



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2019
OF THE CONDITION AND AFFAIRS OF THE

Cigna HealthCare of New Jersey, Inc.

NAIC Group Code 0901 0901 NAIC Company Code 95500 Employer's ID Number 22-2720890
(Current) (Prior)

Organized under the Laws of New Jersey, State of Domicile or Port of Entry NJ

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

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

Incorporated/Organized 09/30/1986 Commenced Business 02/01/1988

Statutory Home Office 499 Washington Boulevard, 5th Floor, Jersey City, NJ, US 07310-1608
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 900 Cottage Grove Road
(Street and Number)
Bloomfield, CT, US 06002, 860-226-6000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 900 Cottage Grove Road, Bloomfield, CT, US 06002
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 900 Cottage Grove Road
(Street and Number)
Bloomfield, CT, US 06002, 860-226-6000
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.cigna.com

Statutory Statement Contact John Satkowski, 860-226-5634
(Name) (Area Code) (Telephone Number)
John.Satkowski@cigna.com, 860-226-6792
(E-mail Address) (FAX Number)

OFFICERS

Secretary Anna Krishtul Treasurer Scott Ronald Lambert

OTHER

| | | |
|--|---|--|
| <u>Thomas John Garvey, Vice President</u> | <u>Glenn Michael Gerhard, Vice President</u> | <u>Daniel Jules Nicoll, Vice President</u> |
| <u>Maureen Hardiman Ryan, Vice President</u> | <u>Edward Vincent Stacey, Jr., Vice President</u> | <u>Mark Paul Fleming, Vice President</u> |
| <u>Joanne Ruth Hart, Vice President</u> | <u>Michael Todd Crompton, Vice President</u> | <u>Kathleen M O'Neil, Vice President</u> |
| <u>Timothy Sheridan, Vice President</u> | | |

DIRECTORS OR TRUSTEES

Michael Todd Crompton Peter Wesley McCauley, M.D.

State of Connecticut SS:
 County of Hartford

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.

Kathleen M O'Neil
 Vice President

Anna Krishtul
 Secretary

Scott Ronald Lambert
 Vice President & Treasurer

Subscribed and sworn to before me this _____ day of _____

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

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

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) | 2,046,160 | | 2,046,160 | 2,081,964 |
| 2. Stocks (Schedule D): | | | | |
| 2.1 Preferred stocks | | | 0 | |
| 2.2 Common stocks | | | 0 | |
| 3. Mortgage loans on real estate (Schedule B): | | | | |
| 3.1 First liens | | | 0 | |
| 3.2 Other than first liens | | | 0 | |
| 4. Real estate (Schedule A): | | | | |
| 4.1 Properties occupied by the company (less \$ | | | 0 | |
| encumbrances) | | | | |
| 4.2 Properties held for the production of income (less | | | | |
| \$ | | | 0 | |
| encumbrances) | | | | |
| 4.3 Properties held for sale (less \$ | | | 0 | |
| encumbrances) | | | | |
| 5. Cash (\$377,220 , Schedule E - Part 1), cash equivalents | | | | |
| (\$11,706,562 , Schedule E - Part 2) and short-term | | | | |
| investments (\$1 , Schedule DA) | 12,083,782 | | 12,083,782 | 7,700,150 |
| 6. Contract loans, (including \$0 premium notes) | | | 0 | |
| 7. Derivatives (Schedule DB) | | | 0 | |
| 8. Other invested assets (Schedule BA) | | | 0 | |
| 9. Receivables for securities | | | 0 | |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | 0 | |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 14,129,942 | 0 | 14,129,942 | 9,782,114 |
| 13. Title plants less \$0 charged off (for Title insurers | | | | |
| only) | | | 0 | |
| 14. Investment income due and accrued | 14,281 | 0 | 14,281 | 14,311 |
| 15. Premiums and considerations: | | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 24,233 | 24,233 | 0 | 11,442 |
| 15.2 Deferred premiums and agents' balances and installments booked but | | | | |
| deferred and not yet due (including \$0 | | | | |
| earned but unbilled premiums) | | | 0 | |
| 15.3 Accrued retrospective premiums (\$0) and | | | | |
| contracts subject to redetermination (\$0) | 464,911 | 0 | 464,911 | 3,234,452 |
| 16. Reinsurance: | | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 | 343,005 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 | |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 | |
| 17. Amounts receivable relating to uninsured plans | | | 0 | |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 | 528,574 |
| 18.2 Net deferred tax asset | 4,243 | | 4,243 | 0 |
| 19. Guaranty funds receivable or on deposit | | | 0 | |
| 20. Electronic data processing equipment and software | | | 0 | |
| 21. Furniture and equipment, including health care delivery assets | | | | |
| (\$0) | | | 0 | |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 | |
| 23. Receivables from parent, subsidiaries and affiliates | 2,380 | 0 | 2,380 | 0 |
| 24. Health care (\$5,712) and other amounts receivable | 5,714 | 2 | 5,712 | |
| 25. Aggregate write-ins for other than invested assets | 90 | 0 | 90 | 0 |
| 26. Total assets excluding Separate Accounts, Segregated Accounts and | 14,645,794 | 24,235 | 14,621,559 | 13,913,898 |
| Protected Cell Accounts (Lines 12 to 25) | | | | |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell | | | | |
| Accounts | | | 0 | |
| 28. Total (Lines 26 and 27) | 14,645,794 | 24,235 | 14,621,559 | 13,913,898 |
| 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. Commission Receivable | 90 | 0 | 90 | 0 |
| 2502. | | | | |
| 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) | 90 | 0 | 90 | 0 |

LIABILITIES, CAPITAL AND SURPLUS

| | Current Year | | | Prior Year |
|--|--------------|----------------|-------------|--------------|
| | 1 Covered | 2 Uncovered | 3 Total | 4 Total |
| 1. Claims unpaid (less \$ reinsurance ceded) | 173,460 | | 173,460 | 1,706,510 |
| 2. Accrued medical incentive pool and bonus amounts | | | 0 | |
| 3. Unpaid claims adjustment expenses | 998 | | 998 | 27,576 |
| 4. Aggregate health policy reserves, including the liability of \$0 for medical loss ratio rebate per the Public Health Service Act | 1,540 | | 1,540 | 2,135,490 |
| 5. Aggregate life policy reserves | | | 0 | |
| 6. Property/casualty unearned premium reserves | | | 0 | |
| 7. Aggregate health claim reserves | | | 0 | |
| 8. Premiums received in advance | | | 0 | 5,215 |
| 9. General expenses due or accrued | 623,952 | | 623,952 | |
| 10.1 Current federal and foreign income tax payable and interest thereon (including \$0 on realized capital gains (losses)) | 29,512 | | 29,512 | |
| 10.2 Net deferred tax liability | | | 0 | |
| 11. Ceded reinsurance premiums payable | 1,140 | | 1,140 | 990 |
| 12. Amounts withheld or retained for the account of others | 6,124 | | 6,124 | 1,263 |
| 13. Remittances and items not allocated | 4,730 | | 4,730 | |
| 14. Borrowed money (including \$0 current) and interest thereon \$0 (including \$0 current) | | | 0 | |
| 15. Amounts due to parent, subsidiaries and affiliates | | | 0 | 4,336 |
| 16. Derivatives | | | 0 | |
| 17. Payable for securities | | | 0 | |
| 18. Payable for securities lending | | | 0 | |
| 19. Funds held under reinsurance treaties (with \$0 authorized reinsurers, \$0 unauthorized reinsurers and \$0 certified reinsurers) | | | 0 | |
| 20. Reinsurance in unauthorized and certified (\$0) companies | | | 0 | |
| 21. Net adjustments in assets and liabilities due to foreign exchange rates | | | 0 | |
| 22. Liability for amounts held under uninsured plans | | | 0 | |
| 23. Aggregate write-ins for other liabilities (including \$498 current) | 498 | 0 | 498 | 1,181 |
| 24. Total liabilities (Lines 1 to 23) | 841,954 | 0 | 841,954 | 3,882,561 |
| 25. Aggregate write-ins for special surplus funds | XXX | XXX | 6,477 | 0 |
| 26. Common capital stock | XXX | XXX | 1,000 | 1,000 |
| 27. Preferred capital stock | XXX | XXX | | |
| 28. Gross paid in and contributed surplus | XXX | XXX | 21,597,365 | 21,597,365 |
| 29. Surplus notes | XXX | XXX | | |
| 30. Aggregate write-ins for other than special surplus funds | XXX | XXX | 0 | 0 |
| 31. Unassigned funds (surplus) | XXX | XXX | (7,825,237) | (11,567,028) |
| 32. Less treasury stock, at cost: | | | | |
| 32.1 .....0 shares common (value included in Line 26 \$0) | XXX | XXX | | |
| 32.2 .....0 shares preferred (value included in Line 27 \$0) | XXX | XXX | | |
| 33. Total capital and surplus (Lines 25 to 31 minus Line 32) | XXX | XXX | 13,779,605 | 10,031,337 |
| 34. Total liabilities, capital and surplus (Lines 24 and 33) | XXX | XXX | 14,621,559 | 13,913,898 |
| DETAILS OF WRITE-INS | | | | |
| 2301. Escheat Liability | 498 | 0 | 498 | 0 |
| 2302. Credit Balance Due Policyholders | 0 | 0 | 0 | 597 |
| 2303. Patient Centered Outcomes Research Institute Liability | 0 | 0 | 0 | 584 |
| 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) | 498 | 0 | 498 | 1,181 |
| 2501. Surplus appropriated for CY ACA Section 9010 Fee | XXX | XXX | 6,477 | 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 | 6,477 | 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 | 965 | 1,558 |
| 2. Net premium income (including \$ non-health premium income) | XXX | 2,198,132 | 4,841,316 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | |
| 4. Fee-for-service (net of \$ medical expenses) | XXX | | |
| 5. Risk revenue | XXX | | |
| 6. Aggregate write-ins for other health care related revenues | XXX | 0 | 0 |
| 7. Aggregate write-ins for other non-health revenues | XXX | 0 | 0 |
| 8. Total revenues (Lines 2 to 7) | XXX | 2,198,132 | 4,841,316 |
| Hospital and Medical: | | | |
| 9. Hospital/medical benefits | | (56,046) | 10,328,034 |
| 10. Other professional services | | 20,791 | 48,146 |
| 11. Outside referrals | | 10,496 | 17,840 |
| 12. Emergency room and out-of-area | | (684) | 89,205 |
| 13. Prescription drugs | | 91,954 | 183,618 |
| 14. Aggregate write-ins for other hospital and medical..... | 0 | 0 | 0 |
| 15. Incentive pool, withhold adjustments and bonus amounts | | 28,202 | 1,802 |
| 16. Subtotal (Lines 9 to 15) | 0 | 94,713 | 10,668,645 |
| Less: | | | |
| 17. Net reinsurance recoveries | | 392,174 | 3,152,490 |
| 18. Total hospital and medical (Lines 16 minus 17) | 0 | (297,461) | 7,516,155 |
| 19. Non-health claims (net) | | | |
| 20. Claims adjustment expenses, including \$18,918 cost containment expenses | | (821) | 64,196 |
| 21. General administrative expenses | | 810,601 | 277,468 |
| 22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only) | | (2,133,950) | (1,578,000) |
| 23. Total underwriting deductions (Lines 18 through 22)..... | 0 | (1,621,631) | 6,279,819 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) | XXX | 3,819,763 | (1,438,503) |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) | | 198,396 | 97,374 |
| 26. Net realized capital gains (losses) less capital gains tax of \$0 | | | (18,257) |
| 27. Net investment gains (losses) (Lines 25 plus 26) | 0 | 198,396 | 79,117 |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$66,195) (amount charged off \$0)] | | 66,195 | (26,000) |
| 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 | 4,084,354 | (1,385,386) |
| 31. Federal and foreign income taxes incurred | XXX | 388,492 | (597,289) |
| 32. Net income (loss) (Lines 30 minus 31) | XXX | 3,695,862 | (788,097) |
| DETAILS OF WRITE-INS | | | |
| 0601. | XXX | | |
| 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 | 0 | 0 |
| 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..... | 10,031,337 | 2,121,933 |
| 34. Net income or (loss) from Line 32 | 3,695,862 | (788,097) |
| 35. Change in valuation basis of aggregate policy and claim reserves | | |
| 36. Change in net unrealized capital gains (losses) less capital gains tax of \$ | | |
| 37. Change in net unrealized foreign exchange capital gain or (loss) | | |
| 38. Change in net deferred income tax | 4,243 | (243,462) |
| 39. Change in nonadmitted assets | 48,163 | (59,037) |
| 40. Change in unauthorized and certified reinsurance | 0 | |
| 41. Change in treasury stock | 0 | |
| 42. Change in surplus notes | 0 | |
| 43. Cumulative effect of changes in accounting principles..... | | |
| 44. Capital Changes: | | |
| 44.1 Paid in | 0 | |
| 44.2 Transferred from surplus (Stock Dividend)..... | 0 | |
| 44.3 Transferred to surplus..... | | |
| 45. Surplus adjustments: | | |
| 45.1 Paid in | 0 | 9,000,000 |
| 45.2 Transferred to capital (Stock Dividend) | | |
| 45.3 Transferred from capital | | |
| 46. Dividends to stockholders | | |
| 47. Aggregate write-ins for gains or (losses) in surplus | 0 | 0 |
| 48. Net change in capital and surplus (Lines 34 to 47) | 3,748,268 | 7,909,404 |
| 49. Capital and surplus end of reporting period (Line 33 plus 48) | 13,779,605 | 10,031,337 |
| DETAILS OF WRITE-INS | | |
| 4701. | | |
| 4702. | | |
| 4703. | | |
| 4798. Summary of remaining write-ins for Line 47 from overflow page | 0 | 0 |
| 4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above) | 0 | 0 |

