EXHIBIT A

STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

REPORT ON EXAMINATION

OF

SILVERSCRIPT INSURANCE COMPANY

(NAIC # 12575)

NASHVILLE, TENNESSEE

AS OF

DECEMBER 31, 2013

TABLE OF CONTENTS

Introduction 1
Scope of Examination 1
Compliance with Previous Examination Findings 3
Company History 5
  Dividends 5
Management and Control 5
  Management 5
  Control 7
  Organizational Chart 8
  Conflicts of Interest and Pecuniary Interest 8
  Corporate Records 9
Agreements with Parent, Subsidiaries and Affiliates 9
Fidelity Bond and Other Insurance 10
Employee Benefits and Pension Plans 11
Territory and Plan of Operation 11
  Territory 11
  Plan of Operation 11
Growth of Company 12
Claims Experience 12
Reinsurance Agreements 12
Litigation and Contingent Liabilities 13
Statutory Deposits 14
Accounts and Records 15
Market Conduct Activities 16
Subsequent Events 17
Financial Statements 18
  Assets 18
  Liabilities, Capital and Surplus 19
  Statement of Revenue and Expenses 20
  Capital and Surplus Account 21
  Analysis of Changes in Financial Statements 22
Comments and Recommendations 23
  Comments 23
  Recommendations 23
Conclusion 24
Affidavit 25

Nashville, Tennessee
February 18, 2015

Honorable Julie Mix McPeak
Commissioner of Commerce and Insurance
State of Tennessee
500 James Robertson Parkway
Nashville, Tennessee 37243

Dear Commissioner:

Pursuant to your instructions and in accordance with the Tenn. Code Ann. § 56-1-408, regulations, and resolutions adopted by the National Association of Insurance Commissioners ("NAIC"), a full-scope financial examination and market conduct review, as of December 31, 2013, has been made of the condition and affairs of:

SILVERSCRIPT INSURANCE COMPANY
NAIC # 12575
445 Great Circle Road
Nashville, Tennessee 37228

hereinafter generally referred to as the "Company" or "SSIC" and a report thereon is submitted as follows:

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance ("TDCI" or "Department") under rules promulgated by the NAIC. The examination commenced on July 7, 2014, and was conducted by duly authorized representatives of the TDCI. Due to the Company being licensed in many states, this examination was called through the NAIC's Financial Examination Electronic Tracking System ("FEETS") on October 25, 2013, and subsequently called as a Group Examination on August 7, 2014. This examination was conducted as a coordinated examination with the Commonwealth of Pennsylvania, with Tennessee serving as the Lead State.

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2010. This examination covers the period January 1, 2011, through December 31, 2013, and includes any material transactions and/or events occurring subsequent to the examination date

which were noted during the course of examination.

The examination was conducted in accordance with rules and procedures as prescribed by the statutes of the State of Tennessee, and in accordance with the *NAIC Financial Condition Examiners Handbook*, as deemed appropriate. The examination was planned and performed to evaluate the financial condition of the Company as of December 31, 2013. The examination sought to identify prospective risks by obtaining information about the Company, including its corporate governance, by identifying and assessing inherent risks within the Company, and by evaluating system controls and procedures used to mitigate those risks. The examination also included assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, and management's compliance with statutory accounting principles and annual statement instructions.

During planning, all accounts and balances were reviewed and key activities and accounts to be examined were determined. The key activities included: Investments; Premiums and Pricing; Claims Handling; Reserves; Reinsurance; Capital and Surplus; Related Party; Taxes; and Other Healthcare Assets.

The Company's 2013 annual statement was compared with or reconciled to the corresponding general ledger account balances.

An examination of the Company's information systems ("IS") was conducted concurrently with the financial examination by Noble Consulting Services, Inc. The IS examination included a review of management and organizational controls, logical and physical security controls, changes in applications controls, system and program development controls, contingency planning controls, service provider controls, operations controls, processing controls, e-commerce controls, and network and internet controls.

A market conduct review was also performed concurrently with the financial examination.

The actuarial firm of Lewis & Ellis, Inc. was utilized in the review of the Company's claims unpaid and aggregate health policy reserves.

Ernst & Young, LLP, was the certified public accountant ("CPA") and independent auditor for the Company for all years under examination. The examiners reviewed the CPA's work papers for all years; copies of which were incorporated into the examination, as deemed appropriate.

The Company provided a letter of representation, certifying that management has disclosed all significant matters and records.

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

Our examination included a review to determine the current status of the comments and recommendations in the previous report on examination dated October 25, 2012, which covered the period from November 30, 2005, through December 31, 2010. The previous full-scope examination report as of December 31, 2010, contained two (2) comments, and five (5) recommendations which required corrective action by the Company. The Company corrected all of the prior exam comments during the course of the previous examination. Below is a description of the prior examination report's recommendations and our findings during this examination:

Comments:

- The Evaluation of Controls in Information Technology ("IT") was conducted and given an assessment of Weak. An overall assessment of Weak conveys that the Company's IT risk management processes are not functioning, not in place, or, in this case, not evidenced to be in place.

Update: During the 2013 financial examination, the IT Specialist assessed the IT General Controls as Strong, and did not identify any deficiencies. As a result, the issues were satisfactorily addressed.

