



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2014  
OF THE CONDITION AND AFFAIRS OF

Aetna Better Health Inc. (an Ohio corporation)

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

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 New Albany ..... OH ... USA ... 43054  
(Street and Number) (City, State, Country, and Zip Code)

Main Administrative Office ..... 7400 W. Campus Road  
(Street and Number)  
..... New Albany ..... OH ... USA ... 43054 ..... 614-933-7400  
(City, State, Country, and Zip Code) (Area Code) (Telephone Number)

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

Primary Location of Books and Records ..... 980 Jolly Road  
(Street and Number)  
..... Blue Bell ..... PA ... USA ... 19422-1904 ..... 800-872-3862  
(City, State, Country, and Zip Code) (Area Code) (Telephone Number)

Internet Website Address ..... www.aetna.com  
Statutory Statement Contact ..... Steven Matthew Conte ..... 215-775-6508  
(Name) (Area Code) (Telephone Number) (Extension)  
..... Aetna.HMOReporting@aetna.com ..... 860-262-7767  
(E-mail Address) (Fax Number)

OFFICERS

Pamela Sue Sedmak, Chief Executive Officer and President OTHER Elaine Rose Cofrancesco, Vice President and Treasurer  
Robert Mark Kessler, Vice President and Secretary Edward-Chung-I Lee, Vice President and Assistant Secretary  
Steven Matthew Conte, Principal Financial Officer and Controller Kevin James Casey, Senior Investment Officer  
Brian Christopher Winters, Assistant Controller

DIRECTORS OR TRUSTEES

Debra Jean Bacon # Michael Gene Murphy Pamela Sue Sedmak

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)<br>Pamela Sue Sedmak<br>Chief Executive Officer and President   | (Signature)<br>Robert Mark Kessler<br>Vice President and Secretary@  | (Signature)<br>Steven Matthew Conte<br>Principal Financial Officer and Controller@  |
| State of..... Arizona<br>County of..... Maricopa<br>Subscribed and sworn to before me this<br>_____ day of _____ 2015 | State of..... Connecticut<br>County of..... Hartford<br>@Subscribed and sworn to before me this<br>_____ day of _____ 2015 | State of..... Pennsylvania<br>County of..... Montgomery<br>@@Subscribed and sworn to before me this<br>_____ day of February 2015 |
| 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 .....

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

ASSETS

|  | Current Year |                    |                                   | Prior Year          |
|--|--------------|--------------------|-----------------------------------|---------------------|
|  | 1            | 2                  | 3                                 | 4                   |
|  | Assets       | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | Net Admitted Assets |
| 1. Bonds (Schedule D).....   | 39,956,741   | 0                  | 39,956,741                        | 505,587             |
| 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 (\$.....10,074,570, Schedule E-Part 1), cash equivalents (\$.....105,574,522, Schedule E-Part 2) and short-term investments (\$.....1,918, Schedule DA)..... | 115,651,010  | 0                  | 115,651,010                       | 2,501,964           |
| 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).....   | 155,607,751  | 0                  | 155,607,751                       | 3,007,551           |
| 13. Title plants less \$.....0 charged off (for Title insurers only).....  | 0            | 0                  | 0                                 | 0                   |
| 14. Investment income due and accrued.....   | 215,783      | 0                  | 215,783                           | 2,549               |
| 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.....  | 3,311,031    | 0                  | 3,311,031                         | 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.....   | 3,754,295    | 3,754,295          | 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).....  | 162,888,860  | 3,754,295          | 159,134,565                       | 3,010,100           |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....   | 0            | 0                  | 0                                 | 0                   |
| 28. TOTALS (Lines 26 and 27).....  | 162,888,860  | 3,754,295          | 159,134,565                       | 3,010,100           |

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 |

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

LIABILITIES, CAPITAL AND SURPLUS

|   | Current Period |                |              | Prior Year |
|---|----------------|----------------|--------------|------------|
|   | 1<br>Covered   | 2<br>Uncovered | 3<br>Total   | 4<br>Total |
| 1. Claims unpaid (less \$.....0 reinsurance ceded).....   | 62,677,101     | 36,810,361     | 99,487,462   | 0          |
| 2. Accrued medical incentive pool and bonus amounts.....  | 0              | 0              | 0            | 0          |
| 3. Unpaid claims adjustment expenses.....   | 1,716,258      | 0              | 1,716,258    | 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.....   | 6,546,219      | 0              | 6,546,219    | 0          |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....         | 0              | 0              | 0            | 10         |
| 10.2 Net deferred tax liability.....  | 1,039          | 0              | 1,039        | 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.....   | 6,717,020      | 0              | 6,717,020    | 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).....  | 77,657,637     | 36,810,361     | 114,467,998  | 10         |
| 25. Aggregate write-ins for special surplus funds.....  | XXX            | XXX            | 6,600,000    | 0          |
| 26. Common capital stock.....   | XXX            | XXX            | 1            | 0          |
| 27. Preferred capital stock.....  | XXX            | XXX            | 0            | 1          |
| 28. Gross paid in and contributed surplus.....  | XXX            | XXX            | 67,999,999   | 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            | (29,933,433) | 10,090     |
| 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            | 44,666,567   | 3,010,090  |
| 34. Total liabilities, capital and surplus (Lines 24 and 33).....   | XXX            | XXX            | 159,134,565  | 3,010,100  |

DETAILS OF WRITE-INS

|  |     |     |           |   |
|--|-----|-----|-----------|---|
| 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. Estimated 2015 Health Insurer Fee Accrual.....                     | XXX | XXX | 6,600,000 | 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 | 6,600,000 | 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 as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

STATEMENT OF REVENUE AND EXPENSES

|   | Current Year     |                   | Prior Year |
|---|------------------|-------------------|------------|
|   | 1<br>Uncovered   | 2<br>Total        | 3<br>Total |
| 1. Member months.....   | XXX.....         | 137,443.....      | .0.....    |
| 2. Net premium income (including \$.....0 non-health premium income).....   | XXX.....         | 335,337,638.....  | .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.....         | 335,337,638.....  | .0.....    |
| Hospital and Medical:   |                  |                   |            |
| 9. Hospital/medical benefits.....   | 87,689,005.....  | 278,182,322.....  | .0.....    |
| 10. Other professional services.....  | 451,609.....     | 1,220,566.....    | .0.....    |
| 11. Outside referrals.....  | 23,418,786.....  | 23,418,786.....   | .0.....    |
| 12. Emergency room and out-of-area.....   | 469,858.....     | 1,269,887.....    | .0.....    |
| 13. Prescription drugs.....   | 1,555,071.....   | 4,202,894.....    | .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).....   | 113,584,329..... | 308,294,455.....  | .0.....    |
| Less:   |                  |                   |            |
| 17. Net reinsurance recoveries.....   | .0.....          | .0.....           | .0.....    |
| 18. Total hospital and medical (Lines 16 minus 17).....   | 113,584,329..... | 308,294,455.....  | .0.....    |
| 19. Non-health claims (net).....  | .0.....          | .0.....           | .0.....    |
| 20. Claims adjustment expenses, including \$....10,512,993 cost containment expenses.....   | .0.....          | 12,321,699.....   | .0.....    |
| 21. General administrative expenses.....  | .0.....          | 43,204,667.....   | .0.....    |
| 22. Increase in reserves for life and accident and health contracts including \$.....0<br>increase in reserves for life only).....      | .0.....          | .0.....           | .0.....    |
| 23. Total underwriting deductions (Lines 18 through 22).....  | 113,584,329..... | 363,820,821.....  | .0.....    |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23).....   | XXX.....         | (28,483,183)..... | .0.....    |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....   | .0.....          | 94,181.....       | 6,830..... |
| 26. Net realized capital gains or (losses) less capital gains tax of \$....4,329.....   | .0.....          | 8,039.....        | .0.....    |
| 27. Net investment gains or (losses) (Lines 25 plus 26).....  | .0.....          | 102,220.....      | 6,830..... |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered<br>\$.....0) (amount charged off \$.....0)]..... | .0.....          | .0.....           | .0.....    |
| 29. Aggregate write-ins for other income or expenses.....   | .0.....          | (25,000).....     | .0.....    |
| 30. Net income or (loss) after capital gains tax and before all other federal income taxes<br>(Lines 24 plus 27 plus 28 plus 29).....   | XXX.....         | (28,405,963)..... | 6,830..... |
| 31. Federal and foreign income taxes incurred.....  | XXX.....         | (8,817,774).....  | 2,390..... |
| 32. Net income (loss) (Lines 30 minus 31).....  | XXX.....         | (19,588,189)..... | 4,440..... |
| 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. Regulatory Fines.....   | .0.....          | (25,000).....     | .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.....          | (25,000).....     | .0.....    |

Statement as of December 31, 2014 of the **Aetna Better Health Inc. (an Ohio corporation)**  
**STATEMENT OF REVENUE AND EXPENSES (Continued)**

| CAPITAL AND SURPLUS ACCOUNT   | 1<br>Current Year | 2<br>Prior Year |
|---|-------------------|-----------------|
| 33. Capital and surplus prior reporting period.....   | .....3,010,090    | .....3,005,650  |
| 34. Net income or (loss) from Line 32.....  | .....(19,588,189) | .....4,440      |
| 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.....  | .....(1,039)      | .....0          |
| 39. Change in nonadmitted assets.....   | .....(3,754,295)  | .....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            | .....0          |
| 44.2 Transferred from surplus (Stock Dividend).....   | .....0            | .....0          |
| 44.3 Transferred to surplus.....  | .....0            | .....0          |
| 45. Surplus adjustments:  |                   |                 |
| 45.1 Paid in.....   | .....65,000,000   | .....0          |
| 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).....                                     | .....41,656,477   | .....4,440      |
| 49. Capital and surplus end of reporting period (Line 33 plus 48).....                          | .....44,666,567   | .....3,010,090  |

| 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 |

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

CASH FLOW

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| CASH FROM OPERATIONS   |                   |                 |
| 1. Premiums collected net of reinsurance.....  | 335,337,638       | 0               |
| 2. Net investment income.....  | (95,733)          | 7,988           |
| 3. Miscellaneous income.....   | (2,071,045)       | 0               |
| 4. Total (Lines 1 through 3).....  | 333,170,860       | 7,988           |
| 5. Benefit and loss related payments.....  | 210,490,243       | 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.....                                      | 47,288,889        | 0               |
| 8. Dividends paid to policyholders.....  | 0                 | 0               |
| 9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....        | (5,502,404)       | 2,421           |
| 10. Total (Lines 5 through 9).....   | 252,276,728       | 2,421           |
| 11. Net cash from operations (Line 4 minus Line 10).....   | 80,894,132        | 5,567           |
| CASH FROM INVESTMENTS  |                   |                 |
| 12. Proceeds from investments sold, matured or repaid:   |                   |                 |
| 12.1 Bonds.....  | 2,718,841         | 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.....                           | 49                | 0               |
| 12.7 Miscellaneous proceeds.....   | 0                 | 0               |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7).....   | 2,718,890         | 0               |
| 13. Cost of investments acquired (long-term only):   |                   |                 |
| 13.1 Bonds.....  | 42,180,996        | 0               |
| 13.2 Stocks.....   | 0                 | 0               |
| 13.3 Mortgage loans.....   | 0                 | 0               |
| 13.4 Real estate.....  | 0                 | 0               |
| 13.5 Other invested assets.....  | 0                 | 0               |
| 13.6 Miscellaneous applications.....   | 0                 | 0               |
| 13.7 Total investments acquired (Lines 13.1 to 13.6).....  | 42,180,996        | 0               |
| 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).....                                  | (39,462,106)      | 0               |
| 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.....   | 65,000,000        | 0               |
| 16.3 Borrowed funds.....   | 0                 | 0               |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities.....                               | 0                 | 0               |
| 16.5 Dividends to stockholders.....  | 0                 | 0               |
| 16.6 Other cash provided (applied).....  | 6,717,020         | 0               |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)..... | 71,717,020        | 0               |
| 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).....   | 113,149,046       | 5,567           |
| 19. Cash, cash equivalents and short-term investments:   |                   |                 |
| 19.1 Beginning of year.....  | 2,501,964         | 2,496,397       |
| 19.2 End of year (Line 18 plus Line 19.1).....   | 115,651,010       | 2,501,964       |
| Note: Supplemental disclosures of cash flow information for non-cash transactions:                             |                   |                 |
| 20.0001 .....  | 0                 | 0               |

**Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)**

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

|   | 1            | 2  | 3                      | 4              | 5              | 6  | 7                          | 8                        | 9               | 10                  |
|---|--------------|--|------------------------|----------------|----------------|--|----------------------------|--------------------------|-----------------|---------------------|
|   | Total        | Comprehensive<br>(Hospital<br>and Medical) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plans | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other<br>Health | Other<br>Non-Health |
| 1. Net premium income.....  | 335,337,638  | .0   | .0                     | .0             | .0             | .0   | 24,596,528                 | 310,741,110              | .0              | .0                  |
| 2. Change in unearned premium reserves and reserve for rate credit.....                   | .0           | .0   | .0                     | .0             | .0             | .0   | .0                         | .0                       | .0              | .0                  |
| 3. Fee-for-service (net of \$.....0 medical expenses).....                                | .0           | .0   | .0                     | .0             | .0             | .0   | .0                         | .0                       | .0              | XXX                 |
| 4. Risk revenue.....  | .0           | .0   | .0                     | .0             | .0             | .0   | .0                         | .0                       | .0              | XXX                 |
| 5. Aggregate write-ins for other health care related revenues.....                        | .0           | .0   | .0                     | .0             | .0             | .0   | .0                         | .0                       | .0              | XXX                 |
| 6. Aggregate write-ins for other non-health care related revenues.....                    | .0           | XXX  | XXX                    | XXX            | XXX            | XXX  | XXX                        | XXX                      | XXX             | .0                  |
| 7. Total revenues (Lines 1 to 6).....   | 335,337,638  | .0   | .0                     | .0             | .0             | .0   | 24,596,528                 | 310,741,110              | .0              | .0                  |
| 8. Hospital/medical benefits.....   | 278,182,322  | .0   | .0                     | .0             | .0             | .0   | 19,248,098                 | 258,934,224              | .0              | XXX                 |
| 9. Other professional services.....   | 1,220,566    | .0   | .0                     | .0             | .0             | .0   | 146,168                    | 1,074,398                | .0              | XXX                 |
| 10. Outside referrals.....  | 23,418,786   | .0   | .0                     | .0             | .0             | .0   | 1,955,434                  | 21,463,352               | .0              | XXX                 |
| 11. Emergency room and out-of-area.....   | 1,269,887    | .0   | .0                     | .0             | .0             | .0   | 484,216                    | 785,671                  | .0              | XXX                 |
| 12. Prescription drugs.....   | 4,202,894    | .0   | .0                     | .0             | .0             | .0   | 3,496,959                  | 705,935                  | .0              | XXX                 |
| 13. Aggregate write-ins for other hospital and medical.....                               | .0           | .0   | .0                     | .0             | .0             | .0   | .0                         | .0                       | .0              | XXX                 |
| 14. Incentive pool, withhold adjustments and bonus amounts.....                           | .0           | .0   | .0                     | .0             | .0             | .0   | .0                         | .0                       | .0              | XXX                 |
| 15. Subtotal (Lines 8 to 14).....   | 308,294,455  | .0   | .0                     | .0             | .0             | .0   | 25,330,875                 | 282,963,580              | .0              | XXX                 |
| 16. Net reinsurance recoveries.....   | .0           | .0   | .0                     | .0             | .0             | .0   | .0                         | .0                       | .0              | XXX                 |
| 17. Total hospital and medical (Lines 15 minus 16).....                                   | 308,294,455  | .0   | .0                     | .0             | .0             | .0   | 25,330,875                 | 282,963,580              | .0              | XXX                 |
| 18. Non-health claims (net).....  | .0           | XXX  | XXX                    | XXX            | XXX            | XXX  | XXX                        | XXX                      | XXX             | .0                  |
| 19. Claims adjustment expenses including \$.....10,512,993 cost containment expenses..... | 12,321,699   | .0   | .0                     | .0             | .0             | .0   | 903,779                    | 11,417,920               | .0              | .0                  |
| 20. General administrative expenses.....  | 43,204,667   | .0   | .0                     | .0             | .0             | .0   | 1,248,417                  | 41,956,250               | .0              | .0                  |
| 21. Increase in reserves for accident and health contracts.....                           | .0           | .0   | .0                     | .0             | .0             | .0   | .0                         | .0                       | .0              | XXX                 |
| 22. Increase in reserve for life contracts.....   | .0           | XXX  | XXX                    | XXX            | XXX            | XXX  | XXX                        | XXX                      | XXX             | .0                  |
| 23. Total underwriting deductions (Lines 17 to 22).....                                   | 363,820,821  | .0   | .0                     | .0             | .0             | .0   | 27,483,071                 | 336,337,750              | .0              | .0                  |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23).....                           | (28,483,183) | .0   | .0                     | .0             | .0             | .0   | (2,886,543)                | (25,596,640)             | .0              | .0                  |

### DETAILS OF WRITE-INS

[illegible]

Statement as of December 31, 2014 of the   Aetna Better Health Inc. (an Ohio corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

|                  |   | 1                  | 2                      | 3                    | 4  |
|------------------|---|--------------------|------------------------|----------------------|--|
| Line of Business |   | Direct<br>Business | Reinsurance<br>Assumed | Reinsurance<br>Ceded | Net Premium<br>Income<br>(Cols. 1 + 2 - 3) |
| 1.               | Comprehensive (hospital and medical).....   | .....0             | .....0                 | .....0               | .....0                                     |
| 2.               | Medicare supplement.....                    | .....0             | .....0                 | .....0               | .....0                                     |
| 3.               | Dental only.....                            | .....0             | .....0                 | .....0               | .....0                                     |
| 4.               | Vision only.....                            | .....0             | .....0                 | .....0               | .....0                                     |
| 5.               | Federal employees health benefits plan..... | .....0             | .....0                 | .....0               | .....0                                     |
| 6.               | Title XVIII - Medicare.....                 | .....24,596,528    | .....0                 | .....0               | .....24,596,528                            |
| 7.               | Title XIX - Medicaid.....                   | .....310,891,135   | .....0                 | .....150,025         | .....310,741,110                           |
| 8.               | Other health.....                           | .....0             | .....0                 | .....0               | .....0                                     |
| 9.               | Health subtotal (Lines 1 through 8).....    | .....335,487,663   | .....0                 | .....150,025         | .....335,337,638                           |
| 10.              | Life.....                                   | .....0             | .....0                 | .....0               | .....0                                     |
| 11.              | Property/casualty.....                      | .....0             | .....0                 | .....0               | .....0                                     |
| 12.              | Totals (Lines 9 to 11).....                 | .....335,487,663   | .....0                 | .....150,025         | .....335,337,638                           |



Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

|   | 1           | 2  | 3                      | 4              | 5              | 6   | 7                          | 8                        | 9               | 10                  |
|---|-------------|--|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
|   | Total       | Comprehensive<br>(Hospital<br>and Medical) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other<br>Health | Other<br>Non-Health |
| 1. Payments during the year:  |             |  |                        |                |                |   |                            |                          |                 |                     |
| 1.1 Direct.....   | 210,490,243 | 0  | 0                      | 0              | 0              | 0   | 21,457,528                 | 189,032,715              | 0               | 0                   |
| 1.2 Reinsurance assumed.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 1.3 Reinsurance ceded.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 1.4 Net.....  | 210,490,243 | 0  | 0                      | 0              | 0              | 0   | 21,457,528                 | 189,032,715              | 0               | 0                   |
| 2. Paid medical incentive pools and bonuses.....                      | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 3. Claim liability December 31, current year from Part 2A:            |             |  |                        |                |                |   |                            |                          |                 |                     |
| 3.1 Direct.....   | 99,487,462  | 0  | 0                      | 0              | 0              | 0   | 5,556,597                  | 93,930,865               | 0               | 0                   |
| 3.2 Reinsurance assumed.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 3.3 Reinsurance ceded.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 3.4 Net.....  | 99,487,462  | 0  | 0                      | 0              | 0              | 0   | 5,556,597                  | 93,930,865               | 0               | 0                   |
| 4. Claim reserve December 31, current year from Part 2D:              |             |  |                        |                |                |   |                            |                          |                 |                     |
| 4.1 Direct.....   | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 4.2 Reinsurance assumed.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 4.3 Reinsurance ceded.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 4.4 Net.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 5. Accrued medical incentive pools and bonuses, current year.....     | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 6. Net healthcare receivables (a).....                                | 1,683,250   | 0  | 0                      | 0              | 0              | 0   | 1,683,250                  | 0                        | 0               | 0                   |
| 7. Amounts recoverable from reinsurers December 31, current year..... | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 8. Claim liability December 31, prior year from Part 2A:              |             |  |                        |                |                |   |                            |                          |                 |                     |
| 8.1 Direct.....   | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 8.2 Reinsurance assumed.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 8.3 Reinsurance ceded.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 8.4 Net.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 9. Claim reserve December 31, prior year from Part 2D:                |             |  |                        |                |                |   |                            |                          |                 |                     |
| 9.1 Direct.....   | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 9.2 Reinsurance assumed.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 9.3 Reinsurance ceded.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 9.4 Net.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 10. Accrued medical incentive pools and bonuses, prior year.....      | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 11. Amounts recoverable from reinsurers December 31, prior year.....  | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 12. Incurred benefits:  |             |  |                        |                |                |   |                            |                          |                 |                     |
| 12.1 Direct.....  | 308,294,455 | 0  | 0                      | 0              | 0              | 0   | 25,330,875                 | 282,963,580              | 0               | 0                   |
| 12.2 Reinsurance assumed.....   | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 12.3 Reinsurance ceded.....   | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |
| 12.4 Net.....   | 308,294,455 | 0  | 0                      | 0              | 0              | 0   | 25,330,875                 | 282,963,580              | 0               | 0                   |
| 13. Incurred medical incentive pools and bonuses.....                 | 0           | 0  | 0                      | 0              | 0              | 0   | 0                          | 0                        | 0               | 0                   |

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

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

|   | 1          | 2  | 3                      | 4              | 5              | 6   | 7                          | 8                        | 9               | 10                  |
|---|------------|--|------------------------|----------------|----------------|---|----------------------------|--------------------------|-----------------|---------------------|
|   | Total      | Comprehensive<br>(Medical<br>and Hospital) | Medicare<br>Supplement | Dental<br>Only | Vision<br>Only | Federal<br>Employees<br>Health<br>Benefits Plan | Title<br>XVIII<br>Medicare | Title<br>XIX<br>Medicaid | Other<br>Health | Other<br>Non-Health |
| 1. Reported in process of adjustment:                 |            |  |                        |                |                |   |                            |                          |                 |                     |
| 1.1 Direct.....                                       | 10,907,893 | .....0                                     | .....0                 | .....0         | .....0         | .....0  | 1,513,390                  | 9,394,503                | .....0          | .....0              |
| 1.2 Reinsurance assumed.....                          | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 1.3 Reinsurance ceded.....                            | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 1.4 Net.....  | 10,907,893 | .....0                                     | .....0                 | .....0         | .....0         | .....0  | 1,513,390                  | 9,394,503                | .....0          | .....0              |
| 2. Incurred but unreported:                           |            |  |                        |                |                |   |                            |                          |                 |                     |
| 2.1 Direct.....                                       | 88,579,569 | .....0                                     | .....0                 | .....0         | .....0         | .....0  | 4,043,207                  | 84,536,362               | .....0          | .....0              |
| 2.2 Reinsurance assumed.....                          | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 2.3 Reinsurance ceded.....                            | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 2.4 Net.....  | 88,579,569 | .....0                                     | .....0                 | .....0         | .....0         | .....0  | 4,043,207                  | 84,536,362               | .....0          | .....0              |
| 3. Amounts withheld from paid claims and capitations: |            |  |                        |                |                |   |                            |                          |                 |                     |
| 3.1 Direct.....                                       | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 3.2 Reinsurance assumed.....                          | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 3.3 Reinsurance ceded.....                            | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 3.4 Net.....  | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 4. Totals:  |            |  |                        |                |                |   |                            |                          |                 |                     |
| 4.1 Direct.....                                       | 99,487,462 | .....0                                     | .....0                 | .....0         | .....0         | .....0  | 5,556,597                  | 93,930,865               | .....0          | .....0              |
| 4.2 Reinsurance assumed.....                          | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 4.3 Reinsurance ceded.....                            | .....0     | .....0                                     | .....0                 | .....0         | .....0         | .....0  | .....0                     | .....0                   | .....0          | .....0              |
| 4.4 Net.....  | 99,487,462 | .....0                                     | .....0                 | .....0         | .....0         | .....0  | 5,556,597                  | 93,930,865               | .....0          | .....0              |

Statement as of December 31, 2014 of the   **Aetna Better Health Inc. (an Ohio corporation)**

UNDERWRITING AND INVESTMENT EXHIBIT

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

| Line of Business                                     | Claims Paid<br>During the Year                                       |   | Claim Reserve and Claim Liability<br>December 31 of Current Year |   | 5<br><br>Claims Incurred<br>in Prior Years<br>(Columns 1 + 3) | 6<br><br>Estimated Claim<br>Reserve and<br>Claim Liability<br>December 31 of<br>Prior Year |
|--|--|---|--|---|---|--|
|  | 1<br><br>On Claims Incurred<br>Prior to January 1<br>of Current Year | 2<br><br>On Claims<br>Incurred During<br>the Year | 3<br><br>On Claims Unpaid<br>December 31 of<br>Prior Year        | 4<br><br>On Claims<br>Incurred During<br>the Year |   |  |
| 1.   Comprehensive (hospital and medical).....       | .....0   | .....0  | .....0   | .....0  | .....0  | .....0   |
| 2.   Medicare supplement.....                        | .....0   | .....0  | .....0   | .....0  | .....0  | .....0   |
| 3.   Dental only.....                                | .....0   | .....0  | .....0   | .....0  | .....0  | .....0   |
| 4.   Vision only.....                                | .....0   | .....0  | .....0   | .....0  | .....0  | .....0   |
| 5.   Federal employees health benefits plan.....     | .....0   | .....0  | .....0   | .....0  | .....0  | .....0   |
| 6.   Title XVIII - Medicare.....                     | .....0   | .....21,457,528                                   | .....0   | .....5,556,597                                    | .....0  | .....0   |
| 7.   Title XIX - Medicaid.....                       | .....0   | .....189,032,715                                  | .....0   | .....93,930,865                                   | .....0  | .....0   |
| 8.   Other health.....                               | .....0   | .....0  | .....0   | .....0  | .....0  | .....0   |
| 9.   Health subtotal (Lines 1 to 8).....             | .....0   | .....210,490,243                                  | .....0   | .....99,487,462                                   | .....0  | .....0   |
| 10.   Healthcare receivables (a).....                | .....0   | .....1,683,250                                    | .....0   | .....0  | .....0  | .....0   |
| 11.   Other non-health.....                          | .....0   | .....0  | .....0   | .....0  | .....0  | .....0   |
| 12.   Medical incentive pools and bonus amounts..... | .....0   | .....0  | .....0   | .....0  | .....0  | .....0   |
| 13.   Totals (Lines 9 - 10 + 11 + 12).....           | .....0   | .....208,806,993                                  | .....0   | .....99,487,462                                   | .....0  | .....0   |

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

Statement as of December 31, 2014 of the   **Aetna Better Health Inc. (an Ohio corporation)**

**UNDERWRITING AND INVESTMENT EXHIBIT**

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

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

| Year in Which Losses<br>Were Incurred | Cumulative Net Amounts Paid |           |           |           |              |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|--------------|
|                                       | 1<br>2010                   | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014    |
| 1. Prior.....                         | .....0                      | .....0    | .....0    | .....0    | .....0       |
| 2. 2010.....                          | .....0                      | .....0    | .....0    | .....0    | .....0       |
| 3. 2011.....                          | ...XXX                      | .....0    | .....0    | .....0    | .....0       |
| 4. 2012.....                          | ...XXX                      | ...XXX    | .....0    | .....0    | .....0       |
| 5. 2013.....                          | ...XXX                      | ...XXX    | ...XXX    | .....0    | .....0       |
| 6. 2014.....                          | ...XXX                      | ...XXX    | ...XXX    | ...XXX    | .....210,490 |

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

| Year in Which Losses<br>Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year |           |           |           |              |
|---------------------------------------|--|-----------|-----------|-----------|--------------|
|                                       | 1<br>2010  | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014    |
| 1. Prior.....                         | .....0   | .....0    | .....0    | .....0    | .....0       |
| 2. 2010.....                          | .....0   | .....0    | .....0    | .....0    | .....0       |
| 3. 2011.....                          | ...XXX   | .....0    | .....0    | .....0    | .....0       |
| 4. 2012.....                          | ...XXX   | ...XXX    | .....0    | .....0    | .....0       |
| 5. 2013.....                          | ...XXX   | ...XXX    | ...XXX    | .....0    | .....0       |
| 6. 2014.....                          | ...XXX   | ...XXX    | ...XXX    | ...XXX    | .....309,978 |

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

| Years in Which<br>Premiums were Earned and<br>Claims were Incurred | 1<br><br>Premiums<br>Earned | 2<br><br>Claim<br>Payments | 3<br><br>Claim Adjustment<br>Expense Payments | 4<br><br>Percent<br>(Col. 3/2) | 5<br><br>Claim and Claim<br>Adjustment<br>Expense Payments<br>(Col. 2 + 3) | 6<br><br>Percent<br>(Col. 5/1) | 7<br><br>Claims<br>Unpaid | 8<br><br>Unpaid Claim<br>Adjustment<br>Expense | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | 10<br><br>Percent<br>(Col. 9/1) |
|--|-----------------------------|----------------------------|---|--------------------------------|--|--------------------------------|---------------------------|--|--|---------------------------------|
| 1. 2010.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0   | .....0   | .....0.0                        |
| 2. 2011.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0   | .....0   | .....0.0                        |
| 3. 2012.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0   | .....0   | .....0.0                        |
| 4. 2013.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0   | .....0   | .....0.0                        |
| 5. 2014.....   | .....335,338                | .....210,490               | .....10,605                                   | .....5.0                       | .....221,095   | .....65.9                      | .....99,488               | .....1,716                                     | .....322,299   | .....96.1                       |

**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**

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XVIII - MEDICARE

| Year in Which Losses<br>Were Incurred | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       | 1<br>2010                   | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014 |
| 1. Prior.....                         | .....0                      | .....0    | .....0    | .....0    | .....0    |
| 2. 2010.....                          | .....0                      | .....0    | .....0    | .....0    | .....0    |
| 3. 2011.....                          | XXX                         | .....0    | .....0    | .....0    | .....0    |
| 4. 2012.....                          | XXX                         | XXX       | .....0    | .....0    | .....0    |
| 5. 2013.....                          | XXX                         | XXX       | XXX       | .....0    | .....0    |
| 6. 2014.....                          | XXX                         | XXX       | XXX       | XXX       | 21,457    |

SECTION B - INCURRED HEALTH CLAIMS - TITLE XVIII - MEDICARE

| Year in Which Losses<br>Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|--|-----------|-----------|-----------|-----------|
|                                       | 1<br>2010  | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014 |
| 1. Prior.....                         | .....0   | .....0    | .....0    | .....0    | .....0    |
| 2. 2010.....                          | .....0   | .....0    | .....0    | .....0    | .....0    |
| 3. 2011.....                          | XXX  | .....0    | .....0    | .....0    | .....0    |
| 4. 2012.....                          | XXX  | XXX       | .....0    | .....0    | .....0    |
| 5. 2013.....                          | XXX  | XXX       | XXX       | .....0    | .....0    |
| 6. 2014.....                          | XXX  | XXX       | XXX       | XXX       | 27,014    |

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - TITLE XVIII - MEDICARE

| Years in Which<br>Premiums were Earned and<br>Claims were Incurred | 1<br><br>Premiums<br>Earned | 2<br><br>Claim<br>Payments | 3<br><br>Claim Adjustment<br>Expense Payments | 4<br><br>Percent<br>(Col. 3/2) | 5<br><br>Claim and Claim<br>Adjustment<br>Expense Payments<br>(Col. 2 + 3) | 6<br><br>Percent<br>(Col. 5/1) | 7<br><br>Claims<br>Unpaid | 8<br><br>Unpaid Claim<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | 10<br><br>Percent<br>(Col. 9/1) |
|--|-----------------------------|----------------------------|---|--------------------------------|--|--------------------------------|---------------------------|---|--|---------------------------------|
| 1. 2010.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0  | .....0   | .....0.0                        |
| 2. 2011.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0  | .....0   | .....0.0                        |
| 3. 2012.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0  | .....0   | .....0.0                        |
| 4. 2013.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0  | .....0   | .....0.0                        |
| 5. 2014.....   | 24,597                      | 21,457                     | 778   | 3.6                            | 22,235   | 90.4                           | 5,557                     | 126   | 27,918   | 113.5                           |

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - TITLE XIX - MEDICAID

| Year in Which Losses<br>Were Incurred | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       | 1<br>2010                   | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014 |
| 1. Prior.....                         | .....0                      | .....0    | .....0    | .....0    | .....0    |
| 2. 2010.....                          | .....0                      | .....0    | .....0    | .....0    | .....0    |
| 3. 2011.....                          | XXX                         | .....0    | .....0    | .....0    | .....0    |
| 4. 2012.....                          | XXX                         | XXX       | .....0    | .....0    | .....0    |
| 5. 2013.....                          | XXX                         | XXX       | XXX       | .....0    | .....0    |
| 6. 2014.....                          | XXX                         | XXX       | XXX       | XXX       | 189,033   |

SECTION B - INCURRED HEALTH CLAIMS - TITLE XIX - MEDICAID

| Year in Which Losses<br>Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|--|-----------|-----------|-----------|-----------|
|                                       | 1<br>2010  | 2<br>2011 | 3<br>2012 | 4<br>2013 | 5<br>2014 |
| 1. Prior.....                         | .....0   | .....0    | .....0    | .....0    | .....0    |
| 2. 2010.....                          | .....0   | .....0    | .....0    | .....0    | .....0    |
| 3. 2011.....                          | XXX  | .....0    | .....0    | .....0    | .....0    |
| 4. 2012.....                          | XXX  | XXX       | .....0    | .....0    | .....0    |
| 5. 2013.....                          | XXX  | XXX       | XXX       | .....0    | .....0    |
| 6. 2014.....                          | XXX  | XXX       | XXX       | XXX       | 282,964   |

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

| Years in Which<br>Premiums were Earned and<br>Claims were Incurred | 1<br><br>Premiums<br>Earned | 2<br><br>Claim<br>Payments | 3<br><br>Claim Adjustment<br>Expense Payments | 4<br><br>Percent<br>(Col. 3/2) | 5<br><br>Claim and Claim<br>Adjustment<br>Expense Payments<br>(Col. 2 + 3) | 6<br><br>Percent<br>(Col. 5/1) | 7<br><br>Claims<br>Unpaid | 8<br><br>Unpaid Claim<br>Adjustment<br>Expenses | 9<br><br>Total Claims and<br>Claims Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | 10<br><br>Percent<br>(Col. 9/1) |
|--|-----------------------------|----------------------------|---|--------------------------------|--|--------------------------------|---------------------------|---|--|---------------------------------|
| 1. 2010.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0  | .....0   | .....0.0                        |
| 2. 2011.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0  | .....0   | .....0.0                        |
| 3. 2012.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0  | .....0   | .....0.0                        |
| 4. 2013.....   | .....0                      | .....0                     | .....0  | .....0.0                       | .....0   | .....0.0                       | .....0                    | .....0  | .....0   | .....0.0                        |
| 5. 2014.....   | 310,741                     | 189,033                    | 9,827   | 5.2                            | 198,860  | 64.0                           | 93,931                    | 1,590   | 294,381  | 94.7                            |

