



HEALTH ANNUAL STATEMENT

AS OF DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

Aetna Health of Iowa Inc.

NAIC Group Code 0001 0001 NAIC Company Code 95241 Employer's ID Number 42-1244752
(Current) (Prior)

Organized under the Laws of Iowa State of Domicile or Port of Entry IA

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

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

Incorporated/Organized 02/07/1985 Commenced Business 01/01/1986

Statutory Home Office 15950 West Dodge Road Omaha, NE, US 68118
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 15950 West Dodge Road
(Street and Number)
Omaha, NE, US 68118 800-471-0240
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 15950 West Dodge Road Omaha, NE, US 68118
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 15950 West Dodge Road
(Street and Number)
Omaha, NE, US 68118 402-351-7476
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.coventryhealthcare.com

Statutory Statement Contact Frank Ferris Chronister III 717-541-5742
(Name) (Area Code) (Telephone Number)
StatutoryReporting@aetna.com 717-526-2888
(E-mail Address) (FAX Number)

OFFICERS

Vice President and Treasurer Tracy Louise Smith # Corporate Controller Robert Joseph Parslow #
Vice President and Secretary Edward Chung-I Lee

OTHER

Kevin James Casey, Senior Investment Officer Frank Ferris Chronister III, Assistant Controller # Peter Keller, Assistant Controller #
Bryan James Lane, Assistant Controller # William Stephen Maynes, Assistant Controller # Davin Henry Reinecke, Chief Financial Officer

DIRECTORS OR TRUSTEES

James Dean Christensen Richard Noble Sloma

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

Tracy Louise Smith
Tracy Louise Smith
Vice President and Treasurer

Edward Chung-I Lee
Edward Chung-I Lee
Vice President and Secretary

Robert Joseph Parslow
Robert Joseph Parslow
Corporate Controller

State of..... Rhode Island
County of..... Providence

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

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

Subscribed and sworn to before me this
3rd day of February, 2020

Subscribed and sworn to before me this
29 day of January, 2020

Subscribed and sworn to before me this
10 day of February, 2020

[Signature]
NOTARY PUBLIC (Seal)

[Signature]
NOTARY PUBLIC (Seal)

[Signature]
NOTARY PUBLIC (Seal)

SUSAN J. GEORGE
NOTARY PUBLIC
STATE OF RHODE ISLAND
COMMISSION # 753267
COMMISSION EXPIRES 8/26/2023

WENDYANN CIANCI
Notary Public, State of Connecticut
My Commission Expires Nov. 30, 2020

VICTORIA WOLLSCHLAGER
Notary Public, State of Connecticut
My Commission Expires Sept. 30, 2022

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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	33,331,246	0	33,331,246	40,990,173
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 (\$13,635,050 , Schedule E - Part 1), cash equivalents (\$2,872,475 , Schedule E - Part 2) and short-term investments (\$0 , Schedule DA)	16,507,525	0	16,507,525	9,383,786
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)	49,838,771	0	49,838,771	50,373,959
13. Title plants less \$0 charged off (for Title insurers only)	0	0	0	0
14. Investment income due and accrued	310,052	0	310,052	397,014
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	143,193	143,193	0	157,176
15.2 Deferred premiums and 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) and contracts subject to redetermination (\$73,807)	73,807	0	73,807	211,472
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	0	0	0	49,070
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	101,285	0	101,285	0
18.2 Net deferred tax asset	223,395	31,034	192,361	306,235
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)	1,637	1,637	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	1
24. Health care (\$30,141) and other amounts receivable	34,818	4,677	30,141	68,715
25. Aggregate write-ins for other than invested assets	1,927,410	0	1,927,410	2,433,455
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	52,654,368	180,541	52,473,827	53,997,097
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0	0
28. Total (Lines 26 and 27)	52,654,368	180,541	52,473,827	53,997,097
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501. Recoverable state premium taxes	1,721,676	0	1,721,676	1,547,453
2502. Guaranty fund assessments	205,734	0	205,734	886,002
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	1,927,410	0	1,927,410	2,433,455

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$0 reinsurance ceded).....	394,809	12,211	407,020	3,203,595
2. Accrued medical incentive pool and bonus amounts.....	3,205,550	0	3,205,550	3,434,803
3. Unpaid claims adjustment expenses.....	10,367	0	10,367	50,913
4. Aggregate health policy reserves, including the liability of \$4,594,039 for medical loss ratio rebate per the Public Health Service Act.....	6,046,180	0	6,046,180	6,343,384
5. Aggregate life policy reserves.....	0	0	0	0
6. Property/casualty unearned premium reserves.....	0	0	0	0
7. Aggregate health claim reserves.....	4,966	0	4,966	48,457
8. Premiums received in advance.....	66,356	0	66,356	27,835
9. General expenses due or accrued.....	12,720	0	12,720	113,854
10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses)).....	0	0	0	32,986
10.2 Net deferred tax liability.....	0	0	0	0
11. Ceded reinsurance premiums payable.....	0	0	0	0
12. Amounts withheld or retained for the account of others.....	3,906	0	3,906	11,767
13. Remittances and items not allocated.....	0	0	0	32,783
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.....	71,317	0	71,317	790,941
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 reinsurers 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).....	11,937	0	11,937	32,266
24. Total liabilities (Lines 1 to 23).....	9,828,108	12,211	9,840,319	14,123,584
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	120,000	0
26. Common capital stock.....	XXX	XXX	1,267,835	1,267,835
27. Preferred capital stock.....	XXX	XXX	0	0
28. Gross paid in and contributed surplus.....	XXX	XXX	27,901,617	27,901,617
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	13,344,056	10,704,061
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$0).....	XXX	XXX	0	0
32.2 .....0 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	42,633,508	39,873,513
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	52,473,827	53,997,097
DETAILS OF WRITE-INS				
2301. Abandoned property liability.....	11,937	0	11,937	32,266
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above).....	11,937	0	11,937	32,266
2501. Estimated health insurer fee accrual.....	XXX	XXX	120,000	0
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above).....	XXX	XXX	120,000	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	11,835	67,758
2. Net premium income (including \$0 non-health premium income)	XXX	5,959,512	31,105,777
3. Change in unearned premium reserves and reserve for rate credits	XXX	(409,040)	712,899
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	(2,118)	20
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	5,548,354	31,818,696
Hospital and Medical:			
9. Hospital/medical benefits	41,766	1,392,188	12,707,337
10. Other professional services	(275)	(9,167)	196,444
11. Outside referrals	749	24,982	61,097
12. Emergency room and out-of-area	3,361	112,049	1,924,853
13. Prescription drugs	0	1,236,452	4,123,318
14. Aggregate write-ins for other hospital and medical	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts	0	(134,526)	(360,306)
16. Subtotal (Lines 9 to 15)	45,601	2,621,978	18,652,743
Less:			
17. Net reinsurance recoveries	0	25,819	5
18. Total hospital and medical (Lines 16 minus 17)	45,601	2,596,159	18,652,738
19. Non-health claims (net)	0	0	0
20. Claims adjustment expenses, including \$113,150 cost containment expenses	0	162,067	562,437
21. General administrative expenses	0	1,642,462	8,607,686
22. Increase in reserves for life and accident and health contracts (including \$0 increase in reserves for life only)	0	(708,337)	788,788
23. Total underwriting deductions (Lines 18 through 22)	45,601	3,692,351	28,611,649
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	1,856,003	3,207,047
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)	0	1,010,839	1,683,856
26. Net realized capital gains (losses) less capital gains tax of \$34,234	0	194,440	(869,820)
27. Net investment gains (losses) (Lines 25 plus 26)	0	1,205,279	814,036
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$0) (amount charged off \$0)]	0	0	0
29. Aggregate write-ins for other income or expenses	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	3,061,282	4,021,083
31. Federal and foreign income taxes incurred	XXX	278,882	2,016,508
32. Net income (loss) (Lines 30 minus 31)	XXX	2,782,400	2,004,575
DETAILS OF WRITE-INS			
0601. Misc other income	XXX	(2,118)	20
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	(2,118)	20
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.			
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	39,873,513	37,492,972
34. Net income or (loss) from Line 32.....	2,782,400	2,004,575
35. Change in valuation basis of aggregate policy and claim reserves.....	0	0
36. Change in net unrealized capital gains (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.....	(120,723)	(389,775)
39. Change in nonadmitted assets.....	98,318	1,683,049
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.....	0	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	(917,308)
48. Net change in capital and surplus (Lines 34 to 47).....	2,759,995	2,380,541
49. Capital and surplus end of reporting period (Line 33 plus 48)	42,633,508	39,873,513
DETAILS OF WRITE-INS		
4701. Prior Period MLR Rebate Liability Audit Adjustment.....	0	(1,161,149)
4702. Prior Period Federal Income Tax 2015 MLR Correction Audit Adjustment.....	0	243,841
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	0	(917,308)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	5,682,341	25,189,374
2. Net investment income	1,416,883	2,583,831
3. Miscellaneous income	(2,118)	20
4. Total (Lines 1 through 3)	7,097,106	27,773,225
5. Benefit and loss related payments	4,874,174	45,455,936
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions	2,120,432	11,086,975
8. Dividends paid to policyholders	0	0
9. Federal and foreign income taxes paid (recovered) net of \$0 tax on capital gains (losses)	447,387	732,921
10. Total (Lines 5 through 9)	7,441,993	57,275,832
11. Net cash from operations (Line 4 minus Line 10)	(344,887)	(29,502,607)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	12,760,276	39,376,799
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	(45)	3
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	12,760,231	39,376,802
13. Cost of investments acquired (long-term only):		
13.1 Bonds	5,191,713	241,250
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)	5,191,713	241,250
14. Net increase (decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	7,568,518	39,135,552
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock	0	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)	(99,892)	(1,041,695)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(99,892)	(1,041,695)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	7,123,739	8,591,250
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	9,383,786	792,535
19.2 End of year (Line 18 plus Line 19.1)	16,507,524	9,383,786

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

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ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.
ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	5,959,512	5,959,512	0	0	0	0	0	0	0	0
2. Change in unearned premium reserves and reserve for rate credit	(409,040)	(364,030)	0	0	0	(45,010)	0	0	0	0
3. Fee-for-service (net of \$ 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	(2,118)	(2,118)	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)	5,548,354	5,593,364	0	0	0	(45,010)	0	0	0	0
8. Hospital/medical benefits	1,392,188	1,394,340	0	0	0	(2,152)	0	0	0	XXX
9. Other professional services	(9,167)	(9,115)	0	0	0	(52)	0	0	0	XXX
10. Outside referrals	24,982	24,955	0	0	0	27	0	0	0	XXX
11. Emergency room and out-of-area	112,049	112,232	0	0	0	(183)	0	0	0	XXX
12. Prescription drugs	1,236,452	1,236,452	0	0	0	0	0	0	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	(134,526)	(134,526)	0	0	0	0	0	0	0	XXX
15. Subtotal (Lines 8 to 14)	2,621,978	2,624,338	0	0	0	(2,360)	0	0	0	XXX
16. Net reinsurance recoveries	25,819	25,819	0	0	0	0	0	0	0	XXX
17. Total medical and hospital (Lines 15 minus 16)	2,596,159	2,598,519	0	0	0	(2,360)	0	0	0	XXX
18. Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
19. Claims adjustment expenses including \$ 113,150 cost containment expenses	162,067	162,067	0	0	0	0	0	0	0	0
20. General administrative expenses	1,642,462	1,641,998	0	0	0	464	0	0	0	0
21. Increase in reserves for accident and health contracts	(708,337)	(708,337)	0	0	0	0	0	0	0	XXX
22. Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
23. Total underwriting deductions (Lines 17 to 22)	3,692,351	3,694,247	0	0	0	(1,896)	0	0	0	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23)	1,856,003	1,899,117	0	0	0	(43,114)	0	0	0	0
DETAILS OF WRITE-INS										
0501. Misc other income	(2,118)	(2,118)	0	0	0	0	0	0	0	XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	(2,118)	(2,118)	0	0	0	0	0	0	0	XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0698. Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	5,959,512	0	0	5,959,512
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	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0
8. Other health	0	0	0	0
9. Health subtotal (Lines 1 through 8)	5,959,512	0	0	5,959,512
10. Life	0	0	0	0
11. Property/casualty	0	0	0	0
12. Totals (Lines 9 to 11)	5,959,512	0	0	5,959,512

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	5,562,672	5,562,931	0	0	0	(259)	0	0	0	0
1.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded	74,889	74,889	0	0	0	0	0	0	0	0
1.4 Net	5,487,783	5,488,042	0	0	0	(259)	0	0	0	0
2. Paid medical incentive pools and bonuses	94,727	94,727	0	0	0	0	0	0	0	0
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	407,020	407,020	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	407,020	407,020	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	4,966	4,966	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	4,966	4,966	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year	3,205,550	3,205,550	0	0	0	0	0	0	0	0
6. Net healthcare receivables (a)	(33,897)	(33,897)	0	0	0	0	0	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	3,203,595	3,201,530	0	0	0	2,065	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	3,203,595	3,201,530	0	0	0	2,065	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	48,457	48,421	0	0	0	36	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	48,457	48,421	0	0	0	36	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year	3,434,802	3,434,802	0	0	0	0	0	0	0	0
11. Amounts recoverable from reinsurers December 31, prior year	49,070	49,070	0	0	0	0	0	0	0	0
12. Incurred Benefits:										
12.1 Direct	2,756,503	2,758,863	0	0	0	(2,360)	0	0	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	25,819	25,819	0	0	0	0	0	0	0	0
12.4 Net	2,730,684	2,733,044	0	0	0	(2,360)	0	0	0	0
13. Incurred medical incentive pools and bonuses	(134,525)	(134,525)	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	44,980	44,980	.0	.0	.0	.0	.0	.0	.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	44,980	44,980	.0	.0	.0	.0	.0	.0	.0	.0
2. Incurred but Unreported:										
2.1 Direct	362,040	362,040	.0	.0	.0	.0	.0	.0	.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	362,040	362,040	.0	.0	.0	.0	.0	.0	.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	407,020	407,020	.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	407,020	407,020	.0	.0	.0	.0	.0	.0	.0	.0

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	475,861	5,061,253	120,814	291,172	596,675	3,249,951
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	(259)	0	0	0	(259)	2,101
6. Title XVIII - Medicare	0	0	0	0	0	0
7. Title XIX - Medicaid	0	0	0	0	0	0
8. Other health	0	0	0	0	0	0
9. Health subtotal (Lines 1 to 8)	475,602	5,061,253	120,814	291,172	596,416	3,252,052
10. Healthcare receivables (a)	0	34,818	0	0	0	68,715
11. Other non-health	0	0	0	0	0	0
12. Medical incentive pools and bonus amounts	54,142	40,585	3,154,637	50,913	3,208,779	3,434,803
13. Totals (Lines 9 - 10 + 11 + 12)	529,744	5,067,020	3,275,451	342,085	3,805,195	6,618,140

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	25,698	25,698	25,698	25,698	25,698
2.	2015	194,142	225,852	225,852	225,852	225,852
3.	2016	XXX	165,894	184,326	184,326	184,326
4.	2017	XXX	XXX	142,930	166,343	166,343
5.	2018	XXX	XXX	XXX	21,313	21,843
6.	2019	XXX	XXX	XXX	XXX	5,067

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	(28,913)	(28,913)	(28,913)	(28,913)	(28,913)
2.	2015	222,815	255,193	255,193	255,193	255,193
3.	2016	XXX	194,148	213,041	213,041	213,041
4.	2017	XXX	XXX	175,590	203,025	203,025
5.	2018	XXX	XXX	XXX	23,976	27,781
6.	2019	XXX	XXX	XXX	XXX	5,409

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	263,951	225,852	0	0.0	225,852	85.6	0	0	225,852	85.6
2. 2016	224,519	184,326	0	0.0	184,326	82.1	0	0	184,326	82.1
3. 2017	209,641	166,343	0	0.0	166,343	79.3	0	0	166,343	79.3
4. 2018	32,328	21,843	0	0.0	21,843	67.6	3,275	0	25,118	77.7
5. 2019	5,595	5,067	203	4.0	5,270	94.2	342	10	5,622	100.5

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	NONE				
2. 2015					
3. 2016					
4. 2017					
5. 2018					
6. 2019					

Section B - Incurred Health Claims - Medicare Supplement

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	NONE				
2. 2015					
3. 2016					
4. 2017					
5. 2018					
6. 2019					

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense (Col. 3/2)	4 Percent	5 Claim and Claim Adjustment Expense Payments (Col. 5/1)	6 Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	NONE									
2. 2016										
3. 2017										
4. 2018										
5. 2019										