- The independent auditor should disclose consent to make available for review all workpapers and communications obtained as part of the audit. The independent auditor did not include this language in its 2010 qualification letter. The qualification letters prepared for audit years 2006-2009 included this disclosure.

Update: The CPA's 2013 qualification letter met all regulatory requirements. As a result, the issues were satisfactorily addressed.

Recommendations:

- It is recommended that the Company comply with Tenn. Code Ann. § 56-1-411(b)(1) by providing free and convenient access to all books, records, securities, documents, and any and all papers relating to the property, assets, business, and affairs of the Company. The officers, directors and agents of the company, corporation, or association, or person shall facilitate the examination and aid in the examination as far as it is in their power to do so. It is recommended that the Company make records and personnel available during the examination process to use techniques pursuant to the NAIC Financial Condition Examiners Handbook and Practices and Procedures Manual in accordance with Tenn. Code Ann. § 56-1-411(c)(2).

Update: The Company cooperated fully during the 2013 financial examination by providing access to all books, records, documents and personnel. The Company provided an examination coordinator contact person to facilitate all aspects of the examination. As a result of the above action, the issues were satisfactorily addressed. Therefore, it was determined that the Company complied with the prior exam recommendation and Examination Report Directive concerning access to books and records.

- It is recommended that in future examinations the Company and independent auditor not delay making all workpapers available for review by complying with Tenn. Comp. R. & Regs., 0780-1-65.14.

Update: During the 2013 examination, the independent auditor provided complete access to all audit workpapers and timely provided copies of requested workpapers. As a result of the above action, the issue was satisfactorily addressed. Therefore, it was determined that the Company complied with the prior exam recommendation and Examination Report Directive concerning access independent auditor workpapers.

- It is recommended that the Company comply with Tenn. Code Ann. § 56-1-501(b) and Tenn. Code Ann. § 56-1-501(g) when completing the Annual Statement.

Update: The Company completed the 2013 Annual Statement in accordance with NAIC Accounting Practices and Procedures and NAIC Annual Statement Instructions. As a result of the above action, the issue was satisfactorily addressed. Therefore, it was determined that the Company complied with the prior exam recommendation and Examination Report Directive concerning compliance with NAIC Accounting Practices and Procedures Manual.

- It is recommended that the Company comply with Tenn. Code Ann. § 56-3-112, Tenn. Code Ann. § 47-8-102, and Tenn. Comp. R. & Regs., 0780-1-46 and maintain Company securities in a qualifying institution under a properly executed custodial agreement.

Update: The Company has entered into properly executed Custodial Agreement that has been approved by the Commissioner. As a result of the above action, the issue was satisfactorily addressed. Therefore, it was determined that the Company complied with the prior exam recommendation and Examination Report Directive concerning securities custodian and custodial agreement requirements.

- The Company on Schedule E, Part 1in the Annual Statement, lists a $60,000 special deposit, which was not confirmed on any deposit accounts held by the Company as of year-end 2010. This unconfirmed cash amount will be non-admitted for the purposes of this examination.

Update: The aforementioned deposit held by the Company was confirmed during the current examination. As a result, the issue was satisfactorily addressed.

COMPANY HISTORY

The Company incorporated under the laws of Tennessee on May 11, 2005. The Company was issued a Certificate of Authority, effective May 22, 2006, and commenced business on January 1, 2006, as a Tennessee accident and health insurance company. The Company's principal line of business is providing Medicare Part D prescription drug plan coverage.

The Company was formed exclusively to provide benefits as a prescription drug plan ("PDP") under the federal government's Medicare Part D program, which is administered by the Centers for Medicare and Medicaid Services ("CMS"). The Company offers Medicare Part D plans to eligible participants in all authorized jurisdictions. The Company is licensed to write insurance in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

The Company was authorized to issue ten million (10,000,000) shares of common capital stock with a par value of one dollar ($1) per share. Two million seven hundred fifty thousand (2,750,000) shares were issued and outstanding. All common shares were held by the parent company, SilverScript, Inc. In 2007, the parent changed names from SilverScript, Inc. to SilverScript, L.L.C. In 2009, the Company's parent changed names from SilverScript, L.L.C. to CVS Caremark Part D Services, L.L.C. In 2010, during a holding company structure change, the parent Company changed from Accendo Holding Company to Part D Holding Company, L.L.C.

On March 22, 2007, CVS Corporation acquired Caremark, Inc. The acquisition changed the Company's ultimate controlling parent from Caremark Rx, Inc. to CVS Caremark Corporation. Subsequently, on September 3, 2014, the ultimate parent changed its name from CVS Caremark Corporation to CVS Health Corporation.

DIVIDENDS

No dividends or distributions were declared or paid by the Company during the period under examination.

MANAGEMENT AND CONTROL

MANAGEMENT

The Company's Bylaws state that the business and affairs of the corporation shall be managed by a Board of Directors who shall be elected at the annual meeting of the shareholder. The Company's Bylaws state that the number of directors shall consist of not less than three (3) and not more than fifteen (15) directors. A majority of the directors

constitutes a quorum. Directors shall hold office until his or her successor has been elected and qualified, or until his or her earlier resignation.