**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**



Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

|   | Claim Adjustment Expenses |                                 | 3                               | 4                   | 5                  |
|---|---------------------------|---------------------------------|---------------------------------|---------------------|--------------------|
|   | 1                         | 2                               |                                 |                     |                    |
|   | Cost Containment Expenses | Other Claim Adjustment Expenses | General Administrative Expenses | Investment Expenses | Total              |
| 1. Rent (\$.....0 for occupancy of own building).....                     | 0                         | 54,261                          | 851,443                         | 4,306               | 910,010            |
| 2. Salaries, wages and other benefits.....                                | 7,642,946                 | 1,097,885                       | 7,707,179                       | 78,952              | 16,526,962         |
| 3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....           | 0                         | 0                               | 0                               | 0                   | 0                  |
| 4. Legal fees and expenses.....   | 84,104                    | 12,661                          | 1,794,667                       | 957                 | 1,892,389          |
| 5. Certifications and accreditation fees.....                             | 0                         | 0                               | 0                               | 0                   | 0                  |
| 6. Auditing, actuarial and other consulting services.....                 | 0                         | 142,888                         | 2,000,040                       | 0                   | 2,142,928          |
| 7. Traveling expenses.....  | 0                         | 28,939                          | 409,355                         | 2,034               | 440,328            |
| 8. Marketing and advertising.....   | 0                         | 0                               | 410,972                         | 0                   | 410,972            |
| 9. Postage, express and telephone.....                                    | 0                         | 39,792                          | 544,441                         | 2,871               | 587,104            |
| 10. Printing and office supplies.....                                     | 0                         | 21,704                          | 299,647                         | 1,555               | 322,906            |
| 11. Occupancy, depreciation and amortization.....                         | 0                         | 0                               | 0                               | 0                   | 0                  |
| 12. Equipment.....  | 0                         | 3,617                           | 54,854                          | 239                 | 58,710             |
| 13. Cost or depreciation of EDP equipment and software.....               | 0                         | 0                               | 1,673,245                       | 0                   | 1,673,245          |
| 14. Outsourced services including EDP, claims, and other services.....    | 1,881,826                 | 269,497                         | 1,880,311                       | 19,379              | 4,051,013          |
| 15. Boards, bureaus and association fees.....                             | 10,513                    | 1,809                           | 16,914                          | 120                 | 29,356             |
| 16. Insurance, except on real estate.....                                 | 0                         | 5,426                           | 82,639                          | 0                   | 88,065             |
| 17. Collection and bank service charges.....                              | 0                         | 0                               | 0                               | 0                   | 0                  |
| 18. Group service and administration fees.....                            | 0                         | 0                               | 0                               | 0                   | 0                  |
| 19. Reimbursements by uninsured plans.....                                | 0                         | 0                               | 0                               | 0                   | 0                  |
| 20. Reimbursements from fiscal intermediaries.....                        | 0                         | 0                               | 0                               | 0                   | 0                  |
| 21. Real estate expenses.....   | 0                         | 0                               | 0                               | 0                   | 0                  |
| 22. Real estate taxes.....  | 0                         | 0                               | 0                               | 0                   | 0                  |
| 23. Taxes, licenses and fees:   |                           |                                 |                                 |                     |                    |
| 23.1 State and local insurance taxes.....                                 | 0                         | 0                               | 1,594,028                       | 0                   | 1,594,028          |
| 23.2 State premium taxes.....   | 0                         | 0                               | 0                               | 0                   | 0                  |
| 23.3 Regulatory authority licenses and fees.....                          | 0                         | 0                               | 1,225                           | 0                   | 1,225              |
| 23.4 Payroll taxes.....   | 893,604                   | 128,418                         | 876,852                         | 9,211               | 1,908,085          |
| 23.5 Other (excluding federal income and real estate taxes).....          | 0                         | 1,809                           | 23,006,855                      | 0                   | 23,008,664         |
| 24. Investment expenses not included elsewhere.....                       | 0                         | 0                               | 0                               | 0                   | 0                  |
| 25. Aggregate write-ins for expenses.....                                 | 0                         | 0                               | 0                               | 0                   | 0                  |
| 26. Total expenses incurred (Lines 1 to 25).....                          | 10,512,993                | 1,808,706                       | 43,204,667                      | 119,624             | (a).....55,645,990 |
| 27. Less expenses unpaid December 31, current year.....                   | 1,464,328                 | 251,930                         | 6,546,219                       | 0                   | 8,262,477          |
| 28. Add expenses unpaid December 31, prior year.....                      | 0                         | 0                               | 0                               | 0                   | 0                  |
| 29. Amounts receivable relating to uninsured plans, prior year.....       | 0                         | 0                               | 0                               | 0                   | 0                  |
| 30. Amounts receivable relating to uninsured plans, current year.....     | 0                         | 0                               | 0                               | 0                   | 0                  |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)..... | 9,048,665                 | 1,556,776                       | 36,658,448                      | 119,624             | 47,383,513         |

DETAILS OF WRITE-INS

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

(a) Includes management fees of \$.....29,355,170 to affiliates and \$.....0 to non-affiliates.

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

EXHIBIT OF NET INVESTMENT INCOME

|  | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|--|-------------------------------|----------------------------|
| 1. U.S. government bonds.....  | (a).....8,301                 | .....40,521                |
| 1.1 Bonds exempt from U.S. tax.....  | (a).....0                     | .....0                     |
| 1.2 Other bonds (unaffiliated).....  | (a).....(88,369)              | .....92,645                |
| 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).....80,639                | .....80,639                |
| 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.....                                       | 571                           | 213,805                    |
| 11. Investment expenses.....   |                               | (g).....110,413            |
| 12. Investment taxes, licenses and fees, excluding federal income taxes..... |                               | (g).....9,211              |
| 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).....                              |                               | 119,624                    |
| 17. Net investment income (Line 10 minus Line 16).....                       |                               | 94,181                     |

| 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 \$.....2,969 accrual of discount less \$.....26,289 amortization of premium and less \$.....75,417 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 \$.....80,639 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.                                |        |        |
| (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  |        |        |
| (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to Segregated and Separate Accounts. |        |        |
| (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.   |        |        |
| (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.   |        |        |

EXHIBIT OF CAPITAL GAINS (LOSSES)

|   | 1<br>Realized<br>Gain (Loss)<br>on Sales<br>or Maturity | 2<br>Other<br>Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain (Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized<br>Capital Gain (Loss) | 5<br>Change in<br>Unrealized<br>Foreign Exchange<br>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).....                       | .....12,319   | .....0                                | .....12,319   | .....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..... | .....49   | .....0                                | .....49   | .....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).....                     | 12,368  | .....0                                | 12,368  | .....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 |

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

EXHIBIT OF NONADMITTED ASSETS

|   | 1<br>Current Year<br>Total<br>Nonadmitted Assets | 2<br>Prior Year<br>Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(Col. 2 - Col. 1) |
|---|--|--|---|
| 1. Bonds (Schedule D).....  | .....0   | .....0   | .....0  |
| 2. Stocks (Schedule D):   |  |  |   |
| 2.1 Preferred stocks.....   | .....0   | .....0   | .....0  |
| 2.2 Common stocks.....  | .....0   | .....0   | .....0  |
| 3. Mortgage loans on real estate (Schedule B):  |  |  |   |
| 3.1 First liens.....  | .....0   | .....0   | .....0  |
| 3.2 Other than first liens.....   | .....0   | .....0   | .....0  |
| 4. Real estate (Schedule A):  |  |  |   |
| 4.1 Properties occupied by the company.....   | .....0   | .....0   | .....0  |
| 4.2 Properties held for the production of income.....   | .....0   | .....0   | .....0  |
| 4.3 Properties held for sale.....   | .....0   | .....0   | .....0  |
| 5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2)<br>and short-term investments (Schedule DA).....          | .....0   | .....0   | .....0  |
| 6. Contract loans.....  | .....0   | .....0   | .....0  |
| 7. Derivatives (Schedule DB).....   | .....0   | .....0   | .....0  |
| 8. Other invested assets (Schedule BA).....   | .....0   | .....0   | .....0  |
| 9. Receivables for securities.....  | .....0   | .....0   | .....0  |
| 10. Securities lending reinvested collateral assets (Schedule DL).....  | .....0   | .....0   | .....0  |
| 11. Aggregate write-ins for invested assets.....  | .....0   | .....0   | .....0  |
| 12. Subtotals, cash and invested assets (Lines 1 to 11).....  | .....0   | .....0   | .....0  |
| 13. Title plants (for Title insurers only).....   | .....0   | .....0   | .....0  |
| 14. Investment income due and accrued.....  | .....0   | .....0   | .....0  |
| 15. Premiums and considerations:  |  |  |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection.....   | .....0   | .....0   | .....0  |
| 15.2 Deferred premiums, agents' balances and installments booked but<br>deferred and not yet due.....                       | .....0   | .....0   | .....0  |
| 15.3 Accrued retrospective premiums.....  | .....0   | .....0   | .....0  |
| 16. Reinsurance:  |  |  |   |
| 16.1 Amounts recoverable from reinsurers.....   | .....0   | .....0   | .....0  |
| 16.2 Funds held by or deposited with reinsured companies.....   | .....0   | .....0   | .....0  |
| 16.3 Other amounts receivable under reinsurance contracts.....  | .....0   | .....0   | .....0  |
| 17. Amounts receivable relating to uninsured plans.....   | .....0   | .....0   | .....0  |
| 18.1 Current federal and foreign income tax recoverable and interest thereon.....   | .....0   | .....0   | .....0  |
| 18.2 Net deferred tax asset.....  | .....0   | .....0   | .....0  |
| 19. Guaranty funds receivable or on deposit.....  | .....0   | .....0   | .....0  |
| 20. Electronic data processing equipment and software.....  | .....0   | .....0   | .....0  |
| 21. Furniture and equipment, including health care delivery assets.....   | .....0   | .....0   | .....0  |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates.....   | .....0   | .....0   | .....0  |
| 23. Receivables from parent, subsidiaries and affiliates.....   | .....0   | .....0   | .....0  |
| 24. Health care and other amounts receivable.....   | .....3,754,295                                   | .....0   | .....(3,754,295)  |
| 25. Aggregate write-ins for other than invested assets.....   | .....0   | .....0   | .....0  |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and Protected<br>Cell Accounts (Lines 12 through 25)..... | .....3,754,295                                   | .....0   | .....(3,754,295)  |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....  | .....0   | .....0   | .....0  |
| 28. TOTALS (Lines 26 and 27).....   | .....3,754,295                                   | .....0   | .....(3,754,295)  |

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

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment                                    | Total Members at End of |                       |                        |                       |                      | 6<br>Current Year<br>Member<br>Months |
|---|-------------------------|-----------------------|------------------------|-----------------------|----------------------|---------------------------------------|
|   | 1<br>Prior<br>Year      | 2<br>First<br>Quarter | 3<br>Second<br>Quarter | 4<br>Third<br>Quarter | 5<br>Current<br>Year |                                       |
| 1. Health maintenance organizations.....                | .....0                  | .....0                | .....13,120            | .....21,211           | .....20,515          | .....137,443                          |
| 2. Provider service organizations.....                  | .....0                  | .....0                | .....0                 | .....0                | .....0               | .....0                                |
| 3. Preferred provider organizations.....                | .....0                  | .....0                | .....0                 | .....0                | .....0               | .....0                                |
| 4. Point of service.....                                | .....0                  | .....0                | .....0                 | .....0                | .....0               | .....0                                |
| 5. Indemnity only.....                                  | .....0                  | .....0                | .....0                 | .....0                | .....0               | .....0                                |
| 6. Aggregate write-ins for other lines of business..... | .....0                  | .....0                | .....0                 | .....0                | .....0               | .....0                                |
| 7. Total.....   | .....0                  | .....0                | .....13,120            | .....21,211           | .....20,515          | .....137,443                          |

DETAILS OF WRITE-INS

|   |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|
| 0601. ....  | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |
| 0602. ....  | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |
| 0603. ....  | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |
| 0698. Summary of remaining write-ins for Line 6 from overflow page..... | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....       | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |

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”).

A reconciliation of the Company’s net (loss) income and capital and surplus and between NAIC SAP and practices prescribed and permitted by the State of Ohio for the years ending December 31, 2014 and 2013 is as follows:

|   | State of<br>Domicile | December 31, 2014     | December 31, 2013  |
|---|----------------------|-----------------------|--------------------|
| Net (loss) income (derived using Ohio Accounting Practices)   | OH                   | \$(19,588,189)        | \$4,440            |
| State of Ohio Prescribed Practices:<br>None                   | OH                   | -                     | -                  |
| State of Ohio Permitted Practices:<br>None                    | OH                   | -                     | -                  |
| Net (loss) income (derived using NAIC SAP)                    |                      | <u>\$(19,558,189)</u> | <u>\$4,440</u>     |
| Capital and surplus (derived using Ohio Accounting Practices) | OH                   | \$44,666,567          | \$3,010,090        |
| State of Ohio Prescribed Practices:<br>None                   | OH                   | -                     | -                  |
| State of Ohio Permitted Practices:<br>None                    | OH                   | -                     | -                  |
| Capital and surplus (derived using NAIC SAP)                  |                      | <u>\$44,666,567</u>   | <u>\$3,010,090</u> |

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 revenue 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, cash equivalents and short-term investments, consisting primarily of money market instruments and other debt issues with an original maturity of up to one year, are carried at amortized cost. Short-term investments consist primarily of investments purchased with an original maturity date of greater than three months but less than one year. Cash equivalents consist of highly liquid instruments, which mature within three months from the date of purchase. The carrying amount of cash, cash equivalents and short-term investments approximates fair value.

(2) Bonds

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

quotes or an internal 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, 2014 and 2013. 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. Declines deemed to be OTTI in the cost basis are recognized as realized capital losses. Yield-related impairments are deemed other-than-temporary when the Company intends to sell an investment at the reporting date before recovery of the cost of the investment.

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 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, 2014 or 2013.
- (4) The Company did not own any preferred stock at December 31, 2014 or 2013.
- (5) The Company did not have any mortgage loans at December 31, 2014 or 2013.
- (6) Securities lending

The Company engages in securities lending by lending certain 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 a loaned security. 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 loaned securities fluctuates. 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 Statements of Statutory Accounting Principles ("SSAP") No. 103 - *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SSAP No. 103"), collateral required under the Company's securities lending program is carried on the Company's balance sheet as both a receivable and payable. Also pursuant to SSAP No. 103, 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, 2014 or 2013.

- (7) The Company did not have any investments in any subsidiaries or affiliated companies at December 31, 2014 or 2013.
- (8) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2014 or 2013.
- (9) The Company did not have any derivatives at December 31, 2014 or 2013.

(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. Where allowed, 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, 2014 and 2013.

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, 2014 or 2013.

(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 and Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions, which consider, among other things, historical and projected claim submission and processing 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 that are then applied to the total paid claims (net of coordination of benefits) to date for each incurral month. This provides an estimate of the total projected incurred claims and total amount outstanding or claims incurred but not reported (claims unpaid). For the most current dates of service where there is insufficient paid claim data to rely solely on the triangulation method, the Company examines cost and utilization trends as well as environmental factors, plan changes, provider contracts, changes in membership and/or benefits, and historical seasonal patterns to estimate the reserve required for these months.

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

(12) 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, 2014 or 2013.

(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, 2014 or 2013.

(15) Investment income due and accrued

Accrued investment income consists primarily of interest. Interest is recognized on an accrual basis and dividends are recorded as earned on the ex-dividend date. Due and accrued income is not recorded on: (a) bonds in default; and (b) bonds delinquent more than 90 days or where collection of interest is improbable. At December 31, 2014 and 2013, the Company did not have any nonadmitted investment income due and accrued.

(16) 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.

(17) Health Insurer Fee

Effective January 1, 2014, SSAP No. 35 – Revised, *Guaranty Fund and Other Assessments* (“SSAP No. 35R”) was revised to adopt Financial Accounting Standards Board Accounting Standards Update 2011-06, *Other Expenses – Fees Paid to the Federal Government by Health Insurers* (“ASU 2011-06”) with modifications. ASU 2011-06 provides specific guidance related to the assessment of the annual fee (“health insurer fee”) mandated to be paid to the federal government by health insurers under Section 9010 of the Affordable Care Act (“ACA”). In June 2014, the guidance in SSAP No. 35R related to the health insurer fee was moved from SSAP No. 35R to SSAP No. 106 – *Affordable Care Act Assessments* (“SSAP No. 106”). Beginning January 1, 2014, SSAP No. 106 required (1) that the health insurer fee be recognized in full on January 1 of the fee year (the calendar year in which the assessment must be paid to the federal government), in the operating expense category of insurance taxes, licenses and fees, excluding federal income taxes and (2) that in each data year preceding a fee year a reporting entity pro-ratably accrue by reclassifying from unassigned funds (surplus) to aggregate write-ins for special surplus funds an amount equal to its estimated subsequent fee year assessment. This reclassification has no impact on total capital and surplus and is reversed in full on January 1 of the fee year beginning with fee years starting on January 1, 2015 and after. See Note 22 for disclosure of all amounts related to the health insurer fee for the Company.

(18) Accounting for the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010's (collectively, “Health Care Reform”) Reinsurance, Risk Adjustment and Risk Corridor (the “3Rs”) pursuant to SSAP No. 107 – Accounting for the Risk-Sharing Provisions of the Affordable Care Act (“SSAP No. 107”)

Reinsurance

Health Care Reform established a temporary three-year reinsurance program, under which all issuers of major medical commercial insurance products and self-insured plan sponsors are required to contribute funding in amounts set by the U.S. Department of Health and Human Services (“HHS”). Funds collected will be utilized to reimburse issuers' high claims costs incurred for qualified individual members. The expense related to this required funding is reflected in insurance, taxes, licenses and fees for all of the Company's insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members is reflected as a reduction of premium revenue. When annual claim costs incurred by the Company's qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program. The Company records amounts recoverable for claims paid and unpaid and ceded claim benefit recoveries to reflect its estimate of these recoveries.

Risk Adjustment

Health Care Reform established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to plans with above average risk scores. Based on the risk of the Company's qualified plan members relative to the average risk of members of other qualified plans in comparable markets, the Company estimates its ultimate 2014 risk adjustment receivable or payable and reflects the impact as an adjustment to its premium revenue.

Risk Corridor

Health Care Reform established a temporary three-year risk sharing program for qualified individual and small group insurance plans. Under this program the Company makes (or receives) a payment to (or from) HHS based on the ratio of allowable costs to target costs (as defined by Health Care Reform). The Company records a risk corridor receivable or payable as an adjustment to premium revenue based on the Company's estimate of the ultimate 2014 risk sharing amount.