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	0	0	0	0	0
2.	2015	0	0	0	0	0
3.	2016	XXX	0	0	0	0
4.	2017	XXX	XXX	0	0	0
5.	2018	XXX	XXX	XXX	0	0
6.	2019	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	0	0	0	0	0
2.	2015	0	0	0	0	0
3.	2016	XXX	0	11	11	11
4.	2017	XXX	XXX	0	0	0
5.	2018	XXX	XXX	XXX	0	0
6.	2019	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2016	0	0	0	0.0	0	0.0	0	0	0	0.0
3. 2017	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2018	0	0	0	0.0	0	0.0	0	0	0	0.0
5. 2019	0	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Section A - Paid Health Claims - Vision Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	NONE				
2. 2015					
3. 2016					
4. 2017					
5. 2018					
6. 2019					

Section B - Incurred Health Claims - Vision Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	NONE				
2. 2015					
3. 2016					
4. 2017					
5. 2018					
6. 2019					

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Vision Only

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense (Col. 3/2)	4 Percent	5 Claim and Claim Adjustment Expense Payments (Col. 5/1)	6 Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	NONE									
2. 2016										
3. 2017										
4. 2018										
5. 2019										

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior .....	.667	.667	.667	.667	.667
2.	2015	9,603	11,233	11,233	11,233	11,233
3.	2016	XXX	71	96	96	96
4.	2017	XXX	XXX	0	17	17
5.	2018	XXX	XXX	XXX	0	0
6.	2019	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Federal Employees Health Benefits Plan Premium

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	97,267	97,267	97,267	97,267	97,267
2.	2015	11,048	12,688	12,688	12,688	12,688
3.	2016	XXX	70	100	100	100
4.	2017	XXX	XXX	0	19	19
5.	2018	XXX	XXX	XXX	0	0
6.	2019	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Federal Employees Health Benefits Plan Premium

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	14,934	11,233	0	0.0	11,233	75.2	0	0	11,233	75.2
2. 2016	(650)	96	0	0.0	96	(14.8)	0	0	96	(14.8)
3. 2017	0	17	0	0.0	17	0.0	0	0	17	0.0
4. 2018	(509)	0	0	0.0	0	0.0	0	0	0	0.0
5. 2019	(45)	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	3,748	3,748	3,748	3,748	3,748
2.	2015	26,552	29,084	29,084	29,084	29,084
3.	2016	XXX	14,654	14,654	14,654	14,654
4.	2017	XXX	XXX	0	0	0
5.	2018	XXX	XXX	XXX	11	11
6.	2019	XXX	XXX	XXX	XXX	0

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	(3,314)	(3,314)	(3,314)	(3,314)	(3,314)
2.	2015	30,678	33,210	33,210	33,210	33,210
3.	2016	XXX	14,651	14,651	14,651	14,651
4.	2017	XXX	XXX	11	11	11
5.	2018	XXX	XXX	XXX	11	11
6.	2019	XXX	XXX	XXX	XXX	0

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	34,800	29,084	0	0.0	29,084	83.6	0	0	29,084	83.6
2. 2016	18,064	14,654	0	0.0	14,654	81.1	0	0	14,654	81.1
3. 2017	0	0	0	0.0	0	0.0	0	0	0	0.0
4. 2018	0	11	0	0.0	11	0.0	0	0	11	0.0
5. 2019	0	0	0	0.0	0	0.0	0	0	0	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	NONE				
2. 2015					
3. 2016					
4. 2017					
5. 2018					
6. 2019					

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	NONE				
2. 2015					
3. 2016					
4. 2017					
5. 2018					
6. 2019					

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense (Col. 3/2)	4 Percent	5 Claim and Claim Adjustment Expense Payments (Col. 5/1)	6 Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	NONE									
2. 2016										
3. 2017										
4. 2018										
5. 2019										

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Other

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	NONE				
2. 2015					
3. 2016					
4. 2017					
5. 2018					
6. 2019					

Section B - Incurred Health Claims - Other

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2015	2 2016	3 2017	4 2018	5 2019
1. Prior	NONE				
2. 2015					
3. 2016					
4. 2017					
5. 2018					
6. 2019					

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense (Col. 3/2)	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 4/2)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	NONE									
2. 2016										
3. 2017										
4. 2018										
5. 2019										

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UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	30,113	30,113	30,113	30,113	30,113
2.	2015	230,297	266,169	266,169	266,169	266,169
3.	2016	XXX	180,619	199,076	199,076	199,076
4.	2017	XXX	XXX	142,930	166,360	166,360
5.	2018	XXX	XXX	XXX	21,324	21,854
6.	2019	XXX	XXX	XXX	XXX	5,067

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2015	2 2016	3 2017	4 2018	5 2019
1.	Prior	65,040	65,040	65,040	65,040	65,040
2.	2015	264,541	301,091	301,091	301,091	301,091
3.	2016	XXX	208,869	227,803	227,803	227,803
4.	2017	XXX	XXX	175,601	203,055	203,055
5.	2018	XXX	XXX	XXX	23,987	27,792
6.	2019	XXX	XXX	XXX	XXX	5,409

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2015	313,685	266,169	0	0.0	266,169	84.9	0	0	266,169	84.9
2. 2016	241,933	199,076	0	0.0	199,076	82.3	0	0	199,076	82.3
3. 2017	209,641	166,360	0	0.0	166,360	79.4	0	0	166,360	79.4
4. 2018	31,819	21,854	0	0.0	21,854	68.7	3,275	0	25,129	79.0
5. 2019	5,550	5,067	203	4.0	5,270	95.0	342	10	5,622	101.3

12.GT

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	495	495	0	0	0	0	0	0	0
2. Additional policy reserves (a)	0	0	0	0	0	0	0	0	0
3. Reserve for future contingent benefits	0	0	0	0	0	0	0	0	0
4. Reserve for rate credits or experience rating refunds (including \$0) for investment income	6,045,685	4,181,469	0	0	0	1,864,216	0	0	0
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	6,046,180	4,181,964	0	0	0	1,864,216	0	0	0
7. Reinsurance ceded	0	0	0	0	0	0	0	0	0
8. Totals (Net)(Page 3, Line 4)	6,046,180	4,181,964	0	0	0	1,864,216	0	0	0
9. Present value of amounts not yet due on claims	0	0	0	0	0	0	0	0	0
10. Reserve for future contingent benefits	4,966	4,966	0	0	0	0	0	0	0
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	4,966	4,966	0	0	0	0	0	0	0
13. Reinsurance ceded	0	0	0	0	0	0	0	0	0
14. Totals (Net)(Page 3, Line 7)	4,966	4,966	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$80,450 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$0 for occupancy of own building)	2,754	935	1,508	1,428	6,625
2. Salary, wages and other benefits	75,341	26,499	179,565	36,707	318,112
3. Commissions (less \$0 ceded plus \$0 assumed)	0	0	238,225	0	238,225
4. Legal fees and expenses	0	0	4,070	590	4,660
5. Certifications and accreditation fees	0	0	0	0	0
6. Auditing, actuarial and other consulting services	0	3,073	82,478	9,715	95,266
7. Traveling expenses	484	168	6,397	124	7,173
8. Marketing and advertising	(72)	368	30,313	2	30,611
9. Postage, express and telephone	654	2,086	12,296	330	15,366
10. Printing and office supplies	0	416	4,918	56	5,390
11. Occupancy, depreciation and amortization	1,319	559	(1,878)	0	0
12. Equipment	0	249	11,297	972	12,518
13. Cost or depreciation of EDP equipment and software	2	951	15,734	581	17,268
14. Outsourced services including EDP, claims, and other services	27,623	11,463	128,665	5,331	173,082
15. Boards, bureaus and association fees	18	7	552	84	661
16. Insurance, except on real estate	193	81	3,114	27	3,415
17. Collection and bank service charges	0	49	702	3,150	3,901
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	19	12	5,123	8	5,162
22. Real estate taxes	0	0	982	0	982
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes	0	0	55,792	0	55,792
23.2 State premium taxes	0	0	597,592	0	597,592
23.3 Regulatory authority licenses and fees	0	0	414,705	0	414,705
23.4 Payroll taxes	4,809	1,691	9,444	1,115	17,059
23.5 Other (excluding federal income and real estate taxes)	0	0	(90,266)	0	(90,266)
24. Investment expenses not included elsewhere	0	0	0	0	0
25. Aggregate write-ins for expenses	6	310	(68,866)	0	(68,550)
26. Total expenses incurred (Lines 1 to 25)	113,150	48,917	1,642,462	60,220	(a) 1,864,749
27. Less expenses unpaid December 31, current year	7,238	3,129	12,720	0	23,087
28. Add expenses unpaid December 31, prior year	34,749	16,164	113,854	0	164,767
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)	140,661	61,952	1,743,596	60,220	2,006,429
DETAILS OF WRITE-INS					
2501. Miscellaneous	6	317	(60,401)	0	(60,078)
2502. Loss adjustment expense	0	0	(40,545)	0	(40,545)
2503. Rx rebate expense	0	0	26,674	0	26,674
2598. Summary of remaining write-ins for Line 25 from overflow page	0	(7)	5,406	0	5,399
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	6	310	(68,866)	0	(68,550)

(a) Includes management fees of \$880,980 to affiliates and \$0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds	(a) 67,925	67,925
1.1 Bonds exempt from U.S. tax	(a) 0	0
1.2 Other bonds (unaffiliated)	(a) 997,428	910,466
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) 92,668	92,668
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	1,158,021	1,071,059
11. Investment expenses		(g) 59,105
12. Investment taxes, licenses and fees, excluding federal income taxes		(g) 1,115
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)		60,220
17. Net investment income (Line 10 minus Line 16)		1,010,839
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ 33,042 accrual of discount less \$ 352,124 amortization of premium and less \$ 36,576 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 \$ 92,492 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	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	0	0	0	0	0
1.1 Bonds exempt from U.S. tax	0	0	0	0	0
1.2 Other bonds (unaffiliated)	244,561	(15,843)	228,718	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	(44)	0	(44)	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)	244,517	(15,843)	228,674	0	0
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)	0	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) 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	143,193	238,904	95,711
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due	0	0	0
15.3 Accrued retrospective premiums and contracts subject to redetermination	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	31,034	37,883	6,849
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	1,637	2,073	436
22. Net adjustment in assets and liabilities due to foreign exchange rates	0	0	0
23. Receivable from parent, subsidiaries and affiliates	0	0	0
24. Health care and other amounts receivable	4,677	0	(4,677)
25. Aggregate write-ins for other than invested assets	0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	180,541	278,860	98,319
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts	0	0	0
28. Total (Lines 26 and 27)	180,541	278,860	98,319
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.	0	0	0
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations	1,352	107	104	104	103	1,333
2. Provider Service Organizations	0	0	0	0	0	0
3. Preferred Provider Organizations	0	0	0	0	0	0
4. Point of Service	2,673	1,174	1,192	714	334	10,502
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	4,025	1,281	1,296	818	437	11,835
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 and Going Concern

A. Accounting Practices

The accompanying statutory financial statements of Aetna Health of Iowa Inc. (the "Company"), indirectly a wholly-owned subsidiary of CVS Health Corporation ("CVS Health"), have been prepared in conformity with accounting practices prescribed or permitted by the Iowa Insurance Division, Department of Commerce of the State of Iowa ("Iowa Insurance Division") ("Iowa Accounting Practices"). The Iowa Insurance Division recognizes statutory accounting practices prescribed or permitted by the State of Iowa 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"). On November 28, 2018, CVS Health acquired Aetna Inc. ("Aetna") and at that date became the Company's ultimate parent (the "Aetna Acquisition").

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Iowa for the years ending December 31, 2019 and 2018 is as follows:

	SSAP #	F/S Page	F/S Line #	2019	2018
NET INCOME					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 2,782,400	\$ 2,004,575
(2) State Prescribed Practices that increase/(decrease) NAIC SAP:				—	—
(3) State Permitted Practices that increase/(decrease) NAIC SAP:				—	—
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 2,782,400	\$ 2,004,575
SURPLUS					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 42,633,508	\$ 39,873,513
(6) State Prescribed Practices that increase/(decrease) NAIC SAP:				—	—
(7) State Permitted Practices that increase/(decrease) NAIC SAP:				—	—
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 42,633,508	\$ 39,873,513

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

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

C. Accounting Policies

The Company applies the following significant accounting policies:

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

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

(2) Bonds

Bonds 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.

NOTES TO 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, 2019 and 2018. Bonds include all investments whose maturity is greater than one year when purchased. Loan-backed and structured securities are carried at amortized cost adjusted for unamortized premiums and discounts and are accounted for using the retrospective adjustment method. Premiums and discounts on loan-backed and structured securities are amortized using the scientific method over the estimated remaining term of the securities, adjusted for anticipated prepayments. All adjustments between amortized cost and carrying value are reflected in unrealized capital gains and losses and are reported as direct adjustments to surplus.

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

The Company periodically reviews its bonds to determine whether a decline in fair value below the carrying value is other-than-temporary. For bonds, other than loan-backed and structured securities ("LB&SS"), 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 LB&SS, 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 the Company's expectations and the risk that facts and circumstances factored into its assessment may change with the passage of time. Unexpected changes to market factors and circumstances that were not present in past reporting periods may result in a current period decision to sell securities that were not other-than-temporarily-impaired in prior reporting periods.

- (3) The Company did not own any common stock at December 31, 2019 or 2018.
- (4) The Company did not own any preferred stock at December 31, 2019 or 2018.
- (5) The Company did not have any mortgage loans at December 31, 2019 or 2018.
- (6) The Company did not have any investments in subsidiaries, controlled or affiliated companies at December 31, 2019 or 2018.
- (7) The Company did not have any investments in any joint ventures, partnerships and limited liability companies at December 31, 2019 or 2018.
- (8) The Company did not have any derivatives at December 31, 2019 or 2018.
- (9) 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 a manner consistent with the method of acquiring, servicing and measuring the profitability of such contracts.

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 UEP balances of \$495 and \$9,095 were included in aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2019 and 2018, respectively.

NOTES TO FINANCIAL STATEMENTS

The Company is required to make premium rebate payments to customers that are enrolled under certain health insurance policies if specific minimum annual medical loss ratios (“MLR”) were not met in the prior year. The Company's results for full year 2019 and 2018 include estimates of \$4,594,039 and \$4,176,399, respectively, of minimum MLR rebates, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities and Capital and Surplus.

The Company contracts with the Office of Personnel Management (“OPM”) to provide managed health care services under the Federal Employees Health Benefits (“FEHB”) program in its service areas. OPM regulations require that FEHB plans meet a FEHB program-specific MLR by plan code and market. The Company reported minimum FEHB program MLR rebate estimates of \$700,000 and \$700,000 in aggregate policy reserves at December 31, 2019 and 2018, respectively.

The Company reported a Federal Contingency Reserve of \$669,103 and \$669,103 in aggregate health policy reserves at December 31, 2019 and 2018, respectively, which were included in aggregate health policy reserves in the Statutory Statements of Liabilities and Capital and Surplus.

The Company reported liabilities associated with contracts subject to redetermination as aggregate health policy reserves in accordance with SSAP No. 54R - *Individual and Group and Accident Health Contracts* (“SSAP No. 54R”) and SSAP No. 107 - *Risk-Sharing Provisions of the Affordable Care Act* (“SSAP No. 107”). The Company reported Affordable Care Act (“ACA”) Risk Adjustment Payables of \$2,093 and \$0 in aggregate health policy reserves at December 31, 2019 and 2018, respectively.

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

Hospital and medical costs consist principally of fee-for-service medical claims and capitation costs. Claims unpaid and aggregate health claim reserves include the Company's estimate of payments to be made on claims reported but not yet paid and for health care services rendered to enrollees but not yet reported to the Company as of the Statutory Statements of Assets and Liabilities, Capital and Surplus date. Such estimates are developed using actuarial principles and assumptions, which consider, among other things, historical and projected claim submission and processing payment patterns, medical cost trends, historical utilization of health care services, claim inventory levels, medical inflation, contract requirement changes in membership and product mix, seasonality and other relevant factors. The Company reflects changes in estimates in hospital and medical costs in the Statutory Statements of Revenue and Expenses in the period they are determined. Capitation costs, which are recorded in hospital and medical expenses in the Statutory Statements of Revenue and Expenses, represent contractual monthly fees paid to participating physicians and other medical providers for providing medical care, regardless of the medical services provided to the enrollee.