The following persons were duly elected by the Shareholder and serving as members of the Board of Directors as of December 31, 2013:

Name	Principal Occupation
David S. Azzolina	CVS Health, Vice President, Finance
Joseph C. LaPine	CVS Health, Vice President, Medicare Part D
Harold N. Lund	CVS Health, Vice President, Finance
Todd D. Meek	CVS Health, Vice President, Medicare Part D
Melanie C. Merlino	CVS Health, Vice President, Medicare Program Services
Mary K. Meyer	CVS Health, Vice President, Marketing

The Company's Bylaws require that an annual meeting of the shareholders be held to elect directors and to conduct such other business. The meeting may be held within or without the State of Tennessee, at a date and time designated by the Board of Directors within thirteen (13) months subsequent to the last annual meeting.

The Bylaws allow any action required or permitted to be taken at a meeting of the Board of Directors, or of any committee thereof, to be taken without a meeting, if a written consent thereto is signed by all Board or committee members, and such written consent is filed with the minutes of proceedings. Such consent shall have the same force and effect as a vote at a meeting. Any or all of the directors, or committee members may participate in meetings by means of conference telephone, or similar communication equipment.

The Bylaws provide that the officers of the Company shall consist of a President, Vice President, Secretary, Treasurer, and such other officers as the Board of Directors may determine. One person may simultaneously hold any two (2) or more principal offices, except for the offices of President and Secretary.

The following officers were duly elected by the Board of Directors on April 22, 2013, and were serving as officers of the Company, as of December 31, 2013:

Name	Title
Todd D. Meek	President; Vice President, Medicare Part D
Anthony G. Strong	Treasurer; Senior Director, Accounting and External Reporting
Michele W. Buchanan	Secretary; Senior Legal Counsel
Michael A. McNelis	Vice President; Vice President, Medicare Part D
Rebecca C. Justice	Actuary; Director, Medicare Part D

The Bylaws allow the Board of Directors to create one or more committees which may consist of a single member. The Bylaws state that all committees so created shall have such powers as the Board of Directors may delegate to such committee. In December 2006, the Board approved and adopted the creation of the Medicare Part D Compliance Committee. As of December 31, 2013, the Company's members of the Medicare Part D Compliance Committee were as follows:

Voting Members

Name	Title
Jane F. Barlow	Associate Chief Medical Officer
John Buckley	SVP, Chief Compliance Officer
Patrick Jeswald	Chief Compliance Officer
Joseph C. LaPine	Vice President, Medicare Part D
Jeff Low	Director of Medicare Services
Michael McNelis	Vice President; Vice President, Medicare Part D
Todd D. Meek	Vice President, Medicare Part D
Frank Moffett	VP Medicare Operations
Judy Weitzman	VP Medical Affairs

Non-Voting Members

Name	Title
Sheila Bowers	Assistant Vice President
Bob Brett	VP Medicare Services
Andrea Centola	Director Compliance Operations
Daniel Staniec	Director Delegation Oversight
Richard Tomaszewski	Director of Internal Audit

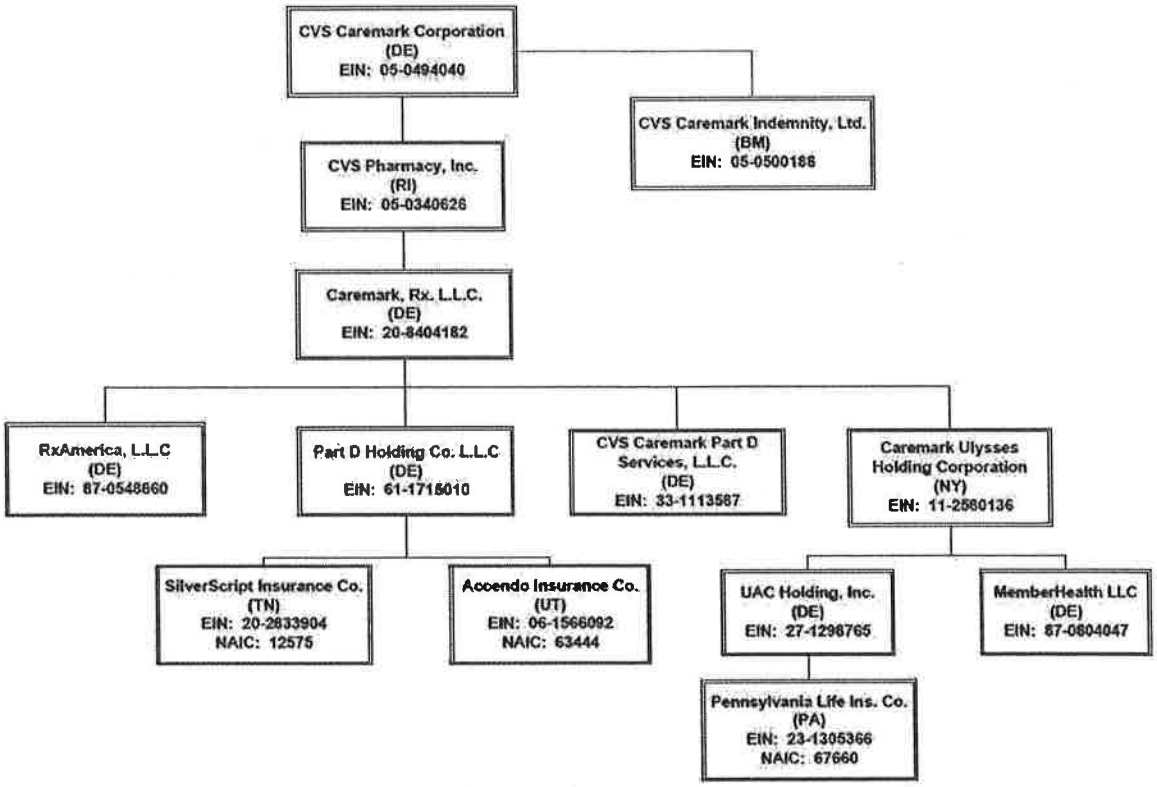
As of December 31, 2013, the Medicare Part D Compliance Committee consisted of four sub-committees. The sub-committees existing were as follows:

- Delegation Oversight and Monitoring
- Market Conduct
- Beneficiary Access and Services
- Fraud, Waste, and Abuse

CONTROL

The Company is part of a holding company system. As of December 31, 2013, one hundred percent (100%) of the outstanding shares of the Company were owned by Part D Holdings, L.L.C., a Delaware corporation. Part D Holdings, L.L.C. in turn is wholly-owned by Caremark Rx, L.L.C., a Delaware corporation. Caremark Rx, L.L.C. is wholly-owned by CVS Pharmacy, Inc., a Rhode Island corporation. CVS Pharmacy, Inc. is wholly-owned by the ultimate parent, CVS Caremark Corporation, a Delaware corporation.

ORGANIZATIONAL CHART



CONFLICTS OF INTEREST AND PECUNIARY INTEREST

The Company is required to comply with Tenn. Code Ann. § 56-3-103 prohibiting officers and directors of insurance companies from having a pecuniary interest in the investment or disposition of funds of a domestic insurance company.

CVS Caremark Corporation and all of its subsidiaries adopted a Code of Conduct Policy which requires compliance with all laws and regulations that are applicable to its business at all governmental levels. The policy requires all directors and employees conduct business of the Company on the highest ethical level and be free from conflicting interests and relationships. The policy further requires all directors and management employees annually report all information required to be reported herein and such other information as may be relevant to determine the existence or likely development of a significant conflict of interest.

The evidence of the completion of an annual conflict of interest disclosure for each of the Company's directors and officers for each year of the examination period was reviewed. No conflicts were noted.

CORPORATE RECORDS

The minutes of meetings of the Board of Directors and Shareholder were reviewed for the period under examination. They were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes indicated that all investment transactions were approved by the Board. In addition, the minutes of the meeting of the Medicare Part D Compliance Committee and the CVS Caremark Audit Committee were reviewed for the period under examination.

Charter

The Charter of the Company, in effect at December 31, 2013, is the Company's original Charter filed with TDCI on May 11, 2005, and the Articles of Amendment to change the statutory address, which was approved by the TDCI on August 28, 2009. The Charter states the Corporation is a for-profit life and accident and health insurance company. No amendments or restatements were made to the Company's Charter during the period of examination.

Bylaws

The Bylaws of the Company, in effect at December 31, 2013, are the Company's original Bylaws which were adopted by the Board of Directors. No amendments or restatements were made to the Company's Bylaws during the period of examination.

The Bylaws are such as generally found in corporations of this type, and contain no unusual provisions. They provide for the regulation of the business and for the conduct of the affairs of the Company, the Board of Directors, and its members.

AGREEMENTS WITH PARENT, SUBSIDIARIES AND AFFILIATES

The Company is a member of an insurance holding company system, as defined by Tenn. Code Ann. § 56-11-101, *et seq.* "Insurance Company Holding Act of 1986". The Company files a Holding Company Registration Statement annually as required by Tenn. Code Ann. § 56-11-105. The required Forms B and C were filed by the Company April 30, 2013.

Management Services Agreement

Effective November 15, 2005, the Company entered into a Medicare Part D Management and Services Agreement with CVS Caremark Part D Services, L.L.C., whereby the Company pays Caremark Part D Services, L.L.C. a management fee for sales, accounting, tax, legal, information technology, compliance, claims processing services, and other administrative services. The management fee is assessed on a per-member, per-month basis.

Effective January 1, 2013, the Company entered into a Prescription Benefit Services Agreement for Medicare Part D with CVS Caremark Part D Services, L.L.C. and its affiliates, in which CVS Caremark Part D Services, L.L.C. and its affiliates will provide prescription benefit management services to the Company in support of the Company's participation with CMS as a Part D Plan sponsor. Subsequently, the Company amended this agreement, effective January 1, 2014, and January 1, 2015. The amendments documented plan year changes to certain financial terms as set forth in Exhibit A, attached to the agreement.

Tax Sharing Agreement

Effective May 21, 2008, the Company and the ultimate parent entered into a tax sharing agreement. The agreement applies to the taxable year ending December 31, 2008, and all subsequent periods for which the Company is includible on the consolidated federal income tax return of the parent. Under this agreement, CVS Caremark Corporation and the Company shall settle payments prior to the close of the calendar year in which the tax return is filed. If any adjustments are made by the Internal Revenue Service ("IRS"), the Company shall pay to parent or the parent shall pay to Company the amount of deficiency or overpayment, plus any interest and penalties demanded or refunded by the IRS.