The Company will perform a final reconciliation and settlement with HHS of the 2014 3Rs during 2015. See Note 24.E. for disclosure of amounts related to the 3Rs for the Company for the period ending December 31, 2014.

(19) Federal income taxes

The Company is included in the consolidated federal income tax return of its parent company, Aetna, and Aetna's other wholly-owned subsidiaries pursuant to the terms of a tax sharing agreement. 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.



Income taxes are accounted for under the asset and liability method. Deferred income tax assets ("DTAs") and liabilities ("DTLs") represent the expected future tax consequences of temporary differences generated by statutory accounting as defined in SSAP No. 101, *Income Taxes – A Replacement of SSAP No. 10R and SSAP No. 10* ("SSAP No. 101"). DTAs and DTLs are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. DTAs and DTLs are computed by means of identifying temporary differences which are measured using a balance sheet approach whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

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

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

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

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

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

2. Accounting changes and corrections of errors

The Company did not have any accounting changes or corrections of errors in the years ended December 31, 2014 and 2013.

3. Business combinations and goodwill

The Company was not a part of any business combinations that involved the statutory purchase method, a statutory merger, an assumption reinsurance, or an impairment loss in the years ending December 31, 2014 and 2013.

4. Discontinued operations

The Company did not have any discontinued operations in the year ending December 31, 2014.

5. Investments

- A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2014 or 2013.
- B. The Company did not have any debt restructuring in the years ending December 31, 2014 and 2013.
- C. The Company did not have any reverse mortgages at December 31, 2014 or 2013.

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 OTTI losses during 2014 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*.
- (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, 2014.
- (4) The Company had no unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2014.

E. Repurchase Agreements and/or Securities Lending Transactions

- (1) The Company did not have any repurchase agreements or loaned securities transactions at December 31, 2014.
- (2) The Company did not pledge any of its assets as collateral, which are classified as securities pledged to creditors as of December 31, 2014.
- (3) Neither the Company nor its agent has accepted collateral that is permitted by contract or custom to sell or repledge as of December 31, 2014.
- (4) The Company did not have securities lending transactions administered by an affiliated agent which is "one line" reported at December 31, 2014.
- (5) The Company did not have any repurchase agreements, loaned securities or dollar repurchase agreements at December 31, 2014.
- (6) The Company has not accepted collateral that is not permitted by contract or custom to sell or repledge as of December 31, 2014.
- (7) The Company did not have any collateral for transactions that extend beyond one year from the reporting date.

F. The Company did not have any real estate at December 31, 2014 or 2013.

G. The Company did not have any low-income housing tax credits at December 31, 2014.

H. Restricted Assets

(1) Restricted assets (including pledged):

| Restricted Asset Category  | 1  | 2                                      | 3                               | 4                                      | 5   | 6   |
|--|--|--|---------------------------------|--|---|---|
|  | Total gross restricted from current year | Total gross restricted from prior year | Increase (decrease) (1 minus 2) | Total current year admitted restricted | Percentage gross restricted to total assets | Percentage admitted restricted to total admitted assets |
| a. Subject to contractual obligation for which liability is not shown              | -  | -                                      | -                               | -                                      | -   | -   |
| b. Collateral held under security lending agreements                               | -  | -                                      | -                               | -                                      | -   | -   |
| c. Subject to repurchase agreements  | -  | -                                      | -                               | -                                      | -   | -   |
| d. Subject to reverse repurchase agreements  | -  | -                                      | -                               | -                                      | -   | -   |
| e. Subject to dollar repurchase agreements   | -  | -                                      | -                               | -                                      | -   | -   |
| f. Subject to dollar reverse repurchase agreements                                 | -  | -                                      | -                               | -                                      | -   | -   |
| g. Placed under option contracts   | -  | -                                      | -                               | -                                      | -   | -   |
| h. Letter stock or securities restricted as to sale - excluding FHLB capital stock | -  | -                                      | -                               | -                                      | -   | -   |
| i. FHLB capital stock  | -  | -                                      | -                               | -                                      | -   | -   |
| j. On deposit with states  | \$504,415                                | \$505,587                              | \$(1,172)                       | \$504,415                              | 0.310%                                      | 0.317%  |
| k. On deposit with other regulatory bodies   | -  | -                                      | -                               | -                                      | -   | -   |
| l. Pledged as collateral to FHLB (including assets backing funding agreements)     | -  | -                                      | -                               | -                                      | -   | -   |
| m. Pledged as collateral not captured in other categories                          | -  | -                                      | -                               | -                                      | -   | -   |
| n. Other restricted assets   | -  | -                                      | -                               | -                                      | -   | -   |
| o. Total restricted assets   | \$504,415                                | \$505,587                              | \$(1,172)                       | \$504,415                              | 0.310%                                      | 0.317%  |

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2014.

(3) The Company did not have any other restricted assets at December 31, 2014.

- I. The Company did not have any working capital finance investments at December 31, 2014.
- J. The Company did not have any offsetting and netting of financial assets as of December 31, 2014.
- K. The Company did not have any structured notes at December 31, 2014.

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, 2014 or 2013.
- B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2014 or 2013.

7. Investment income

A. and B.

There was no investment income due and accrued excluded from surplus at December 31, 2014 or 2013.

8. Derivative instruments

The Company did not have any derivative instruments at December 31, 2014 or 2013.

9. Income taxes

A.

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

| December 31, 2014                            |             |           |             |
|--|-------------|-----------|-------------|
|  | Ordinary    | Capital   | Total       |
| (a) Gross DTAs                               | \$3,633,744 | -         | \$3,633,744 |
| (b) Statutory valuation allowance adjustment | (3,633,744) | -         | (3,633,744) |
| (c) Adjusted gross DTAs                      | -           | -         | -           |
| (d) DTAs nonadmitted                         | -           | -         | -           |
| (e) Subtotal net admitted DTAs               | -           | -         | -           |
| (f) DTLs                                     |             | \$(1,039) | (1,039)     |
| (g) Net admitted DTAs/(DTLs)                 | -           | \$(1,039) | \$(1,039)   |

| December 31, 2013                            |          |         |       |
|--|----------|---------|-------|
|  | Ordinary | Capital | Total |
| (a) Gross DTAs                               | -        | -       | -     |
| (b) Statutory valuation allowance adjustment | -        | -       | -     |
| (c) Adjusted gross DTAs                      | -        | -       | -     |
| (d) DTAs nonadmitted                         | -        | -       | -     |
| (e) Subtotal net admitted DTAs               | -        | -       | -     |
| (f) DTLs                                     | -        | -       | -     |
| (g) Net admitted DTAs/(DTLs)                 | -        | -       | -     |

| Change                                       |             |           |             |
|--|-------------|-----------|-------------|
|  | Ordinary    | Capital   | Total       |
| (a) Gross DTAs                               | \$3,633,744 | -         | \$3,633,744 |
| (b) Statutory valuation allowance adjustment | (3,633,744) | -         | (3,633,744) |
| (c) Adjusted gross DTAs                      | -           | -         | -           |
| (d) DTAs nonadmitted                         | -           | -         | -           |
| (e) Subtotal net admitted DTAs               | -           | -         | -           |
| (f) DTLs                                     |             | \$(1,039) | (1,039)     |
| (g) Net admitted DTAs/(DTLs)                 | -           | \$(1,039) | \$(1,039)   |

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

|   | December 31, 2014 |         |             |
|---|-------------------|---------|-------------|
|   | 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   | XXX               | XXX     | \$4,466,761 |
| (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 No. 101  | -                 | -       | -           |
|   |                   |         |             |
|   | December 31, 2013 |         |             |
|   | 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   | XXX               | XXX     | \$451,515   |
| (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 No. 101  | -                 | -       | -           |
|   |                   |         |             |
|   | Change            |         |             |
|   | 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   | XXX               | XXX     | \$4,015,246 |
| (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 No. 101  | -                 | -       | -           |

3.

|  | 2014         | 2013        |
|--|--------------|-------------|
| (a) Ratio percentage used to determine recovery period and threshold limitation amount                           | 295%         | 103,760%    |
| (b) Amount of adjusted capital and surplus used to determine recovery period threshold limitation in 2(b)2 above | \$44,667,606 | \$3,010,090 |

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

| December 31, 2014  |          |         |       |
|--|----------|---------|-------|
|  | Ordinary | Capital | Total |
| (a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage                       |          |         |       |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | -        | -       | -     |
| 2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies                  | 0%       | 0%      | 0%    |
| 3. Net admitted adjusted gross DTAs amount from Note 9A1(e)  | -        | -       | -     |
| 4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies | 0%       | 0%      | 0%    |

| December 31, 2013  |          |         |       |
|--|----------|---------|-------|
|  | Ordinary | Capital | Total |
| (a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage                       |          |         |       |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | -        | -       | -     |
| 2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies                  | 0%       | 0%      | 0%    |
| 3. Net admitted adjusted gross DTAs amount from Note 9A1(e)  | -        | -       | -     |
| 4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies | 0%       | 0%      | 0%    |

| Change   |          |         |       |
|--|----------|---------|-------|
|  | Ordinary | Capital | Total |
| (a) Determination of adjusted gross DTAs and net admitted DTAs, by tax character as a percentage                       |          |         |       |
| 1. Adjusted gross DTAs amount from Note 9A1(c)   | -        | -       | -     |
| 2. Percentage of adjusted DTAs by tax character attributable to the impact of tax planning strategies                  | 0%       | 0%      | 0%    |
| 3. Net admitted adjusted gross DTAs amount from Note 9A1(e)  | -        | -       | -     |
| 4. Percentage of net admitted adjusted DTAs by tax character admitted because of the impact of tax planning strategies | 0%       | 0%      | 0%    |

(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes ☐ No ☒

B. There are no DTLs that were not recognized at December 31, 2014 or 2013.

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

| December 31,                                  |               |         |               |
|---|---------------|---------|---------------|
|   | 2014          | 2013    | Change        |
| 1. Current income tax                         |               |         |               |
| (a) Federal                                   | \$(8,817,774) | \$2,390 | \$(8,820,164) |
| (b) Foreign                                   | -             | -       | -             |
| (c) Subtotal                                  | (8,817,774)   | 2,390   | (8,820,164)   |
| (d) Federal income tax on net capital gains   | 4,329         | -       | 4,329         |
| (f) Other                                     | -             | -       | -             |
| (g) Federal and foreign income taxes incurred | \$(8,813,445) | \$2,390 | \$(8,815,835) |

|     |  | December 31, |      |             |
|-----|--|--------------|------|-------------|
|     |  | 2014         | 2013 | Change      |
| 2.  | DTAs:                                    |              |      |             |
| (a) | Ordinary                                 |              |      |             |
|     | Claims unpaid                            | \$2,319,741  | -    | \$2,319,741 |
|     | Provider advances - nonadmitted          | 1,314,003    |      | 1,314,003   |
|     | Total ordinary DTAs                      | 3,633,744    | -    | 3,633,744   |
| (b) | Statutory valuation allowance adjustment | (3,633,744)  | -    | (3,633,744) |
| (c) | Nonadmitted ordinary DTAs                | -            | -    | -           |
| (d) | Admitted ordinary DTAs                   | -            | -    | -           |
| (e) | Capital                                  | -            | -    | -           |
|     | Total capital DTAs                       | -            | -    | -           |
| (f) | Statutory valuation allowance adjustment | -            | -    | -           |
| (g) | Nonadmitted capital DTAs                 | -            | -    | -           |
| (h) | Admitted capital DTAs                    | -            | -    | -           |
| (i) | Admitted DTAs                            | -            | -    | -           |
| 3.  | DTLs:                                    |              |      |             |
| (a) | Ordinary                                 | -            | -    | -           |
|     | Ordinary DTLs                            | -            | -    | -           |
| (b) | Capital                                  |              |      |             |
|     | Investments                              | 1,039        |      | 1,039       |
|     | Capital DTLs                             | 1,039        | -    | 1,039       |
| (c) | Total DTLs                               | 1,039        | -    | 1,039       |
| 4.  | Net admitted DTAs                        | \$(1,039)    | -    | \$(1,039)   |

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

|   |           | December 31, |           |        |
|---|-----------|--------------|-----------|--------|
|   |           | 2014         | 2013      | Change |
| Total DTAs                              | -         | -            | -         | -      |
| Total DTLs                              | \$(1,039) | -            | \$(1,039) |        |
| Net DTAs/(DTLs)                         | (1,039)   | -            | (1,039)   |        |
| Tax effect of unrealized gains (losses) |           |              | -         |        |
| Change in net deferred income tax       |           |              | \$(1,039) |        |

The valuation allowance adjustment to gross DTAs was \$3,633,744 and \$0 for December 31, 2014 and 2013, respectively.

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, 2014 | Effective tax rate | December 31, 2013 | Effective tax rate |
|--|-------------------|--------------------|-------------------|--------------------|
| Provision computed at statutory rate                         | \$ (9,940,572)    | 35.0%              | \$ 2,390          | 35.0%              |
| Permanent items, including transfer pricing adjustment       | (1,191,575)       | 4.2%               | -                 | 0.0%               |
| Change in statutory valuation allowance adjustment           | 3,633,744         | (12.8)%            | -                 | 0.0%               |
| Change in nonadmitted assets                                 | (1,314,003)       | 4.6%               | -                 | 0.0%               |
| Total  | \$(8,812,406)     | 31.0%              | \$2,390           | 35.0%              |
| Federal and foreign income tax (benefit) or expense incurred | \$ (8,813,445)    | 31.0%              | \$ 2,390          | 35.0%              |
| Change in net deferred income taxes                          | 1,039             | 0.0%               | -                 | 0.0%               |
| Total statutory income taxes                                 | \$(8,812,406)     | 31.0%              | \$2,390           | 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, 2014, the Company had no net capital loss or net operating loss carryforwards for tax purposes.
- 2. There are no federal income taxes incurred that are available for recoupment in the event of future net losses for the year ended December 31, 2014. The amount of federal income taxes incurred that are available for recoupment in the event of future net losses is \$2,390 for the year ended December 31, 2013.
- 3. The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2014 and 2013.

F.

- 1. At December 31, 2014, the Company's Federal Income Tax Return was consolidated with the following entities:

|   |  |
|---|--|
| Aetna Inc. - Parent Company                       | Coventry Health Care of Delaware, Inc.           |
| @ Credentials Inc.                                | Coventry Health Care of Florida, Inc.            |
| Active Health Management Inc.                     | Coventry Health Care of Georgia, Inc.            |
| Adminco, Inc.                                     | Coventry Health Care of Illinois, Inc.           |
| Administrative Enterprises, Inc.                  | Coventry Health Care of Iowa, Inc.               |
| AE Fourteen Incorporated                          | Coventry Health Care of Kansas, Inc.             |
| Aetna ACO Holdings, Inc.                          | Coventry Health Care of Louisiana, Inc.          |
| Aetna Better Health Inc. (Connecticut)            | Coventry Health Care of Missouri, Inc.           |
| Aetna Better Health Inc. (Florida)                | Coventry Health Care of Nebraska, Inc.           |
| Aetna Better Health Inc. (Georgia)                | Coventry Health Care of Pennsylvania, Inc.       |
| Aetna Better Health Inc. (Illinois)               | Coventry Health Care of Texas, Inc.              |
| Aetna Better Health Inc. (New Jersey)             | Coventry Health Care of the Carolinas, Inc.      |
| Aetna Better Health Inc. (New York)               | Coventry Health Care of Virginia, Inc.           |
| Aetna Better Health Inc. (Ohio)                   | Coventry Health Care of West Virginia, Inc.      |
| Aetna Better Health Inc. (Pennsylvania)           | Coventry Health Care Workers' Compensation, Inc. |
| Aetna Better Health Inc. (Tennessee)              | Coventry Health Care, Inc.                       |
| Aetna Better Health of Michigan Inc.              | Coventry Health Plan of Florida, Inc.            |
| Aetna Better Health of Texas Inc.                 | Coventry HealthCare Management Corporation       |
| Aetna Better Health, Inc. (Louisiana)             | Coventry Management Services, Inc.               |
| Aetna Dental Inc. (New Jersey)                    | Coventry Prescription Management Services, Inc.  |
| Aetna Dental Inc. (Texas)                         | Coventry Rehabilitation Services, Inc.           |
| Aetna Dental of California Inc.                   | Coventry Summit Health Plan, Inc.                |
| Aetna Health and Life Insurance Company           | Coventry Transplant Network, Inc.                |
| Aetna Health Finance, Inc.                        | Delaware Physicians Care, Incorporated           |
| Aetna Health Inc. (Connecticut)                   | First Health Group Corp.                         |
| Aetna Health Inc. (Florida)                       | First Health Life and Health Insurance Company   |
| Aetna Health Inc. (Georgia)                       | First Script Network Services, Inc.              |
| Aetna Health Inc. (Maine)                         | Florida Health Plan Administrators, LLC          |
| Aetna Health Inc. (Michigan)                      | FOCUS Healthcare Management, Inc.                |
| Aetna Health Inc. (New Jersey)                    | Group Dental Service of Maryland, Inc.           |
| Aetna Health Inc. (New York)                      | Group Dental Service, Inc.                       |
| Aetna Health Inc. (Pennsylvania)                  | Health and Human Resource Center, Inc.           |
| Aetna Health Inc. (Texas)                         | Health Data & Management Solutions, Inc.         |
| Aetna Health Insurance Company                    | Health Re, Incorporated                          |
| Aetna Health Insurance Company of New York        | HealthAmerica Pennsylvania, Inc.                 |
| Aetna Health of California, Inc.                  | HealthAssurance Financial Services, Inc.         |
| Aetna Health of Utah Inc.                         | HealthAssurance Pennsylvania, Inc.               |
| Aetna Insurance Company of Connecticut            | HealthCare USA of Missouri, LLC                  |
| Aetna Integrated Informatics, Inc.                | Jaguar Merger Subsidiary, Inc.                   |
| Aetna International Inc.                          | Luettgens Limited                                |
| Aetna Ireland Inc.                                | Managed Care Coordinators, Inc.                  |
| Aetna Life & Casualty (Bermuda) Ltd.              | Medicity Inc.                                    |
| Aetna Life Assignment Company                     | Mental Health Associates, Inc.                   |
| Aetna Life Insurance Company                      | Mental Health Network of New York IPA, Inc.      |
| Aetna Risk Assurance Company of Connecticut, Inc. | Meritain Health, Inc.                            |
| Aetna Risk Indemnity Company Limited              | MetraComp, Inc.                                  |
| Aetna Student Health Agency Inc.                  | MHNet Life and Health Insurance Co.              |
| AHP Holdings, Inc.                                | MHNet of Florida, Inc.                           |
| Allviant Corporation                              | Niagara Re, Inc.                                 |
| American Health Holding, Inc.                     | PayFlex Holdings, Inc.                           |
| AUSHC Holdings, Inc.                              | PayFlex Systems USA, Inc.                        |
| Broadspire National Services, Inc.                | Performax, Inc.                                  |
| bSwift, LLC                                       | Precision Benefit Services, Inc.                 |
| Cambridge Life Insurance Company                  | Prime Net, Inc.                                  |
| Carefree Insurance Services, Inc.                 | Prodigy Health Group, Inc.                       |
| CHC Casualty Risk Retention Group, Inc.           | Professional Risk Management, Inc.               |



Chickering Claims Administrators, Inc.  
 Claims Administration Corporation  
 Cofinity, Inc.  
 Corporate Benefit Strategies, Inc.  
 Coventry Consumer Advantage, Inc.  
 Coventry Financial Management Services, Inc.  
 Coventry Health and Life Insurance Company  
 Coventry Health Care National Accounts, Inc.  
 Coventry Health Care National Network, Inc.