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

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

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

(12) Pharmaceutical Rebate Receivables

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

(13) Premiums and Amounts Due and Unpaid

Premium revenue for prepaid health or dental care products is recognized as income in the month in which enrollees are entitled to health or dental care services. Premiums collected before the effective period are reported as premiums received in advance. Premiums related to unexpired contractual coverage periods are reported as unearned premiums in the Statutory Statements of Liabilities, Capital and Surplus (refer to discussion of aggregate health policy reserves and related expenses above).

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

NOTES TO FINANCIAL STATEMENTS

review, additional amounts may be nonadmitted. Uncollectible amounts are generally written-off and charged to revenue in the period in which the customer reconciliations are completed and agreed to by the customer (retroactivity) or when the account is determined to be uncollectible by the Company.

(14) Aggregate Health Claim Reserves

The reserve for future contingent benefits includes the estimated cost of services that will continue to be incurred after the Statutory Statements of Liabilities, Capital and Surplus date if the Company is obligated to pay for such services in accordance with contract provisions or regulatory requirements. These balances are recorded in aggregate health claim reserves in the Statutory Statements of Liabilities, Capital and Surplus and are estimated using a percentage of current hospital and medical costs, which is based on the Company's historical cost experience.

(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, 2019 and 2018, 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) Fees Paid to the Federal Government by Health Insurers

SSAP No. 106 - *Affordable Care Act Section 9010 Assessment* ("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. On January 22, 2018, Public Law No: 115-120 was signed into law and it imposes a moratorium on the health insurer fee for calendar year 2019. As interpreted in INT 18-02: ACA Section 9010 Assessment Moratoriums, because there was not an ACA Section 9010 fee due in September 2019, there was not an accrual of a liability on January 1, 2019 based on 2018 data year net written premiums. Accrual of a liability on January 1, 2020 for the ACA Section 9010 assessment based on 2019 data year net written premiums and the reclassification from unassigned funds (surplus) to aggregate write-ins for special surplus funds equal to the estimated 2020 fee year assessment accrued in data year 2019 will both continue as prescribed under SSAP No. 106. See Note 22 for disclosure of all amounts related to the health insurer fee for the Company.

(18) The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010's (collectively, the "ACA") Risk Adjustment

Risk Adjustment

The ACA 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 risk adjustment receivable or payable for the current calendar year and reflects the impact as an adjustment to its premium revenue in accordance with SSAP No. 107.

(19) Federal and State Income and Premium Taxes

Aetna and its wholly-owned subsidiaries are included in the consolidated federal income tax return of its parent company, CVS Health, pursuant to the terms of a tax sharing agreement (and a Supplemental Tax Sharing Agreement where applicable) between CVS Health and the Company.

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

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

NOTES TO FINANCIAL STATEMENTS

whereby statutory and tax basis balance sheets are compared. Current income tax recoverables include all current income taxes, including interest, reasonably expected to be recovered in a subsequent accounting period.

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

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

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

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

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

The Company is subject to state income taxes in the State of Iowa. State income tax expense is recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. For the years ended December 31, 2019 and 2018, the Company incurred state income tax expenses of \$55,792 and \$0, respectively. The Company had \$5,766 and \$0 state income tax payables at December 31, 2019 or 2018 included in general expenses due or accrued in the Statutory Statements of Liabilities, Capital and Surplus. The Company had no state income tax receivables at December 31, 2019 and 2018, respectively.

The Company is subject to premium taxes in the State of Iowa. These tax expenses were recorded in general administrative expenses in the Statutory Statements of Revenue and Expenses. The expenses for these taxes were \$597,592 and \$385,779 for the years ended December 31, 2019 and 2018. The Company had no premium tax payables as of December 31, 2019 and 2018, respectively. The Company had prepaid premium taxes of \$1,721,676 and \$1,547,453 at December 31, 2019 and 2018 respectively, which were included as a write-in in the Statutory Statements of Assets.

(20) Reinsurance

In the normal course of business, the Company seeks to reduce the loss that may arise from catastrophes or other events that cause unfavorable underwriting results and to help balance its risks and capital by reinsuring certain levels of risk with other insurance enterprises. The reinsurance coverage does not relieve the Company of its primary obligations. Reinsurance premiums and reserves related to reinsured business are accounted for on a basis consistent with those used in accounting for the original policies issued and the terms of the reinsurance contracts. Premiums ceded for medical losses and the related unpaid reserves have been reported as reductions of these items. The reinsurance agreements are more fully discussed in Notes 10 and 23.

D. Going Concern

As of February 27, 2020, management evaluated whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern and management has determined that it is not probable that the Company will be unable to meet its obligations as they become due within one year after the financial statements are available to be issued. Management will continuously evaluate the Company’s ability to continue as a going concern and will take appropriate action and will make appropriate disclosures if there is any change in any condition or events that would raise substantial doubt about the Company’s ability to continue as a going concern.

2. Accounting Changes and Corrections of Errors

The Company did not have any accounting changes or correction of errors in the years ended December 31, 2019 and 2018.

3. Business Combinations and Goodwill

NOTES TO FINANCIAL STATEMENTS

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, 2019 and 2018.

4. Discontinued Operations

The Company did not have any discontinued operations in the years ending December 31, 2019 and 2018.

5. Investments

A. The Company did not have any mortgage loans, including Mezzanine Real Estate Loans, at December 31, 2019 and 2018.

B. The Company did not have any debt restructuring in the years ending December 31, 2019 and 2018.

C. The Company did not have any reverse mortgages at December 31, 2019 or 2018.

D. Loan-Backed Securities

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

(2) The Company did not recognize any other-than-temporary impairments ("OTTI") on loan-backed and structured securities in which the Company had the (1) intent to sell, (2) did not have the intent and ability to retain for a period of time sufficient to recover the amortized cost basis or (3) present value of cash flows expected to be collected is less than the amortized cost basis of the securities in accordance with SSAP No. 43R - *Loan-Backed and Structured Securities* ("SSAP No. 43R") at December 31, 2019.

(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, 2019.

(4) The Company had no unrealized loss position on loan-backed and structured securities held by the Company at December 31, 2019.

(5) Not applicable.

E. The Company had no dollar repurchase agreements and/or securities lending transactions at December 31, 2019.

F. The Company did not have any repurchase agreements transactions accounted for as secured borrowing at December 31, 2019.

G. The Company did not have any reverse repurchase agreements transactions accounted for as secured at December 31, 2019.

H. The Company did not have any repurchase agreements transactions accounted for as a sale at December 31, 2019.

I. The Company did not have any reverse repurchase agreements transactions accounted for as a sale at December 31, 2019.

J. The Company did not have any real estate at December 31, 2019.

K. The Company did not have any low-income housing tax credits at December 31, 2019 or 2018.

L. Restricted Assets

(1) The Company did not have any restricted assets (including pledged) at December 31, 2019 or 2018.

(2) The Company did not have any assets pledged as collateral not captured in other categories at December 31, 2019 or 2018.

(3) The Company did not have any other restricted assets at December 31, 2019 or 2018.

(4) The Company did not have any collateral received and reflected within its financial statements at December 31, 2019.

M. The Company did not have any working capital finance investments at December 31, 2019.

N. The Company did not have any offsetting and netting of derivative, repurchase and reverse repurchase, and securities borrowing and securities lending assets or liabilities at December 31, 2019.

O. The Company did not have any 5GI securities at December 31, 2019 or 2018.

P. The Company did not have any short sales within the reporting period.

Q. The Company did not have any prepayment penalty and acceleration fees at December 31, 2019.

6. Joint Ventures, Partnerships, and Limited Liability Companies

NOTES TO FINANCIAL STATEMENTS

- A. The Company did not have any joint ventures, partnerships, or limited liability companies that exceeded 10% of its admitted assets at December 31, 2019 or 2018.
- B. The Company does not have any impaired investments in joint ventures, partnerships, or limited liability companies at December 31, 2019 or 2018.

7. Investment Income

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

Bonds - where collection of interest is uncertain.

- B. There was no amount excluded at December 31, 2019 or 2018.

8. Derivative Instruments

The Company did not have any derivative instruments at December 31, 2019 or 2018.

9. Income Taxes

- A.

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

	12/31/2019			12/31/2018			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
(a) Gross Deferred Tax Assets	\$ 212,229	\$ 134,164	\$ 346,393	\$ 409,493	\$ 147,950	\$ 557,443	\$ (197,264)	\$ (13,786)	\$ (211,050)
(b) Statutory Valuation Allowance Adjustment	—	—	—	—	147,950	147,950	—	(147,950)	(147,950)
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	212,229	134,164	346,393	409,493	—	409,493	(197,264)	134,164	(63,100)
(d) Deferred Tax Assets Nonadmitted	12,647	18,387	31,034	37,883	—	37,883	(25,236)	18,387	(6,849)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	199,582	115,777	315,359	371,610	—	371,610	(172,028)	115,777	(56,251)
(f) Deferred Tax Liabilities	42,373	80,625	122,998	65,375	—	65,375	(23,002)	80,625	57,623
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 157,209	\$ 35,152	\$ 192,361	\$ 306,235	\$ —	\$ 306,235	\$ (149,026)	\$ 35,152	\$ (113,874)

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

	12/31/2019			12/31/2018			Change		
	(1) Ordinary	(2) Capital	(3) (Col. 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col. 4 + 5) Total	(7) (Col. 1 - 4) Ordinary	(8) (Col. 2 - 5) Capital	(9) (Col. 7 + 8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ 157,093	\$ 35,152	\$ 192,245	\$ 306,018	\$ —	\$ 306,018	\$ (148,925)	\$ 35,152	\$ (113,773)
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	116	—	116	217	—	217	(101)	—	(101)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	116	—	116	217	—	217	(101)	—	(101)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.			6,366,173			5,935,092			431,081
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	42,373	80,625	122,998	65,375	—	65,375	(23,002)	80,625	57,623
(d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 199,582	\$ 115,777	\$ 315,359	\$ 371,610	\$ —	\$ 371,610	\$ (172,028)	\$ 115,777	\$ (56,251)

- (3)

NOTES TO FINANCIAL STATEMENTS

	2019	2018
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	5,401 %	3,425 %
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 42,441,147	\$ 39,567,278

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

	12/31/2019		12/31/2018		(5) (Col. 1 - 3) Ordinary	(6) (Col. 2 - 4) Capital
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital		
Impact of Tax Planning Strategies:						
(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.						
1. Adjusted Gross DTAs amount from Note 9A1(c)	\$ 212,229	\$ 134,164	\$ 409,493	\$ —	\$ (197,264)	\$ 134,164
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	— %	— %	— %	— %	— %	— %
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)	199,582	115,777	371,610	—	(172,028)	115,777
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	— %	— %	— %	— %	— %	— %

(b) Do 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, 2019 or 2018.

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

NOTES TO FINANCIAL STATEMENTS

	(1)	(2)	(3)
	12/31/2019	12/31/2018	(Col. 1 - 2)
1. Current Income Tax			
(a) Federal	\$ 278,882	\$ 2,016,508	\$ (1,737,626)
(b) Foreign	—	—	—
(c) Subtotal	278,882	2,016,508	(1,737,626)
(d) Federal income tax on net capital gains	34,234	(143,135)	177,369
(e) Utilization of capital loss carry-forwards	—	—	—
(f) Other	—	—	—
(g) Federal and foreign income taxes incurred	313,116	1,873,373	(1,560,257)
2. Deferred Tax Assets:			
(a) Ordinary:			
(1) Discounting of unpaid losses	11,592	21,733	(10,141)
(2) Unearned premium reserve	2,807	1,551	1,256
(3) Policyholder reserves	16,895	165,645	(148,750)
(4) Investments	—	—	—
(5) Deferred acquisition costs	—	—	—
(6) Policyholder dividends accrual	—	—	—
(7) Fixed Assets	7,925	8,767	(842)
(8) Compensation and benefits accrual	—	—	—
(9) Pension accrual	—	—	—
(10) Receivables - nonadmitted	31,053	50,170	(19,117)
(11) Net operating loss carry-forward	—	—	—
(12) Tax credit carry-forward	—	—	—
(13) Other (including items <5% of total ordinary tax assets)	141,956	161,627	(19,671)
(99) Subtotal	212,228	409,493	(197,265)
(b) Statutory valuation allowance adjustment	—	—	—
(c) Nonadmitted	12,647	37,883	(25,236)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	199,581	371,610	(172,029)
(e) Capital:			
(1) Investments	134,164	147,950	(13,786)
(2) Net capital loss carry-forward	—	—	—
(3) Real estate	—	—	—
(4) Other (including items <5% of total ordinary tax assets)	—	—	—
(99) Subtotal	134,164	147,950	(13,786)
(f) Statutory valuation allowance adjustment	—	147,950	(147,950)
(g) Nonadmitted	18,387	—	18,387
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	115,777	—	115,777
(i) Admitted deferred tax assets (2d + 2h)	315,358	371,610	(56,252)
3. Deferred Tax Liabilities:			
(a) Ordinary:			
(1) Investments	6,540	22,377	(15,837)
(2) Fixed assets	—	—	—
(3) Deferred and uncollected premium	—	—	—
(4) Policyholder reserves	—	—	—
(5) Other (including items <5% of total ordinary tax liabilities)	35,832	42,998	(7,166)
(99) Subtotal	42,372	65,375	(23,003)
(b) Capital:			
(1) Investments	80,625	—	80,625
(2) Real estate	—	—	—
(3) Other (including items <5% of total capital tax liabilities)	—	—	—
(99) Subtotal	80,625	—	80,625
(c) Deferred tax liabilities (3a99 + 3b99)	122,997	65,375	57,622
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 192,361	\$ 306,235	\$ (113,874)

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

	12/31/2019	12/31/2018	Change
Total Deferred Tax Assets	\$ 346,392	\$ 409,493	\$ (63,101)
Total Deferred Tax Liabilities	(122,997)	(65,375)	(57,622)
Net Deferred Tax Assets/(Liabilities)	223,395	344,118	(120,723)
Tax Effect of Unrealized Gains/(Losses)			—
Change in Net Deferred Income Tax			\$ (120,723)

NOTES TO FINANCIAL STATEMENTS

The valuation allowance adjustment to gross DTAs was \$0 and \$147,950 for December 31, 2019 and 2018, respectively. The Company bases its estimates of the future realization of DTAs primarily on historic taxable income and existing DTLs.

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

	12/31/2019	Effective Tax Rate	12/31/2018	Effective Tax Rate
Provision computed at statutory rate	\$ 650,057	21.0 %	\$ 814,367	21.0 %
Health Insurer Fee	—	0.0 %	887,519	22.9 %
Transfer Pricing Adjustment	(17,673)	(0.6)%	(80,444)	(2.1)%
Tax-Exempt Interest	(61,163)	(2.0)%	(183,420)	(4.7)%
Change in Nonadmitted Assets	19,117	0.6 %	343,150	8.9 %
Prior Year True-Up	(10,535)	(0.3)%	334,025	8.6 %
Change in Valuation Allowance Adjustment	(147,950)	(4.8)%	147,950	3.8 %
Other	1,986	0.1 %	1	0.0 %
Total	\$ 433,839	14.0 %	\$ 2,263,148	58.4 %
Federal and foreign income taxes incurred	\$ 313,116	10.1 %	\$ 1,873,373	48.3 %
Change in net deferred income taxes	120,723	3.9 %	389,775	10.1 %
Total statutory income taxes	\$ 433,839	14.0 %	\$ 2,263,148	58.4 %

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

E.

- (1) At December 31, 2019 and 2018, the Company had no net capital loss or net operating loss carryforwards for tax purposes.
- (2) The amount of federal income taxes incurred that is available for recoupment in the event of future net losses is as follows:

Year	Ordinary	Capital	Total
2019	\$ 288,275	\$ 34,234	\$ 322,509
2018	135,048	9,878	144,926
2018	N/A	—	—
Total	\$ 423,323	\$ 44,112	\$ 467,435

- (3) The Company did not report any deposits as admitted assets under Internal Revenue Code Section 6603 at December 31, 2019 and 2018.

F.