FIDELITY BOND AND OTHER INSURANCE

The Company is listed as a named insured on certain insurance policies being carried by its ultimate parent, CVS Caremark Corporation. The following is a summary of insurance coverages in effect for the Company on December 31, 2013:

Crime Coverage	General Liability
PBM Errors & Omissions	Workers Compensation Liability
Automobile Liability	

The Company's fidelity coverage exceeds the suggested minimum amount per the *NAIC Financial Condition Examiners Handbook*. The bonds and policy coverages were inspected and appear to be in-force as of the date of this examination. All of the above policies were issued by companies licensed to transact business in the State of Tennessee. Similar coverage was in effect as of the date of this examination report.

EMPLOYEE BENEFITS AND PENSION PLANS

The Company has no employees, retirement plans, or other employee benefits. The Company pays CVS Part D Services, L.L.C., an affiliate, for business and administrative functions under a management services agreement.

TERRITORY AND PLAN OF OPERATION

TERRITORY

The Company is a life, accident and health insurer licensed to transact business in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Certificates of Authority granted by the licensed states were reviewed and found to be in force at year-end 2013.

The Company currently has no applications pending for admission to any other territories. As a Medicare Part D provider, the Company is not subject to premium taxes.

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN

State	Licensed (Yes or No)	Direct Premiums Written	Amount Paid for Provision of Health Care Services	Amount Incurred for Provision of Health Care Services	Claims Unpaid
California	Yes	$477,565,479	$404,141,514	$434,610,364	$35,023,341
New York	Yes	263,851,781	211,172,896	227,093,542	18,300,471
Ohio	Yes	167,776,753	118,804,715	127,761,584	10,295,745
Pennsylvania	Yes	227,844,896	158,500,714	170,450,325	13,735,843
Texas	Yes	235,420,028	190,106,238	204,438,637	16,474,812
Tennessee	Yes	78,752,870	54,272,232	58,364,006	4,703,299
All Other States and Territories	Yes	$2,454,737,904	$1,789,742,010	$1,924,673,272	$137,100,976
Totals		$3,905,949,711	$2,926,740,319	$3,147,391,730	$235,634,487

PLAN OF OPERATION

The target market for Medicare Part D Prescription Drug plans is Medicare-eligible members who are seeking prescription drug coverage under the Medicare Part D program. The Company has historically participated, and will continue to participate, in the sub-segment of this population consisting of low income subsidy and dual eligible auto-assigned Medicare beneficiaries. CMS randomly auto assigns dual eligible beneficiaries to qualifying Part D plans through a bid process.

The secondary target group is employer group health plans, including Medicare Supplement providers that do not offer their own PDP products. Health plans not willing to accept the risk or administrative burden of offering their own PDPs often choose to offer PDP benefits through a stand-alone PDP sponsor to the commercial clientele that decide to carve out the prescription drug benefits for retirees.

GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the period subject to this examination according to its annual statements, as filed with the TDCI:

Year	Direct Premiums Written	Net Admitted Assets	Liabilities	Capital and Surplus	Net Income
2013	$3,905,949,711	$2,479,404,546	$2,147,542,442	$204,362,104	$82,054,431
2012	$1,848,358,576	$775,857,263	$489,849,644	$158,507,619	$111,358,983
2011	$1,065,705,734	$487,614,690	$305,906,967	$54,207,723	$45,784,210

CLAIMS EXPERIENCE

As developed from applicable amounts included in the Company's annual statements filed with the TDCI, the ratios of claims and claims adjustment expenses ("CAE") incurred to net earned premiums for the period subject to this examination were as follows:

Year	Net Earned Premiums	Claims & CAE Incurred	Percent
2013	$2,965,594,606	$2,769,688,209	93.4%
2012	1,389,747,665	1,213,885,493	87.3%
2011	870,312,485	796,752,299	91.5%
Total All Years	$5,225,654,756	$4,780,230,001	91.5%

REINSURANCE AGREEMENTS

The Company routinely cedes premiums to other insurance companies. All material reinsurance agreements were reviewed and contained all of the standard clauses. There were no treaties with any unusual provisions, and all treaties provided for transfer of risk. The following is a summary of the current reinsurance agreements, at December 31, 2013:

CMS Catastrophic Reinsurance

The Company has a catastrophic reinsurance feature with CMS for the Medicare Part D program for drug costs.

Quota Share Reinsurance - Hartford

The Company entered into a fifty percent (50%) quota share reinsurance agreement in effect from January 1, 2009, and continuously in force thereafter until terminated, with Hartford Life and Accident Company, an unaffiliated authorized reinsurance company. The Company cedes and the reinsurer accepts risks on an automatic and facultative basis. The Company automatically cedes risks under contracts with the following criteria:

1. Issued to Qualified Employer Groups
2. Issued within the guidelines agreed upon between the parties
3. Are not SilverScript Open PDP Products

Subsequent to the examination date, the Company notified Hartford Life and Accident Company of their intention to terminate this agreement, effective January 1, 2015. The Company met the termination requirement of providing prior written notification of at least one hundred eighty (180) calendar days.

Quota Share Reinsurance - CVS Caremark Indemnity

The Company entered into a twenty percent (20%) quota share reinsurance agreement, effective January 1, 2011, and continuously in force thereafter until terminated, with CVS Caremark Indemnity, Ltd., a Bermuda domiciled insurer and wholly-owned subsidiary of CVS Caremark Corporation. The Company cedes Medicare Part D prescription drug insurance pursuant to the Medicare Modernization Act of 2003.