CASH FLOW

| | 1 | 2 |
|---|--------------|-------------|
| | Current Year | Prior Year |
| Cash from Operations | | |
| 1. Premiums collected net of reinsurance | 2,888,265 | 2,131,251 |
| 2. Net investment income | 234,231 | 140,307 |
| 3. Miscellaneous income | 0 | 0 |
| 4. Total (Lines 1 through 3) | 3,122,496 | 2,271,558 |
| 5. Benefit and loss related payments | (1,235,654) | 5,915,187 |
| 6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. Commissions, expenses paid and aggregate write-ins for deductions | 146,214 | 350,459 |
| 8. Dividends paid to policyholders | | |
| 9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses) | (169,594) | (356,702) |
| 10. Total (Lines 5 through 9) | (1,259,034) | 5,908,944 |
| 11. Net cash from operations (Line 4 minus Line 10) | 4,381,530 | (3,637,386) |
| Cash from Investments | | |
| 12. Proceeds from investments sold, matured or repaid: | | |
| 12.1 Bonds | 0 | 1,357,002 |
| 12.2 Stocks | 0 | 0 |
| 12.3 Mortgage loans | 0 | 0 |
| 12.4 Real estate | 0 | 0 |
| 12.5 Other invested assets | 0 | 0 |
| 12.6 Net gains or (losses) on cash, cash equivalents and short-term investments | 0 | (6) |
| 12.7 Miscellaneous proceeds | 0 | 4,313 |
| 12.8 Total investment proceeds (Lines 12.1 to 12.7) | 0 | 1,361,309 |
| 13. Cost of investments acquired (long-term only): | | |
| 13.1 Bonds | 0 | 0 |
| 13.2 Stocks | 0 | 0 |
| 13.3 Mortgage loans | 0 | 0 |
| 13.4 Real estate | 0 | 0 |
| 13.5 Other invested assets | 0 | 0 |
| 13.6 Miscellaneous applications | 0 | 0 |
| 13.7 Total investments acquired (Lines 13.1 to 13.6) | 0 | 0 |
| 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) | 0 | 1,361,309 |
| 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 | 9,000,000 |
| 16.3 Borrowed funds | 0 | 0 |
| 16.4 Net deposits on deposit-type contracts and other insurance liabilities | 0 | 0 |
| 16.5 Dividends to stockholders | 0 | 0 |
| 16.6 Other cash provided (applied) | 2,103 | 475,115 |
| 17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) | 2,103 | 9,475,115 |
| 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) | 4,383,633 | 7,199,038 |
| 19. Cash, cash equivalents and short-term investments: | | |
| 19.1 Beginning of year | 7,700,150 | 501,112 |
| 19.2 End of year (Line 18 plus Line 19.1) | 12,083,783 | 7,700,150 |

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

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| | | |
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ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey 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 | 2,198,132 | 2,198,132 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Change in unearned premium reserves and reserve for rate credit | 0 | | | | | | | | | |
| 3. Fee-for-service (net of \$ medical expenses) | 0 | | | | | | | | | XXX |
| 4. Risk revenue | 0 | | | | | | | | | XXX |
| 5. Aggregate write-ins for other health care related revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 6. Aggregate write-ins for other non-health care related revenues | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 7. Total revenues (Lines 1 to 6) | 2,198,132 | 2,198,132 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. Hospital/medical benefits | (56,046) | (56,046) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 9. Other professional services | 20,791 | 20,791 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 10. Outside referrals | 10,496 | 10,496 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 11. Emergency room and out-of-area | (684) | (684) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 12. Prescription drugs | 91,954 | 91,954 | 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 | 28,202 | 28,202 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 15. Subtotal (Lines 8 to 14) | 94,713 | 94,713 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 16. Net reinsurance recoveries | 392,174 | 392,174 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 17. Total medical and hospital (Lines 15 minus 16) | (297,461) | (297,461) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | XXX |
| 18. Non-health claims (net) | 0 | XXX | XXX | XXX | XXX | XXX | XXX | XXX | XXX | 0 |
| 19. Claims adjustment expenses including \$ 18,918 cost containment expenses | (821) | (821) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. General administrative expenses | 810,601 | 810,601 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. Increase in reserves for accident and health contracts | (2,133,950) | (2,133,950) | 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) | (1,621,631) | (1,621,631) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 24. Total underwriting gain or (loss) (Line 7 minus Line 23) | 3,819,763 | 3,819,763 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | | | | | | |
| 0501. | | | | | | | | | | 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) | 0 | 0 | 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) | 2,209,712 | 0 | 11,580 | 2,198,132 |
| 2. Medicare Supplement | | | | 0 |
| 3. Dental only | | | | 0 |
| 4. Vision only | | | | 0 |
| 5. Federal Employees Health Benefits Plan | 0 | | | 0 |
| 6. Title XVIII - Medicare | 0 | | | 0 |
| 7. Title XIX - Medicaid | 0 | | | 0 |
| 8. Other health | | | | 0 |
| 9. Health subtotal (Lines 1 through 8) | 2,209,712 | 0 | 11,580 | 2,198,132 |
| 10. Life | 0 | | | 0 |
| 11. Property/casualty | 0 | | | 0 |
| 12. Totals (Lines 9 to 11) | 2,209,712 | 0 | 11,580 | 2,198,132 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

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 | 1,605,276 | 1,605,276 | | | | | | | | |
| 1.2 Reinsurance assumed | .0 | | | | | | | | | |
| 1.3 Reinsurance ceded | 735,179 | 735,179 | | | | | | | | |
| 1.4 Net | 870,097 | 870,097 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 2. Paid medical incentive pools and bonuses | 28,202 | 28,202 | | | | | | | | |
| 3. Claim liability December 31, current year from Part 2A: | | | | | | | | | | |
| 3.1 Direct | 173,460 | 173,460 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3.2 Reinsurance assumed | .0 | | | | | | | | | |
| 3.3 Reinsurance ceded | .0 | | | | | | | | | |
| 3.4 Net | 173,460 | 173,460 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 4. Claim reserve December 31, current year from Part 2D: | | | | | | | | | | |
| 4.1 Direct | .0 | | | | | | | | | |
| 4.2 Reinsurance assumed | .0 | | | | | | | | | |
| 4.3 Reinsurance ceded | .0 | | | | | | | | | |
| 4.4 Net | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 5. Accrued medical incentive pools and bonuses, current year | .0 | | | | | | | | | |
| 6. Net healthcare receivables (a) | 5,714 | 5,714 | | | | | | | | |
| 7. Amounts recoverable from reinsurers December 31, current year | .0 | | | | | | | | | |
| 8. Claim liability December 31, prior year from Part 2A: | | | | | | | | | | |
| 8.1 Direct | 1,706,510 | 1,706,510 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 8.2 Reinsurance assumed | .0 | | | | | | | | | |
| 8.3 Reinsurance ceded | .0 | | | | | | | | | |
| 8.4 Net | 1,706,510 | 1,706,510 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 9. Claim reserve December 31, prior year from Part 2D: | | | | | | | | | | |
| 9.1 Direct | .0 | | | | | | | | | |
| 9.2 Reinsurance assumed | .0 | | | | | | | | | |
| 9.3 Reinsurance ceded | .0 | | | | | | | | | |
| 9.4 Net | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 10. Accrued medical incentive pools and bonuses, prior year | .0 | | | | | | | | | |
| 11. Amounts recoverable from reinsurers December 31, prior year | 343,005 | 343,005 | | | | | | | | |
| 12. Incurred Benefits: | | | | | | | | | | |
| 12.1 Direct | 66,512 | 66,512 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12.2 Reinsurance assumed | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12.3 Reinsurance ceded | 392,174 | 392,174 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 12.4 Net | (325,662) | (325,662) | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 13. Incurred medical incentive pools and bonuses | 28,202 | 28,202 | .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 | 66,000 | 66,000 | | | | | | | | |
| 1.2 Reinsurance assumed | .0 | | | | | | | | | |
| 1.3 Reinsurance ceded | .0 | | | | | | | | | |
| 1.4 Net | 66,000 | 66,000 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 2. Incurred but Unreported: | | | | | | | | | | |
| 2.1 Direct | 107,460 | 107,460 | | | | | | | | |
| 2.2 Reinsurance assumed | .0 | | | | | | | | | |
| 2.3 Reinsurance ceded | .0 | | | | | | | | | |
| 2.4 Net | 107,460 | 107,460 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 3. Amounts Withheld from Paid Claims and Capitations: | | | | | | | | | | |
| 3.1 Direct | .0 | | | | | | | | | |
| 3.2 Reinsurance assumed | .0 | | | | | | | | | |
| 3.3 Reinsurance ceded | .0 | | | | | | | | | |
| 3.4 Net | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 | .0 |
| 4. TOTALS: | | | | | | | | | | |
| 4.1 Direct | 173,460 | 173,460 | .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 | 173,460 | 173,460 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey 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) | 1,203,000 | 10,102 | 4,545 | 168,915 | 1,207,545 | 1,706,510 |
| 2. Medicare Supplement | | | | | 0 | 0 |
| 3. Dental Only | | | | | 0 | 0 |
| 4. Vision Only | | | | | 0 | 0 |
| 5. Federal Employees Health Benefits Plan | | | | | 0 | 0 |
| 6. Title XVIII - Medicare | | | | | 0 | 0 |
| 7. Title XIX - Medicaid | | | | | 0 | 0 |
| 8. Other health | | | | | 0 | 0 |
| 9. Health subtotal (Lines 1 to 8) | 1,203,000 | 10,102 | 4,545 | 168,915 | 1,207,545 | 1,706,510 |
| 10. Healthcare receivables (a) | 0 | 0 | 0 | 5,714 | 0 | 0 |
| 11. Other non-health | | | | | 0 | 0 |
| 12. Medical incentive pools and bonus amounts | 7,667 | 20,535 | 0 | 0 | 7,667 | 0 |
| 13. Totals (Lines 9 - 10 + 11 + 12) | 1,210,667 | 30,637 | 4,545 | 163,201 | 1,215,212 | 1,706,510 |

(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 | 24 | 24 | 24 | 24 | 24 |
| 2. | 2015 | 2,245 | 2,212 | 2,212 | 2,212 | 2,212 |
| 3. | 2016 | XXX | 2,271 | 2,144 | 2,144 | 2,144 |
| 4. | 2017 | XXX | XXX | 4,732 | 5,654 | 5,654 |
| 5. | 2018 | XXX | XXX | XXX | 6,483 | 7,694 |
| 6. | 2019 | XXX | XXX | XXX | XXX | 31 |

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 | 237 | 237 | 24 | 24 | 24 |
| 2. | 2015 | 2,226 | 2,007 | 2,212 | 2,212 | 2,212 |
| 3. | 2016 | XXX | 2,757 | 2,155 | 2,155 | 2,155 |
| 4. | 2017 | XXX | XXX | 6,314 | 5,663 | 5,663 |
| 5. | 2018 | XXX | XXX | XXX | 8,179 | 7,698 |
| 6. | 2019 | XXX | XXX | XXX | XXX | 194 |

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 | 1,637 | 2,212 | 17 | 0.8 | 2,229 | 136.2 | 0 | 0 | 2,229 | 136.2 |
| 2. 2016 | 3,891 | 763 | 30 | 3.9 | 793 | 20.4 | 0 | 0 | 793 | 20.4 |
| 3. 2017 | 4,383 | 4,732 | 21 | 0.4 | 4,753 | 108.4 | 0 | 0 | 4,753 | 108.4 |
| 4. 2018 | 4,841 | 6,483 | 47 | 0.7 | 6,530 | 134.9 | 5 | 0 | 6,535 | 135.0 |
| 5. 2019 | 2,198 | 31 | 26 | 83.9 | 57 | 2.6 | 169 | 1 | 227 | 10.3 |

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 | 24 | 24 | 24 | 24 | 24 |
| 2. | 2015 | 2,245 | 2,212 | 2,212 | 2,212 | 2,212 |
| 3. | 2016 | XXX | 2,271 | 2,144 | 2,144 | 2,144 |
| 4. | 2017 | XXX | XXX | 4,732 | 5,654 | 5,654 |
| 5. | 2018 | XXX | XXX | XXX | 6,483 | 7,694 |
| 6. | 2019 | XXX | XXX | XXX | XXX | 31 |