- (1) At December 31, 2019, the Company's Federal Income Tax Return was consolidated with the following entities:

@ Credentials Inc.	ACCENDO INSURANCE COMPANY
ACS ACQCO CORP.	Active Health Management, Inc.
Adminco, Inc.	Administrative Enterprises, Inc.
ADVANCED CARE SCRIPTS, INC	Aetna Better Health of Florida, Inc. (F/K/A Coventry Health Care of Florida, Inc.)
Aetna Better Health Inc. (Georgia)	Aetna Better Health Inc. (IL)
Aetna Better Health Inc. (NJ)	Aetna Better Health Inc. (NY)
Aetna Better Health Inc. (OH)	Aetna Better Health Inc. (Tennessee)
Aetna Better Health of California, Inc.	Aetna Better Health of Kansas Inc.
Aetna Better Health of Kentucky Insurance Co.	Aetna Better Health of Michigan, Inc.
Aetna Better Health of Missouri LLC	Aetna Better Health of Nevada Inc.
Aetna Better Health of North Carolina, Inc.	Aetna Better Health of Oklahoma Inc.
Aetna Better Health of Texas, Inc.	Aetna Better Health of Washington, Inc.
Aetna Better Health, Inc. (Connecticut)	Aetna Better Health, Inc. (LA)
Aetna Better Health, Inc. (PA)	Aetna Dental Inc. (NJ)
Aetna Dental Inc. (Texas)	Aetna Dental of California, Inc.
Aetna Florida, Inc.	Aetna Health Inc. (Connecticut)
Aetna Health Inc. (Florida)	Aetna Health Inc. (Georgia)
Aetna Health Inc. (LA)	Aetna Health Inc. (Maine)
Aetna Health of Michigan (FKA Aetna Health Inc. (MI))	Aetna Health Inc. (New Jersey)
Aetna Health Inc. (NY)	Aetna Health Inc. (Pennsylvania)

NOTES TO FINANCIAL STATEMENTS

Aetna Health Inc. (Texas)
 Aetna Health Insurance Company of New York
 Aetna Health of Iowa, Inc
 Aetna Health of Utah, Inc.
 Aetna Inc.
 Aetna International Inc.
 Aetna Life & Casualty (Bermuda) Limited
 Aetna Student Health Agency, Inc.
 American Health Holding, Inc.
 AUSHC Holdings, Inc. (CT)
 bswift, LLC
 CAREMARK ULYSSES HOLDING CORP.
 Cofinity, Inc.
 CORAM ALTERNATE SITE SERVICES, INC.
 CORAM HEALTHCARE CORPORATION OF ALABAMA
 CORAM HEALTHCARE CORPORATION OF GREATER D.C.

 CORAM HEALTHCARE CORPORATION OF INDIANA
 CORAM HEALTHCARE CORPORATION OF MISSISSIPPI
 CORAM HEALTHCARE CORPORATION OF NORTH TEXAS

 CORAM HEALTHCARE CORPORATION OF SOUTHERN CALIFORNIA
 CORAM HEALTHCARE CORPORATION OF UTAH
 Coventry Health and Life Insurance Company
 Coventry Health Care National Network, Inc.
 Coventry Health Care of Kansas, Inc.
 Coventry Health Care of Nebraska, Inc.
 Coventry Health Care of West Virginia, Inc.
 Coventry Health Plan of Florida, Inc.
 Coventry Prescription Management Services, Inc.
 Coventry Transplant Network, Inc.
 CVS ARCLIGHT, INC.
 CVS FOREIGN, INC.
 CVS PHARMACY, INC.
 CVS RX SERVICES, INC.
 DELAWARE CVS PHARMACY, L.L.C.
 E.T.B., INC.
 ECKERD CORPORATION OF FLORIDA, INC.
 First Health Group Corp.
 First Script Network Services, Inc.
 FOCUS Healthcare Management, Inc.
 Group Dental Service, Inc.
 Health Data & Management Solutions, Inc.
 HealthAssurance Pennsylvania, Inc.
 IOWA CVS PHARMACY, L.L.C.
 JHC ACQUISITION, LLC
 Managed Care Coordinators, Inc.
 MASSACHUSETTS CVS PHARMACY, INC.
 MELVILLE REALTY CO., INC.
 Mental Health Network of New York IPA, Inc.
 MetraComp, Inc.
 MHNet of Florida, Inc.
 MinuteClinic Physician Practice of Texas
 NCS HEALTHCARE OF KENTUCKY, INC.
 NEIGHBORCARE HOLDINGS, INC.
 NEIGHBORCARE SERVICES CORPORATION
 Niagara Re, Inc.
 OKLAHOMA CVS PHARMACY, L.L.C.
 OMNICARE, INC.
 PayFlex Systems USA, Inc.
 Performax, Inc.
 PrimeNet, Inc.
 Professional Risk Management, Inc.
 RETRAC, INC.
 Schaller Anderson Medical Administrators Inc
 SKY ACQUISITION LLC
 TENNESSEE CVS PHARMACY, L.L.C.
 U.S. Health Care Properties, Inc.
 VIRGINIA CVS PHARMACY, L.L.C.

 Aetna Health Insurance Co
 Aetna Health of California Inc.
 Aetna Health of Ohio, Inc. (F/K/A Aetna Better Health of Iowa, Inc.)
 Aetna HealthAssurance Pennsylvania, Inc.
 Aetna Integrated Informatics, Inc.
 Aetna Ireland Inc.
 Aetna Risk Assurance Company of Connecticut
 ALABAMA CVS PHARMACY, L.L.C.
 APRIA FINANCE HOLDINGS, INC.
 BRUIN ACQUISITION CO., INC.
 Carefree Insurance Services, Inc.
 Claims Administration Corporation
 CONNECTICUT CVS PHARMACY, L.L.C.
 CORAM CLINICAL TRIALS, INC.
 CORAM HEALTHCARE CORPORATION OF FLORIDA
 CORAM HEALTHCARE CORPORATION OF GREATER NEW YORK
 CORAM HEALTHCARE CORPORATION OF MASSACHUSETTS
 CORAM HEALTHCARE CORPORATION OF NEVADA
 CORAM HEALTHCARE CORPORATION OF NORTHERN CALIFORNIA
 CORAM HEALTHCARE CORPORATION OF SOUTHERN FLORIDA

 Coventry Consumer Advantage, Inc.
 Coventry Health Care National Accounts, Inc.
 Coventry Health Care of Illinois, Inc.
 Coventry Health Care of Missouri, Inc.
 Coventry Health Care of Virginia, Inc.
 Coventry Health Care Workers Compensation, Inc.
 Coventry HealthCare Management Corporation
 Coventry Rehabilitation Services, Inc.
 CVS AOC Corporation
 CVS CAREMARK INDEMNITY LTD.
 CVS INTERNATIONAL, L.L.C.
 CVS PR CENTER, INC.
 CVS WWRE, INC.
 Delaware Physicians Care, Inc.
 Echo Merger Sub, Inc
 EVERGREEN PHARMACEUTICAL OF CALIFORNIA, INC.
 First Health Life and Health Insurance Company
 Florida Health Plan Administrators, LLC
 Group Dental Service of Maryland, Inc.
 Health and Human Resource Center, Inc.
 Health Re, Inc.
 HOLIDAY CVS, L.L.C.
 JEC FUNDING, INC.
 KENTUCKY CVS PHARMACY, L.L.C.
 MARYLAND CVS PHARMACY, L.L.C.
 MED WORLD ACQUISITION CORP.
 Mental Health Associates, Inc.
 Meritain Health, Inc.
 MHNet Life and Health Insurance Company
 MINUTECLINIC DIAGNOSTIC OF ILLINOIS, L.L.C.
 MinuteClinic Telehealth Services of Texas Association
 NCS HEALTHCARE, LLC
 NEIGHBORCARE PHARMACY SERVICES, INC.
 NEIGHBORCARE, INC.
 NORTH CAROLINA CVS PHARMACY, L.L.C.
 OMNICARE HOLDING COMPANY
 PayFlex Holdings, Inc.
 PENNSYLVANIA LIFE INSURANCE COMPANY
 Precision Benefit Services, Inc.
 Prodigy Health Group, Inc.
 Resources for Living, LLC
 RICHMOND HEIGHTS ACQUISITION CORP.
 SILVERSCRIPT INSURANCE COMPANY
 T2 MEDICAL, INC.
 The Vasquez Group, Inc.
 UAC HOLDING, INC.
 Work & Family Benefits, Inc.

NOTES TO FINANCIAL STATEMENTS

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

G. The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

H. The Company was not subject to the Repatriation Transition Tax at December 31, 2019.

I. The Company did not recognize any gross Alternative Minimum Tax credit at December 31, 2019.

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

A., B. and C.

The Company did not have any transactions during 2019 or 2018 with its parent, subsidiaries and affiliates excluding reinsurance transactions and non-insurance transactions involving less than 1% of the Company's total admitted assets.

D. At December 31, 2019 and 2018, the Company had the following amounts due to and due from affiliates, which exclude amounts related to pharmacy rebate transactions as discussed more fully in Note 28 and the Company's reinsurance agreements if applicable.

	December 31	
	2019	2018
Amounts due to affiliates		
Coventry Health & Life Insurance Company	\$ 47,140	\$ 93,944
Aetna Health Management, Inc	24,177	687,891
Coventry Prescription Management Service		9,106
	\$ 71,317	\$ 790,941

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

E. The Company does not have any guarantees or undertakings, written or otherwise at December 31, 2019.

F. As of and for the years ended December 31, 2019 and 2018, the Company had the following significant transactions with affiliates:

The Company and Aetna Health Management, LLC ("AHM") are parties to an administrative services agreement, under which AHM provides certain administrative services, including accounting and processing of premiums and claims. Under this agreement, the Company remits a percentage of its earned commercial, Medicaid and Medicare premium revenue, as applicable, to AHM as a fee, subject to an annual true up mechanism as defined in the agreement. Under the agreement, this true-up is due to be settled with the affiliate by April 15th of the following contract year (which is January 1 to December 31 annually). The terms of settlement require that these amounts be settled within 45 days after the end of the calendar quarter. For these services, the Company was charged \$854,305 and \$3,672,064 in 2019 and 2018, respectively.

The Company is a party to an agreement which enables the Company to receive manufacturers' pharmacy rebates from AHM under which the Company remits a percentage of its earned pharmaceutical rebates to AHM as a fee. The Company earned pharmaceutical rebates of \$237,695 and \$1,860,345, which were recorded as a reduction of medical costs, in 2019 and 2018, respectively. The Company was charged \$26,674 and \$186,548, which were recorded as administrative expenses, for these services in 2019 and 2018, respectively.

MHNet Specialty Services, LLC ("MHNet"), a related party, provides mental health services to the Company's members. The Company pays MHNet a monthly fee based on a PMPM capitation rate. The rates are amended annually and the amendments are approved by the Iowa Insurance Division. The Company paid MHNet \$0 and \$93,758 in capitation fees for the years ended December 31, 2019 and 2018, respectively.

These agreements also provide for interest on all intercompany balances. Interest earned on amounts due from affiliates was \$4,369 in 2019 and \$15,509 in 2018. Interest incurred on amounts due to affiliates was \$9,768 in 2019 and \$96,132 in 2018.

As explained in Note 1, Aetna and its wholly-owned subsidiaries, including the Company, participate in a tax sharing agreement with CVS Health. All federal income tax receivables/payables are due from/due to CVS Health.

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

H. At December 31, 2019, the Company did not own shares of an upstream intermediate entity or CVS Health, either directly or indirectly.

I. At December 31, 2019, the Company did not hold any investments in any subsidiary, controlled or affiliated ("SCA") entity that exceeded 10% of the Company's admitted assets.

NOTES TO FINANCIAL STATEMENTS

- J. At December 31, 2019, the Company did not hold any investments in any impaired SCA entity.
- K. At December 31, 2019, the Company did not hold any investments in any foreign insurance subsidiaries.
- L. At December 31, 2019, the Company did not hold any investments in a downstream noninsurance holding company.
- M. At December 31, 2019, the Company did not have any SCA investments.
- N. At December 31, 2019, the Company did not have any investments in an insurance SCA.
- O. The Company did not have any SCA or SSAP No. 48 entity investments where the Company's share of losses in the SCA exceeds its investment in the SCA.

11. Debt

- A. The Company did not have any items related to debt, including capital notes at December 31, 2019.
- B. The Company did not have any Federal Home Loan Bank agreements at December 31, 2019.

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, 2019 or 2018.

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

- (1) The Company had 1,000,000 shares of authorized common capital stock, with a par value of \$5 per share and 253,567 shares issued and outstanding as of December 31, 2019 and 2018.
- (2) The Company had no shares of preferred stock issued and outstanding at December 31, 2019 and 2018.
- (3) Dividend Restrictions

Dividends on the Company's common capital stock are paid as declared by its Board of Directors, from earned surplus of the Company, not including surplus arising from the sale of stock. Generally, dividends may be paid on the Company's common capital stock without obtaining regulatory approval at an amount up to the greater of: a) the prior year net gain from operations, or b) ten percent of the prior year ending capital and surplus. In addition the minimum Risk Based Capital requirements of the NAIC and, if applicable, the Iowa Insurance Division must be maintained.

- (4) The Company did not pay any dividends in 2019 or 2018.
The Company did not receive any capital contributions or pay any returns of capital in 2019 or 2018.
- (5) Within the limitations of (3) above, there are no other restrictions placed on the portion of the Company profits that may be paid as ordinary dividends to the stockholder.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) The Company had no advances to surplus not repaid.
- (8) The Company did not hold any stock for any special purposes at December 31, 2019 or 2018.
- (9) Changes in the balances of special surplus funds from the prior year are due to the accrual of estimated 2020 ACA health insurer fees reclassified from unassigned funds (surplus) to aggregate write-ins for special surplus funds as discussed more fully in Notes 1 and 22.
- (10) At December 31, 2019 and 2018, there were no unassigned funds 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, 2019 or 2018.
- (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. Liabilities, Contingencies and Assessments

- A. The Company did not have any contingent commitments at December 31, 2019 or 2018.
- B. Assessments

Guaranty Fund Assessments

NOTES TO FINANCIAL STATEMENTS

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

The Company did not have any contingent assessments at December 31, 2019 or 2018.

- C. The Company did not have any gain contingencies at December 31, 2019 or 2018.
- D. The Company did not have any claims related extra contractual obligation and bad faith losses stemming from lawsuits at December 31, 2019 or 2018.
- E. The Company did not have any joint and several liability arrangements at December 31, 2019 or 2018.
- F. Various liabilities arise in the normal course of the Company's business and have been recorded. In the opinion of management, any ultimate contingent losses will not have a material adverse effect on the Company's future results of operations and financial position. The Company, to the best of its knowledge, has no assets that it considers impaired that are not already recorded in the Company's books.

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

15. Leases

The Company did not have any material lease obligations at December 31, 2019 or 2018.

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, 2019 or 2018.

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

A. Transfers of Receivables Reported as Sales

The Company did not have any transfers of receivables reported as sales for the years ending December 31, 2019 or 2018.

B. Transfer and Servicing of Financial Assets

(1) The Company did not have any loaned securities at December 31, 2019 or 2018.

(2) and (3)

The Company did not have any servicing assets or liabilities at December 31, 2019 or 2018.

(4) The Company did not have any securitized financial assets at December 31, 2019 or 2018.

(5) The Company did not have any transfers of financial assets accounted for as secured borrowing at December 31, 2019 or 2018.

(6) The Company did not have any transfers of receivables with recourse at December 31, 2019 or 2018.

(7) The Company did not have any dollar repurchase or reverse repurchase agreements at December 31, 2019 or 2018.

C. Wash Sales

(1) In the course of the Company's asset management, securities are sold and reacquired within 30 days of the sale date to enhance the Company's yield on its investment portfolio.

(2) The Company had no securities sold during the year for the year ended December 31, 2019 and reacquired within 30 days of the sale date.

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

- A. The Company did not serve as an Administrative Services Only plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2019.
- B. The Company did not serve as an Administrative Services Contract (ASC) plan administrator for uninsured accident and health plans or the uninsured portion of partially insured plans for the period ended December 31, 2019.

NOTES TO FINANCIAL STATEMENTS

C. The Company did not have any Medicare or other similarly structured cost based reimbursement contracts for the period ended December 31, 2019.

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, 2019 and 2018.

20. Fair Value Measurements

A. and B.

The Company had no material assets and liabilities that are measured and reported at fair value as of December 31, 2019 and 2018.

Certain of the Company's financial instruments are measured at fair value in the financial statements. 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. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies a financial asset or liability for each level:

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

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

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 2019 or 2018.

Transfers in and out of all levels are recognized at the end of the reporting period of which the transfer occurred.

C. The carrying values and estimated fair values of the Company's financial instruments at December 31, 2019 and 2018 were as follows:

December 31, 2019

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds, Short Term, and Cash Equivalents	\$ 37,316,813	\$ 36,203,721	\$ 2,429,428	\$ 34,887,385	\$ —	\$ —	\$ —

December 31, 2018

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds, Short Term, and Cash Equivalents	\$ 41,071,873	\$ 40,992,598	\$ 2,296,743	\$ 38,775,130	\$ —	\$ —	\$ —

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

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

E. The Company has not elected to use the net asset value practical expedient to fair value to measure its investments.

NOTES TO FINANCIAL STATEMENTS

21. Other Items

A. Unusual or Infrequent Items

The Company did not have any unusual or infrequent items for the years ended December 31, 2019 and 2018.