Resources for Living, LLC  
 Schaller Anderson Medical Administrators,  
 Incorporated  
 Strategic Resource Company  
 The Vasquez Group Inc.  
 U.S. Health Care Properties, Inc.  
 WellPath of South Carolina, 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 tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

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

A. B. and C.

The Company did not pay dividends in 2014 or 2013. The Company received capital contributions in the amount of \$25,000,000, \$25,000,000 and \$15,000,000 from its parent on December 15, September 29 and August 14, 2014, respectively. The Ohio Department approved these transactions on December 18, September 29 and August 11, 2014, respectively. The Company did not receive any capital contributions in 2013.

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 Aetna Medicaid Administrators LLC (formerly Schaller Anderson, LLC) ("AMA"), indirectly a wholly-owned subsidiary of Aetna.

At December 31, 2014, the Company reported \$3,807,626 due to AMA related to this agreement. The Company also reported \$2,909,394 due to Aetna at December 31, 2014.

At December 31, 2013, the Company had no amounts due to or due from affiliates.

E. At December 31, 2014, the Company did not have any guarantees or undertakings with its affiliates or parent company.

F. As of and for the years ended December 31, 2014 and 2013, the Company had the following significant transactions with affiliates:

The Company and AMA are parties to an administrative services agreement, under which AMA 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 AMA as a fee. Effective September 22, 2014, this agreement was amended to include provisions to comply with the American Recovery and Reinvestment Act of 2009. For these services, the Company was charged \$29,355,170 in 2014. There were no charges in 2013. This agreement also provides for interest on all intercompany balances. There was no interest earned (incurred) on amounts due from (to) affiliates in 2014 and 2013.

The Company, AMA and Aetna Health Management, LLC ("AHM"), indirectly a wholly-owned subsidiary of Aetna, entered into a plan joinder agreement effective February 1, 2014. Under this agreement, AHM has contracted with Caremark PCS Health, LLC. ("Caremark") to deliver pharmacy benefit management services to the Company. The Company will make payments to AMA in accordance with the administrative services agreement.

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, 2014, 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, 2014, the Company did not hold any investments in any subsidiary, controlled or affiliated ("SCA") entity.

J. At December 31, 2014, the Company did not hold any investments in any impaired SCA entity.

- K. At December 31, 2014, the Company did not hold any investments in any foreign insurance subsidiaries.
- L. At December 31, 2014, 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, 2014.
- B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2014.

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, 2014 or 2013.

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, 2014 and 2013.
- (2) The Company did not have any preferred stock outstanding at December 31, 2014 and 2013.
- (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 in 2014 or 2013.
- (5) At December 31, 2014, there was no 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, 2014 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, 2014 or 2013.
- (9) Changes in the balances of special surplus funds from the prior year are due to the accrual of estimated 2015 ACA health insurer fees reclassified from unassigned funds (surplus) to aggregate write-ins for special surplus funds as discussed more fully in Note 1.C and Note 22.
- (10) At December 31, 2014, there was no portion of unassigned funds (surplus) that was represented or reduced by unrealized gains and (losses).
- (11) The Company has not issued any surplus notes or debentures or similar obligations at December 31, 2014 or 2013.
- (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, 2014 or 2013.
- B. The Company did not have any contingent assessments at December 31, 2014 or 2013.
- C. The Company did not have any gain contingencies at December 31, 2014 or 2013.

- D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2014 or 2013.
- E. The Company did not have any joint and several liability arrangements at December 31, 2014 or 2013.
- F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books.

15. Leases

The Company did not have any material lease obligations at December 31, 2014 or 2013.

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, 2014 or 2013.

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 years ending December 31, 2014 and 2013.

B. Transfer and servicing of financial assets

- (1) The Company's policy for requiring collateral or other security for security lending transactions as required in SSAP No. 103 is discussed in Note 1. The Company did not have any loaned securities at December 31, 2014 or 2013.

(2) and (3)

The Company did not have any servicing assets or liabilities at December 31, 2014 or 2013.

- (4) The Company did not have any securitized financial assets at December 31, 2014 or 2013.
- (5) The Company did not have any transfers of financial assets at December 31, 2014 or 2013.
- (6) The Company did not have any transfers of receivables with recourse at December 31, 2014 or 2013.
- (7) The Company did not have any repurchase or reverse repurchase agreements at December 31, 2014 or 2013.

C. Wash sales

- (1) The Company did not have any wash sales for the years ending December 31, 2014 or 2013.

18. Gain or loss to the HMO 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, 2014.
- 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, 2014.
- C. The Company did not have any Medicare or other similarly structured cost based reimbursement contracts for the period ended December 31, 2014.

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

The Company did not have any material direct premiums written through/produced by managing general agents or third party administrators for the years ended December 31, 2014 and 2013.

20. Fair value measurements

A. and B.

The Company had no material assets or liabilities measured and reported at fair value at December 31, 2014 or 2013.

- C. Certain of the Company's financial instruments are measured at fair value in our balance sheets. The fair values of these instruments are based on valuations that include inputs that can be classified within one of three levels of a hierarchy established by U.S. generally accepted accounting principles. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies a financial asset or liability for each level:
- **Level 1** – Unadjusted quoted prices for identical assets or liabilities in active markets.
  - **Level 2** – Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates and credit risks) and inputs that are derived from or corroborated by observable markets.
  - **Level 3** – Developed from unobservable data, reflecting our own assumptions.

Financial assets and liabilities are classified based upon the lowest level of input that is significant to the valuation. When quoted prices in active markets for identical assets and liabilities are available, we use these quoted market prices to determine the fair value of financial assets and liabilities and classify these assets and liabilities as Level 1. In other cases where a quoted market price for identical assets and liabilities in an active market is either not available or not observable, we estimate fair value using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets and liabilities would then be classified as Level 2. If quoted market prices are not available, we determine fair value using broker quotes or an internal analysis of each investment's financial performance and cash flow projections. Thus, financial assets and liabilities may be classified in Level 3 even though there may be some significant inputs that may be observable.

The carrying values and estimated fair values of the Company's financial instruments at December 31, 2014 and 2013 were as follows:

December 31, 2014

|  | Aggregate<br>fair<br>value | Admitted<br>assets | Level 1      | Level 2       | Level 3 | Not<br>practicable<br>(carrying<br>value) |
|--|----------------------------|--------------------|--------------|---------------|---------|---|
| Bonds,<br>short-term<br>investments<br>and cash<br>equivalents | \$145,776,015              | \$145,533,181      | \$22,873,263 | \$122,902,752 | -       | -   |
| Total  | \$145,776,015              | \$145,533,181      | \$22,873,263 | \$122,902,752 | -       | -   |

December 31, 2013

|  | Aggregate<br>fair<br>value | Admitted<br>assets | Level 1   | Level 2     | Level 3 | Not<br>practicable<br>(carrying<br>value) |
|--|----------------------------|--------------------|-----------|-------------|---------|---|
| Bonds,<br>short-term<br>investments<br>and cash<br>equivalents | \$2,751,107                | \$2,759,233        | \$497,461 | \$2,253,646 | -       | -   |
| Total  | \$2,751,107                | \$2,759,233        | \$497,461 | \$2,253,646 | -       | -   |

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

There were no material realized and unrealized capital gains, purchases, sales, settlements, or transfers into or out of the Company's Level 3 financial assets during 2014 or 2013.

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

- D. The Company did not have any financial instruments where it was not practicable to estimate the fair value.

21. Other items

A. Extraordinary items

The Company did not have any extraordinary items for the years ended December 31, 2014 and 2013.

B. Troubled debt restructuring: debtors

The Company did not have any troubled debt restructuring in the years ended December 31, 2014 and 2013.

C. Other disclosures and unusual items

(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 risk-based ("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, 2014 and 2013, 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) Health Care Reform

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 the Company expects will continue to significantly impact the Company's business operations and financial results, including the Company's pricing, medical benefit ratios and the geographies in which the Company's products are available. Health Care Reform presents the Company with new business opportunities, but also with new financial and regulatory challenges. Since its enactment in 2010, key components of Health Care Reform have been phased in, including health insurance exchanges ("Public Exchanges"), required minimum medical loss ratios ("MLRs") in commercial and Medicare products, the individual coverage mandate, guaranteed issue, rating limits in the individual and small group markets, significant new industry-wide fees, assessments and taxes, enhanced premium rate review and disclosure processes, reduced Medicare Advantage payment rates to insurers, and linking Medicare Advantage payments to a plan's Centers for Medicare & Medicaid Services ("CMS") quality performance ratings or "star ratings." The effects of these changes are reflected in the Company's financial results.

While key components of Health Care Reform will continue to be phased in through 2018, the most significant changes occurred in 2014. The Company is dedicating and will continue to be required to dedicate material resources and incur material expenses during 2015 to implement and comply with Health Care Reform as well as state level health care reform. While the federal government has issued a number of regulations implementing Health Care Reform, certain significant parts of Health Care Reform, including aspects of Public Exchanges, Medicaid expansion, enforcement related reporting for the individual and employer mandates, reinsurance, risk corridor, risk adjustment and the implementation of Medicare Advantage and Part D minimum MLRs, require further guidance and clarification at the federal level and/or in the form of regulations and actions by state legislatures to implement the law. The federal government also has announced significant changes to and/or delays in effective dates of various aspects of Health Care Reform, and it is likely that further changes will be made at the federal and/or state level based on implementation experience. As a result, key aspects and impacts of Health Care Reform will not be known for several years, and given the inherent difficulty of foreseeing how individuals and businesses will respond to the choices afforded them by Health Care Reform, the Company cannot predict the full effect Health Care Reform will have on the Company. It is reasonably possible that Health Care Reform, in the aggregate, could have a material adverse effect on the Company's business operations and financial results.

Federal budget negotiations, ongoing regulatory changes to Health Care Reform (such as the November 2013 action permitting renewal through 2014 of individual and small group insurance policies that do not comply with Health Care Reform and the March 2014 action permitting such renewal through 2017), pending efforts in the U.S. Congress to amend or restrict funding for various aspects of Health Care Reform and litigation challenging aspects of the law continue to create uncertainty about the ultimate impact of Health Care Reform. An example of this uncertainty is the litigation pending before the U.S. Supreme Court concerning whether the IRS may make tax credits available as a form of subsidy to individuals who purchase health insurance through Public Exchanges established by the federal government ("Federal Exchanges"). The Company will continue to enroll and insure members through the Federal Exchanges pending the resolution of this and other pending cases. If the payment of subsidies with respect to members who enroll through the Federal Exchanges ultimately is invalidated, it could result in a significant reduction in Aetna's Public Exchange membership because almost all of Aetna's Public Exchange membership is through Federal Exchanges, and most of those members benefit from a tax subsidy.



The availability of funding for Health Care Reform's risk corridor program is a second example of this uncertainty. In May 2014, CMS published a final rule on Public Exchanges. The final rule provides that payments to health plans under the risk corridor program required by Health Care Reform will no longer be limited to the aggregate amount of the risk corridor collections received by HHS over the duration of the risk corridor program. However, it is possible that payments to health plans under the risk corridor program will require additional appropriation legislation to be passed by the U.S. Congress. Additionally, in December 2014, the Consolidated and Further Continuing Appropriations Act was enacted, which among other things, prohibits HHS's use of certain funds to pay HHS's potential obligation under Health Care Reform's risk corridor program. As a result, the Company did not record any receivable under Health Care Reform's risk corridor program at December 31, 2014.

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. The Company cannot predict whether pending or future federal or state legislation or court proceedings, including future U.S. Congressional appropriations and the proceedings relating to tax credits for Federal Exchange members described above, will change various aspects of the health care system or Health Care Reform or the impact those changes will have on the Company's business operations or financial results, but the effects could be materially adverse.

In addition, certain provisions of Health Care Reform tie Medicare Advantage plans' premiums to the achievement of favorable CMS quality performance measures ("star ratings"). In 2013 and 2014, Medicare Advantage plans with an overall star rating of three or more stars (out of five stars) are eligible for a quality bonus in their basic premium rates. Beginning in 2015, only Medicare Advantage plans with an overall star rating of four or more stars will be eligible for a quality bonus. As a result, the Company's Medicare Advantage plans' operating results in 2015 and going forward are likely to be significantly determined by their star ratings.

(3) Medicaid

Medicaid and dual eligible products are regulated by CMS and state Medicaid agencies, which have the right to audit our performance to determine compliance with CMS contracts and regulations. Medicaid products, dual eligible products and Children's Health Insurance Program ("CHIP") contracts also are subject to federal and state regulations and oversight by state Medicaid agencies regarding the services the Company provides to Medicaid enrollees, payment for those services, network requirements (including mandatory inclusion of specified high-cost providers), and other aspects of these programs, and by external review organizations which audit Medicaid plans on behalf of the state Medicaid agencies. The laws, regulations and contractual requirements applicable to the Company and other participants in Medicaid and dual eligible programs, including requirements that the Company submit encounter data to the applicable state agency, are extensive, complex and subject to change. The Company has invested significant resources to comply with these standards, and the Company's Medicaid and dual eligible program compliance efforts will continue to require significant resources. CMS and/or state Medicaid agencies may fine the Company, withhold payments, seek premium refunds, terminate existing contracts, elect not to award new contracts or renew existing contracts, require the Company to include specific high cost providers in its networks, prohibit the Company from continuing to market and/or enroll members in or refuse to auto assign members to one or more Medicaid or dual eligible products, exclude the Company from participating in one or more Medicaid or dual eligible programs and/or institute other sanctions against the Company if the Company fails to comply with CMS or state regulations or contractual requirements.

(4) Medicare-Medicaid Plan

Effective June 1, 2014, the Company began administering a health plan for individuals who qualify for both Medicare and Medicaid coverage. This is known as "dual recipients." The Company's Medicare-Medicaid Plan ("MMP") under the Duals Demonstration Program administered by CMS in partnership with the State of Ohio. The regulations and contractual requirements applicable to the Company and other participants in the Dual Demonstration program are complex, expensive to comply with and subject to change. The Company has invested significant resources to comply with Demonstration standards, and the Company's MMP compliance efforts will continue to require significant resources. CMS and/or the State of Ohio may seek premium refunds, prohibit the Company from continuing to market and/or enroll members in one or more of the Company's Medicare Advantage or Standalone plans, exclude the Company from participating in one or more Medicare programs and/or institute other sanctions against the Company if the Company fails to comply with CMS regulations or the Company's Medicare-Medicaid Demonstration contractual requirements.

- D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2014 or 2013.
- E. The Company did not have any transferable and non-transferable state tax credits for the years ending December 31, 2014 or 2013.
- F. The Company did not have any subprime mortgage related risk exposures at December 31, 2014 or 2013.
- G. The Company did not have any retained assets at December 31, 2014 or 2013.

H. The Company did not have any joint and several liability arrangements at December 31, 2014 or 2013.

22. Events subsequent

Type I - Recognized subsequent events

Subsequent events have been considered through February 25, 2015 for the statutory statement issued on March 1, 2015.

The Company had no known reportable recognized subsequent events.

Type II - Nonrecognized subsequent events

Subsequent events have been considered through February 25, 2015 for the statutory statement issued on March 1, 2015.

On January 1, 2015, the Company will be subject to an annual fee under section 9010 of the Federal ACA. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2014, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2015 to be \$6,600,000. This amount is reflected in special surplus. This assessment is expected to impact RBC by 15%. Reporting the ACA assessment as of December 31, 2014, would not have triggered an RBC action level.

|   | Current year  | Prior year |
|---|---------------|------------|
| A. ACA fee assessment payable for upcoming year   | \$6,600,000   | -          |
| B. ACA fee assessment paid  | -             | -          |
| C. Premium written subject to ACA 9010 assessment   | \$335,487,663 | -          |
| D. Total Adjusted Capital before surplus adjustment   | \$44,666,567  |            |
| E. Authorized Control Level before surplus adjustment   | \$15,120,119  |            |
| F. Total Adjusted Capital after surplus adjustment  | \$38,066,567  |            |
| G. Authorized Control Level after surplus adjustment  | \$15,120,119  |            |
| H. Would reporting the ACA assessment as of December 31, 2014, have triggered an RBC action level (YES/NO)? |               | No         |

23. Reinsurance

Effective June 1, 2014, the Company and Berkley Life and Health Insurance Company ("Berkley") entered into an excess loss reinsurance agreement for Medicaid only dual eligible members. Under this agreement, Berkley is liable for 90% of covered expenses in excess of the specific deductible of \$100,000 per covered member, with a maximum reimbursement of \$2,000,000 per member per agreement year. The Company paid reinsurance premiums of \$150,025 in 2014.

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?  
Yes ( ) No (X)  
If yes, give full details.
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?  
Yes ( ) No (X)  
If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than nonpayment of premium or other similar credit?  
Yes ( ) No (X)

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate.  
\$           N/A          .
  - b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement?  
\$           N/A          .
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?  
Yes ( )            No (X)  
If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the insurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.  
\$           0          .
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?  
Yes ( )            No (X)  
If yes, what is the amount of reinsurance credit, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$           N/A          .