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 | 237 | 237 | 24 | 24 | 24 |
| 2. | 2015 | 2,226 | 2,007 | 2,212 | 2,212 | 2,212 |
| 3. | 2016 | XXX | 2,757 | 2,155 | 2,155 | 2,155 |
| 4. | 2017 | XXX | XXX | 6,314 | 5,663 | 5,663 |
| 5. | 2018 | XXX | XXX | XXX | 8,179 | 7,698 |
| 6. | 2019 | XXX | XXX | XXX | XXX | 194 |

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 | 1,637 | 2,212 | 17 | 0.8 | 2,229 | 136.2 | 0 | 0 | 2,229 | 136.2 |
| 2. 2016 | 3,891 | 763 | 30 | 3.9 | 793 | 20.4 | 0 | 0 | 793 | 20.4 |
| 3. 2017 | 4,383 | 4,732 | 21 | 0.4 | 4,753 | 108.4 | 0 | 0 | 4,753 | 108.4 |
| 4. 2018 | 4,841 | 6,483 | 47 | 0.7 | 6,530 | 134.9 | 5 | 0 | 6,535 | 135.0 |
| 5. 2019 | 2,198 | 31 | 26 | 83.9 | 57 | 2.6 | 169 | 1 | 227 | 10.3 |

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 | 0 | | | | | | | | |
| 2. Additional policy reserves (a) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Reserve for future contingent benefits | 1,540 | 1,540 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Reserve for rate credits or experience rating refunds (including \$0) for investment income | 0 | | | | | | | | |
| 5. Aggregate write-ins for other policy reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Totals (gross) | 1,540 | 1,540 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Reinsurance ceded | 0 | | | | | | | | |
| 8. Totals (Net)(Page 3, Line 4) | 1,540 | 1,540 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 9. Present value of amounts not yet due on claims | 0 | | | | | | | | |
| 10. Reserve for future contingent benefits | 0 | | | | | | | | |
| 11. Aggregate write-ins for other claim reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Totals (gross) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. Reinsurance ceded | 0 | | | | | | | | |
| 14. Totals (Net)(Page 3, Line 7) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 \$0 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 (\$ for occupancy of own building) | 0 | 82 | 653 | 0 | 735 |
| 2. Salary, wages and other benefits | 362 | 2,825 | 22,333 | 0 | 25,520 |
| 3. Commissions (less \$ ceded plus \$ assumed) | 0 | 0 | 6,782 | 0 | 6,782 |
| 4. Legal fees and expenses | 0 | 13 | 103 | 0 | 116 |
| 5. Certifications and accreditation fees | 0 | 1 | 5 | 0 | 6 |
| 6. Auditing, actuarial and other consulting services | 0 | 7 | 55 | 0 | 62 |
| 7. Traveling expenses | 2 | 77 | 1,090 | 0 | 1,169 |
| 8. Marketing and advertising | 0 | 51 | 409 | 0 | 460 |
| 9. Postage, express and telephone | 0 | 156 | 1,248 | 0 | 1,404 |
| 10. Printing and office supplies | 0 | 20 | 164 | 0 | 184 |
| 11. Occupancy, depreciation and amortization | 2 | 691 | 5,515 | 0 | 6,208 |
| 12. Equipment | 0 | 48 | 382 | 0 | 430 |
| 13. Cost or depreciation of EDP equipment and software | | | | | 0 |
| 14. Outsourced services including EDP, claims, and other services | | | | | 0 |
| 15. Boards, bureaus and association fees | 0 | 4 | 30 | 0 | 34 |
| 16. Insurance, except on real estate | 0 | (48) | (384) | 0 | (432) |
| 17. Collection and bank service charges | (3) | 49 | 365 | 0 | 411 |
| 18. Group service and administration fees | | | | | 0 |
| 19. Reimbursements by uninsured plans | | | | | 0 |
| 20. Reimbursements from fiscal intermediaries | | | | | 0 |
| 21. Real estate expenses | | | | | 0 |
| 22. Real estate taxes | | | | | 0 |
| 23. Taxes, licenses and fees: | | | | | |
| 23.1 State and local insurance taxes | | 2 | 621,488 | | 621,490 |
| 23.2 State premium taxes | | | | | 0 |
| 23.3 Regulatory authority licenses and fees | 0 | 217 | 121,306 | 0 | 121,523 |
| 23.4 Payroll taxes | 0 | 145 | 1,166 | 0 | 1,311 |
| 23.5 Other (excluding federal income and real estate taxes) | 0 | 2 | 24,708 | 0 | 24,710 |
| 24. Investment expenses not included elsewhere | | | | 12,544 | 12,544 |
| 25. Aggregate write-ins for expenses | 18,555 | (24,080) | 3,183 | 0 | (2,342) |
| 26. Total expenses incurred (Lines 1 to 25) | 18,918 | (19,738) | 810,601 | 12,544 | (a) 822,325 |
| 27. Less expenses unpaid December 31, current year | 0 | 998 | 623,952 | 0 | 624,950 |
| 28. Add expenses unpaid December 31, prior year | | 27,576 | 0 | | 27,576 |
| 29. Amounts receivable relating to uninsured plans, prior year | | | | | 0 |
| 30. Amounts receivable relating to uninsured plans, current year | | | | | 0 |
| 31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) | 18,918 | 6,840 | 186,649 | 12,544 | 224,951 |
| DETAILS OF WRITE-INS | | | | | |
| 2501. Other Corporate Expenses | 18,393 | 1,900 | (17,582) | 0 | 2,711 |
| 2502. Other Non-Managed | 159 | 522 | 20,155 | 0 | 20,836 |
| 2503. Claims Handling Reserve | 3 | (26,502) | 610 | 0 | (25,889) |
| 2598. Summary of remaining write-ins for Line 25 from overflow page | 0 | 0 | 0 | 0 | 0 |
| 2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) | 18,555 | (24,080) | 3,183 | 0 | (2,342) |

(a) Includes management fees of \$ (3,207) to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

| | 1 Collected During Year | 2 Earned During Year |
|---|----------------------------|-------------------------|
| 1. U.S. government bonds | (a) 20,315 | 20,285 |
| 1.1 Bonds exempt from U.S. tax | (a) ..... | ..... |
| 1.2 Other bonds (unaffiliated) | (a) 18,417 | 18,417 |
| 1.3 Bonds of affiliates | (a) ..... | ..... |
| 2.1 Preferred stocks (unaffiliated) | (b) ..... | ..... |
| 2.11 Preferred stocks of affiliates | (b) ..... | ..... |
| 2.2 Common stocks (unaffiliated) ..... | ..... | ..... |
| 2.21 Common stocks of affiliates ..... | ..... | ..... |
| 3. Mortgage loans | (c) ..... | ..... |
| 4. Real estate | (d) ..... | ..... |
| 5. Contract Loans ..... | ..... | ..... |
| 6. Cash, cash equivalents and short-term investments | (e) 173,149 | 173,149 |
| 7. Derivative instruments | (f) ..... | ..... |
| 8. Other invested assets ..... | ..... | ..... |
| 9. Aggregate write-ins for investment income | 78 | 78 |
| 10. Total gross investment income | 211,959 | 211,929 |
| 11. Investment expenses ..... | ..... | (g) 12,544 |
| 12. Investment taxes, licenses and fees, excluding federal income taxes ..... | ..... | (g) 0 |
| 13. Interest expense ..... | ..... | (h) 989 |
| 14. Depreciation on real estate and other invested assets ..... | ..... | (i) |
| 15. Aggregate write-ins for deductions from investment income ..... | ..... | 0 |
| 16. Total deductions (Lines 11 through 15) ..... | ..... | 13,533 |
| 17. Net investment income (Line 10 minus Line 16) ..... | ..... | 198,396 |
| DETAILS OF WRITE-INS | | |
| 0901. Commitment Fee Income | 78 | 78 |
| 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) | 78 | 78 |
| 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 \$ accrual of discount less \$35,805 amortization of premium and less \$ paid for accrued interest on purchases.
- (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
- (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
- (e) Includes \$173,149 accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
- (f) Includes \$ accrual of discount less \$ amortization of premium.
- (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
- (i) Includes \$ depreciation on real estate and \$ 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 ..... | ..... | ..... | ..... | ..... | ..... |
| 1.2 Other bonds (unaffiliated) | 0 | 0 | 0 | 0 | 0 |
| 1.3 Bonds of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.1 Preferred stocks (unaffiliated) | 0 | 0 | 0 | 0 | 0 |
| 2.11 Preferred stocks of affiliates | 0 | 0 | 0 | 0 | 0 |
| 2.2 Common stocks (unaffiliated) | 0 | 0 | 0 | 0 | 0 |
| 2.21 Common stocks of affiliates | 0 | 0 | 0 | 0 | 0 |
| 3. Mortgage loans | 0 | 0 | 0 | 0 | 0 |
| 4. Real estate | 0 | 0 | 0 | 0 | 0 |
| 5. Contract loans | 0 | 0 | 0 | 0 | 0 |
| 6. Cash, cash equivalents and short-term investments | 0 | 0 | 0 | 0 | 0 |
| 7. Derivative instruments | 0 | 0 | 0 | 0 | 0 |
| 8. Other invested assets | 0 | 0 | 0 | 0 | 0 |
| 9. Aggregate write-ins for capital gains (losses) | 0 | 0 | 0 | 0 | 0 |
| 10. Total capital gains (losses) | 0 | 0 | 0 | 0 | 0 |
| DETAILS OF WRITE-INS | | | | | |
| 0901. .... | ..... | ..... | ..... | ..... | ..... |
| 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 |
| 2. Stocks (Schedule D): | | | |
| 2.1 Preferred stocks | | | 0 |
| 2.2 Common stocks | | | 0 |
| 3. Mortgage loans on real estate (Schedule B): | | | |
| 3.1 First liens | | | 0 |
| 3.2 Other than first liens..... | | | 0 |
| 4. Real estate (Schedule A): | | | |
| 4.1 Properties occupied by the company | | | 0 |
| 4.2 Properties held for the production of income..... | | | 0 |
| 4.3 Properties held for sale | | | 0 |
| 5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) | | | 0 |
| 6. Contract loans | | | 0 |
| 7. Derivatives (Schedule DB) | | | 0 |
| 8. Other invested assets (Schedule BA) | | | 0 |
| 9. Receivables for securities | | | 0 |
| 10. Securities lending reinvested collateral assets (Schedule DL) | | | 0 |
| 11. Aggregate write-ins for invested assets | 0 | 0 | 0 |
| 12. Subtotals, cash and invested assets (Lines 1 to 11) | 0 | 0 | 0 |
| 13. Title plants (for Title insurers only) | | | 0 |
| 14. Investment income due and accrued | 0 | | 0 |
| 15. Premiums and considerations: | | | |
| 15.1 Uncollected premiums and agents' balances in the course of collection | 24,233 | 72,398 | 48,165 |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due | | | 0 |
| 15.3 Accrued retrospective premiums and contracts subject to redetermination | 0 | | 0 |
| 16. Reinsurance: | | | |
| 16.1 Amounts recoverable from reinsurers | | | 0 |
| 16.2 Funds held by or deposited with reinsured companies | | | 0 |
| 16.3 Other amounts receivable under reinsurance contracts | | | 0 |
| 17. Amounts receivable relating to uninsured plans | | | 0 |
| 18.1 Current federal and foreign income tax recoverable and interest thereon | | | 0 |
| 18.2 Net deferred tax asset | | | 0 |
| 19. Guaranty funds receivable or on deposit | | | 0 |
| 20. Electronic data processing equipment and software | | | 0 |
| 21. Furniture and equipment, including health care delivery assets | | | 0 |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates | | | 0 |
| 23. Receivable from parent, subsidiaries and affiliates | 0 | | 0 |
| 24. Health care and other amounts receivable | 2 | | (2) |
| 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) | 24,235 | 72,398 | 48,163 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | 0 |
| 28. Total (Lines 26 and 27) | 24,235 | 72,398 | 48,163 |
| 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. | | | |
| 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 | 128 | 86 | 76 | 76 | 73 | 965 |
| 2. Provider Service Organizations | | | | | | |
| 3. Preferred Provider Organizations | | | | | | |
| 4. Point of Service | | | | | | |
| 5. Indemnity Only | | | | | | |
| 6. Aggregate write-ins for other lines of business | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Total | 128 | 86 | 76 | 76 | 73 | 965 |
| DETAILS OF WRITE-INS | | | | | | |
| 0601. | | | | | | |
| 0602. | | | | | | |
| 0603. | | | | | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | 0 | 0 | 0 | 0 | 0 | 0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | 0 | 0 | 0 | 0 | 0 | 0 |

Cigna HealthCare of New Jersey, Inc.

