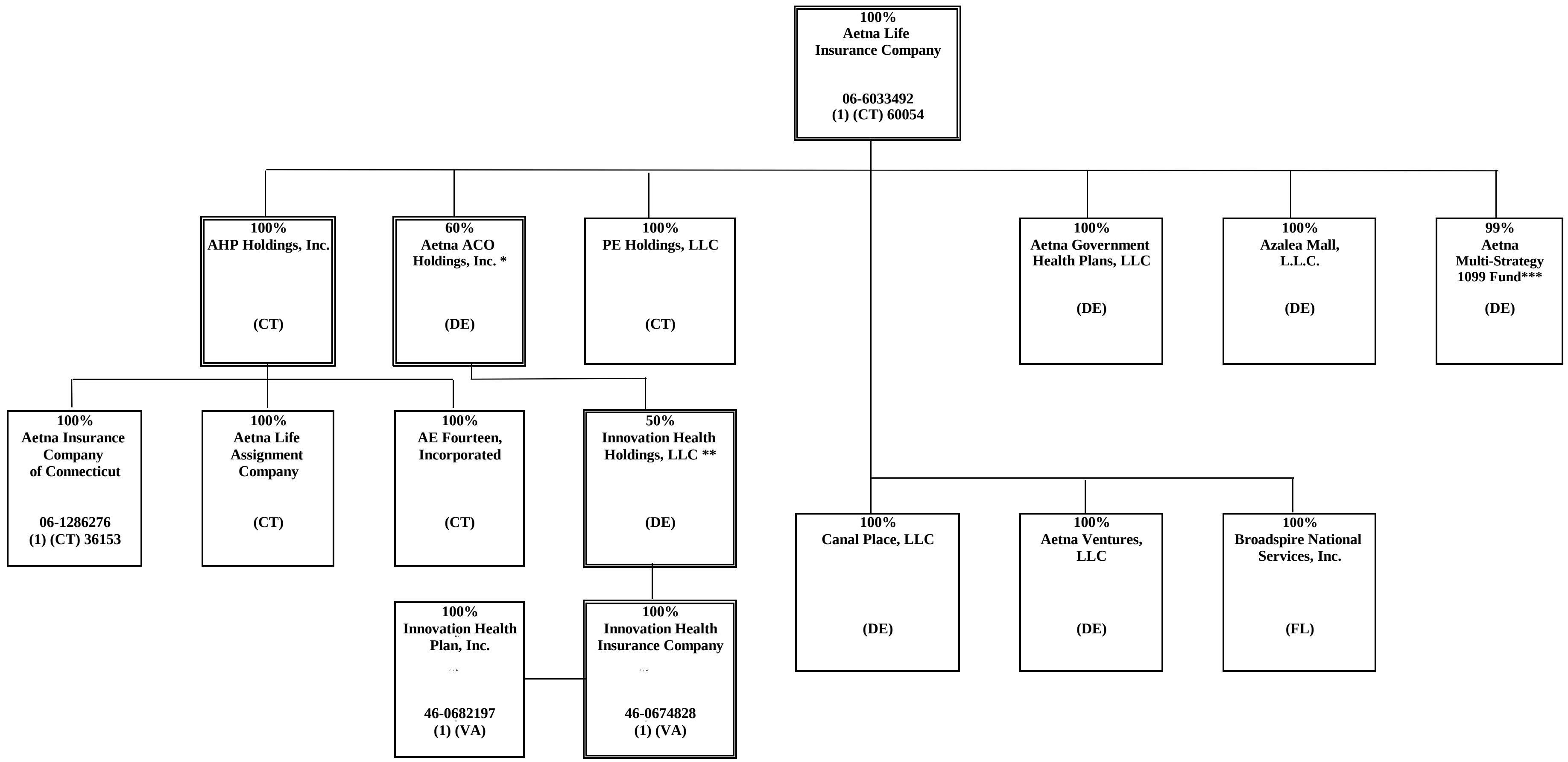
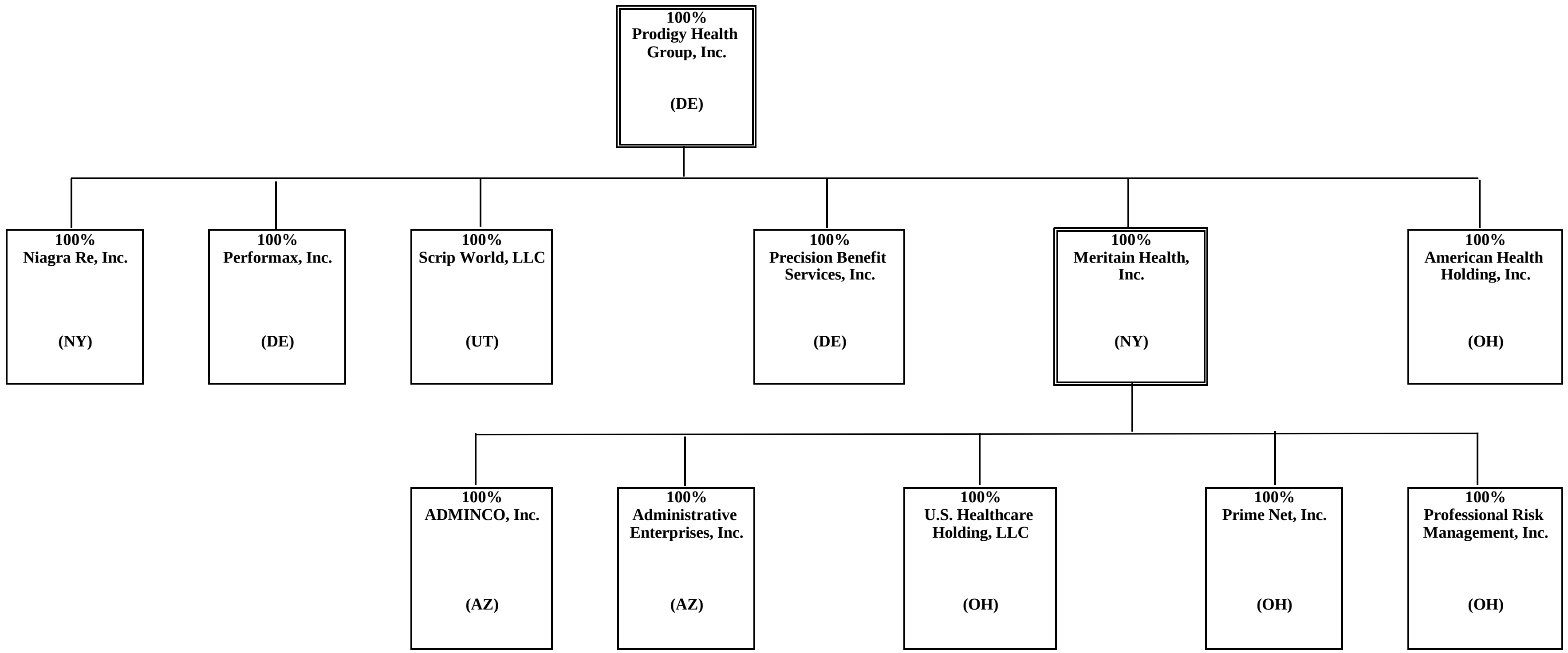


* Aetna ACO Holdings, Inc. is owned by Aetna Life Insurance Company (60%); Aetna Health Inc. (PA) (39%); and Aetna Health Holdings, LLC (1%).
** Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Innova Health System Foundation, an unaffiliated company.
***99% is invested and owned by Aetna Life Insurance Company and 1% is invested and owned by external accredited investors.

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

PART 1 - ORGANIZATIONAL CHART



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HEALTH ANNUAL STATEMENT BLANK