Other Considerations

All of the Company's significant reinsurance agreements were found to contain such language as recommended by the NAIC and as required for reinsurance credit pursuant to Tenn. Code Ann. § 56-2-207(a)(2). All agreements also appear to effectuate proper transfer of risk in accordance with SSAP No. 61R and NAIC guidelines.

LITIGATION AND CONTINGENT LIABILITIES

During the period of examination, and as of December 31, 2013, the Company is a party to various pending legal proceedings arising in the ordinary course of business. Based in part upon the opinion of its counsel as to the ultimate disposition of such lawsuits and claims, Company management believes that the liability, if any, resulting from the disposition of such proceedings will not be material to the Company's financial condition or results of operations.

STATUTORY DEPOSITS

In compliance with statutory and other requirements, the Company maintained deposits with the named jurisdictions or custodians below, as of December 31, 2013.

The following are deposits with states where special deposits are for the benefit of all policyholders, claimants and creditors of the Company:

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Market Value	Par Value
Tennessee – Department of Insurance	US Treasury Note 1.0%, Due 10-31-16 CUSIP # 912828RM4	1,627,119	1,612,128	1,600,000
Virginia – Department of Insurance	Federated Money Market Oblig Trust, 0.0% CUSIP # 60934N500	510,000	510,000	510,000
Sub-Total		$2,137,119	$2,122,128	$2,110,000

The following are deposits with jurisdictions where special deposits are **not** for the benefit of all policyholders, claimants and creditors of the Company:

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Market Value	Par Value
California – Dept. Managed Health Care	US Treasury Note 0.25%, Due 10-15-15 CUSIP # 912828TT7	$59,981	$59,923	$60,000
Georgia – Dept. of Insurance	Wells Fargo Adv Tr Pl Mm Ins, 0.0% CUSIP # 94975H296	35,018	35,020	35,008
Massachusetts – Dept. of Insurance	US Treasury Note 0.5%, Due 8-15-14 CUSIP # 912828RB8	120,219	120,281	120,000
Nevada – Dept. of Insurance	Certificate of Deposit 0.35%, Due 8-22-14 CUSIP # 06052TBK5	200,000	200,000	200,000
New Hampshire– Dept. of Insurance	US Treasury Note 0.5%, Due 8-15-14 CUSIP # 912828RB8	520,608	521,217	520,000
North Carolina – Dept. of Insurance	First American Treasury Oblig FD Instl, 0.0% CUSIP # 31846V419	620,007	620,007	620,007

Jurisdiction	Description of Security	Book/Adjusted Carrying Value	Fair Market Value	Par Value
Puerto Rico – Dept. of Insurance	PR Cmwlth Hwy 5.5%, Due 7-1-15 CUSIP # 745220FE8	$524,273	$491,985	$500,000
Sub-Total		$2,020,125	$1,988,510	$1,995,015
Grand-Total		**$4,157,224**	**$4,110,638**	**$4,105,015**

Deposits with said jurisdictions or custodians were verified by direct correspondence with the custodians of such deposits.

Tennessee Code Annotated §56-1-405 provides that if an insurance company maintains a special deposit in another state that is held for the benefit of only that state's policyholders and that deposit exceeds the Company's liabilities for that state's policyholders, the excess shall be reported as a non-admitted asset. At December 31, 2013, the Company was required to hold an investment in Puerto Rico municipal bonds, which had a book value of $524,273. Although this investment is not technically a statutory deposit, it is a requirement for licensure in Puerto Rico, and therefore is treated as a special deposit. The Company's liabilities relating to the policyholders of Puerto Rico was $6,837, which results in an excess special deposit of $517,436, which should be non-admitted pursuant to Tenn. Code Ann. §56-1-405. See "Comments and Recommendations" section of this report.

ACCOUNTS AND RECORDS

Tenn. Comp. R. & Regs. § 0780-01-65-.08(4), states that no partner or other person responsible for rendering a report by a certified public accounting firm may act in that capacity for more than five (5) consecutive years. The Company is audited annually by Ernst & Young, LLP, and is in compliance with this regulation.

During the course of the examination, certain balances were tested and amounts were traced from the Company's trial balance to the annual statement. All of the Company's investment securities were confirmed with the custodian of such securities, as part of this examination. All annual statements for the period under examination were reviewed for completeness and adequacy of disclosure. The Company's risk-based capital filings were reviewed. These test checks and reviews revealed no material discrepancies.

MARKET CONDUCT ACTIVITIES

Because the Company exclusively writes Medicare PDP coverage, which is a federal program regulated by the CMS, many CMS standards supersede any State law or regulation. As a result, the Company was not examined for compliance with State requirements in the following areas:

- Marketing and Sales Standards
- Producer Licensing Standards
- Policyholder Service Standards
- Underwriting and Rating Standards
- Claims Review

The following market conduct areas of the Company were reviewed in conjunction with this examination, as of December 31, 2013.