(Indirect wholly-owned subsidiary of Cigna Corporation)

Statutory Financial Statements

December 31, 2019 and 2018

Cigna HealthCare of New Jersey, Inc.
(Indirect wholly-owned subsidiary of Cigna Corporation)
Notes to Statutory Financial Statements

Note 1. Summary of Significant Accounting Policies**Organization and Operation**

Cigna HealthCare of New Jersey, Inc. (“the Company”) is a health maintenance organization (“HMO”) which provides health insurance services throughout the region. Principal products and services include managed care products and services. The Company is a wholly-owned subsidiary of Healthsource, Inc. (“the Parent”), which is a wholly-owned subsidiary of Cigna Health Corporation (“CHC”), which is an indirect wholly-owned subsidiary of Cigna Corporation (“Cigna”). Cigna is a global health services organization incorporated in Delaware.

A. Accounting Practices

The financial statements of the Company are presented in conformity with accounting practices prescribed or permitted by the State of New Jersey Department of Banking and Insurance (“The Department”), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (“GAAP”) and include management’s estimates and assumptions, such as those regarding medical costs and interest rates, that affect the recorded amounts. The National Association of Insurance Commissioners’ (“NAIC”) *Accounting Practices and Procedures Manual* (“NAIC SAP” or “SSAPs”) has been adopted as a component of prescribed or permitted practices by the State.

The principal differences between statutory-basis financial statements presented herein and those prepared on a GAAP basis include nonadmitted assets, deferred income taxes, unrealized appreciation (depreciation) on bonds, and bad debt allowances and expenses. These statutory accounting practices disallow certain assets from admission in the Statutory Balance Sheets. These nonadmitted assets, otherwise included on the Company’s balance sheets prepared under GAAP, include receivables greater than 90 days past due and certain non-current assets. Under GAAP, bonds classified as available-for-sale are carried at fair value with the related unrealized appreciation (depreciation) recorded as a component of equity. Under statutory accounting principles, bonds are carried principally at amortized cost. Under GAAP, deferred taxes are recorded for any temporary differences between the tax basis of assets and liabilities to the extent it is more likely than not that the deferred tax assets are realizable, with changes in deferred tax assets and liabilities recorded as a component of net income tax expense. Under statutory accounting principles, the amount of deferred tax assets that may be admitted is generally limited based on the Realization Threshold Limitation Table in Statement of Statutory Accounting Principles (“SSAP”) No. 101, *Income Taxes, a Replacement of SSAP 10R and SSAP 10*. The net change in the deferred tax assets and liabilities is recognized as a separate component of changes in unassigned surplus.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State is shown below:

| | <u>SSAP #</u> | <u>F/S Page</u> | <u>F/S Line #</u> | 2019 | 2018 |
|--|---------------|-----------------|-------------------|----------------------|----------------------|
| <u>NET INCOME</u> | | | | | |
| (1) State basis | | | | \$ 3,695,862 | \$ (788,097) |
| (2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP | | | | | \$ - |
| (3) State Permitted Practices that are an increase/(decrease) from NAIC SAP | | | | | \$ - |
| (4) NAIC SAP (1-2-3=4) | | | | <u>\$ 3,695,862</u> | <u>\$ (788,097)</u> |
| <u>SURPLUS</u> | | | | | |
| (5) State Basis | | | | \$ 13,779,605 | \$ 10,031,337 |
| (6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP | | | | | \$ - |
| (7) State Permitted Practices that are an increase/(decrease) from NAIC SAP | | | | | \$ - |
| (8) NAIC SAP (5-6-7=8) | | | | <u>\$ 13,779,605</u> | <u>\$ 10,031,337</u> |

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

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. NAIC SAP also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Significant estimates are disclosed throughout these notes; however actual results could differ from those estimates.

C. Accounting Policy

The Company uses the following accounting policies:

- (1) **Cash, Cash Equivalents and Short-term Investments:** Cash equivalents consist of investments with original maturities of three months or less from the time of purchase. Investments with original maturities of one year or less from the time of purchase are classified as short term. Cash equivalents and short-term investments are carried at cost.
- (2) **Bonds:** Bonds designated highest quality and high quality are carried at amortized cost. All other bonds are carried at the lower of cost or fair value. Amortization of bond premium or discount is calculated using the scientific (constant yield) interest method. Bonds containing call provisions are amortized to call date which produces the lowest asset value (yield to worst). Bonds are considered impaired and their cost basis is written down to fair value through net realized gains (losses), when management expects a decline in value to persist (i.e., the decline is other than temporary).

The Company holds no mandatory convertible securities or Securities Valuation Office (“SVO”) Identified bond ETF’s as of December 31, 2019 and 2018.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

- (3) Common Stocks: The Company holds no common stocks as of December 31, 2019 and 2018.
- (4) Preferred Stocks: The Company holds no preferred stocks as of December 31, 2019 and 2018.
- (5) Mortgage Loans: The Company holds no mortgage loans as of December 31, 2019 and 2018.
- (6) Loan-Backed Securities: The Company holds no loan-backed securities as of December 31, 2019 and 2018.
- (7) Investments in Subsidiaries, Controlled and Affiliated Entities (“SCA”): The Company holds no investments in subsidiaries, controlled and affiliated entities as of December 31, 2019 and 2018.
- (8) Joint Ventures, Partnerships and Limited Liability Companies: The Company holds no investments in joint ventures, controlled and affiliated entities as of December 31, 2019 and 2018.
- (9) Derivatives: The Company has no derivative instruments as of December 31, 2019 and 2018.
- (10) Premium Deficiency Reserves: The Company anticipates investment income as a factor in its premium deficiency calculations.
- (11) Claims Unpaid and Unpaid Claims Adjustment Expenses: Claims unpaid and unpaid claims adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined. Management develops these estimates using actuarial methods based upon historical data for claim payment patterns, cost trends, product mix, seasonality, utilization of health care services and other relevant factors. When estimates change, the Company records the adjustment in medical and hospital expenses in the period the change in estimate occurs. Unpaid claim adjustment expenses represents a reserve for additional administrative expenses associated with unpaid health claims that are in the process of settlement, as well as those that have been incurred but not yet reported. This reserve is based on the historical relationship between claims handling expenses and incurred claims.
- (12) Asset Capitalization Policy: The Company made no changes to its asset capitalization policies during the years ended December 31, 2019 and 2018.
- (13) Pharmaceutical Rebate Receivable: The Company estimates pharmaceutical rebate receivables based on utilization data and past history, and billed amounts to pharmaceutical companies. The income from pharmacy rebates is reported as a reduction of prescription drugs expense in the Statement of Revenue and Expenses, and the rebate receivable is included in healthcare and other amounts receivable. Generally, rebate amounts are paid on a monthly basis.
- (14) Net Investment Income: When interest and principal payments on investments are current, the Company recognizes interest income when it is earned. The Company stops recognizing interest income on bonds when interest payments are 90 days past due. Investment income on these investments is only recognized when interest payments are received. See Note 7 for further information.
- (15) Investment Gains and Losses: Unrealized capital gains and losses on investments carried at fair value are reflected directly in unassigned surplus. Realized capital gains and losses resulting from sales, investment asset write-downs and changes in valuation reserves are based on specifically identified assets and are recognized in net income.
- (16) Nonadmitted Assets: In accordance with NAIC SAP, certain assets or certain portions of assets are excluded from the Company’s admitted assets on its Statutory Balance Sheet through a direct charge to unassigned surplus. Certain assets are limited by factors, such as percentage of surplus, as to the amounts that qualify as admitted assets. Such assets may include electronic data processing equipment and deferred tax assets.
- (17) Aggregate Health Policy Reserves: The Company includes an accrual for losses where it is probable that expected future health care costs and maintenance costs under a group of existing contracts will exceed anticipated future premiums and insurance recoveries on those contracts, known as Premium Deficiency Reserve (“PDR”). Investment income is considered in the calculation of premium deficiency reserves. The Company also includes the Minimum Medical Loss Ratio Rebate Accrual, if any, described below. In addition, the Company includes an accrual for losses on any policy that provides for the Extension of Benefits (“EOB”) after termination of the policy. Any reserves are included in aggregate health policy reserves in the accompanying Statutory Balance Sheets.
- (18) Income Taxes: The Company is included in the consolidated United States federal income tax return filed by Cigna. Pursuant to the Tax Sharing Agreement with Cigna, federal income taxes are allocated to the Company as if it were filing on a separate return basis. The tax benefit of net operating losses, capital losses and tax credits are funded to the extent they reduce the consolidated federal income tax liability. The Company generally recognizes deferred income taxes when assets and liabilities have different values for financial statement and tax reporting purposes (temporary difference). Limitations of the admitted amount of the deferred tax asset are calculated in accordance with SSAP No. 101. See Note 9 for more detailed information about the Company’s income taxes.
- (19) Provider Incentives and Other Risk Sharing Arrangements: The Company contracts with physicians or provider groups (collectively known as providers) to provide medical services to its members. The Company

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

pays capitation or negotiated fees for defined services provided by the providers. The Company and some of the providers have entered into incentive sharing agreements. Under the terms of these agreements, certain providers are eligible to receive or owe a provider bonus/refund based on qualitative and quantitative factors. Risk sharing balances are estimated using current experience to calculate the receivable or payable balances for each contract. These estimates may be adjusted based on actual experience, contract terms, and the offsetting of receivables against payables.

- (20) Net Premium Income: Amounts charged for health care services are recognized as revenue in the month for which customers are entitled to medical care. Unearned premiums represent that portion of premiums received which are applicable to the unexpired terms of contracts in force. Medical loss ratio rebates required pursuant to the Public Health Service Act are recorded as a reduction to net premium income.
- (21) Minimum Medical Loss Ratio Rebate Accrual: The Company records its rebate accrual based on year-to-date estimated medical loss ratios calculated as prescribed by the interim final rule issued by the Department of Health & Human Services using year-to-date premium and claim information by state and market segment. Further information on the minimum medical loss ratio rebate can be found in Note 24.
- (22) Risk Sharing Provisions of the Affordable Care Act: Beginning in 2014, as prescribed by the Patient Protection and Affordable Care Act (“ACA”), three programs went into effect to reduce the risk for participating health insurance companies selling coverage on the public exchanges. These programs include a three-year (2014-2016) reinsurance program and a premium stabilization program comprised of a permanent component and a temporary component (2014-2016). The Company accounts for these programs in accordance with SSAP 107, *Accounting for the Risk-Sharing Provisions of the Affordable Care Act*. See Note 24 for additional information.
- (23) Section 9010 Insurer Fee: Federal legislation suspended the health insurance industry tax for 2019 and the Company’s premium rates for 2019 reflect this suspension. Under current legislation, the industry tax is reinstated in 2020. The return of the industry tax in 2020 is contemplated in our premium rates and benefits for the affected products and will increase the Company’s effective tax rate in 2020. In addition, as a result of the passage of the Further Consolidated Appropriations Act of 2020 in December 2019, the health insurance industry tax will be repealed effective 2021.

Note 2. Accounting Changes and Corrections of Errors

No changes in accounting principles or corrections of errors have been recorded during the years ended December 31, 2019 and 2018.

Note 3. Business Combinations and Goodwill

The Company was not party to a business combination during the years ended December 31, 2019 and 2018, and does not carry goodwill in its statutory balance sheets.

Note 4. Discontinued Operations

The Company did not discontinue any operations during 2019 and 2018.

Note 5. Investments

- A. The Company has no mortgage loans.
- B. The Company has no debt restructuring.
- C. The Company has no reverse mortgages.
- D. The Company has no loan-backed securities.
- E. The Company has no dollar repurchase agreements or securities lending transactions.
- F. The Company has no repurchase agreement transactions accounted for as a securing borrowing.
- G. The Company has no reverse repurchase agreement transactions accounted for as a secured borrowing.
- H. The Company has no repurchase agreement transactions accounted for as a sale.
- I. The Company has no reverse repurchase agreement transactions accounted for as a sale.
- J. The Company has no real estate property investments.
- K. The Company has no low-income housing tax credits.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

L. Restricted Assets

(1) Restricted Assets (Including Pledged):

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---------------------------------|---|--|--|--|
| Restricted Asset Category | Total Gross (Admitted & Nonadmitted) Restricted from Current Year | Total Gross (Admitted & Nonadmitted) Restricted From Prior Year | Increase/(Decrease) (1 minus 2) | Total Current Year Nonadmitted Restricted | Total Current Year Admitted Restricted (1 minus 4) | Gross (Admitted and Nonadmitted) Restricted to Total Asset (a) | Admitted Restricted to Total Admitted Assets (b) |
| Subject to contractual obligation for which liability is not shown | - | - | - | - | - | - | - |
| Collateral held under security lending agreements | - | - | - | - | - | - | - |
| Subject to repurchase agreements | - | - | - | - | - | - | - |
| Subject to reverse repurchase agreements | - | - | - | - | - | - | - |
| Subject to dollar repurchase agreements | - | - | - | - | - | - | - |
| Subject to dollar reverse repurchase agreements | - | - | - | - | - | - | - |
| Placed under option contracts | - | - | - | - | - | - | - |
| Letter stock or securities restricted as to sale - excluding FHLB capital stock | - | - | - | - | - | - | - |
| FHLB capital stock | - | - | - | - | - | - | - |
| On deposit with states | 1,927,818 | 1,959,672 | (31,854) | - | 1,927,818 | 13.16% | 13.18% |
| On deposit with other regulatory bodies | - | - | - | - | - | - | - |
| Pledged as collateral to FHLB (including assets backing funding agreements) | - | - | - | - | - | - | - |
| Pledged as collateral not captured in other categories | - | - | - | - | - | - | - |
| Other restricted assets | - | - | - | - | - | - | - |
| Total restricted assets | 1,927,818 | 1,959,672 | (31,854) | - | 1,927,818 | 13.16% | 13.18% |

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

(2) The Company has no assets pledged as collateral not captured in other categories.