B. Troubled Debt Restructuring

The Company did not have any troubled debt restructuring in the years ended December 31, 2019 and 2018.

C. Other Disclosures

Minimum Capital and Surplus

The Company is subject to certain regulations found in the Iowa Administrative Code, which require the Company to maintain capital and surplus of at least \$1 million. At both December 31, 2019 and 2018, the Company was in compliance with the minimum surplus and capital stock requirements of the State of Iowa in which it is licensed to do business.

The NAIC utilizes risk-based capital (“RBC”) standards for health organizations, including HMOs, that are designed to identify weakly capitalized companies by comparing each company’s adjusted capital and surplus to its required capital and surplus (the “RBC Ratio”). The RBC Ratio is designed to reflect the risk profile of 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, 2019 and 2018, the Company had capital and surplus that exceeded the highest threshold specified by the RBC rules.

Health Care Reform

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (collectively, the “ACA”), made broad-based changes to the United States health care system. While the Company anticipates continued efforts in 2020 and beyond to invalidate, modify, repeal or replace the ACA, the Company expects aspects of the ACA to continue to significantly impact the Company’s business operations and financial results, including pricing, medical benefit ratios (“MBRs”) and the geographies in which the Company’s products are available.

While most of the significant aspects of the ACA became effective during or prior to 2014, parts of the ACA continue to evolve through the promulgation of executive orders, legislation, regulations and guidance as well as ongoing litigation. Additional changes to the ACA and those regulations and guidance at the federal and/or state level are likely, and those changes are likely to be significant. Growing federal and state budgetary pressures make it more likely that any changes, including changes at the state level in response to changes to, or invalidation, repeal or replacement of, the ACA and/or changes in the funding levels and/or payment mechanisms of federally supported benefit programs, will be adverse to the Company. For example, if any elements of the ACA are invalidated or repealed at the federal level, the Company expects that some states would seek to enact similar requirements, such as prohibiting pre-existing condition exclusions, prohibiting rescission of insurance coverage, requiring coverage for dependents up to age 26, requiring guaranteed renewability of insurance coverage and prohibiting lifetime limits on insurance coverage.

Potential repeal of the ACA, ongoing legislative, regulatory and administrative policy changes to the ACA, the results of federal and state level elections, pending litigation challenging the constitutionality of the ACA or funding for the law and federal budget negotiations continue to create uncertainty about the ultimate impact of the ACA. The time frame for conclusion and final outcome and ultimate impact of this litigation are uncertain. Given the inherent difficulty of foreseeing the nature and scope of future changes to the ACA and how states, businesses and individuals will respond to those changes, the Company cannot predict the impact on it of future changes to the ACA. It is reasonably possible that invalidation, repeal or replacement of or other changes to the ACA and/or states’ responses to such changes, in the aggregate, could have a significant adverse effect on the Company’s businesses, results of operations and cash flows.

Federal Employees Health Benefits Program

The Company contracts with the OPM to provide managed health care services under the FEHB program in its service areas. These contracts with the OPM and applicable government regulations establish premium rating arrangements for this program. OPM regulations require that community-rated FEHB plans meet a FEHB program-specific MLR by plan code and market. Managing to these rules is complicated by the simultaneous application of the minimum MLR standards and associated premium rebate requirements of the ACA. The OPM also is auditing the Company and its other contractors to, among other things, verify that plans meet their applicable FEHB program-specific MLR and the premiums established under the OPM’s Insured contracts and costs allocated pursuant to the OPM’s cost-based contracts are in compliance with the requirements of the applicable FEHB program. The OPM may seek premium refunds or institute other sanctions against the Company if the Company fails to comply with the FEHB program requirements.

- D. The Company did not have any business interruption insurance recoveries for the years ending December 31, 2019 or 2018.
- E. The Company did not have any state transferable and non-transferable tax credits for the years ending December 31, 2019 or 2018.
- F. The Company did not have any subprime mortgage related risk exposures at December 31, 2019 or 2018.

NOTES TO FINANCIAL STATEMENTS

- G. The Company did not have any retained assets at December 31, 2019 or 2018.
- H. The Company did not have any insurance-linked securities (“ILS”) contracts at December 31, 2019 or 2018
- I. The Company did not have amounts that could be realized on life insurance at December 31, 2019

22. Events Subsequent

Type I - Recognized Subsequent Events

Subsequent events have been considered through February 27, 2020 for the statutory statement issued on February 28, 2020.

The Company had no known reportable recognized subsequent events.

Type II - Nonrecognized Subsequent Events

Subsequent events have been considered through February 27, 2020 for the statutory statement issued on February 28, 2020.

On January 1, 2020, the Company will be subject to an annual fee under Section 9010 of the Federal Affordable Care Act (“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, 2019, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2020, and estimates its portion of the annual health insurance industry fee to be payable on September 30, 2020 to be \$120,000. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (“RBC”) by 0%. Reporting the ACA assessment as of December 31, 2019, would not have triggered an RBC action level.

On January 22, 2018, Public Law No: 115-120 was signed into law and it imposes a moratorium on the health insurer fee for calendar year 2019. As a result, there was no annual health insurance industry fee payable on September 30, 2019 and there were no amounts reflected in the Company’s aggregate write-ins for special surplus funds related to this payable at December 31, 2018. There was also no resulting impact to the Company’s RBC to assess as of December 31, 2018 as a result of this suspension.

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	Yes	
B. ACA fee assessment payable for the upcoming year	\$ 120,000	\$ —
C. ACA fee assessment paid	—	4,226,283
D. Premium written subject to ACA 9010 assessment	5,959,512	—
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	42,633,508	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	42,513,508	
G. Authorized Control Level (Five-Year Historical Line 15)	785,823	
H. Would reporting the ACA assessment as of Dec. 31, 2019 have triggered an RBC action level (YES/NO)?	No	

Administrative Services Agreement by and between Aetna Health of Iowa Inc. and Aetna Health Management, LLC was amended effective January 1, 2020 and approved by the State of Iowa on September 13, 2019. The amendment allows other affiliates to provide services in accordance to a schedule of services and fees.

23. Reinsurance

The Company did not have any reinsurance recoverables in dispute, uncollectible reinsurance, commutation of ceded reinsurance or retroactive reinsurance at December 31, 2019 or 2018.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

- A. Premium revenue subject to the minimum MLR rebate requirements of the ACA is recorded net of the estimated minimum MLR rebates for the current calendar year. The Company estimates the minimum MLR rebates by projecting MLRs for certain markets, as defined by the ACA, for each state in which the Company operates. The claims and premiums used in estimating such rebates are modified for certain adjustments allowed by the ACA and include a statistical credibility adjustment for those states with a number of members that is not statistically credible.

NOTES TO FINANCIAL STATEMENTS

B. Accrued retrospective are recorded through premiums and are estimated based on calculations that compare the Company’s expected financial results for the contract against the appropriate medical benefit ratio target.

C. Contracts Subject to Retrospective Rating Features

The Company accrues amounts payable to or receivable from the federal government related to its contracts with the OPM to provide or arrange health services under the FEHB program for federal employees, annuitants and their dependents. These contracts with the OPM and applicable government regulations establish premium rating requirements for the FEHB program. For the years ended December 31, 2019 and 2018, the Company had premiums related to its contracts with the OPM of \$0 and \$231,982, respectively, representing 0% and 1% of the Company's total premiums in December 31, 2019 and 2018, respectively.

The OPM, through its Office of the Inspector General, conducts periodic audits of its contractors to, among other things, verify that the premiums charged to the OPM were established in compliance with the community rating and other requirements under the FEHB program. These audits often result in findings for which the Company establishes a specific reserve. For those years under contract which have not been audited by the OPM, the Company establishes a general audit liability which is the result of a historical study of average audit payments. In addition, for all years under contract, the Company annually performs rate reconciliations which may result in amounts owed to or receivable from the OPM.

Audit findings, historical study of audit payments, and rate reconciliations have resulted in reserves of \$669,103 and \$669,103, which were recorded as aggregate health policy reserves in the Statutory Statements of Liabilities, Capital and Surplus at December 31, 2019 and 2018, respectively.

The Company contracts with OPM to provide managed health care services under the FEHB program in its service areas. OPM regulations require that FEHB plans meet a FEHB program-specific MLR by plan code and market. The Company reported FEHB MLR reserves of \$700,000 and \$700,000 in aggregate policy reserves at December 31, 2019 and 2018, respectively.

D. Medical loss ratio rebates required pursuant to the Public Health Service Act

	1 Individual	2 Small Group Employer	3 Large Group Employer	4 Other Categories with rebates	5 Total
Prior Reporting Year					
(1) Medical Loss Ratio Rebates Incurred	\$ —	\$ —	\$ (253,814)	\$ —	\$ (253,814)
(2) Medical Loss Ratio Rebates Paid	—	—	14,225	—	14,225
(3) Medical Loss Ratio Rebates Unpaid	—	—	4,176,399	—	4,176,399
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	—
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(6) Rebates Unpaid net of reinsurance	XXX	XXX	XXX	XXX	4,176,399
Current Reporting Year-to-Date					
(1) Medical Loss Ratio Rebates Incurred	\$ —	\$ —	\$ 417,640	\$ —	\$ 417,640
(2) Medical Loss Ratio Rebates Paid	—	—	—	—	—
(3) Medical Loss Ratio Rebates Unpaid	—	—	4,594,039	—	4,594,039
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	—
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	—
(6) Rebates Unpaid net of reinsurance	XXX	XXX	XXX	XXX	4,594,039

E. Risk Sharing Provisions of the Affordable Care Act (ACA)

- (1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? Yes [X] No []
- (2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

NOTES TO FINANCIAL STATEMENTS

AMOUNT

a. Permanent ACA Risk Adjustment Program	
Assets	
1. Premium adjustments receivable due to ACA Risk Adjustment	73,807
Liabilities (including high-risk pool payments)	
2. Risk adjustment user fees payable for ACA Risk Adjustment	74
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool payments)	2,093
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	149,230
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	(72)
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	25,819
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	1,253

(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		Received or Paid as of the Current Year on Business		Differences		Adjustments		Unsettled Balances as of the Reporting Date		
	Before December 31 of the Prior Year		Written Before December 31 of the Prior Year		Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable (including high-risk)	\$ 210,219	\$ —	\$ 296,408	\$ —	\$ (86,189)	\$ —	\$ 86,189	\$ —	A	\$ —	\$ —
2. Premium adjustments (payable) (including high-risk pool payments)	—	—	—	8,673	—	(8,673)	—	10,096	B	—	1,423
3. Subtotal ACA Permanent Risk Adjustment Program	210,219	—	296,408	8,673	(86,189)	(8,673)	86,189	10,096		—	1,423
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	49,070	—	74,889	—	(25,819)	—	25,819	—	C	—	—
2. Amounts recoverable for claims unpaid (contra liability)	—	—	—	—	—	—	—	—	D	—	—
3. Amounts receivable relating to uninsured plans	—	—	—	—	—	—	—	—	E	—	—
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	—	—	—	—	—	—	—	—	F	—	—
5. Ceded reinsurance premiums payable	—	—	—	—	—	—	—	—	G	—	—
6. Liability for amounts held under uninsured plans	—	—	—	—	—	—	—	—	H	—	—
7. Subtotal ACA Transitional Reinsurance Program	49,070	—	74,889	—	(25,819)	—	25,819	—		—	—
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	1,253	—	—	—	1,253	—	(1,253)	—	I	—	—
2. Reserve for rate credits or policy experience rating refunds	—	—	—	—	—	—	—	—	J	—	—
3. Subtotal ACA Risk Corridors Program	1,253	—	—	—	1,253	—	(1,253)	—		—	—
d. Total for ACA Risk Sharing Provisions	\$ 260,542	\$ —	\$ 371,297	\$ 8,673	\$ (110,755)	\$ (8,673)	\$ 110,755	\$ 10,096		\$ —	\$ 1,423

Explanations of Adjustments

- A. Due to updates to the data available to the Company to calculate the risk adjustment.
- B. Due to updates to the data available to the Company to calculate the risk adjustment.

NOTES TO FINANCIAL STATEMENTS

- C. Due to additional claims run-out after the December 31, 2016 period.
- D.
- E.
- F.
- G.
- H.
- I. Due to updated data available to the Company to calculate the risk corridor payables. Also includes the impact of the adjustments to the reinsurance recoveries and risk adjustments.
- J.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year

Risk Corridors Program Year	Accrued During the Prior Year on Business Written		Received or Paid as of the Current Year on Business		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
	Before December 31 of the Prior Year		Written Before December 31 of the Prior Year		Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1 - 3 + 7)	Cumulative Balance from Prior Years (Col 2 - 4 + 8)
	1	2	3	4	5	6	7	8	Ref	9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2014											
1. Accrued retrospective premium	\$ 1,253	\$ —	\$ —	\$ —	\$ 1,253	\$ —	\$ (1,253)	\$ —	A	\$ —	\$ —
2. Reserve for rate credits or policy experience rating refunds	—	—	—	—	—	—	—	—	B	—	—
b. 2015											
1. Accrued retrospective premium	—	—	—	—	—	—	—	—	C	—	—
2. Reserve for rate credits or policy experience rating refunds	—	—	—	—	—	—	—	—	D	—	—
c. 2016											
1. Accrued retrospective premium	—	—	—	—	—	—	—	—	E	—	—
2. Reserve for rate credits or policy experience rating refunds	—	—	—	—	—	—	—	—	F	—	—
d. Total for Risk Corridors	\$ 1,253	\$ —	\$ —	\$ —	\$ 1,253	\$ —	\$ (1,253)	\$ —		\$ —	\$ —

24E(4)d (Columns 1 through 10) should equal 24E(3)c3 (Column 1 through 10 respectively)

Explanations of Adjustments

- A. Due to updated data available to the Company to calculate the risk corridor payables. Also includes the impact of the adjustments to the reinsurance recoveries and risk adjustments.
- B.
- C.
- D.
- E.
- F.

(5) ACA Risk Corridors Receivable as of Reporting Date

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4-5)
a. 2014	\$ 2,706,455	\$ 2,253,037	\$ 453,418	\$ —	\$ —	\$ —
b. 2015	705,180	705,180	—	—	—	—
c. 2016	1,370,536	1,370,536	—	—	—	—
d. Total (a + b + c)	\$ 4,782,171	\$ 4,328,753	\$ 453,418	\$ —	\$ —	\$ —

24E(5)d (Column 4) should equal 24E(3)c1 (Column 9)

24E(5)d (Column 6) should equal 24E(2)c1

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, 2019 and 2018.

NOTES TO FINANCIAL STATEMENTS

	2019	2018
Balance, January 1	\$ 6,737,768	\$ 33,542,768
Health care receivable	(68,715)	(348,307)
Balance, January 1, net of health care receivable	6,669,053	33,194,461
Incurred related to:		
Current year	5,639,886	24,897,716
Prior years	(2,881,660)	(5,682,541)
Total incurred	2,758,226	19,215,175
Paid related to:		
Current year	5,253,537	21,904,213
Prior years	580,657	23,836,369
Total paid	5,834,194	45,740,582
Balance, December 31, net of health care receivable	3,593,085	6,669,053
Health care receivable	34,818	68,715
Balance, December 31	<u>\$ 3,627,903</u>	<u>\$ 6,737,768</u>

- A. Reserves as of December 31, 2018 were \$6,737,768. As of December 31, 2019, \$580,657 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$3,275,451 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$2,881,660 favorable prior-year development since December 31, 2018 to December 31, 2019. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$0 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.
- B. There has been no significant change in the Company's methodologies and assumptions used in calculating the liability for unpaid claims and claim adjustment expenses.

26. Intercompany Pooling Arrangements

The Company did not have any intercompany pooling arrangements at December 31, 2019 or 2018.

27. Structured Settlements

The Company did not have any structured settlements at December 31, 2019 or 2018.

28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

The Company receives pharmaceutical rebates through an agreement with AHM. AHM has contractual agreements with pharmaceutical companies for rebates, which cover the Company's membership as well as the membership of other Aetna affiliates. The Company receives those rebates from AHM that relate to the Company's membership. The Company estimates pharmaceutical rebate receivables based upon the historical payment trends, actual utilization and other variables. Actual rebates collected are applied to the collection periods below, using a first in first out methodology. At December 31, 2019 and 2018, the Company had pharmaceutical rebate receivables of \$30,141 and \$68,715, respectively (refer to the Company's accounting practices related to pharmaceutical rebate receivables in Note 1).