Operations and Management Standards

Company antifraud initiatives were examined to determine if they are reasonably designed to detect, prosecute and prevent fraudulent insurance acts. Company procedures and policies relating to privacy and HIPPA were reviewed to determine compliance with applicable statutes, rules and regulations. Effective January 15, 2013, CMS imposed intermediate sanctions, which called for the suspension of enrollment and marketing activities. This enforcement action occurred as the result of the failure of the Company's enrollment system to process new enrollments in a timely manner. Subsequently, the Company was released from CMS sanctions, effective January 1, 2014.

Complaint Handling Standards

Company complaint data was examined for compliance. The Company maintains complaint files in compliance with Tenn. Code Ann. § 56-8-104(11). The Company utilizes the CMS Complaints Tracking Module in compliance with CMS regulations. No issues were noted.

SUBSEQUENT EVENTS

On September 3, 2014, the ultimate parent changed its name from CVS Caremark Corporation to CVS Health Corporation.

On April 11, 2014, Albert Franklin Moffett was elected Vice President by the Board of Directors, replacing former Vice President Michael Anthony McNelis.

Effective January 1, 2014, the Company entered into Amendment One to the Prescription Benefit Services Agreement for Medicare Part D with CVS Caremark Part D Services, L.L.C., which was approved by the Department on June 25, 2014. Effective January 1, 2015, the Company entered into Amendment Two to the Prescription Benefit Services Agreement for Medicare Part D with CVS Caremark Part D Services, L.L.C. This amendment was approved by the Department on December 8, 2014. Each of these amendments consisted of an annual update of certain financial terms set forth in Exhibit A attached to the agreement.

During the examination, the examiners performed a review for subsequent events and did not note any that required additional disclosure in this examination report, other than the items described above. Our review confirmed the Company's disclosures in its 2013 Annual Statement and in its Letter of Representation signed at the conclusion of this examination, which stated the Company was not aware of any events subsequent to December 31, 2013, that could have a material effect on its financial condition.

FINANCIAL STATEMENTS

There follows a statement of assets, liabilities and a statement of revenue and expenses, as of December 31, 2013, together with a reconciliation of capital and surplus for the period under review, as reported by the Company.

ASSETS

	Admitted Assets	Non-Admitted Assets	Net Admitted Assets
Bonds	$2,852,200		$2,852,200
Cash and short-term investments	48,672,313		48,672,313
Investment income due and accrued	17,793		17,793
Uncollected premiums and agents' balances in the course of collection	97,093,590	$80,254,680	16,838,910
Accrued retrospective premiums	3,819		3,819
Amounts receivable relating to uninsured plans	2,381,790,658	240,188	2,381,550,470
Net deferred tax asset	29,209,041		29,209,041
Matured Investment held by the State	260,000		260,000
Totals	$2,559,899,414	$80,494,868	$2,479,404,546

LIABILITIES, CAPITAL AND SURPLUS

Claims Unpaid		$203,622,464
Accrued medical incentive pool and bonus amounts		200,000
Aggregate health policy reserves		222,079,283
Premiums received in advance		5,609,269
General expenses due or accrued		31,401,140
Current federal and foreign income taxes		44,506,328
Remittances and items not allocated		44,815
Amounts due to parent and affiliates		803,780,895
Funds held under reinsurance treaties		156,686,264
Liability for amounts held under uninsured plans		679,611,984
Total Liabilities		$2,147,542,442
Common capital stock	$2,750,000	
Gross paid in and contributed surplus	124,750,000	
Unassigned funds (surplus)	204,362,104	
Capital and Surplus		331,862,104
Totals		$2,479,404,546

STATEMENT OF REVENUE AND EXPENSES

Member Months		41,765,543
Net premium income		$3,111,842,234
Change in unearned premium reserves		(146,247,628)
Total Revenues		2,965,594,606
HOSPITAL AND MEDICAL:		
Prescription drugs		3,147,191,730
Incentive pool, withhold adjustments and bonus amounts		200,000
Net reinsurance recoveries	$621,455,381	
Total Hospital and Medical		2,525,936,349
Claims adjustment expenses, including cost containment	243,655,860	
General administrative expenses	65,589,644	
Total Underwriting Deductions		2,835,181,853
Net Underwriting Gain		130,412,753
INVESTMENT INCOME:		
Net investment income earned	33,267	
Net Investment Gain		33,267
OTHER INCOME:		
Net loss from agents' or premium balances charged off	(4,085,909)	
Total Other Income		(4,085,909)
Net income before dividends to policyholders, after capital gains tax and before all other federal income taxes		126,360,111
Federal and foreign income taxes incurred		44,305,680
Net Income		$82,054,431

CAPITAL AND SURPLUS ACCOUNT

	2013	2012	2011
Capital and Surplus December 31, previous year	$286,007,619	$181,707,723	$139,637,920
Net income	$82,054,431	$111,358,983	$45,784,210
Change in net unrealized capital gains or (losses)	-0-	-0-	-0-
Change in net deferred income tax	19,932,232	3,586,918	2,491,912
Change in non-admitted assets	(56,132,178)	(10,646,005)	(6,206,319)
Change in provision for reinsurance	-0-	-0-	-0-
Change in surplus notes	-0-	-0-	-0-
Cumulative effect of changes in accounting principles	-0-	-0-	-0-
Aggregate write-ins for gains and losses in surplus	-0-	-0-	-0-
Net change in capital and surplus	45,854,485	104,299,896	42,069,803
Capital and Surplus December 31, current year	$331,862,104	$286,007,619	$181,707,723

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Total Capital and Surplus:	$331,862,104

Total capital and surplus as established by this examination, is the same as what was reported by the Company in its December 31, 2013, Annual Statement. There were no changes made to any asset or liability items as a result of our examination, performed as of December 31, 2013.