- B. The Company did not have uncollectible reinsurance at December 31, 2014.
- C. The Company did not have any commutation of ceded reinsurance at December 31, 2014.
- D. The Company's certified reinsurer's rating has not been downgraded or its status subject to revocation at December 31, 2014.

24. Retrospectively rated contracts and contracts subject to redetermination

- A. and B.  
  
The Company did not have any retrospectively rated contracts in 2014 or 2013.
- C. Contracts subject to redetermination  
  
The Company did not have any contracts subject to redetermination in 2014 or 2013.
- D. Medical loss ratio rebates required pursuant to the Public Health Service Act  
  
The Company did not have any medical loss ratios required pursuant to the Public Health Service Act in 2014 or 2013.
- E. Risk Sharing Provisions of the Affordable Care Act  
  
(1) Did the reporting entity write accident and health insurance premium which is subject to the ACA risk sharing provisions (YES/NO)? Yes

Line items below where the amount is zero are due to no activity as of the reporting date.



(2) Impact of Risk Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue and Expenses for the Current Year:

|  | Amount |
|--|--------|
| a. Permanent ACA Risk Adjustment Program   |        |
| Assets   |        |
| 1. Premium adjustments receivable due to ACA Risk Adjustment   | -      |
| Liabilities  |        |
| 2. Risk adjustment user fees payable for ACA Risk Adjustment   | -      |
| 3. Premium adjustments payable due to ACA Risk Adjustment  | -      |
| Operations (Revenue & Expense)   |        |
| 4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment | -      |
| 5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid)   |        |
| b. Transitional ACA Reinsurance Program  |        |
| Assets   |        |
| 1. Amounts recoverable for claims paid due to ACA Reinsurance  | -      |
| 2. Amounts recoverable for claims unpaid due to ACA Reinsurance (contra liability)                                 | -      |
| 3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance                            | -      |
| Liabilities  |        |
| 4. Liabilities for contributions payable due to ACA Reinsurance not reported as ceded premium                      | -      |
| 5. Ceded reinsurance premiums payable due to ACA Reinsurance   | -      |
| 6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance                            | -      |
| Operations (Revenue & Expense)   |        |
| 7. Ceded reinsurance premiums due to ACA Reinsurance   | -      |
| 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments                  | -      |
| 9. ACA Reinsurance contributions - not reported as ceded premium   | -      |
| c. Temporary ACA Risk Corridors Program  |        |
| Assets   |        |
| 1. Accrued retrospective premium due to ACA Risk Corridors   | -      |
| Liabilities  |        |
| 2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors                          | -      |
| Operations (Revenue & Expense)   |        |
| 3. Effect of ACA Risk Corridors on net premium income (paid/received)  | -      |
| 4. Effect of ACA Risk Corridors on change in reserves for rate credits   | -      |

(3) Roll-forward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

|    |   | Accrued during the prior year on business written before December 31 of the prior year |           | Received or paid as of the current year on business written before December 31 of the prior year |           |
|----|---|--|-----------|--|-----------|
|    |   | 1  | 2         | 3  | 4         |
|    |   | Receivable   | (Payable) | Receivable   | (Payable) |
| a. | Permanent ACA Risk Adjustment Program   |  |           |  |           |
|    | 1. Premium adjustments receivable   | -  | -         | -  | -         |
|    | 2. Premium adjustments (payable)  | -  | -         | -  | -         |
|    | 3. Subtotal ACA Permanent Risk Adjustment Program   | -  | -         | -  | -         |
| b. | Transitional ACA Reinsurance Program  |  | -         | -  | -         |
|    | 1. Amounts recoverable for claims paid  | -  | -         | -  | -         |
|    | 2. Amounts recoverable for claims unpaid (contra liability)                                     | -  | -         | -  | -         |
|    | 3. Amounts receivable relating to uninsured plans   | -  | -         | -  | -         |
|    | 4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium | -  | -         | -  | -         |
|    | 5. Ceded reinsurance premiums payable   | -  | -         | -  | -         |
|    | 6. Liability for amounts held under uninsured plans   | -  | -         | -  | -         |
|    | 7. Subtotal ACA Transitional Reinsurance Program  | -  | -         | -  | -         |
| c. | Temporary ACA Risk Corridors Program  |  | -         | -  | -         |
|    | 1. Accrued retrospective premium  | -  | -         | -  | -         |
|    | 2. Reserve for rate credits or policy experience rating refunds                                 | -  | -         | -  | -         |
|    | 3. Subtotal ACA Risk Corridors Program  | -  | -         | -  | -         |
| d. | Total for ACA Risk Sharing Provisions   | -  | -         | -  | -         |

| Differences                                  |   | Adjustments            |                        | Ref |
|--|---|------------------------|------------------------|-----|
| Prior year accrued less payments (Col 1 - 3) | Prior year accrued less payments (Col 2 - 4)  | To prior year balances | To prior year balances |     |
| 5  | 6   | 7                      | 8                      |     |
| Receivable                                   | (Payable)   | Receivable             | (Payable)              |     |
| a.   | Permanent ACA Risk Adjustment Program   |                        |                        |     |
|  | 1. Premium adjustments receivable   | -                      | -                      | N/A |
|  | 2. Premium adjustments (payable)  | -                      | -                      | N/A |
|  | 3. Subtotal ACA Permanent Risk Adjustment Program   | -                      | -                      | N/A |
| b.   | Transitional ACA Reinsurance Program  |                        |                        |     |
|  | 1. Amounts recoverable for claims paid  | -                      | -                      | N/A |
|  | 2. Amounts recoverable for claims unpaid (contra liability)                                     | -                      | -                      | N/A |
|  | 3. Amounts receivable relating to uninsured plans   | -                      | -                      | N/A |
|  | 4. Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium | -                      | -                      | N/A |
|  | 5. Ceded reinsurance premiums payable   | -                      | -                      | N/A |
|  | 6. Liability for amounts held under uninsured plans   | -                      | -                      | N/A |
|  | 7. Subtotal ACA Transitional Reinsurance Program  | -                      | -                      | N/A |
| c.   | Temporary ACA Risk Corridors Program  |                        |                        |     |
|  | 1. Accrued retrospective premium  | -                      | -                      | N/A |
|  | 2. Reserve for rate credits or policy experience rating refunds                                 | -                      | -                      | N/A |
|  | 3. Subtotal ACA Risk Corridors Program  | -                      | -                      | N/A |
| d.   | Total for ACA Risk Sharing Provisions   | -                      | -                      | N/A |

| Unsettled balances as of the reporting date               |   |
|---|---|
| Cumulative balance<br>from prior years<br>(col 1 - 3 + 7) | Cumulative balance<br>from prior years<br>(col 2 - 4 + 8) |
| 9   | 10  |
| Receivable  | (Payable)   |

|    |  |   |   |
|----|--|---|---|
| a. | Permanent ACA Risk Adjustment Program  |   |   |
| 1. | Premium adjustments receivable   | - | - |
| 2. | Premium adjustments (payable)  | - | - |
| 3. | Subtotal ACA Permanent Risk Adjustment Program   | - | - |
| b. | Transitional ACA Reinsurance Program   |   |   |
| 1. | Amounts recoverable for claims paid  | - | - |
| 2. | Amounts recoverable for claims unpaid (contra liability)                                     | - | - |
| 3. | Amounts receivable relating to uninsured plans   | - | - |
| 4. | Liabilities for contributions payable due to ACA reinsurance - not reported as ceded premium | - | - |
| 5. | Ceded reinsurance premiums payable   | - | - |
| 6. | Liability for amounts held under uninsured plans   | - | - |
| 7. | Subtotal ACA Transitional Reinsurance Program  | - | - |
| c. | Temporary ACA Risk Corridors Program   |   |   |
| 1. | Accrued retrospective premium  | - | - |
| 2. | Reserve for rate credits or policy experience rating refunds                                 | - | - |
| 3. | Subtotal ACA Risk Corridors Program  | - | - |
| d. | Total for ACA Risk Sharing Provisions  | - | - |

25. Change in incurred claims and claims adjustment expense

The following table shows the components of the change in claims unpaid, unpaid claims adjustment expense and aggregate health claim reserves for the years ended December 31, 2014 and 2013.

|   |           |
|---|-----------|
| (in thousands)                                      | 2014      |
| Balance, January 1                                  | -         |
| Health care receivable                              | -         |
| Balance, January 1, net of health care receivable   | -         |
| Incurred related to:                                |           |
| Current year  | \$320,616 |
| Prior years   | -         |
| Total incurred                                      | 320,616   |
| Paid related to:                                    |           |
| Current year  | 221,095   |
| Prior years   | -         |
| Total paid  | 221,095   |
| Balance, December 31, net of health care receivable | 99,521    |
| Health care receivable                              | 1,683     |
| Balance, December 31                                | \$101,204 |

There was no change in incurred claims and claims adjustment expense at December 31, 2013.

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, 2014 or 2013.

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, 2014 or 2013.

B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2014 or 2013.

29. Participating policies

The Company did not have any participating policies at December 31, 2014 or 2013.

30. Premium deficiency reserves

December 31, 2014

|   |            |
|---|------------|
| 1. Liability carried for premium deficiency reserves              | \$0        |
| 2. Date of the most recent evaluation of this liability           | 12/31/2014 |
| 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.

Statement as of December 31, 2014 of the **Aetna Better Health Inc. (an Ohio corporation)**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES - GENERAL**

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes ☒No ☐

If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒No ☐N/A ☐

1.3

State regulating?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 ☒

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 ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐No ☐N/A ☒

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes ☐No ☒

4.12

renewals?

Yes ☐No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes ☐No ☒

4.22

renewals?

Yes ☐No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐No ☒

5.2

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

|                |               |                   |
|----------------|---------------|-------------------|
| 1              | 2             | 3                 |
| Name of Entity | NAIC Co. Code | 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 ☒

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 ☒

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           | 2              |
| Nationality | 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 ☒

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 ☒

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

KPMG LLP, One Financial Plaza, 755 Main Street, Hartford, CT 06103

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes ☐No ☒

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 ☒

10.4

If the response to 10.3 is yes, provide information related to this exemption:

N/A

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES - GENERAL

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ 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?

William R. Jones, Valuation Actuary, 151 Farmington Avenue, RE2R; Hartford, CT 06156

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ ]

No [ X ]

12.11

Name of real estate holding company

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 [ X ]

No [ ]

14.21

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

The Code of Conduct was amended effective September 2014. The key substantive changes include:

Clarification that intimidation against anyone who reports a concern is prohibited;

The specific listing of fraud, waste and abuse as matters that should be reported to the appropriate personnel to more closely align the Code of Conduct with CMS requirements;

Additional examples in the Conflicts of Interests and Business Expenses sections to reflect questions frequently asked by employees since 2011; and

Additional information on the limitations on the personal political and lobbying activities to which Aetna employees and their family members are subject.

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 [ ]

No [ X ]

15.2

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

|   |                                 |   |        |
|---|---------------------------------|---|--------|
| 1   | 2                               | 3   | 4      |
| American Bankers Association (ABA) Routing Number | Issuing or Confirming Bank Name | Circumstances That Can Trigger the Letter of Credit | Amount |
| 0   | N/A                             |   | 0      |

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

Statement as of December 31, 2014 of the **Aetna Better Health Inc. (an Ohio corporation)**

**PART 1 - COMMON INTERROGATORIES - FINANCIAL**

22.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes [ ☐ ]    No [ ☒ X ]

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$.....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 [ ☐ ]

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

Placed under option agreements

\$.....0

25.26

Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$.....0

25.27

FHLB Capital Stock

\$.....0

25.28

On deposit with states

\$.....504,415

25.29

On deposit with other regulatory bodies

\$.....0

25.30

Pledged as collateral - excluding collateral pledged to an FHLB

\$.....0

25.31

Pledged as collateral to FHLB - including assets backing funding agreements

\$.....0

25.32

Other

\$.....0

25.3

For category (25.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
| N/A                        |                  | 0           |

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?  
If no, attach a description with this statement.  
N/A

Yes [ ☐ ]    No [ ☐ ]    N/A [ ☒ X ]

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<br>Name of Custodian(s)           | 2<br>Custodian's Address   |
|-------------------------------------|--|
| State Street Bank and Trust Company | State Street Financial Center, One Lincoln Street; Boston, MA 02111-2900 |

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<br>Name(s)           | 2<br>Location(s) | 3<br>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<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>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<br>Central Registration Depository Number(s) | 2<br>Name | 3<br>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 ]

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

PART 1 - COMMON INTERROGATORIES - INVESTMENT

29.2 If yes, complete the following schedule:

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

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

| 1   | 2   | 3   | 4                 |
|---|---|---|-------------------|
| Name of Mutual Fund<br>(from the above table) | Name of Significant Holding<br>of the Mutual Fund | Amount of Mutual Fund's Book/Adjusted Carrying Value<br>Attributable to Holding | Date of Valuation |
| n/a   |   | 0   |                   |

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                                | 2                | 3  |
|----------------------------|----------------------------------|------------------|--|
|                            | Statement<br>(Admitted)<br>Value | Fair<br>Value    | Excess of Statement<br>over Fair Value (-),<br>or Fair Value over<br>Statement (+) |
| 30.1 Bonds.....            | .....145,533,181                 | .....145,776,015 | .....242,834   |
| 30.2 Preferred stocks..... | .....0                           | .....0           | .....0   |
| 30.3 Totals.....           | .....145,533,181                 | .....145,776,015 | .....242,834   |

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

Fair value of long term bonds and preferred stocks are determined based on quoted market prices when available, fair values using valuation methodologies based on available and observable market information or by using matrix pricing. If quoted market prices are not available, we determine fair value using broker quoted or an internal analysis of each investment's financial performance and cash flow projections. Short term investments are carried at amortized cost which approximates fair value. The carrying value 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    | 2           |
|------|-------------|
| Name | Amount Paid |
| N/A  | 0           |

34.1 Amount of payments for legal expenses, if any? \$.....1,892,389

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    | 2           |
|------|-------------|
| Name | Amount Paid |
| N/A  | 0           |

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    | 2           |
|------|-------------|
| Name | Amount Paid |
| N/A  | 0           |



GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ]No [ X ]

1.2

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

\$.....0

1.3

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

\$.....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                            | 2                 |
|-----|------------------------------|-------------------|
|     | Current Year                 | Prior Year        |
| 2.1 | Premium Numerator.....       | 335,337,638.....0 |
| 2.2 | Premium Denominator.....     | 335,337,638.....0 |
| 2.3 | Premium Ratio (2.1/2.2)..... | 100.0.....0.0     |
| 2.4 | Reserve Numerator.....       | 99,487,462.....0  |
| 2.5 | Reserve Denominator.....     | 99,487,462.....0  |
| 2.6 | Reserve Ratio (2.4/2.5)..... | 100.0.....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:

5.3

Maximum retained risk (see instructions):

5.31

Comprehensive medical

\$.....0

5.32

Medical only

\$.....290,000

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 basis?

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

.....7,172

8.2

Number of providers at end of reporting year

.....11,786

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

28

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

11.1. Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or

11.14 A Mixed Model (combination of above)?

Yes [ ]

No [X]

11.2. Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [ ]

No [X]

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

Ohio

11.4. If yes, show the amount required.

\$.....30,240,238

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                           |
| The Company is licensed in all counties in the |
| State of Ohio.                                 |

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

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [ ]

No [ ]

N/A [X]

14.2 If the answer to 14.1 is yes, please provide the following:

|              |         |              |         |                                  |            |       |
|--------------|---------|--------------|---------|----------------------------------|------------|-------|
| 1            | 2       | 3            | 4       | Assets Supporting Reserve Credit |            |       |
|              | NAIC    |              |         | 5                                | 6          | 7     |
| Company Name | Company | Domiciliary  | Reserve | Letters of                       | Trust      |       |
|              | Code    | Jurisdiction | Credit  | Credit                           | Agreements | Other |
| N/A          | 0       |              | 0       | 0                                | 0          | 0     |

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

15.1 Direct written premium.....

\$.....0

15.2 Total incurred claims.....

\$.....0

15.3 Number of covered lives.....

.....0

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

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

FIVE-YEAR HISTORICAL DATA

|  | 1<br>2014    | 2<br>2013 | 3<br>2012 | 4<br>2011 | 5<br>2010 |
|--|--------------|-----------|-----------|-----------|-----------|
| <b>Balance Sheet Items (Pages 2 and 3)</b>   |              |           |           |           |           |
| 1. Total admitted assets (Page 2, Line 28).....  | 159,134,565  | 3,010,100 | 3,005,691 | 3,001,705 | .0        |
| 2. Total liabilities (Page 3, Line 24).....  | 114,467,998  | 10        | 41        | 554       | .0        |
| 3. Statutory surplus.....  | 30,240,238   | 1,700,000 | 1,700,000 | .0        | .0        |
| 4. Total capital and surplus (Page 3, Line 33).....  | 44,666,567   | 3,010,090 | 3,005,650 | 3,001,151 | .0        |
| <b>Income Statement Items (Page 4)</b>   |              |           |           |           |           |
| 5. Total revenues (Line 8).....  | 335,337,638  | 0         | 0         | .0        | .0        |
| 6. Total medical and hospital expenses (Line 18).....  | 308,294,455  | 0         | 0         | .0        | .0        |
| 7. Claims adjustment expenses (Line 20).....   | 12,321,699   | 0         | 0         | .0        | .0        |
| 8. Total administrative expenses (Line 21).....  | 43,204,667   | 0         | 0         | .0        | .0        |
| 9. Net underwriting gain (loss) (Line 24).....   | (28,483,183) | 0         | 0         | .0        | .0        |
| 10. Net investment gain (loss) (Line 27).....  | 102,220      | 6,830     | 6,921     | 1,771     | .0        |
| 11. Total other income (Lines 28 plus 29).....   | (25,000)     | 0         | 0         | .0        | .0        |
| 12. Net income or (loss) (Line 32).....  | (19,588,189) | 4,440     | 4,499     | 1,151     | .0        |
| <b>Cash Flow (Page 6)</b>  |              |           |           |           |           |
| 13. Net cash from operations (Line 11).....  | 80,894,132   | 5,567     | 5,123     | (523)     | .0        |
| <b>Risk-Based Capital Analysis</b>   |              |           |           |           |           |
| 14. Total adjusted capital.....  | 44,666,567   | 3,010,090 | 3,005,650 | .0        | .0        |
| 15. Authorized control level risk-based capital.....   | 15,120,119   | 2,901     | 5,084     | .0        | .0        |
| <b>Enrollment (Exhibit 1)</b>  |              |           |           |           |           |
| 16. Total members at end of period (Column 5, Line 7).....   | 20,515       | 0         | 0         | .0        | .0        |
| 17. Total member months (Column 6, Line 7).....  | 137,443      | 0         | 0         | .0        | .0        |
| <b>Operating Percentage (Page 4)</b><br><b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0</b> |              |           |           |           |           |
| 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).....                           | 91.9         | 0.0       | 0.0       | 0.0       | 0.0       |
| 20. Cost containment expenses.....   | 3.1          | 0.0       | 0.0       | 0.0       | 0.0       |
| 21. Other claims adjustment expenses.....  | 0.5          | 0.0       | 0.0       | 0.0       | 0.0       |
| 22. Total underwriting deductions (Line 23).....   | 108.5        | 0.0       | 0.0       | 0.0       | 0.0       |
| 23. Total underwriting gain (loss) (Line 24).....  | (8.5)        | 0.0       | 0.0       | 0.0       | 0.0       |
| <b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>   |              |           |           |           |           |
| 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        |
| <b>Investments in Parent, Subsidiaries and Affiliates</b>  |              |           |           |           |           |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....  | .0           | 0         | 0         | .0        | .0        |
| 27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....                                     | .0           | 0         | 0         | .0        | .0        |
| 28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....  | .0           | 0         | 0         | .0        | .0        |
| 29. Affiliated short-term investments (subtotal included in 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?