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

NOTES TO FINANCIAL STATEMENTS

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2019	\$ 36,071	\$ —	\$ 26,907 ¹	\$ —	\$ —
09/30/2019	66,085	60,177	60,177	—	—
06/30/2019	87,942	75,303	75,303	—	—
03/31/2019	93,178	65,385	65,385	—	—
12/31/2018	224,300	247,843	226,866	—	—
09/30/2018	283,878	298,244	298,244	—	—
06/30/2018	269,934	271,733	271,733	—	—
03/31/2018	248,774	355,179	355,179	—	—
12/31/2017	929,718	2,302,807	2,302,807		
09/30/2017	596,264	1,269,143	1,269,143		
06/30/2017	587,531	1,328,259	1,328,259		
03/31/2017	952,540	932,918	932,918		

B. Risk sharing receivables

The Company did not have any admitted risk sharing receivables at December 31, 2019 or 2018.

29. Participating Policies

The Company did not have any participating policies at December 31, 2019 or 2018.

30. Premium Deficiency ReservesDecember 31, 2019

- | | |
|---|------------|
| 1. Liability carried for premium deficiency reserves | \$80,450 |
| 2. Date of the most recent evaluation of this liability | 12/31/2019 |
| 3. Was anticipated investment income utilized in the calculation? | Yes |

31. Anticipated Salvage and Subrogation

The Company did not reduce its liability for unpaid claims/losses by any estimated anticipated salvage and subrogation at December 31, 2019 or 2018 as the Company records salvage and subrogation on a paid basis when cash is received.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes 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? Iowa
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes No
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 0000064803
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes No
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2015
- 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). 07/06/2017
- 3.4 By what department or departments?
Iowa Insurance Division
- 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
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1
Name of Entity | 2
NAIC Company Code | 3
State of Domicile |
|---------------------|------------------------|------------------------|
| | | |
- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes No
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes No
- 7.2 If yes,
7.21 State the percentage of foreign control; 0.0 %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

- 9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP; 200 Clarendon Street; Boston, MA 02116
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []
- 10.6 If the response to 10.5 is no or n/a, please explain
.....
- 11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Jeffrey J. Drzazgowski, F.S.A., M.A.A.A.; Aetna Inc; 151 Farmington Avenue; Hartford, CT 06156
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]
 - 12.11 Name of real estate holding company
 - 12.12 Number of parcels involved0
 - 12.13 Total book/adjusted carrying value\$0
- 12.2 If, yes provide explanation:
.....
- 13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
N/A
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No []
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No []
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A []
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
 - a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - c. Compliance with applicable governmental laws, rules and regulations;
 - d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes [X] No []
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
Added a statement at the end of the Privacy and Security of Personal Information indicating that international privacy laws may also apply. Added additional examples of what may present an actual or potential conflict of interest. Clarified that the unauthorized use, possession, sale, exchange of alcohol on CVS premises, or at any time when representing CVS is strictly prohibited except when associated with an approved business meal or legitimate business event. Updated content related to Meals, Gifts, and Entertainment to align with the latest policy and procedure governing MG&E. Clarified that antitrust laws are designed to protect competition by prohibiting monopolization as well. Added that our Medicare FWA program also includes processes to manage identified issues through corrective actions. Added additional example of FWA activities to include reviewing for abnormal Part C provider claim submissions.
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
.....

GENERAL INTERROGATORIES

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

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

BOARD OF DIRECTORS

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

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers.....\$ 0
 - 20.12 To stockholders not officers.....\$ 0
 - 20.13 Trustees, supreme or grand (Fraternal Only).....\$ 0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers.....\$ 0
 - 20.22 To stockholders not officers.....\$ 0
 - 20.23 Trustees, supreme or grand (Fraternal Only).....\$ 0
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others.....\$ 0
 - 21.22 Borrowed from others.....\$ 0
 - 21.23 Leased from others.....\$ 0
 - 21.24 Other.....\$ 0
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [X] No []
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment \$ 0
 - 22.22 Amount paid as expenses\$ 408,121
 - 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

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

GENERAL INTERROGATORIES

24.10 For the reporting entity's security lending program state the amount of the following as 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 [] No [X]

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	\$	0
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 Nature of Restriction	2 Description	3 Amount

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

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

LINES 26.3 through 26.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

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

26.4 If the response to 26.3 is YES, does the reporting entity utilize:

26.41 Special accounting provision of SSAP No. 108	Yes [] No []
26.42 Permitted accounting practice	Yes [] No []
26.43 Other accounting guidance	Yes [] No []

26.5 By responding YES to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting entity attests to the following:..... Yes [] No []

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

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..... \$

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

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

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

GENERAL INTERROGATORIES

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

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

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

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

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

1 Name of Firm or Individual	2 Affiliation
Kevin J. Casey as Senior Investment Officer	A.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets?..... Yes [] No [X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets?..... Yes [] No [X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

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

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

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

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

GENERAL INTERROGATORIES

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	36,201,991	37,315,083	1,113,092
30.2 Preferred stocks	0	0	0
30.3 Totals	36,201,991	37,315,083	1,113,092

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 approximated fair value. The carrying value of cash equivalents approximated 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 [] No [X]

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 [] 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:
.....

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

32.2 If no, list exceptions:
.....

33. By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes [] No [X]

35. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [] No [X]

OTHER

36.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$386

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

1 Name	2 Amount Paid
Council for Affordable Quality Healthcare	186

GENERAL INTERROGATORIES

37.1 Amount of payments for legal expenses, if any?\$4,786

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

1 Name	2 Amount Paid
.....

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

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

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] 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

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

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

1.6 Individual policies:

Most current three years:

1.61 Total premium earned \$ 0

1.62 Total incurred claims \$ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned \$ 0

1.65 Total incurred claims \$ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned \$ 0

1.72 Total incurred claims \$ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned \$ 0

1.75 Total incurred claims \$ 0

1.76 Number of covered lives 0

2. Health Test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator	5,959,512	31,105,777
2.2 Premium Denominator	5,959,512	31,105,777
2.3 Premium Ratio (2.1/2.2)	1.000	1.000
2.4 Reserve Numerator	9,663,716	13,030,239
2.5 Reserve Denominator	9,663,716	13,030,239
2.6 Reserve Ratio (2.4/2.5)	1.000	1.000

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

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [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 []

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

5.2 If no, explain:
The Company is of sufficient size to absorb large losses and does not require reinsurance to protect against the occasional large claim.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ 0

5.32 Medical Only \$ 0

5.33 Medicare Supplement \$ 0

5.34 Dental & 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 contracts contain hold harmless and continuity of coverage provisions.

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

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 33,791

8.2 Number of providers at end of reporting year 16,981

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

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months. \$ 0

9.22 Business with rate guarantees over 36 months \$ 0

GENERAL INTERROGATORIES

- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- | | | |
|--|----|-----------|
| 10.21 Maximum amount payable bonuses..... | \$ | 3,205,550 |
| 10.22 Amount actually paid for year bonuses..... | \$ | 94,727 |
| 10.23 Maximum amount payable withholds..... | \$ | 0 |
| 10.24 Amount actually paid for year withholds..... | \$ | 0 |

- 11.1 Is the reporting entity organized as:
- | | | |
|---|------------------------------|--|
| 11.12 A Medical Group/Staff Model, | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 11.13 An Individual Practice Association (IPA), or, | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 11.14 A Mixed Model (combination of above)? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. Iowa
- 11.4 If yes, show the amount required. \$ 1,571,646
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 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
License covers entire State of Iowa

- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 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
- 13.4 If yes, please provide the balance of 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
- 14.2 If the answer to 14.1 is yes, please provide the following:

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

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):
- | | | |
|------------------------------------|----|---|
| 15.1 Direct Premium Written | \$ | 0 |
| 15.2 Total Incurred Claims | \$ | 0 |
| 15.3 Number of Covered Lives | | 0 |

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

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

FIVE-YEAR HISTORICAL DATA

	1 2019	2 2018	3 2017	4 2016	5 2015
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	52,473,827	53,997,097	97,012,855	87,496,304	96,874,642
2. Total liabilities (Page 3, Line 24)	9,840,319	14,123,584	59,519,883	58,083,134	57,738,710
3. Statutory minimum capital and surplus requirement	1,571,646	2,310,716	1,000,000	1,000,000	1,000,000
4. Total capital and surplus (Page 3, Line 33)	42,633,508	39,873,513	37,492,972	29,413,170	39,135,932
Income Statement (Page 4)					
5. Total revenues (Line 8)	5,548,354	31,818,696	209,641,637	240,427,327	311,389,870
6. Total medical and hospital expenses (Line 18)	2,596,159	18,652,738	165,593,789	210,935,474	267,790,297
7. Claims adjustment expenses (Line 20)	162,067	562,437	3,386,123	4,247,450	4,841,507
8. Total administrative expenses (Line 21)	1,642,462	8,607,686	31,901,143	39,424,560	41,748,855
9. Net underwriting gain (loss) (Line 24)	1,856,003	3,207,047	8,760,582	(14,180,157)	(2,990,789)
10. Net investment gain (loss) (Line 27)	1,205,279	814,036	1,496,114	978,041	791,708
11. Total other income (Lines 28 plus 29)	0	0	0	0	(30,303)
12. Net income or (loss) (Line 32)	2,782,400	2,004,575	8,346,000	(7,295,647)	(2,142,276)
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(344,887)	(29,502,607)	28,260,770	7,359,014	16,319,120
Risk-Based Capital Analysis					
14. Total adjusted capital	42,633,508	39,873,513	37,492,972	29,413,170	39,135,932
15. Authorized control level risk-based capital	785,823	1,155,358	6,919,526	8,541,079	10,500,281
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	437	4,025	37,863	50,127	68,848
17. Total members months (Column 6, Line 7)	11,835	67,758	527,788	686,635	902,114
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19)	46.8	58.6	79.0	87.7	86.0
20. Cost containment expenses	2.0	1.2	1.4	1.5	1.1
21. Other claims adjustment expenses	0.9	0.6	0.2	0.3	0.4
22. Total underwriting deductions (Line 23)	66.5	89.9	95.8	105.9	101.0
23. Total underwriting gain (loss) (Line 24)	33.4	10.1	4.2	(5.9)	(1.0)
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	3,805,195	27,453,703	18,923,435	36,550,735	30,353,063
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	6,618,140	32,787,937	28,930,099	34,484,946	27,104,012
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)	0	0	0	0	0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	0	0	0	0	0
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30. Affiliated mortgage loans on real estate	0	0	0	0	0
31. All other affiliated	0	0	0	0	0
32. Total of above Lines 26 to 31	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above	0	0	0	0	0

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

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, etc.	1 Active Status (a)	Direct Business Only								
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts	
1. Alabama	AL	N	0	0	0	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0	0	0	0
3. Arizona	AZ	N	0	0	0	0	0	0	0	0
4. Arkansas	AR	N	0	0	0	0	0	0	0	0
5. California	CA	N	0	0	0	0	0	0	0	0
6. Colorado	CO	N	0	0	0	0	0	0	0	0
7. Connecticut	CT	N	0	0	0	0	0	0	0	0
8. Delaware	DE	N	0	0	0	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0	0	0	0
10. Florida	FL	N	0	0	0	0	0	0	0	0
11. Georgia	GA	N	0	0	0	0	0	0	0	0
12. Hawaii	HI	N	0	0	0	0	0	0	0	0
13. Idaho	ID	N	0	0	0	0	0	0	0	0
14. Illinois	IL	N	0	0	0	0	0	0	0	0
15. Indiana	IN	N	0	0	0	0	0	0	0	0
16. Iowa	IA	L	5,959,512	0	0	0	0	0	5,959,512	0
17. Kansas	KS	N	0	0	0	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0	0	0	0
19. Louisiana	LA	N	0	0	0	0	0	0	0	0
20. Maine	ME	N	0	0	0	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0	0	0	0
22. Massachusetts	MA	N	0	0	0	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0	0	0	0
25. Mississippi	MS	N	0	0	0	0	0	0	0	0
26. Missouri	MO	N	0	0	0	0	0	0	0	0
27. Montana	MT	N	0	0	0	0	0	0	0	0
28. Nebraska	NE	N	0	0	0	0	0	0	0	0
29. Nevada	NV	N	0	0	0	0	0	0	0	0
30. New Hampshire	NH	N	0	0	0	0	0	0	0	0
31. New Jersey	NJ	N	0	0	0	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0	0	0	0
33. New York	NY	N	0	0	0	0	0	0	0	0
34. North Carolina	NC	N	0	0	0	0	0	0	0	0
35. North Dakota	ND	N	0	0	0	0	0	0	0	0
36. Ohio	OH	N	0	0	0	0	0	0	0	0
37. Oklahoma	OK	N	0	0	0	0	0	0	0	0
38. Oregon	OR	N	0	0	0	0	0	0	0	0
39. Pennsylvania	PA	N	0	0	0	0	0	0	0	0
40. Rhode Island	RI	N	0	0	0	0	0	0	0	0
41. South Carolina	SC	N	0	0	0	0	0	0	0	0
42. South Dakota	SD	N	0	0	0	0	0	0	0	0
43. Tennessee	TN	N	0	0	0	0	0	0	0	0
44. Texas	TX	N	0	0	0	0	0	0	0	0
45. Utah	UT	N	0	0	0	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0	0	0	0
47. Virginia	VA	N	0	0	0	0	0	0	0	0
48. Washington	WA	N	0	0	0	0	0	0	0	0
49. West Virginia	WV	N	0	0	0	0	0	0	0	0
50. Wisconsin	WI	N	0	0	0	0	0	0	0	0
51. Wyoming	WY	N	0	0	0	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0	0	0	0
57. Canada	CAN	N	0	0	0	0	0	0	0	0
58. Aggregate other alien	OT	XXX	0	0	0	0	0	0	0	0
59. Subtotal	XXX	5,959,512	0	0	0	0	0	5,959,512	0	0
60. Reporting entity contributions for Employee Benefit Plans	XXX	0	0	0	0	0	0	0	0	0
61. Total (Direct Business)	XXX	5,959,512	0	0	0	0	0	5,959,512	0	0
DETAILS OF WRITE-INS										
58001.	XXX									
58002.	XXX									
58003.	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0	0
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0	0

(a) Active Status Counts:

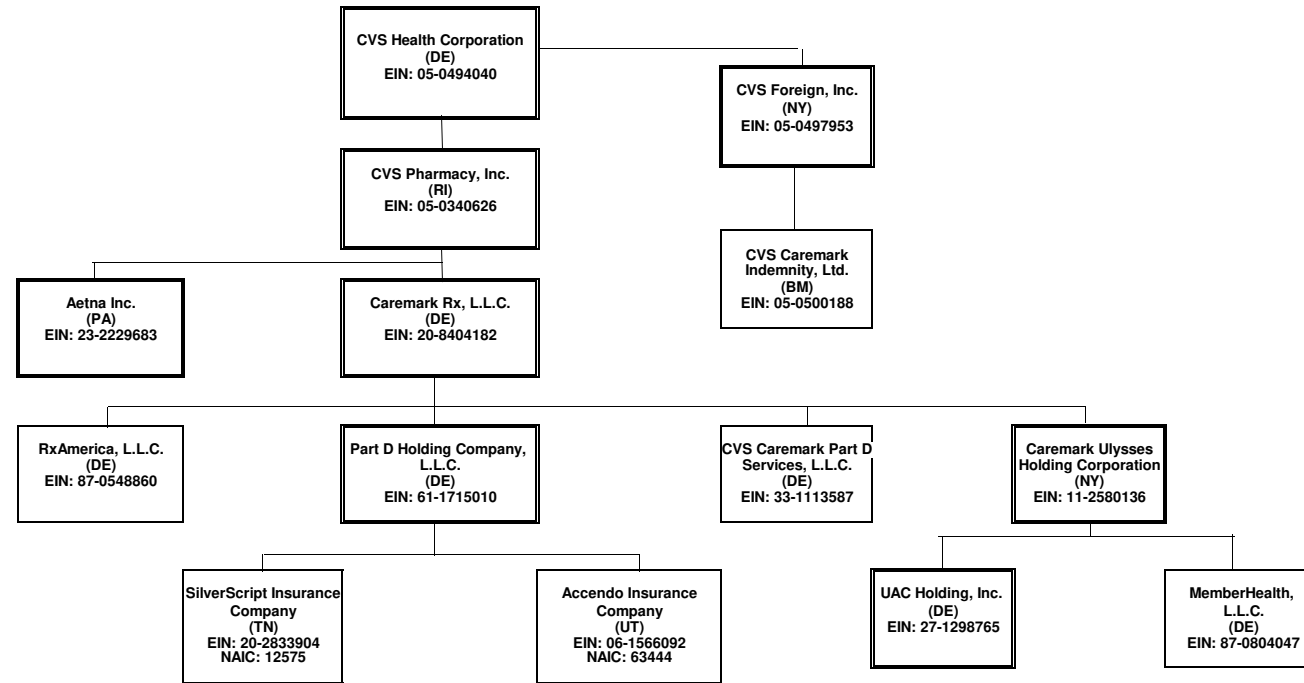
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....1 R - Registered - Non-domiciled RRGs.....0
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0 Q - Qualified - Qualified or accredited reinsurer.....0
 N - None of the above - Not allowed to write business in the state.....56