Tenn. Code Ann. §§ 56-2-114 and 115 require an insurer of this Company's type to maintain a minimum surplus and additional surplus in the aggregate amount of at least two million dollars ($2,000,000). Therefore, the Company, as of December 31, 2013, for this examination does maintain surplus in excess of the amounts required pursuant to Tennessee Statute.

COMMENTS AND RECOMMENDATIONS

The following list presents a summary of comments and recommendations noted in this report:

COMMENTS

There were no comments noted during the completion of this examination.

RECOMMENDATIONS

Allowable Assets Compliance

Tenn. Code Ann. §56-1-405 provides that if an insurance company maintains a special deposit in another state that is held for the benefit of only that state's policyholders, and that deposit exceeds the Company's liabilities for that state's policyholders, the excess shall be reported as a non-admitted asset. At December 31, 2013, the Company was required to hold an investment in Puerto Rico municipal bonds, which had a book value of $524,273. Although this investment is not technically a statutory deposit, it is a requirement for licensure in Puerto Rico and therefore is treated as a special deposit. The Company's liabilities relating to the policyholders of Puerto Rico was $6,837, which results in an excess special deposit of $517,436, which should be non-admitted pursuant to Tenn. Code Ann. §56-1-405.

Due to the immateriality of the excess special deposit, there was no adjustment made to non-admit this amount during this examination. It is recommended that the Company non-admit such amounts going forward.

CONCLUSION

The customary insurance examination practices and procedures as promulgated by the NAIC have been followed in connection with the verification and valuation of assets and the determination of liabilities of SilverScript Insurance Company located in Nashville, Tennessee.

In such manner, it was found that, as of December 31, 2013, the Company had net admitted assets of $2,479,404,546 and liabilities of $2,147,542,442. Thus, there existed for the additional protection of the policyholders, the amount of $331,862,104 in the form of capital and surplus.

The courteous cooperation of the officers and employees of the Company, extended during the course of the examination, is hereby acknowledged.

In addition to the undersigned, Joanne Smith, CFE, MCM, Kristen Sharrow, CFE, CPA, CGMA, and Eric Free, CFE of Johnson Lambert LLP; Michael A. Mayberry, FSA, MAAA, of Lewis and Ellis, Inc.; Carol Riley, AES, CISA, CGEIT, CRISC of Noble Consulting Services, Inc.; and Jay Uselton, CFE of TDCI, participated in the work of this examination.

Respectfully submitted,

Jean Adams-Harris

Jean Adams-Harris, CFE, CPA, CISA, AES, MCM
Examiner-In-Charge
Johnson Lambert LLP
Representing the State of Tennessee

AFFIDAVIT

The undersigned deposes and says that she has duly executed the attached examination report of SilverScript Insurance Company located in Brentwood, Tennessee, as of December 31, 2013 and dated February 18, 2015, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says she is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of her knowledge, information and belief.

Jean Adams-Harris

Jean Adams-Harris, CFE, CPA, CISA, AES, MCM
Examiner-In-Charge
Johnson Lambert LLP
Representing the State of Tennessee

State Georgia

County Fulton

Subscribed to and sworn before me

this 12 day of June, 2015

Kimberly Brown
(NOTARY)

KIMBERLY BROWN NOTARY EXPIRES GEORGIA MAY 13, 2018 PUBLIC FULTON COUNTY

My Commission Expires: May 13, 2018

EXHIBIT B

STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243

June 16, 2015

CERTIFIED MAIL
7012 1010 0003 2379 5360

Mr. Anthony G. Strong, CPA, CGMA, CHFP
Senior Director, Medicare Part D Accounting
CVS Health
200 Highland Corporate Drive, Mail Code 2260
Cumberland, RI 02864

RE: **Report of Examination of SilverScript Insurance Company**

Dear Mr. Strong:

Enclosed please find a FINAL copy of the Report of Examination for SilverScript Insurance Company, made as of December 31, 2013. If you are in agreement with the report, please respond immediately, in writing, to that effect. A sample response letter is attached for your convenience. Your response may be submitted via email to my attention at joy.little@tn.gov.

If you wish to make a written submission or rebuttal with respect to any matter contained within the report, pursuant to Tenn. Code Ann. 56-1-411(d)(1), please provide this office with your company's position by June 17, 2015. When preparing your submission or rebuttal, please quote the Comment, Recommendation or page number from the report and detail your comments, providing any supporting documentation.

Should you have questions, you may reach me at (615) 741-6796. We appreciate your timely assistance with this matter and your courteous cooperation during the examination.

Sincerely,

E. Joy Little, CPA, CFE, MCM
Insurance Examinations Director/Chief Examiner
Enclosure

SILVERSCRIPT®

June 17, 2015

E. Joy Little
Director of Financial Examinations/Chief Examiner
Tennessee Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243

RE: SilverScript Insurance Company- Report of Examination

Dear Ms. Little:

We hereby acknowledge receipt of the final Report of Examination for SilverScript Insurance Company. By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

Anthony Strong
Treasurer, SilverScript Insurance Company