(3) The Company has no other restricted assets.

(4) The Company holds no collateral received and reflected as assets.

M. The Company has no working capital finance investments.

N. The Company has no offsetting and netting of assets and liabilities related to derivatives, repurchase and reverse repurchase agreements or security borrowing and lending activities.

O. The Company has no structured notes.

P. The Company holds no 5* securities. NAIC 5* is a designation assigned by the SVO for certain obligations when an insurer certifies: (1) that documentation necessary to permit a full credit analysis of a security does not exist and (2) the issuer or obligor is current on all contracted interest and principal payments and (3) the insurer has an actual expectation of ultimate repayment of all contracted interest and principal.

Q. The Company has no short sales.

R. The Company has no prepayment penalty and acceleration fees.

S. Bonds

As of December 31, 2019, the amortized cost and estimated fair values for the Company's bonds, including short-term investments and cash equivalents, by contractual maturity period were as follows:

| | Amortized Cost | Fair Value |
|---------------------------------------|----------------------|----------------------|
| Due in one year or less | \$ 12,751,054 | \$ 12,754,773 |
| Due after one year through five years | 1,001,667 | 1,008,750 |
| Total | \$ 13,752,721 | \$ 13,763,523 |

Actual maturities could differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Also, the Company may extend maturity dates in some cases.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

As of December 31, 2019 and December 31, 2018, the gross unrealized appreciation (depreciation) for bonds by type of issuer, were as follows:

| 2019 | Amortized | Appreciation | Depreciation | Fair |
|--|-----------|--------------|--------------|-----------|
| | Cost | | | Value |
| US Government | 1,001,667 | 7,083 | | 1,008,750 |
| Special revenue and assessment obligations | 1,044,493 | 3,718 | | 1,048,211 |
| Total | 2,046,160 | 10,801 | - | 2,056,961 |

| 2018 | Amortized | Appreciation | Depreciation | Fair |
|--|-----------|--------------|--------------|-----------|
| | Cost | | | Value |
| US Government | 1,002,602 | - | 11,977 | 990,625 |
| Special revenue and assessment obligations | 1,079,363 | - | 458 | 1,078,904 |
| Total | 2,081,964 | - | 12,435 | 2,069,529 |

Management reviews bonds with a decline in fair value from cost for impairment based on criteria that include length of time and severity of decline; financial health and specific near term prospects of the issuer; changes in the regulatory, economic or general market environment of the issuer's industry or geographic region; and the Company's intent to sell or the likelihood of a required sale prior to recovery.

The unrealized depreciation of bonds is primarily due to the increase in market yield since purchase.

There were no other-than-temporary impairments of bonds as of December 31, 2019 and 2018.

The net unrealized appreciation on bonds that are carried at amortized cost of \$10,801 at December 31, 2019 and depreciation on bonds \$12,435 at December 31, 2018, is not reflected in the statutory financial statements.

There were no disposals of bonds for the years December 31, 2019 and December 31, 2018

Note 6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships, or limited liability companies.

Note 7. Investment Income

A. Due and accrued income is excluded from surplus on the following basis:

Bonds – all investment income due and accrued with amounts that are over 90 days past due.

B. No amounts due and accrued were excluded from the statutory statements for the years ended December 31, 2019 and 2018.

Note 8. Derivative Instruments

The Company has no derivative instruments.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

Note 9. Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

| | 12/31/2019 | | | 12/31/2018 | | | Change | | |
|--|------------|---------|--------------------|------------|---------|--------------------|-----------------------|----------------------|--------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | (Col 1+2) Total | Ordinary | Capital | (Col 4+5) Total | (Col 1-4) Ordinary | (Col 2-5) Capital | (Col 7+8) Total |
| (a) Gross Deferred Tax Assets | 6,008 | - | 6,008 | 483,320 | - | 483,320 | (477,312) | - | (477,312) |
| (b) Statutory Valuation Allowance Adjustments | - | - | - | (480,962) | - | (480,962) | 480,962 | - | 480,962 |
| (c) Adjusted Gross Deferred Tax Assets (1a-1b) | 6,008 | - | 6,008 | 2,358 | - | 2,358 | 3,650 | - | 3,650 |
| (d) Deferred Tax Assets Nonadmitted | 0 | - | 0 | - | - | - | 0 | - | 0 |
| (e) Subtotal Net Admitted Deferred Tax Asset (1c-1d) | 6,008 | - | 6,008 | 2,358 | - | 2,358 | 3,650 | - | 3,650 |
| (f) Deferred Tax Liabilities | (1,765) | - | (1,765) | (2,358) | - | (2,358) | 593 | - | 593 |
| (g) Net Admitted Deferred Tax asset/(Net Deferred Tax Liability) (1e-1f) | 4,243 | - | 4,243 | 0 | - | 0 | 4,243 | - | 4,243 |

The realization of DTAs depends on the Company's historical earnings and the generation of future taxable income during the periods in which the temporary differences are deductible. Management may consider the scheduled reversal of deferred tax liabilities (including impact of available carryback and carryforward periods), projected taxable income, and tax planning strategies in making the assessment.

2.

| | 12/31/2019 | | | 12/31/2018 | | | Change | | |
|---|------------|---------|--------------------|------------|---------|--------------------|-----------------------|----------------------|--------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | Ordinary | Capital | (Col 1+2) Total | Ordinary | Capital | (Col 4+5) Total | (Col 1-4) Ordinary | (Col 2-5) Capital | (Col 7+8) Total |
| Admission Calculation Components SSAP No. 101 | | | | | | | | | |
| (a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks. | 6,008 | - | 6,008 | - | - | - | 6,008 | - | 6,008 |
| (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) | - | - | - | - | - | - | - | - | - |
| 1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date. | - | - | - | - | - | - | - | - | - |
| 2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold. | - | - | 2,066,304 | - | - | 1,504,701 | - | - | 561,603 |
| (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. | (0) | - | (0) | 2,358 | - | 2,358 | (2,358) | - | (2,358) |
| (d) Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c)) | 6,008 | - | 6,008 | 2,358 | - | 2,358 | 3,650 | - | 3,650 |

3.

| | 2019 | 2018 |
|---|------------|------------|
| (a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount. | 4042% | 1979% |
| (b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above. | 13,775,362 | 10,031,338 |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

4.

| | 12/31/2019 | | 12/31/2018 | | Change | |
|--|------------|---------|------------|---------|-----------------------|----------------------|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | Ordinary | Capital | Ordinary | Capital | (Col 1-3) Ordinary | (Col 2-4) Capital |
| Impact of Tax-Planning Strategies | | | | | | |
| Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets, | | | | | | |
| (a) By Tax Character As A Percentage. | | | | | | |
| 1. Adjusted Gross DTAs Amount from Note 9A 1C | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Percentage Of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. Net Admitted Adjusted Gross DTAs Amount From Note 9A 1E | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. Percentage Of net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies | 0% | 0% | 0% | 0% | 0% | 0% |
| Does the Company's tax-planning strategies | | | | | | |
| (b) include the use of reinsurance? | Yes | | No | | X | |

B. Regarding deferred tax liabilities that are not recognized:

Not applicable.

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

| | (1) | (2) | (3) |
|--|------------|------------|------------------|
| | 12/31/2019 | 12/31/2018 | (Col 1-2) Change |
| 1. Current Income Tax | | | |
| (a) Federal | 388,492 | (597,289) | 985,781 |
| (b) Foreign | - | - | - |
| (c) Subtotal | 388,492 | (597,289) | 985,781 |
| (d) Federal income tax on net capital gains | - | (4,313) | 4,313 |
| (e) Utilization of capital loss carry-forwards | - | - | - |
| (f) Other | - | - | - |
| (g) Federal and foreign income taxes incurred | 388,492 | (601,602) | 990,094 |

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The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

| | (1) 12/31/2019 | (2) 12/31/2018 | (3) (Col 1-2) Change |
|---|-------------------|-------------------|-------------------------|
| 2. Deferred Tax Assets: | | | |
| (a) Ordinary | | | |
| (1) Unearned premium reserve | - | 219 | (219) |
| (2) Loss Reserve Discounting | 554 | 5,535 | (4,981) |
| (3) Solvency Reserves | - | 445,200 | (445,200) |
| (4) Other Insurance & Contract Holder Liability | 323 | 3,253 | (2,930) |
| (5) Bad Debt | 42 | 13,886 | (13,844) |
| (6) Depreciation and Amortization | - | - | - |
| (7) Non Admitted Assets | 5,089 | 15,204 | (10,115) |
| (8) DOI Audit Accrual | - | - | - |
| (9) Reinsurance Contribution | - | - | - |
| (10) Other | - | 23 | (23) |
| (99) Subtotal | 6,008 | 483,320 | (477,312) |
| (b) Statutory valuation allowance adjustment | - | (480,962) | 480,962 |
| (c) Nonadmitted | 0 | - | 0 |
| (d) Admitted ordinary deferred tax assets | 6,008 | 2,358 | 3,650 |
| (e) Capital: | | | |
| (1) Investments | - | - | - |
| (2) Net capital loss carry-forward | - | - | - |
| (3) Real estate | - | - | - |
| (4) Other (including items <5% of total capital tax assets) | - | - | - |
| (99) Subtotal | - | - | - |
| (f) Statutory valuation allowance adjustment | - | - | - |
| (g) Nonadmitted | - | - | - |
| (h) Admitted capital deferred tax assets | - | - | - |
| (i) Admitted deferred tax assets | 6,008 | 2,358 | 3,650 |

| | (1) 12/31/2019 | (2) 12/31/2018 | (3) (Col 1-2) Change |
|--|-------------------|-------------------|-------------------------|
| 3. Deferred Tax Liabilities | | | |
| (a) Ordinary | | | |
| (1) Discount of bond premiums/Deferred gain | (0) | (0) | - |
| (2) Retroactivity Adjustment | - | - | - |
| (3) Other Insurance & Contract Holder Liability | (1,765) | (2,358) | 593 |
| (99) Subtotal | (1,765) | (2,358) | 593 |
| (b) Capital: | | | |
| (1) Investments | - | - | - |
| (2) Real estate | - | - | - |
| (3) Other (including items <5% of total capital tax liabilities) | - | - | - |
| (99) Subtotal | - | - | - |
| (c) Deferred tax liabilities | (1,765) | (2,358) | 593 |
| 4. Net deferred tax assets/liabilities | 4,243 | (0) | 4,243 |

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The change in net deferred income taxes is comprised of the following. (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in the capital and surplus section of the Statutory Statements of Capital and Surplus):

| | 12/31/2019 | 12/31/2018 | (Col 1-2) Change |
|--|------------|------------|---------------------|
| Total deferred tax assets | 6,008 | 483,320 | (477,312) |
| Total deferred tax liabilities | (1,765) | (2,358) | 593 |
| Net deferred tax asset (liability) | 4,243 | 480,962 | (476,719) |
| Statutory valuation allowance adjustment | - | (480,962) | 480,962 |
| Net deferred tax assets/liabilities after SVA | 4,243 | - | 4,243 |
| Tax effect of unrealized gains (losses) | | | - |
| Statutory valuation allowance adjustment allocated to unrealized | | | - |
| Other intraperiod allocation of deferred tax movement | | | - |
| Change in net deferred income tax | | | 4,243 |

D. Reconciliation of total statutory income taxes reported to tax at statutory rate:

1. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes including realized capital gains / losses. The significant items causing this difference are as follows:

| | 12/31/2019 | Effective Tax Rate | 12/31/2018 | Effective Tax Rate |
|---|------------|-----------------------|--------------|-----------------------|
| Provision computed at statutory rate | 857,714 | 21.0% | \$ (291,837) | 21.0% |
| Tax exempt interest income (net) | (2,901) | -0.1% | (2,994) | 0.2% |
| Meals and entertainment | 118 | 0.0% | 20 | 0.0% |
| Lobbying Expense | 11 | 0.0% | 17 | 0.0% |
| Health Industry Fee | - | 0.0% | 19,581 | -1.4% |
| Change in nonadmitted assets | 10,115 | 0.3% | (12,398) | 0.9% |
| Other | 146 | 0.0% | 4 | 0.0% |
| Provision to Filed Adjustment | 8 | 0.0% | - | 0.0% |
| Valuation Allowance | (480,962) | -11.8% | (70,533) | 5.1% |
| Total | \$ 384,249 | 9.4% | \$ (358,140) | 25.8% |
| Federal and foreign income taxes incurred | 388,492 | 9.5% | \$ (601,602) | 43.3% |
| Change in deferred income taxes | (4,243) | -0.1% | 243,462 | -17.5% |
| Total statutory income taxes | \$ 384,249 | 9.4% | \$ (358,140) | 25.8% |

E. Carry forwards, recoverable taxes, and IRC Sec. 6603 deposits:

(1) At December 31, 2019 and 2018, the Company has utilized all its net operating or capital loss carry forwards.