(b) Explanation of basis of allocation by states, premiums by state, etc.
 Iowa is a single state company therefore all premiums are Iowa.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

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

PART 1 - ORGANIZATIONAL CHART



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

(1) Insurers/HMO's

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

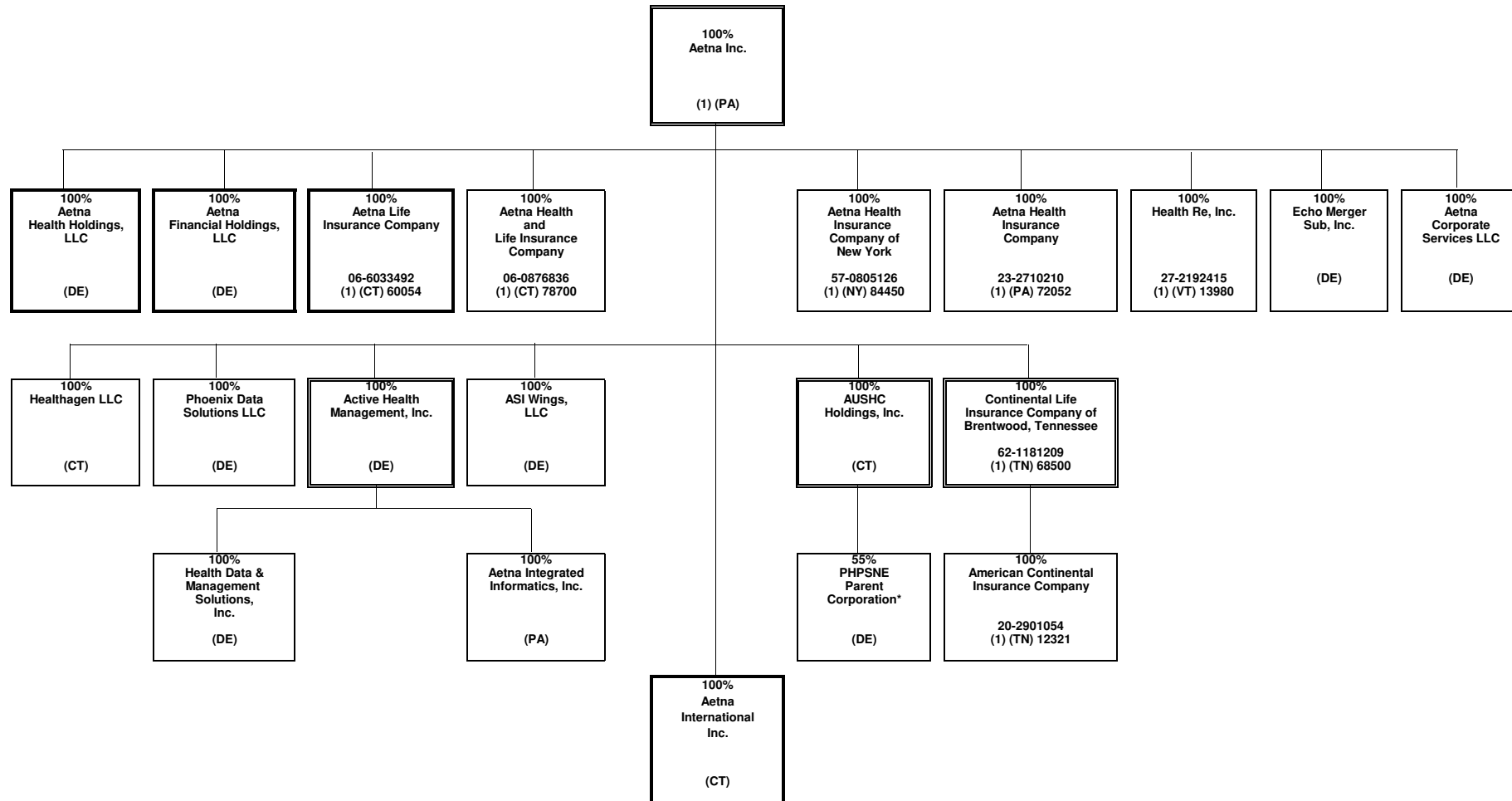
Double borders indicate entity has subsidiaries shown on the same page.

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

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

PART 1 - ORGANIZATIONAL CHART

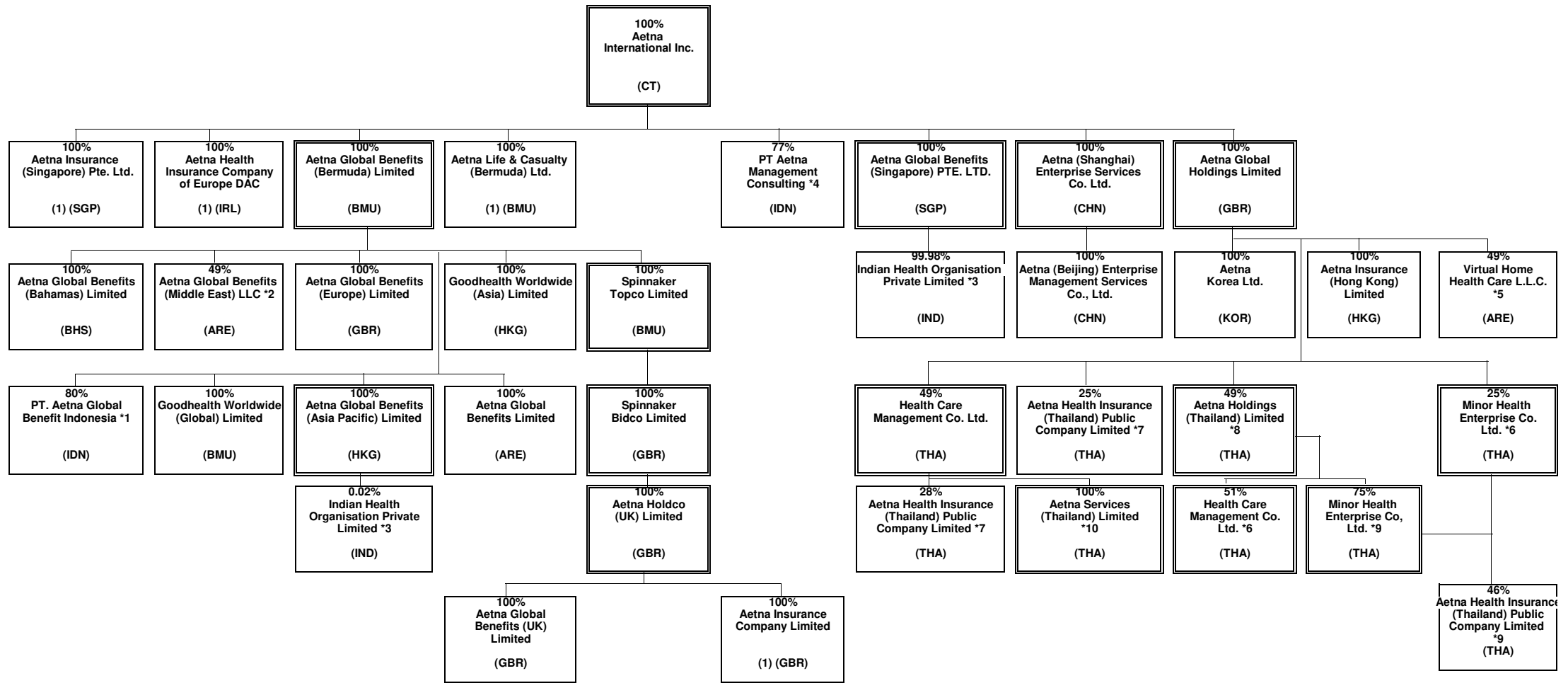


* PHPSNE Parent Corporation is also 45% owned by third parties.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

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

PART 1 - ORGANIZATIONAL CHART

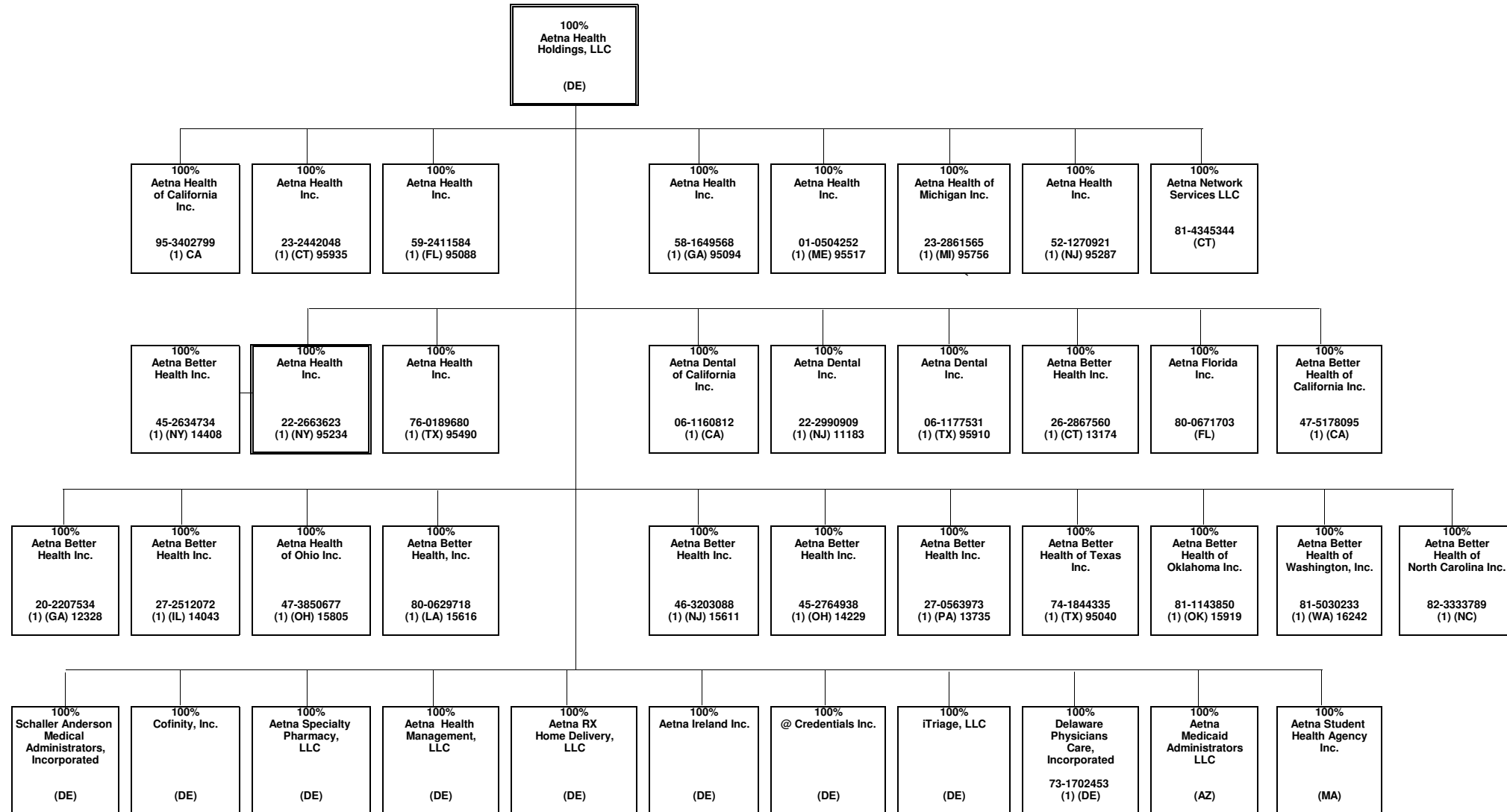


*1 PT. Aetna Global Benefits Indonesia is also 20% owned by Suhatsyah Rivai, Aetna's Nominee.
 *2 Aetna Global Benefits (Middle East) LLC is also 51% is owned by Euro Gulf LLC, Aetna's Nominee.
 *3 Indian Health Organisation Private Limited is 0.019857% owned by Aetna Global Benefits (Asia Pacific) and 99.980143% owned by Aetna Global Benefits (Singapore) PTE. LTD.
 *4 PT Asuransi Aetna Asia is also 23% owned by PT Asuransi Central Asia.
 *5 Virtual Home Health Care L.L.C. is also 51% owned by CBD Commercial Brokers LLC, Aetna's Nominee
 *6 Health Care Management Co. Ltd. is also owned by Aetna Global Benefits (Bermuda) Limited (1 share).
 *7 Aetna Health Insurance (Thailand) Public Company Limited is also owned by Aetna Global Benefits (Bermuda) Limited (1 share), Mr. Sansanapongpherchar (1 Share), Mr. Jitphasong Itsaraphakded (1 Share); Mrs. Suphee Wattana (1 Share); and Mr. Buncha Tamphragom (1 Share)
 *8 Aetna Holdings (Thailand) Limited is also 51% owned by Mr. Paiboon Sutanivorakoon plus Aetna Benefits (Bermuda) Limited owns 1 share.
 *9 Minor Health Enterprise Co, Ltd is also (1 share) owned by Aetna Global Benefits (Bermuda) Limited
 *10 Aetna Services (Thailand) Limited is also (1 share) owned by Aetna Global Benefits (Bermuda) Limited and (1 share) owned by Aetna Global Holdings Limited