If no, please explain:

Yes [ ] No [ ]

Statement as of December 31, 2014 of the Aetna Better Health Inc. (an Ohio corporation)

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

|             |  |             | 1             | Direct Business Only       |                      |                    |   |  |                             |                           |                        |
|-------------|--|-------------|---------------|----------------------------|----------------------|--------------------|---|--|-----------------------------|---------------------------|------------------------|
|             |  |             |               | 2                          | 3                    | 4                  | 5   | 6  | 7                           | 8                         | 9                      |
| State, Etc. |  |             | Active Status | Accident & Health Premiums | Medicare Title XVIII | Medicaid Title XIX | Federal Employees Health Benefits Plan Premiums | Life & Annuity Premiums and Other Considerations | Property/ Casualty Premiums | Total Columns 2 Through 7 | Deposit-Type Contracts |
| 1.          | Alabama.....AL   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 2.          | Alaska.....AK  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 3.          | Arizona.....AZ   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 4.          | Arkansas.....AR  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 5.          | California.....CA  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 6.          | Colorado.....CO  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 7.          | Connecticut.....CT   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 8.          | Delaware.....DE  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 9.          | District of Columbia.....DC                                    | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 10.         | Florida.....FL   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 11.         | Georgia.....GA   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 12.         | Hawaii.....HI  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 13.         | Idaho.....ID   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 14.         | Illinois.....IL  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 15.         | Indiana.....IN   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 16.         | Iowa.....IA  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 17.         | Kansas.....KS  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 18.         | Kentucky.....KY  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 19.         | Louisiana.....LA   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 20.         | Maine.....ME   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 21.         | Maryland.....MD  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 22.         | Massachusetts.....MA   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 23.         | Michigan.....MI  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 24.         | Minnesota.....MN   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 25.         | Mississippi.....MS   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 26.         | Missouri.....MO  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 27.         | Montana.....MT   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 28.         | Nebraska.....NE  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 29.         | Nevada.....NV  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 30.         | New Hampshire.....NH   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 31.         | New Jersey.....NJ  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 32.         | New Mexico.....NM  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 33.         | New York.....NY  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 34.         | North Carolina.....NC  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 35.         | North Dakota.....ND  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 36.         | Ohio.....OH  | ...L.....   | .....0        | 24,596,528                 | 310,891,135          | .....0             | .....0  | .....0   | 335,487,663                 | .....0                    | .....0                 |
| 37.         | Oklahoma.....OK  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 38.         | Oregon.....OR  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 39.         | Pennsylvania.....PA  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 40.         | Rhode Island.....RI  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 41.         | South Carolina.....SC  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 42.         | South Dakota.....SD  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 43.         | Tennessee.....TN   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 44.         | Texas.....TX   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 45.         | Utah.....UT  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 46.         | Vermont.....VT   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 47.         | Virginia.....VA  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 48.         | Washington.....WA  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 49.         | West Virginia.....WV   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 50.         | Wisconsin.....WI   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 51.         | Wyoming.....WY   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 52.         | American Samoa.....AS  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 53.         | Guam.....GU  | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 54.         | Puerto Rico.....PR   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 55.         | U.S. Virgin Islands.....VI                                     | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 56.         | Northern Mariana Islands.....MP                                | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 57.         | Canada.....CAN   | ...N.....   | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 58.         | Aggregate Other alien.....OT                                   | ...XXX..... | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 59.         | Subtotal.....  | ...XXX..... | .....0        | 24,596,528                 | 310,891,135          | .....0             | .....0  | .....0   | 335,487,663                 | .....0                    | .....0                 |
| 60.         | Reporting entity contributions for Employee Benefit Plans..... | ...XXX..... | .....0        | .....0                     | .....0               | .....0             | .....0  | .....0   | .....0                      | .....0                    | .....0                 |
| 61.         | Total (Direct Business).....                                   | (a).....1   | .....0        | 24,596,528                 | 310,891,135          | .....0             | .....0  | .....0   | 335,487,663                 | .....0                    | .....0                 |

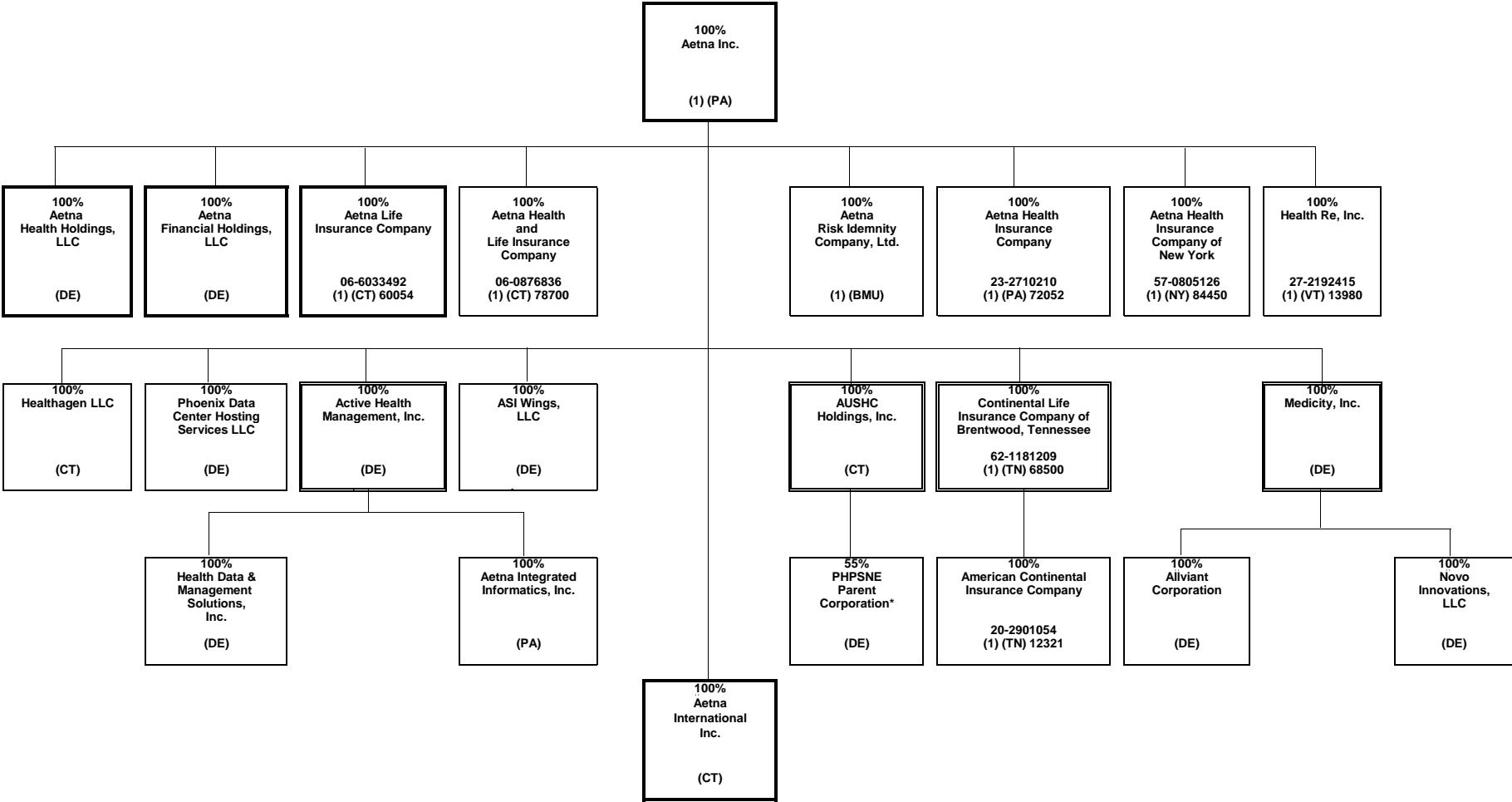
| DETAILS OF WRITE-INS                                   |        |        |        |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 58001. ....  | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |
| 58002. ....  | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |
| 58003. ....  | .....0 | .....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 | .....0 |
| 58999. Total (Lines 58001 thru 58003 + 58998).....     | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 | .....0 |

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

Explanation of basis of allocation by states, premiums by state, etc.  
All premium written within the state of Ohio

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

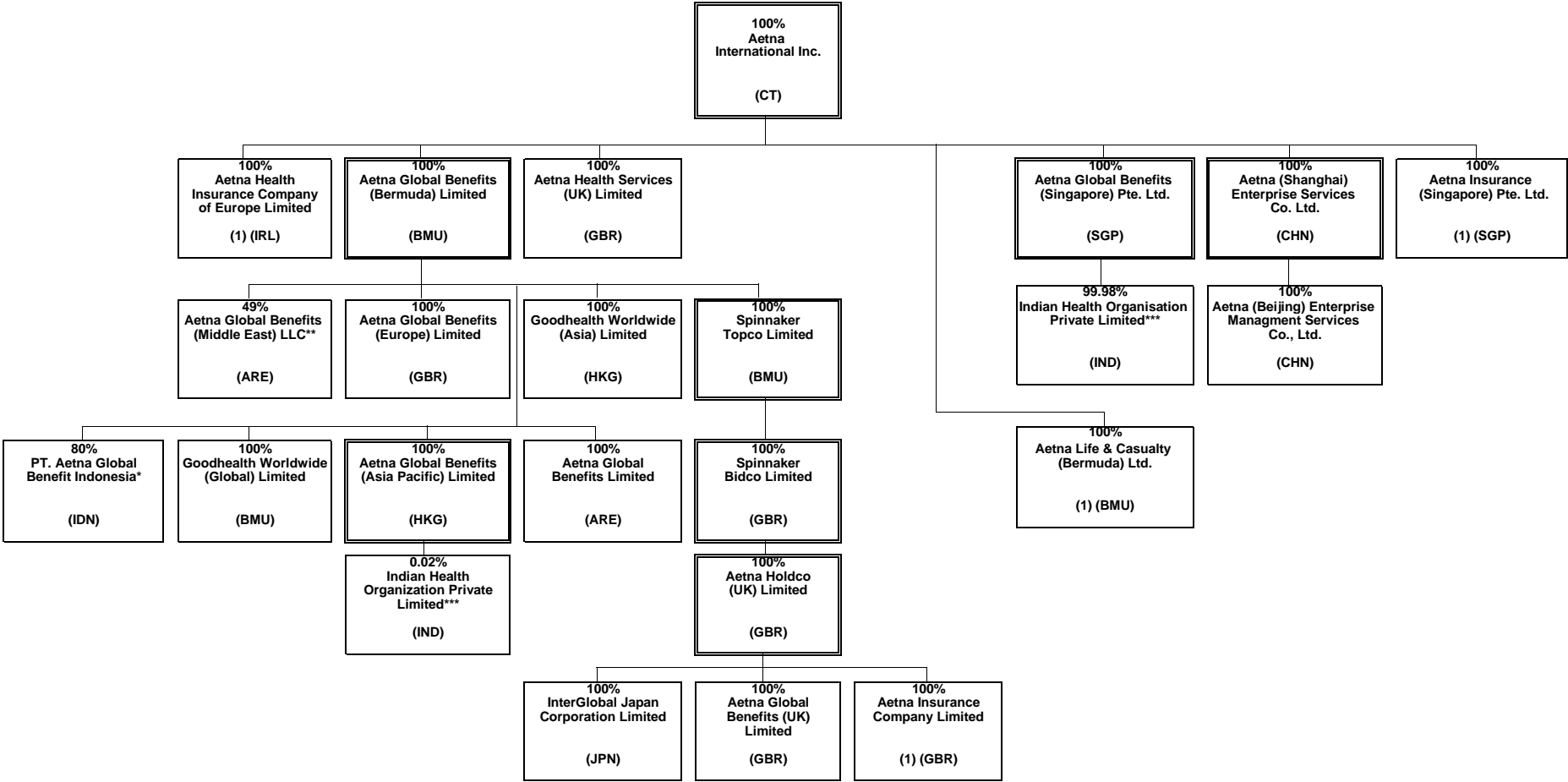
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



(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.

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

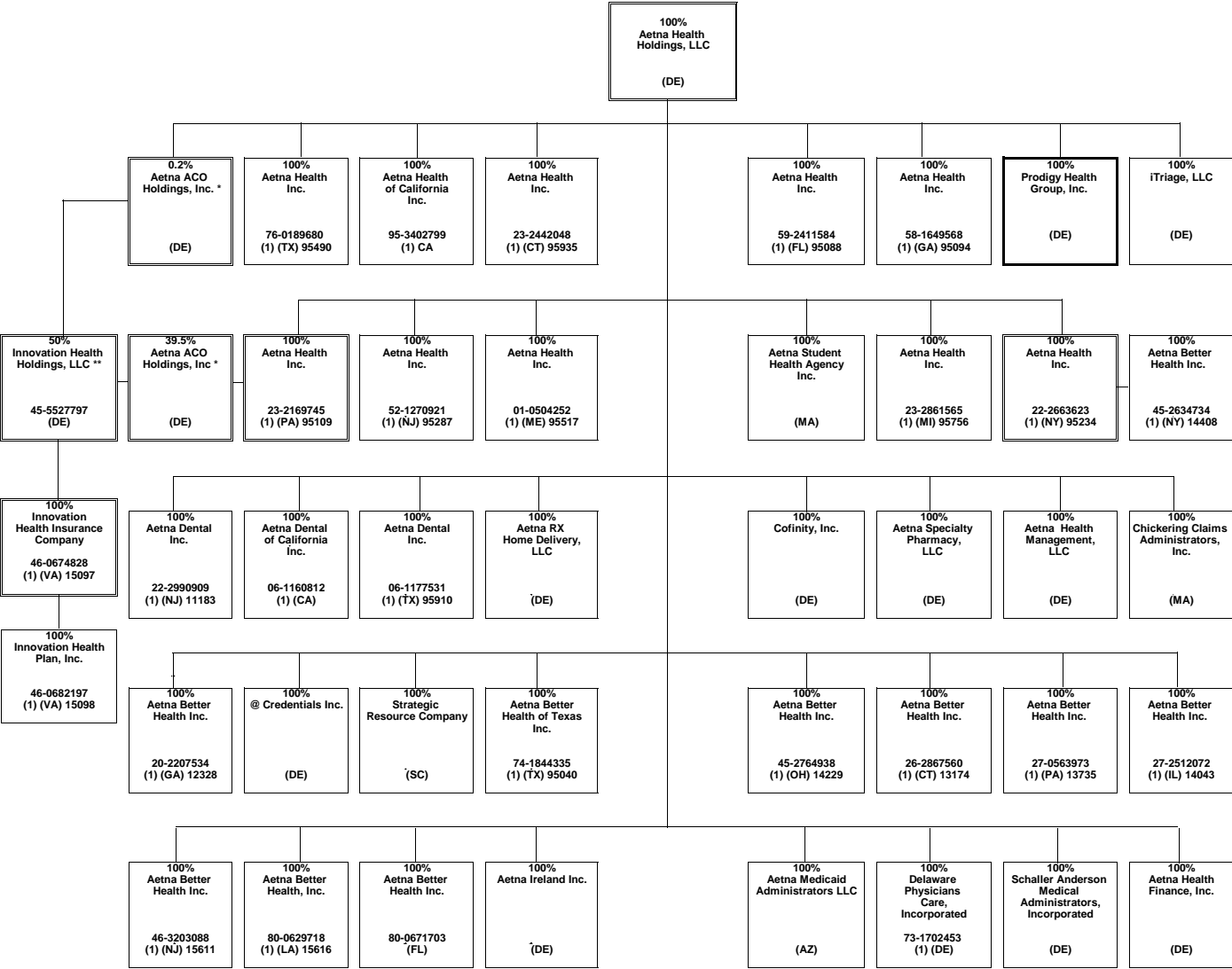
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



\*Aetna Global Benefits (Bermuda) Limited owns 80% and 20% is owned by Suhatsyah Rivai, Aetna's Nominee.  
\*\* Aetna Global Benefits (Bermuda) Limited owns 49% and 51% is owned by Euro Gulf LLC, Aetna's Nominee.  
\*\*\* Aetna Global Benefits (Asia Pacific) Limited owns 0.019857% of Indian Health Organization Private Limited and Aetna Global Benefits (Singapore) Pte. Ltd. owns 99.980143%.