(2) Income taxes, ordinary and capital, available for recoupment in the event of future losses as follows:

| Ordinary | | Capital | |
|----------|---------|---------|---|
| 2019 | 388,484 | 2019 | - |
| 2018 | - | 2018 | - |
| 2017 | N/A | 2017 | - |

(3) Deposits under IRS Code Section 6603 – Not applicable.

F. Consolidated Federal Income Tax Return

(1) The Company's Federal Income Tax return is consolidated with Cigna, and the following subsidiaries of Cigna:

| | | |
|--|--|---|
| Accredo Health Group, Inc. | Cigna Healthcare of California Inc | Express Scripts Sales Operations, Inc. |
| Accredo Health, Inc. | Cigna Healthcare of Colorado Inc | Express Scripts Senior Care Holdings, Inc. |
| AHG of New York, Inc. | Cigna Healthcare of Connecticut Inc | Express Scripts Senior Care, Inc. |
| Allegiance Benefit Plan Management Inc | Cigna Healthcare of Florida Inc | Express Scripts Services Company, Inc. |
| Allegiance Cobra Services Inc | Cigna Healthcare of Georgia Inc | Express Scripts Specialty Distribution Services, Inc. |
| Allegiance Life & Health Insurance Co | Cigna Healthcare of Illinois Inc | Express Scripts Strategic Development, Inc. |
| Allegiance Re Inc | Cigna Healthcare of Indiana Inc | Express Scripts Utilization Management, Inc. |
| American Retirement Life Insurance Company | Cigna Healthcare of Maine Inc | Express Scripts, Inc. |
| Arizona Healthplan Inc | Cigna Healthcare of Massachusetts Inc | Former Cigna Investments Inc |
| Benefit Management Corp | Cigna Healthcare of New Hampshire Inc | Freco, Inc. |
| BioPartners in Care, Inc. | Cigna Healthcare of New Jersey Inc | GreatWest Healthcare of Illinois Inc |
| Bravo Health Mid-Atlantic, Inc. | Cigna Healthcare of North Carolina Inc | Hazard Center Investment Co LLC |
| Bravo Health Pennsylvania, Inc. | Cigna Healthcare of Pennsylvania Inc | Healthbridge Reimbursement & Product Support, Inc. |
| Brighter, Inc. | Cigna Healthcare of South Carolina | Healthbridge, Inc. |

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| | | |
|---|---|--|
| Care Continuum, Inc. | Cigna Healthcare of St Louis Inc | Healthsource Benefits Inc |
| CareAllies, Inc. | Cigna Healthcare of Tennessee Inc | Healthsource Inc |
| CG Individual Tax Benefit Payments Inc | Cigna Healthcare of Texas Inc | Healthsource Properties Inc |
| CG Life Pension Benefit Payments Inc | Cigna Healthcare of Utah Inc | Healthspring Life & Health Insurance Company |
| CG LINA Pension Benefit Payments Inc | Cigna Holding Company | Healthspring of Florida, Inc. |
| Cigna Arbor Life Insurance Company | Cigna Holdings Inc | Healthspring, Inc. |
| Cigna Behavioral Health Inc | Cigna Holdings Overseas Inc | IHN Inc. |
| Cigna Behavioral Health of California Inc | Cigna Integrated Care Inc | Intermountain Underwriters Inc |
| Cigna Behavioral Health of Texas | Cigna Intellectual Property Inc | Kronos Optimal Health Company |
| Cigna Benefit Technology Solutions, Inc. | Cigna International Corporation | Life Ins Co of North America |
| Cigna Benefits Financing, Inc. | Cigna International Finance Inc | LINA Benefit Payments Inc |
| Cigna Dental Health Inc | Cigna International Services Inc | Loyal American Life Insurance Company |
| Cigna Dental Health of California Inc | Cigna Investment Group Inc | Lynnfield Compounding Center, Inc. |
| Cigna Dental Health of Colorado Inc | Cigna Investments Inc | Lynnfield Drug, Inc. |
| Cigna Dental Health of Delaware Inc | Cigna Life Insurance Company of New York | MAH Pharmacy, LLC |
| Cigna Dental Health of Florida Inc | Cigna Linden Holdings Inc | Managed Care Consultants Inc |
| Cigna Dental Health of Illinois Inc | Cigna Managed Care Benefits Company | Matrix Healthcare Services, Inc. |
| Cigna Dental Health of Kansas Inc | Cigna National Health Insurance Company | MCC Independent Practice Assoc of New York Inc |
| Cigna Dental Health of Kentucky Inc | Cigna Poplar Holdings Inc | Medco Containment Insurance Company of New York |
| Cigna Dental Health of Maryland Inc | Cigna RE Corporation | Medco Containment Life Insurance Company |
| Cigna Dental Health of Missouri Inc | Cigna Resource Manager Inc | Medco Health Puerto Rico, LLC |
| Cigna Dental Health of New Jersey Inc | Cigna Worldwide Insurance Company | Medco Health Services, Inc. |
| Cigna Dental Health of North Carolina Inc | Connecticut General Benefit Payments Inc. | Medco Health Solutions, Inc. |
| Cigna Dental Health of Ohio Inc | Connecticut General Corporation | Mediversal Inc |
| Cigna Dental Health of Pennsylvania Inc | Connecticut General Life Insurance Company | Oz Parent, Inc. |
| Cigna Dental Health of Texas Inc | Curascript, Inc. | Priority Healthcare Corporation |
| Cigna Dental Health of Virginia Inc | Diversified NY IPA, Inc. | Priority Healthcare Distribution, Inc. |
| Cigna Dental Healthplan of Arizona Inc | Diversified Pharmaceutical Services, Inc. | Provident American Life and Health Insurance Company |
| Cigna Direct Marketing Company Inc. | ESI GP Holdings, Inc. | QUALCARE ALLIANCE NETWORKS, INC. |
| Cigna Federal Benefits Inc | ESI Mail Order Processing, Inc. | QUALCARE CAPTIVE INSURANCE COMPANY INC., PCC |
| Cigna Global Holdings Inc | ESI Mail Pharmacy Service, Inc. | QUALCARE, INC. |
| Cigna Global Insurance Company Limited | eviCore 1, Inc. | Sagamore Health Network Inc |
| Cigna Global Reinsurance Company LTD | eviCore 2, Inc. | SCIBAL ASSOCIATES, INC. |
| Cigna Health and Life Insurance Company | eviCore 3, Inc. | Spectracare Health Care Ventures, Inc. |
| Cigna Health Corporation | eviCore 4, Inc. | SpectraCare, Inc. |
| Cigna Health Management Inc | Express Reinsurance Company | Tel-Drug Inc |
| Cigna Healthcare Benefits Inc | Express Scripts Administrators, LLC | United Benefit Life Insurance Company |
| Cigna Healthcare Holdings Inc | Express Scripts Canada Holding Company | Universal Claims Administration |
| Cigna Healthcare Inc | Express Scripts Holding Company, Inc. | Verity Solutions Group, Inc. |
| Cigna Healthcare Mid-Atlantic Inc | Express Scripts Pharmaceutical Procurement, LLC | |
| Cigna Healthcare of Arizona Inc | Express Scripts Pharmacy, Inc. | |

G. Federal or Foreign Income Tax Loss Contingencies

- (1) The statute of limitations for Cigna's consolidated income tax returns through 2015 have closed, and there are no pending examinations. Cigna has filed amended consolidated tax returns for various years and the pending refund is subject to Internal Revenue Service (IRS) review. The IRS has examined ESI's tax returns for 2010 through 2012 for which there is a significant disputed tax matter, and currently under examination for 2013 through 2015. No material impacts are anticipated for the Company.
- (2) In Management's opinion, the Company has adequate tax liabilities to address potential exposures involving tax positions the Company has taken that may be challenged by the IRS upon audit. These liabilities could be revised in the near term if estimates of Cigna's ultimate liability change as a result of new developments or a change in circumstances. No material contingent tax liability is included in the Company's current federal income tax payable. The Company does not expect a significant increase in federal or foreign contingent tax liability within the next twelve months.

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

- A. The Company is indirectly owned by Cigna.
- B. Except for transactions reported under Part F of this footnote, insurance contracts that were issued by the Company in the ordinary course of its business are not reported in this footnote.
- C. See Part F of this footnote for the dollar amounts of material transactions with affiliates.
- D. At December 31, 2019 and at December 31, 2018, the Company reported \$0 and \$4,336 as amounts due to parent, subsidiaries and affiliates and \$2,380 and \$0 as amounts due from parent, subsidiaries and affiliates. Cash settlements are processed according to the terms of the agreement, generally within 30 days of the balance sheet date.
- E. The Company does not have any guarantees or undertakings, written or otherwise, for the benefit of an affiliate or related party that result in a material contingent exposure.
- F. Administrative Services Agreements:
 - (1) The Management Services Agreement, as amended, is by and among CHC and each of its subsidiaries or affiliates which are signatories thereto. Under this agreement, CHC and certain affiliates provide Management Services (as defined and described in said agreement) to the Company. The terms of the agreement require that

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these amounts be settled within 30 days. The fees charged are based largely on the Company's plan participants as a percentage of total applicable participants for the Company and its affiliates. CHC charged the Company \$61,748 and \$91,952 in administrative service fees for the periods ended December 31, 2019 and 2018.

- (2) CHC credited the Company \$20 in 2019 and \$57 in 2018 for liability insurance. This program provides protection against liabilities imposed on the Company from allegations of negligence stemming from the management of health care activities.
 - (3) The Line of Credit Agreement (also known as the LOC Agreement) is by and between the Company and CHC. Under this agreement, CHC would loan funds to the Company from time to time, to ensure that the Company will be able to meet its operational cash obligations while earning additional investment income. There was no liability associated with this agreement as of December 31, 2019 and December 31, 2018.
 - (4) The Network Access Agreement is by and among the Company, Connecticut General Life Insurance Company ("CGLIC"), Cigna Health and Life Insurance Company ("CHLIC") and the affiliated HMOs. This agreement allows CGLIC, CHLIC and the affiliated HMOs to access the Company's provider networks. There were no charges related to this agreement in 2019 and 2018.
 - (5) Cigna Behavioral Health, Inc. ("CBH") is an affiliate of the Company. The CBH Agreement is by and between CBH and CHC on behalf of their respective subsidiaries and affiliates, and arranges for the provision of mental health and substance use services by CBH, its subsidiaries or affiliates to the enrollees of the HMOs. The expense relating to this contract was \$18,207 in 2019 and \$27,400 in 2018.
 - (6) Cigna Health Management, Inc. ("CHM") formerly known as International Rehabilitation Associates, Inc. (d/b/a Intracorp), is an affiliate of the Company. The Intercompany Service Agreement is by and between CHM, CGLIC, and CHC on behalf of their respective health plan subsidiaries and affiliates. CHM provides utilization management, case management, demand management, disease management, care management and other services to the Company's enrollees of the HMOs. The expense relating to this contract was \$1,100 in 2019 and \$1,573 in 2018.
 - (7) The Participating Mail Order Pharmacy Agreement (also known as the Tel-Drug Agreement) is by and among Tel-Drug, Inc, Tel-Drug of Pennsylvania, LLC and certain subsidiaries of CHC, including the Company. Under this agreement, Tel-Drug, Inc. and Tel-Drug of Pennsylvania, LLC provide mail-order pharmacy services to the Company's enrollees. There were no charges related to this agreement in 2019 and 2018.
 - (8) The Dental Consultation Agreement is by and between the Company and its affiliated HMOs and Cigna Dental Health, Inc. ("CDH"). Pursuant to this agreement, CDH provides dental consultations to the Company on selected dental cases relative to services provided under the members' HMO contracts. There were no charges related to this agreement in 2019 and 2018.
 - (9) The Cigna Health Access Premium Billing Authorization Agreement by and among Cigna and certain subsidiaries, including the Company, enables each HMO to provide its Cigna Health Access customers with a single premium bill. There were no charges related to this agreement in 2019 and 2018.
 - (10) The Company participates in an Investment Advisory Agreement pursuant to which Cigna Investments, Inc. serves as the Company's investment advisor. The expense related to this agreement was \$12,475 in 2019 and \$9,074 in 2018.
 - (11) Several of Cigna's subsidiaries are subject to the Health Insurance Providers Fee, ("the Fee"), which is imposed on each covered entity engaged in the business of providing health insurance for any United States health risk. Such entities, along with Cigna, are collectively treated as a single "covered entity" as that term is defined in Section 9010(c) and Treas. Reg. § 57.2(b). By entering into this Fee Sharing Agreement (the "Agreement"), each subsidiary has consented to select Cigna as its "designated entity" for the payment of this Fee. The Agreement allows Cigna to pay each year to the United States Department of the Treasury the Fee owed collectively by all covered entities in the group, and to perform all necessary and appropriate actions that may be required to fulfill Cigna's responsibilities as the designated entity. This Agreement further allows Cigna to delegate to a wholly owned subsidiary the authority to perform these actions on Cigna's behalf. For financial management and reporting purposes, Cigna and the subsidiaries will allocate the Fee for each Fee Year among the subsidiaries in proportion to estimates of each subsidiary's Premiums for that Fee Year. This Agreement was approved by the Department. There were no charges related to this agreement in 2019 and 2018.
 - (12) The Company currently participates in the Amended and Restated Consolidated Federal Income Tax Agreement by and between Cigna and its subsidiaries in order to facilitate the filing of a consolidated federal income tax return as an affiliated group under Cigna. Pursuant to this agreement, payments are made to Cigna based on taxable income of the Company. In the case of a taxable loss, Cigna pays the Company a refund to the extent Cigna is able to utilize that loss in the consolidated tax return. There were no charges related to this agreement in 2019 and 2018.
 - (13) In 2019, the Company was party to Rebate Services Agreements and a Pharmacy Benefit Services Agreement (collectively "the agreements") with Express Scripts, Inc. ("ESI"). Under the agreements, ESI made the following pharmacy benefit management services available to the company in 2019 or the future: manufacturer revenue services, formulary development, pharmacy network contracting, claims processing, care management, and clinical services. ESI is an indirect subsidiary of Cigna. There were no charges related to this agreement in 2019.
- G. All outstanding shares of the Company are owned by its Parent.