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

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

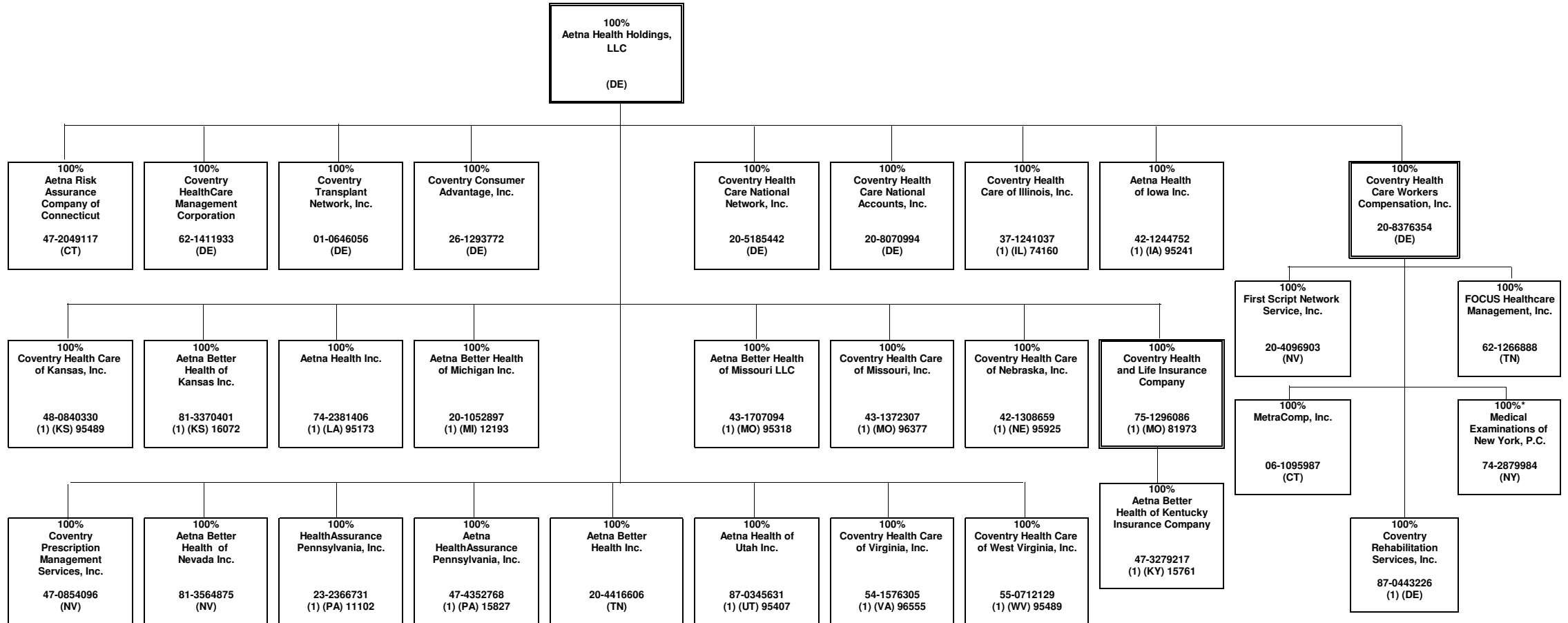
PART 1 - ORGANIZATIONAL CHART



ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

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

PART 1 - ORGANIZATIONAL CHART



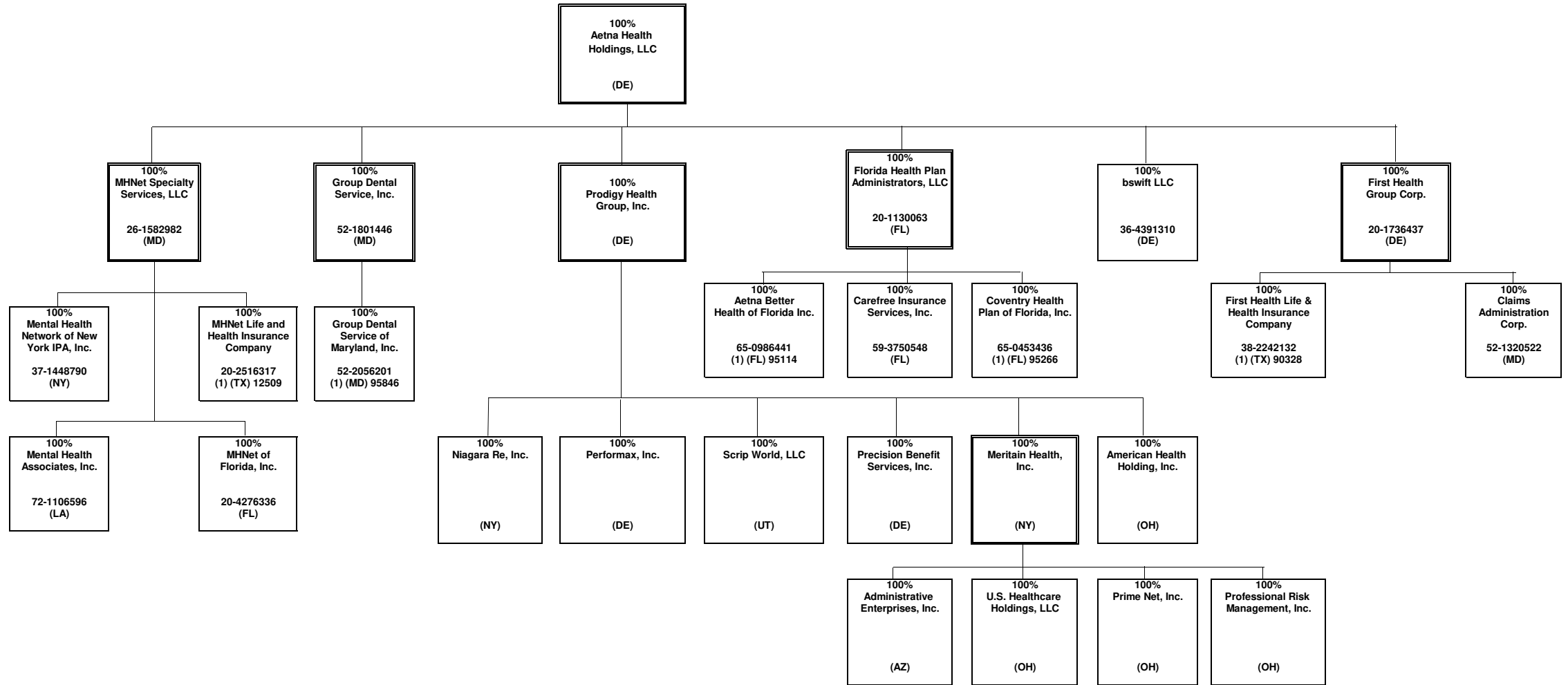
*100% owned through Aetna's nominees

40.4

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

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

PART 1 - ORGANIZATIONAL CHART

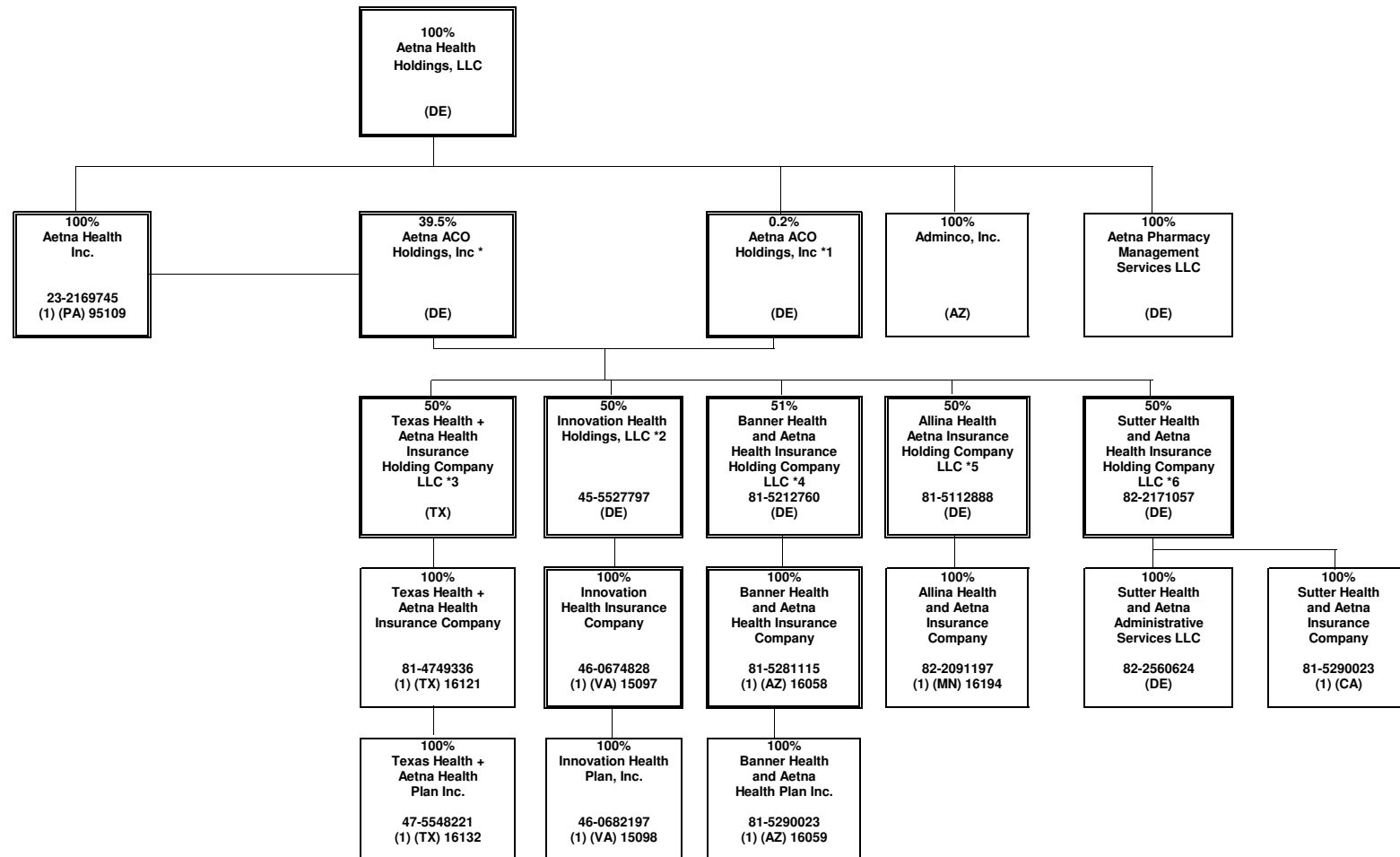


40.5

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

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

PART 1 - ORGANIZATIONAL CHART



*1 Aetna ACO Holdings Inc. is owned by Aetna Life Insurance Company (302 shares); Aetna Health Inc. (PA) (198 shares); and Aetna Health Holdings, LLC (1 share).

*2 Innovation Health Holdings, LLC is also 50% owned by Inova Health System Foundation.

*3 Texas Health + Aetna Health Insurance Holding Company LLC is also 50% owned by Texas Health Resources.

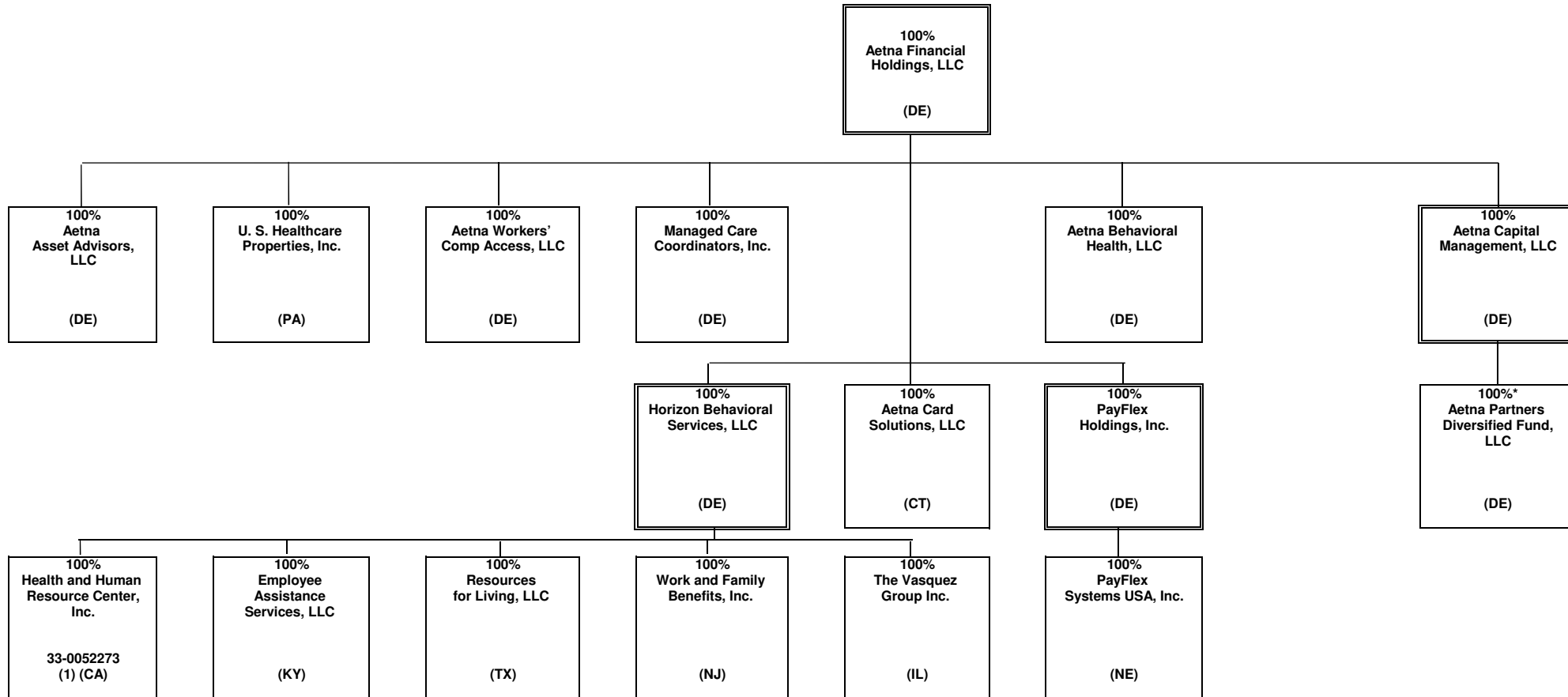
*4 Banner Health and Aetna Health Insurance Holding Company LLC is also 49% owned by Banner Health.

*5 Allina Health and Aetna Insurance Holding Company LLC is also 50% owned by Allina Health.

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

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

PART 1 - ORGANIZATIONAL CHART

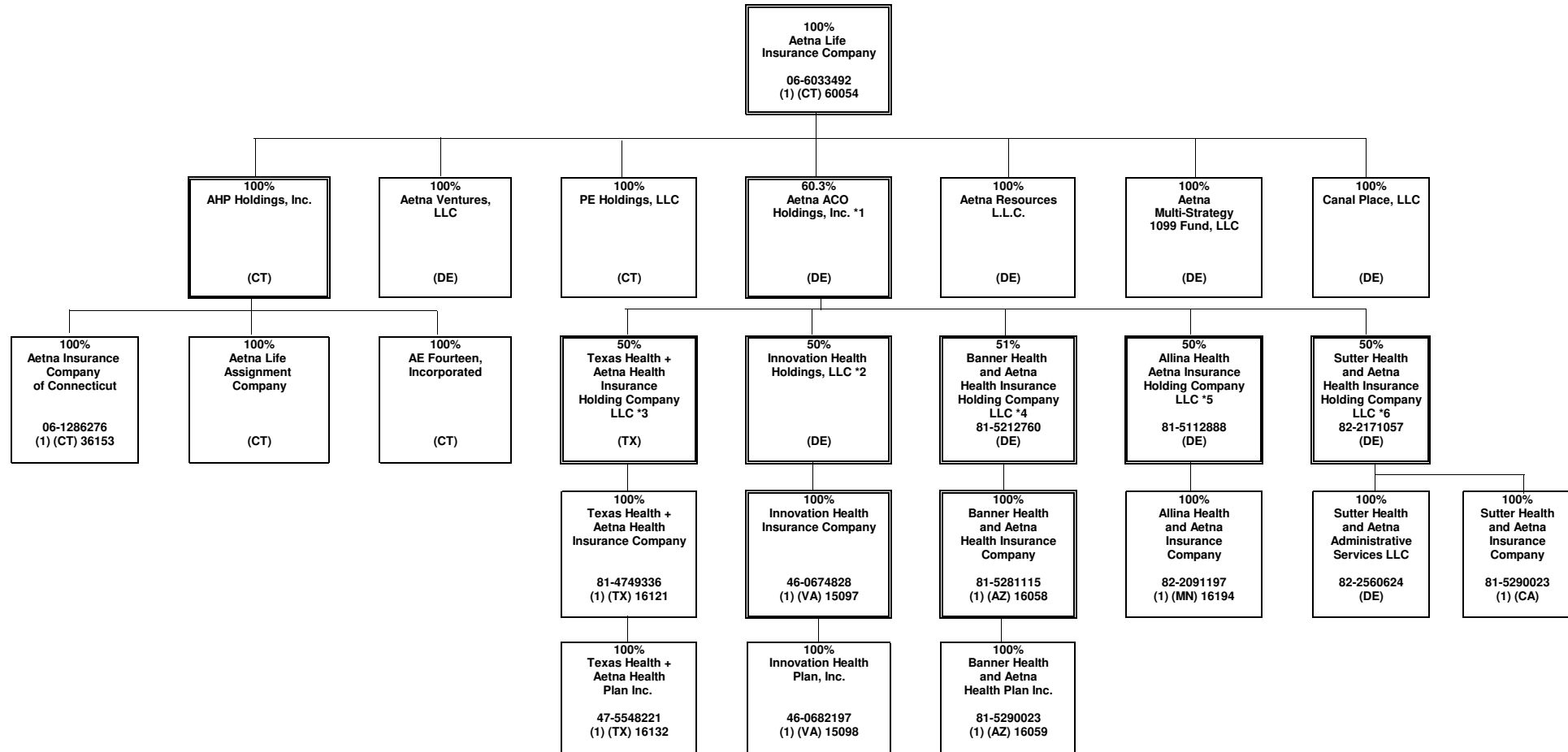


* Aetna Life Insurance Company owns substantially all of the non-managing member interests of Aetna Partners Diversified Fund, LLC.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

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

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OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
2504. Interest expense	0	(7)	5,406	0	5,399
2597. Summary of remaining write-ins for Line 25 from overflow page	0	(7)	5,406	0	5,399

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE Aetna Health of Iowa Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Exhibit 1 Line 6

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
0604.	0	0	0	0	0	0
0605.	0	0	0	0	0	0
0606.	0	0	0	0	0	0
0697. Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0

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