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

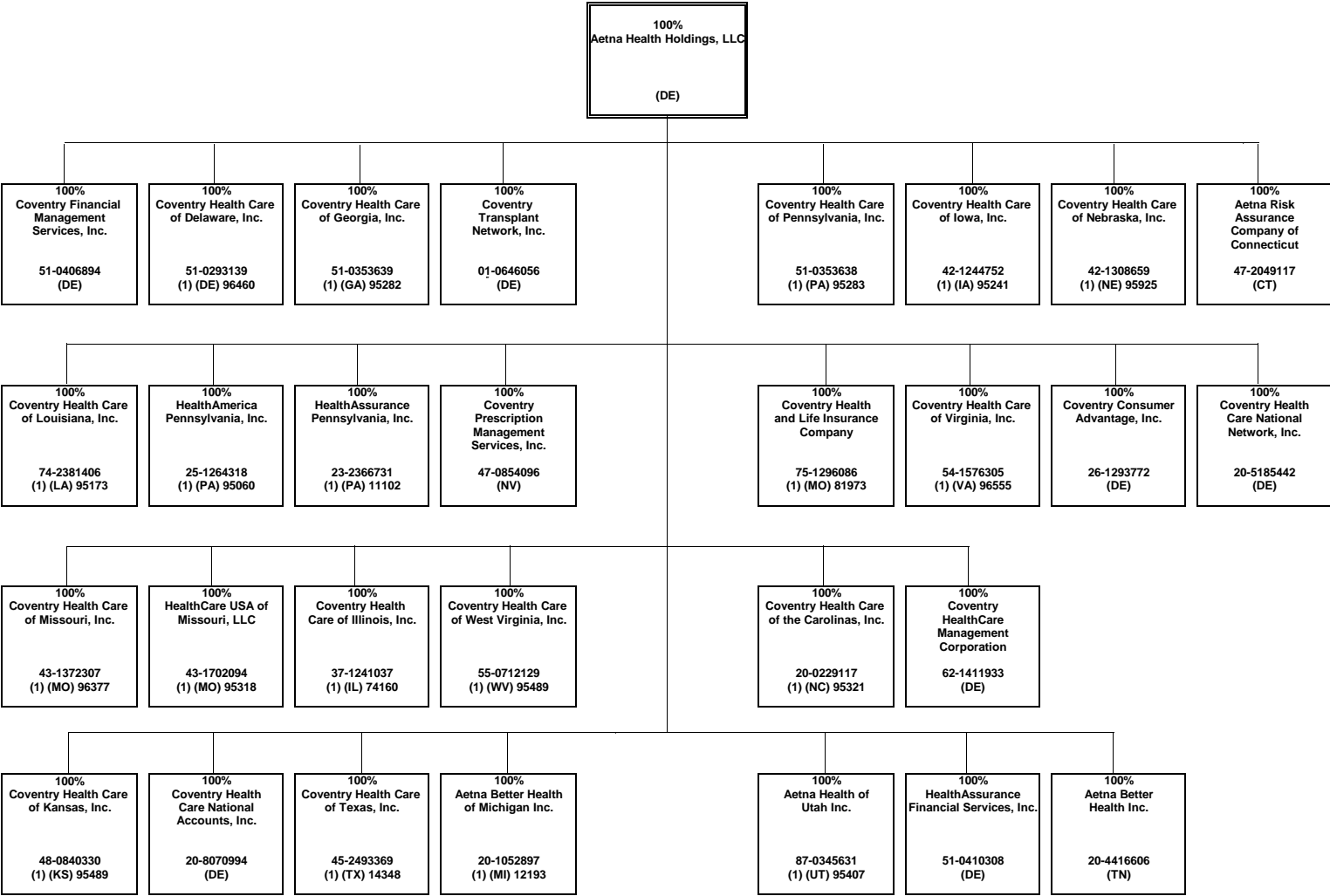
PART 1 - ORGANIZATIONAL CHART



\* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.  
\*\* Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.

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

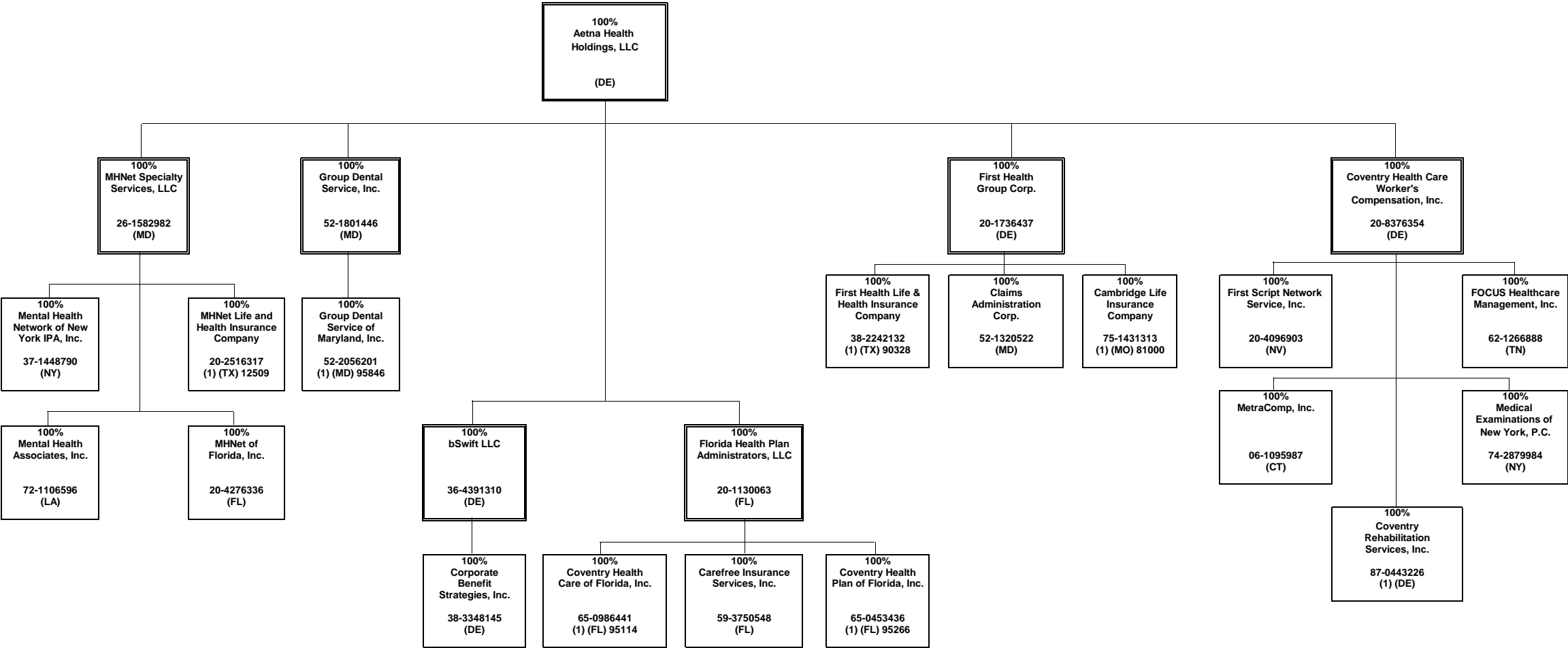
PART 1 - ORGANIZATIONAL CHART





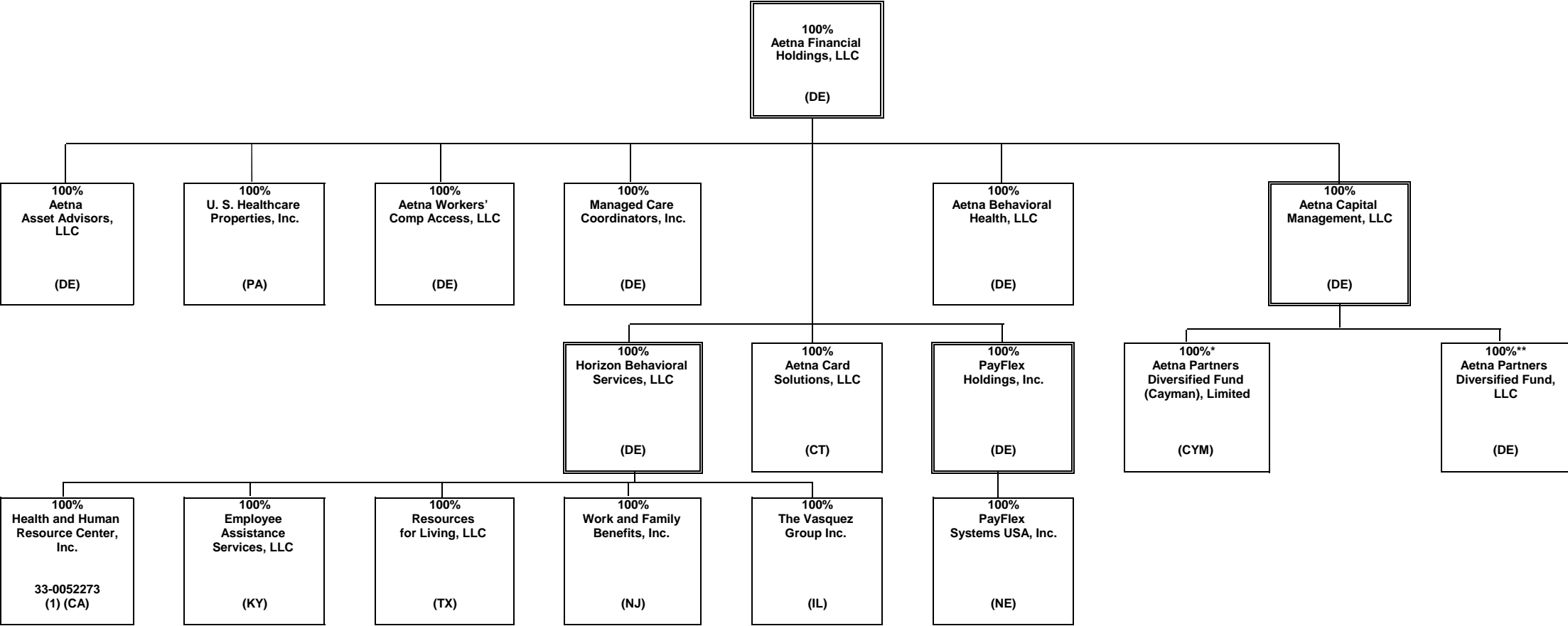
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



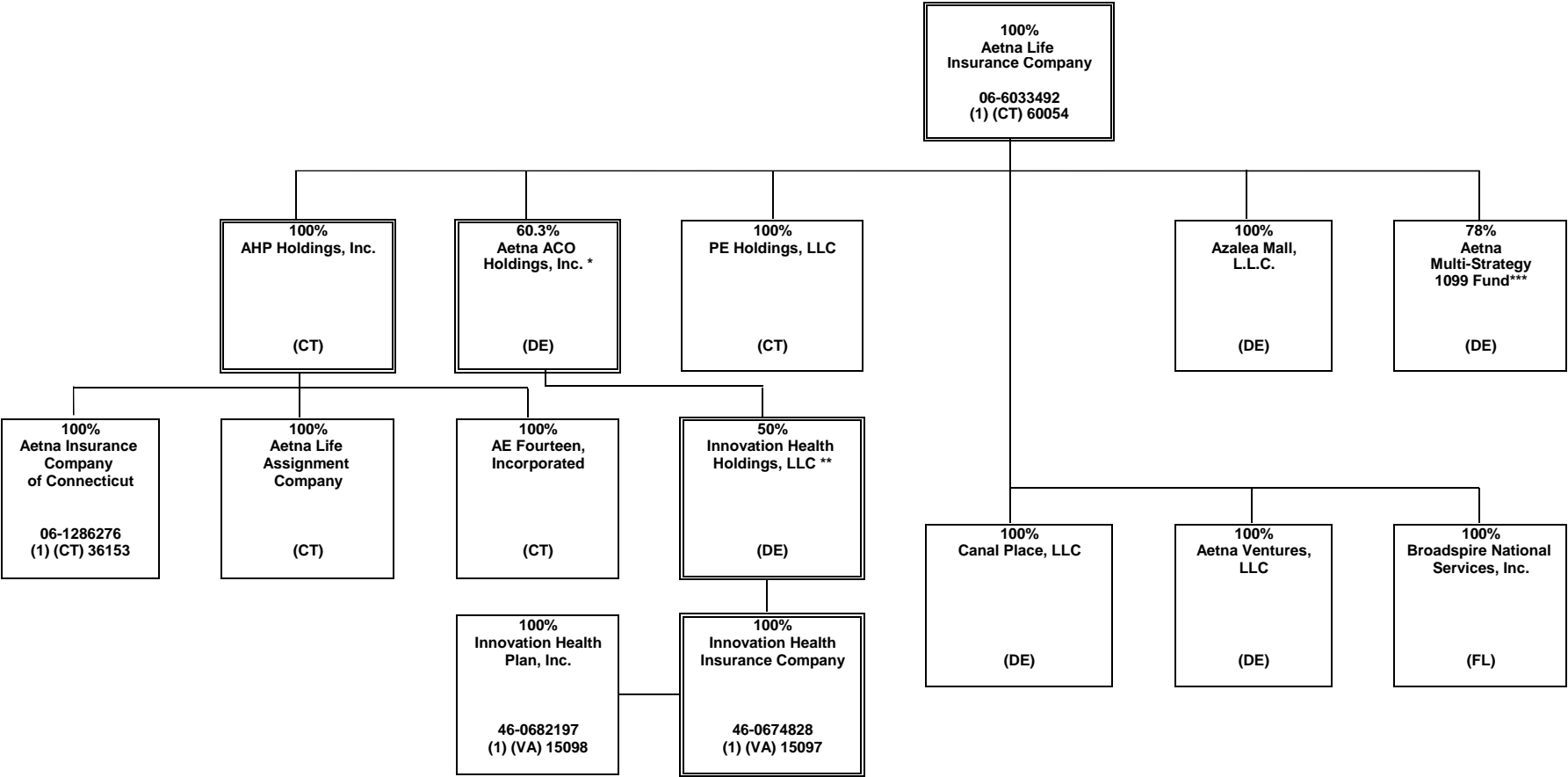
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



\* 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.

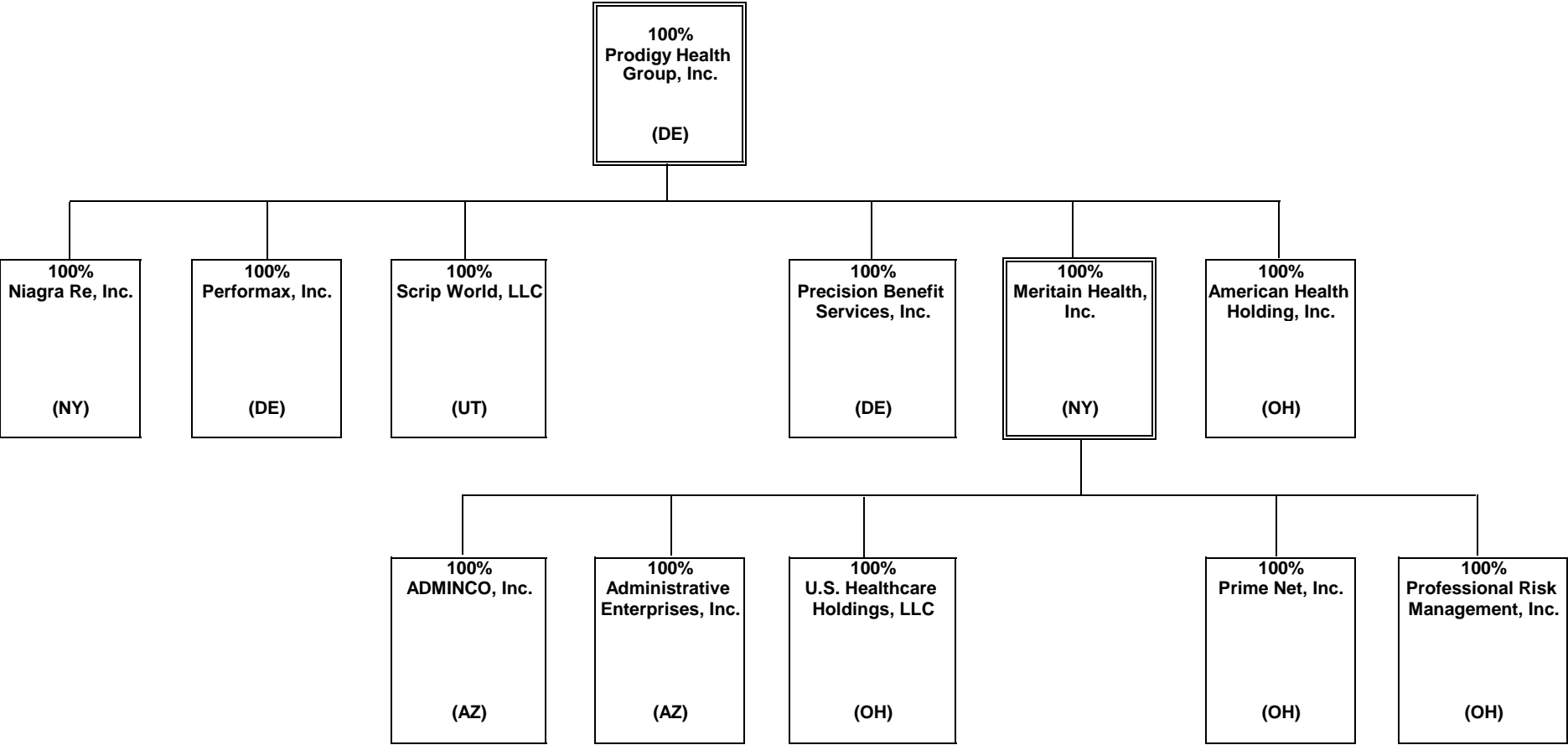
**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURANCE MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



\* Aetna Life Insurance Company owns 302 shares, Aetna Health Inc. (PA) owns 198 shares and Aetna Health Holdings, LLC owns 1 share.  
\*\* Innovation Health Holdings, LLC is 50% owned by Aetna ACO Holdings, Inc. and 50% owned by Inova Health System Foundation, an unaffiliated company.  
\*\*\*78% is invested and owned by Aetna Life Insurance Company and 22% is invested and owned by external accredited investors.

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

PART 1 - ORGANIZATIONAL CHART



**2014 ALPHABETICAL INDEX**  
**HEALTH ANNUAL STATEMENT BLANK**

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