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- H. The Company does not own shares of an upstream intermediate or ultimate parent, either directly or indirectly via a downstream subsidiary, controlled or affiliated company.
- I. The Company does not hold any investments in subsidiary, controlled or affiliated companies that exceeds 10% of admitted assets.
- J. The Company does not hold any investments in impaired subsidiary, controlled or affiliated companies.
- K. The Company has no investments in foreign subsidiaries.
- L. The Company has no investments in a downstream non-insurance holding company.
- M. The Company has no investments in SCA entities.
- N. The Company has no investments in Insurance SCAs.

Note 11. Debt

The Company had no outstanding debt with third parties or outstanding federal home loan bank agreements during 2019 and 2018.

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

The Company has no employees; instead employees of CHLIC performed certain functions on behalf of the healthplan.

CHLIC provides certain postretirement benefits to retired employees, spouses and other eligible dependents through a plan sponsored by Cigna. CHLIC also participates in a capital accumulation 401(k) plan sponsored by Cigna in which employee contributions are supplemented by the Company's matching contributions. The Company has no legal obligation for benefits under these plans. CHLIC allocates amounts to the Company based on salary ratios and member months. The Company's expense credit for such benefits, included within general administrative expenses, was \$1,186 and \$84 for 2019 and 2018, respectively.

Cigna froze its primary domestic defined benefit pension plans effective July 1, 2009. As a result, pension expense is no longer allocated to the Company.

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

- (1) The Company has 1,000 Class A shares authorized, issued and outstanding as of December 31, 2018 with a par value of \$1 per share.
- (2) The Company has no preferred stock outstanding.
- (1) Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Company's state of incorporation and are based on restrictions relating to statutory surplus. The Department restricts dividend payments to the greater of 10% of prior year's surplus or net gain from operations from the prior year. Net gain from operations is defined as income after taxes but prior to realized capital gains, as reported on the Statutory Statements of Revenue and Expenses. Dividends may only be paid out of unassigned surplus, adjusted for a portion of cumulative unrealized capital gains. Due to negative unassigned surplus, the Company was not able to distribute any form of dividend in 2019.
- (2) The Company paid no dividends to the Parent during the years ended December 31, 2019 and December 31, 2018.
- (3) The amount of ordinary dividends that may be paid out during any given period are subject to certain restrictions as specified by state statute.
- (4) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (5) No advances to surplus not repaid were outstanding at December 31, 2019 and 2018.
- (6) The Company does not hold any stock, including stock of affiliated companies, for special purposes.
- (7) The Company had a change in balance of the special surplus funds of \$6,477 from the prior year due to the ACA Section 9010 Insurer Fee segregated surplus requirement
- (8) The portion of unassigned funds (surplus) reduced by non-admitted asset values was \$24,235 and \$72,398 as of December 31, 2019 and December 31, 2018, respectively.

The Company received a capital infusion of \$0 and \$9,000,000 from the Parent for the years ended December 31, 2019 and December 31, 2018, respectively.

- (9) The Company has no outstanding surplus notes.
- (10) The Company has not restated due to a quasi-reorganization.

- (11) The Company has never been a party to a quasi-reorganization.

Note 14. Liabilities, Contingencies and Assessments

- A. The Company has no contingent commitments.
- B. The Company operates in a regulatory environment that may require its participation in assessments under state insurance guaranty association laws. The Company's exposure to assessments for certain obligations of insolvent insurance companies to policyholders and claimants is based on its share of business written in the relevant jurisdictions. There were no material impacts related to existing or new guaranty fund assessments for the year ended December 31, 2019.
- C. The Company is not aware of any gain contingencies that should be disclosed in the statutory basis financial statements.
- D. The Company is not aware of any claims related to extra contractual obligations or bad faith losses stemming from lawsuits that should be disclosed in the statutory basis financial statements.
- E. The Company is not aware of any joint and several liabilities that should be disclosed in the statutory basis financial statements.
- F. All Other Contingencies

Litigation and Other Legal Matters

Cigna and its subsidiaries (including the Company, and collectively known as Cigna) are routinely involved in numerous claims, lawsuits, regulatory inquiries and audits, government investigations, including under the federal False Claims Act and state false claims acts initiated by a government investigating body or by a qui tam relator's filing of a compliant under court seal, and other legal matters arising, for the most part, in the ordinary course of managing a global health services business. Disputed tax matters arising from audits by the Internal Revenue Service ("IRS") or other state and foreign jurisdictions, including those resulting in litigation, are accounted for under the NAIC's accounting guidance for tax loss contingencies.

Pending litigation and legal or regulatory matters that Cigna has identified with a reasonably possible material loss are described below. The estimated loss is Cigna's best estimate of the probable loss at the time or an amount within a range of estimated losses reflecting the most likely outcome or the minimum amount of the range (if no amount is better than any other estimated amount in the range.) Due to numerous uncertain factors presented in these cases, it is not possible to estimate an aggregate range of loss (if any) for these matters at this time. In light of the uncertainties involved in these matters, there is no assurance that their ultimate resolution will not exceed the amounts currently accrued. An adverse outcome in one or more of these matters could be material to Cigna's results of operations, financial condition or liquidity for any particular period. The outcomes of lawsuits are inherently unpredictable, and Cigna may be unsuccessful in these ongoing litigation matters or any future claims or litigation.

Cigna Litigation with Anthem. In February 2017, Cigna delivered a notice to Anthem terminating the 2015 merger agreement, and notifying Anthem that it must pay Cigna the \$1.85 billion reverse termination fee pursuant to the terms of the merger agreement. Also in February 2017, Cigna filed suit against Anthem in the Delaware Court of Chancery (the "Chancery Court") seeking declaratory judgments that Cigna's termination of the merger agreement was valid and that Anthem was not permitted to extend the termination date. The complaint also sought payment of the reverse termination fee and additional damages in an amount exceeding \$13 billion, including the lost premium value to Cigna's shareholders caused by Anthem's willful breaches of the merger agreement. Anthem has countersued, alleging its own claims for damages.

On February 15, 2017, the Chancery Court granted Anthem's motion for a temporary restraining order and temporarily enjoined Cigna from terminating the merger agreement. In May 2017, the Chancery Court denied Anthem's motion for a preliminary injunction to enjoin Cigna from terminating the merger agreement but stayed its ruling pending Anthem's determination as to whether to seek an appeal. Anthem subsequently notified Cigna and the Chancery Court that it did not intend to appeal the Chancery Court's decision. As a result, the merger agreement was terminated.

The litigation between the parties remains pending. A trial was held during the first quarter of 2019. Oral arguments on post-trial briefs were held on November 26, 2019 and Cigna expects the judge to issue a decision in the first quarter of 2020. Cigna believes in the merits of its claims and dispute Anthem's claims, and Cigna intend to vigorously defend it selves and pursue its claims.

Express Scripts Litigation with Anthem. In March 2016, Anthem filed a lawsuit in the United States District Court for the Southern District of New York alleging various breach of contract claims against Express Scripts relating to the parties' rights and obligations under the periodic pricing review section of the pharmacy benefit management agreement between the parties including allegations that Express Scripts failed to negotiate new pricing concessions in good faith, as well as various alleged service issues. Anthem also requested that the court enter declaratory judgment that Express Scripts is required to provide Anthem competitive benchmark pricing, that Anthem can terminate the agreement, and that Express Scripts is required to provide Anthem with post-termination services at competitive benchmark pricing for one year following any termination by Anthem. Anthem claims it is entitled to \$13 billion in additional pricing concessions over the remaining term of the agreement, as well as \$1.8 billion for one year following any contract termination by Anthem and \$150 million in damages for service issues ("Anthem's Allegations"). On April 19, 2016, in response to Anthem's complaint, Express Scripts filed its answer denying Anthem's Allegations in their entirety and asserting affirmative

defenses and counterclaims against Anthem. The court subsequently granted Anthem's motion to dismiss two of six counts of Express Scripts' amended counterclaims. The current scheduling order runs through the completion of summary judgment briefing in September 2020. There is no tentative trial date. Cigna believes in the merits of its claims and dispute Anthem's claims, and Cigna intends to vigorously defend itself and pursue its claims.

Note 15. Leases

The Company was not a party to any lease agreements in 2019 and 2018.

Note 16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

The Company does not hold any financial instruments with off-balance sheet risk or concentrations of credit risk.

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

The Company does not participate in any transfer of receivables, financial assets, or wash sales.

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

The Company has no uninsured or partially insured plans.

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

The Company has no direct premiums written or produced by managing agents or third-party administrators.

Note 20. Fair Value Measurements

A. Fair Value Measurements

Fair value is defined as the price at which an asset could be exchanged in an orderly transaction between market participants at the balance sheet date. The Company's financial assets have been classified based upon a hierarchy defined by SAP. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a financial asset or liability carried at fair value would be classified in Level 3 if unobservable inputs were significant to the instrument's fair value, even though the measurement may be derived using inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

Updates to SSAP 100 that became effective on January 1, 2018 allow the use of net asset value (NAV) as a practical expedient to fair value for investments in investment companies where there is no readily determinable fair value. There were no such investments owned by the Company for either period presented.

Level 1 Inputs for instruments classified in Level 1 include unadjusted quoted prices for identical assets in active markets accessible at the measurement date. Active markets provide pricing data for trades occurring at least weekly and include exchanges and dealer markets.

Level 2 Inputs for instruments classified in Level 2 include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are market observable or can be corroborated by market data for the term of the instrument. Such other inputs include market interest rates and volatilities, spreads and yield curves. An instrument is classified in Level 2 if the Company determines that unobservable inputs are insignificant. Level 2 assets primarily include corporate bonds valued using recent trades of similar securities or pricing models that discount future cash flows at estimated market interest rates.

Level 3 Certain inputs for instruments classified in Level 3 are unobservable (supported by little or no market activity) and significant to their resulting fair value measurement. Unobservable inputs reflect the Company's best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

1. **Fair Value Measurements at Reporting Date** – The Company has no financial instruments measured at fair value on the Statutory Statements of Assets and Liabilities, Capital and Surplus.
2. **Fair Value Measurements in Level 3 of the Fair Value Hierarchy** – None.
3. **Level 3 Transfers** – None.
4. **Valuation Techniques and Inputs** – The Company has no financial instruments measured at fair value on the Statutory Statements of Assets and Liabilities, Capital and Surplus.

B. Other Fair Value Disclosures

The Company provides additional fair value information in Notes 1 and 5.

C. Aggregate Fair Value of All Financial Instruments

The following tables provide the fair value, carrying value, and classification in the fair value hierarchy of the Company's financial instruments as of December 31, 2019 and 2018.

| <u>2019</u> | | | | | | | |
|--|----------------------|----------------------|---------------------|----------------------|-------------|---------------------|----------------------------------|
| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Net Asset Val (NAV) | Not Practicable (Carrying Value) |
| Bonds | \$ 2,056,961 | \$ 2,046,160 | \$ 1,008,750 | \$ 1,048,211 | \$ - | \$ - | \$ - |
| Cash, Cash Equivalents, and Short-Term Investments | 12,083,782 | 12,083,782 | 377,220 | 11,706,562 | - | - | - |
| Total | <u>\$ 14,140,743</u> | <u>\$ 14,129,942</u> | <u>\$ 1,385,970</u> | <u>\$ 12,754,773</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

| <u>2018</u> | | | | | | | |
|--|----------------------|---------------------|-------------------|---------------------|-------------|---------------------|----------------------------------|
| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1) | (Level 2) | (Level 3) | Net Asset Val (NAV) | Not Practicable (Carrying Value) |
| Bonds | \$ 2,069,529 | \$ 2,081,964 | \$ 990,625 | \$ 1,078,904 | \$ - | \$ - | \$ - |
| Cash, Cash Equivalents, and Short-Term Investments | 7,700,150 | 7,700,150 | (62,395) | 7,762,545 | - | - | - |
| Total | <u>\$ 9,769,679</u> | <u>\$ 9,782,114</u> | <u>\$ 928,230</u> | <u>\$ 8,841,449</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

The following valuation methodologies and significant assumptions are used by the Company to determine fair value for each instrument.

Bonds

The Company estimates fair values using prices from third parties or internal pricing methods. Fair value estimates received from third-party pricing services are based on reported trade activity and quoted market prices when available, and other market information that a market participant may use to estimate fair value. Such other inputs include market interest rates and volatilities, spreads, and yield curves. The internal pricing methods are performed by the Company's investment professionals and generally involve using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality, as well as other qualitative factors. In instances where there is little or no market activity for the same or similar instruments, the fair value is estimated using methods, models, and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price.

Cash, Cash Equivalents, and Short-Term Investments

Short-term investments, cash equivalents, and cash are carried at cost which approximates fair value. Short-term investments and cash equivalents are classified in Level 2, and cash is classified in Level 1.

D. Disclosures about Financial Instruments Not Practicable to Estimate Fair Value – None.**Note 21. Other Items**

The Company has no extraordinary items, troubled debt restructurings, unusual items, business interruption insurance recoveries, state tax credits, subprime-mortgage-related risk exposure, retained asset accounts for beneficiaries, or insurance-linked securities contracts.

Note 22. Events Subsequent

The Company is not aware of any Type 1 or Type 2 event that occurred subsequent to the close of the books or accounts for these financial statements which would have had a material effect on the financial condition of the Company. In preparing these financial statements the Company has evaluated events that occurred between the balance sheet date and February 28, 2020.

Note 23. Reinsurance

Reinsurance is ceded primarily to limit losses from large exposures and to permit recovery of a portion of direct losses. Reinsurance does not relieve the originating insurer of liability.

Effective January 1, 1994, the Company entered into the CGLIC Reinsurance Agreement ("the Agreement") with CGLIC. Effective January 1, 2013, the Agreement was amended to change the reinsurer to CHLIC for claims incurred on January 1, 2013 and after. The Agreement is administered by CHC. Under the provisions of the Agreement, the Company pays a monthly premium based on an established rate per commercial health plan member. In return for premiums paid, the Company is reimbursed a percentage of costs in excess of a deductible for hospital and related services provided to individual health plan members. The required deductible per individual commercial health plan member per calendar year was \$150,000 for the years ended December 31, 2019 and 2018.

Responsibility for covered charges under the CHLIC Reinsurance Agreement per member per year during the periods ended December 31, 2019 and 2018 were as follows:

| <u>December 31, 2019 and 2018</u> | | |
|-----------------------------------|---|------------------------------|
| \$150,000 and greater | - | 20% the Company 80% CHLIC |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

A. Ceded Reinsurance Report

Section 1 — General Interrogatories

- (1) Are any non-affiliated reinsurers owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate \$0.

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

B. The Company has no uncollectible reinsurance recoverables.

C. There was no commutation of reinsurance in 2019 or 2018.

D. The Company has no reinsurers with rating downgrades or with status subject to revocation.

Note 24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

A. The Company has no estimated accrued retrospective premium adjustments other than further disclosed in Part E of this note.

B. The Company has no recorded accrued retrospective premium other than further disclosed in Part E of this note.

C. The Company has no net premiums written that are subject to retrospective rating features other than further disclosed in Part E of this note.

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

D. Medical Loss Ratio Rebates Pursuant to the Public Health Services Act:

| | 1 | 2 | 3 | 4 | 5 |
|---|------------|----------------------|----------------------|-------------------------------|--------|
| | Individual | Small Group Employer | Large Group Employer | Other Categories with Rebates | Total |
| Prior Reporting Year | | | | | |
| (1) Medical loss ratio rebates incurred | - | 11,868 | - | - | 11,868 |
| (2) Medical loss ratio rebates paid | - | 11,868 | - | - | 11,868 |
| (3) Medical loss ratio rebates unpaid | - | - | - | - | - |
| (4) Plus reinsurance ceded amounts | XXX | XXX | XXX | XXX | - |
| (5) Less reinsurance ceded amounts | XXX | XXX | XXX | XXX | - |
| (6) Rebates unpaid net of reinsurance | XXX | XXX | XXX | XXX | - |
| Current Reporting Year-to-Date | | | | | |
| (7) Medical loss ratio rebates incurred | - | 23,283 | - | - | 23,283 |
| (8) Medical loss ratio rebates paid | - | 23,283 | - | - | 23,283 |
| (9) Medical loss ratio rebates unpaid | - | - | - | - | - |
| (10) Plus reinsurance ceded amounts | XXX | XXX | XXX | XXX | - |
| (11) Less reinsurance ceded amounts | XXX | XXX | XXX | XXX | - |
| (12) Rebates unpaid net of reinsurance | XXX | XXX | XXX | XXX | - |

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premium which is subject to the Affordable Care Act risk-sharing provisions? Yes

(2) Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities, and Revenue for the Current Year:

| | | |
|--|--|-------------|
| Assets | | |
| 1. Premium adjustments receivable due to ACA Risk Adjustment | | 464,911 |
| Liabilities | | |
| 2. Risk adjustment user fees payable for ACA Risk Adjustment | | - |
| 3. Premium adjustments payable due to ACA Risk Adjustment | | - |
| Operations (Revenue & Expense) | | |
| 4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment | | (1,858,093) |
| 5. Reported in expenses as ACA Risk Adjustment user fees (incurred/paid) | | - |

B. Transitional ACA Reinsurance Program

| | | |
|---|--|---|
| Assets | | |
| 1. Amounts recoverable for claims paid due to ACA Reinsurance | | - |
| 2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability) | | - |
| 3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance | | - |
| Liabilities | | |
| 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium | | - |
| 5. Ceded reinsurance premiums payable due to ACA Reinsurance | | - |
| 6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance | | - |
| Operations (Revenue & Expense) | | |
| 7. Ceded reinsurance premiums due to ACA Reinsurance | | - |
| 8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments | | - |
| 9. ACA Reinsurance contributions - not reported as ceded premium | | - |

C. Temporary ACA Risk Corridors Program

| | | |
|---|--|---|
| Assets | | |
| 1. Accrued retrospective premium due to ACA Risk Corridors | | - |
| Liabilities | | |
| 2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors | | - |
| Operations (Revenue & Expense) | | |
| 3. Effect of ACA Risk Corridors on net premium income (paid/received) | | - |
| 4. Effect of ACA Risk Corridors on change in reserves for rate credits | | - |

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

| | Accrued During the Prior Year on Business Written Before December 31 of the Prior year | | Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year | | Differences | | Adjustments | | Unsettled Balances as of the Reporting Date | |
|---|--|---|--|---|-------------------------------|----------------------|-------------|---|---|---|
| | 1 | 2 | 3 | 4 | Prior Year | Prior Year | 7 | 8 | Cumulative Balance from Prior Years (Col 1-3+7) | Cumulative Balance from Prior Years (Col 2-4+8) |
| | | | | | Accrued Less Payments (Col 5) | Accrued Less (Col 6) | | | | |
| A. Permanent ACA Risk Adjustment Program | | | | | | | | | | |
| 1. Premium adjustments receivable | 464,911 | - | - | - | 464,911 | - | - | - | 464,911 | - |
| 2. Premium adjustments (payable) | - | - | - | - | - | - | - | - | - | - |
| 3. Subtotal ACA Permanent Risk Adjustment Program | 464,911 | - | - | - | 464,911 | - | - | - | 464,911 | - |
| B. Transitional ACA Reinsurance Program | | | | | | | | | | |
| 1. Amounts recoverable for claims paid | - | - | - | - | - | - | - | - | - | - |
| 2. Amounts recoverable for claims unpaid (contra liability) | - | - | - | - | - | - | - | - | - | - |
| 3. Amounts receivable relating to uninsured plans | - | - | - | - | - | - | - | - | - | - |
| 4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium | - | - | - | - | - | - | - | - | - | - |
| 5. Ceded reinsurance premiums payable | - | - | - | - | - | - | - | - | - | - |
| 6. Liability for amounts held under uninsured plans | - | - | - | - | - | - | - | - | - | - |
| 7. Subtotal ACA Transitional Reinsurance Program | - | - | - | - | - | - | - | - | - | - |
| C. Temporary ACA Risk Corridors Program | | | | | | | | | | |
| 1. Accrued retrospective premium | - | - | - | - | - | - | - | - | - | - |
| 2. Reserve for rate credits or policy experience rating refunds | - | - | - | - | - | - | - | - | - | - |
| 3. Subtotal ACA Risk Corridors Program | - | - | - | - | - | - | - | - | - | - |
| D. Total for ACA Risk-Sharing Provisions | 464,911 | - | - | - | 464,911 | - | - | - | 464,911 | - |

(4) The Company has no risk corridor receivables at December 31, 2018

(5) The Company has no risk corridor receivables at December 31, 2019.

Note 25. Change in Incurred Claims and Claim Adjustment Expenses

The following table presents an analysis of reserves for claims payable and unpaid claims adjustment expenses and a reconciliation of beginning and ending reserve balances for 2019 and 2018. Reserves are stated on a net basis after deductions from reinsurers on unpaid losses.

| | <u>2019</u> | <u>2018</u> |
|-------------------------|------------------|------------------|
| Balances at January 1 | 1,734,086 | 1,605,076 |
| Incurred related to: | | |
| Current year | 220,594 | 8,253,921 |
| Prior year | <u>(518,875)</u> | <u>(673,570)</u> |
| Total incurred | (298,281) | 7,580,351 |
| Paid related to: | | |
| Current year | 50,681 | 6,529,830 |
| Prior year | <u>1,210,666</u> | <u>921,511</u> |
| Total payments | 1,261,347 | 7,451,341 |
| Balances at December 31 | <u>174,458</u> | <u>1,734,086</u> |

Unpaid claims and claims adjustment expenses attributable to insured events of prior year decreased by \$518,875 in 2019 and by \$673,570 in 2018, as a result of re-estimation of unpaid claims and claims adjustment expenses. The estimation process for determining these liabilities inherently results in adjustments each year for claims incurred (but not paid) in preceding years. Negative amounts reported for incurred related to prior years results from claims ultimately being settled for amounts less than originally estimated (favorable development). Positive amounts reported for incurred related to prior years result from claims ultimately being settled for amounts greater than originally estimated (unfavorable development). During 2019 and 2018, there were no significant changes in the methodologies and assumptions used in calculating the liability for claims unpaid and unpaid claims adjustment expenses.

Note 26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements in 2019 or 2018.

Note 27. Structured Settlements

The Company had no structured settlements in 2019 or 2018.

Note 28. Health Care Receivables

A. Pharmaceutical Rebate Receivables

The estimated pharmacy rebates as reported in the Statutory Balance Sheets for December 31, 2019 excludes \$2 related to non-admitted pharmacy rebates.

| Quarter | Estimated Pharmacy Rebates as Reported on Financial Stmts | Pharmacy Rebates as Billed | Actual Rebates Collected Within 90 Days of Billing | Actual Rebates Collected Within 91 to 180 Days of Billing | Actual Rebates Collected More Than 180 Days After Billing |
|----------|---|----------------------------|--|---|---|
| 12/31/19 | 4,819 | 6,664 | 2,171 | - | - |
| 09/30/19 | 6,361 | 6,040 | 4,573 | 1,916 | - |
| 06/30/19 | 5,991 | 12,428 | 6,621 | 3,356 | 1,676 |

B. Risk Sharing Receivables

The Company has no risk-sharing receivables

Note 29. Participating Policies

The Company did not have any participating contracts in 2019 or 2018.

Note 30. Premium Deficiency Reserves

1. Liability carried for premium deficiency reserves \$0
2. Date of the most recent evaluation of this liability 12/31/2019
3. Was anticipated investment income utilized in the calculation? Yes X No

The liability carried for premium deficiency reserves as of December 31, 2018 was \$2,120,000.

Note 31. Anticipated Salvage and Subrogation

The Company does not anticipate any salvage or subrogation in 2019 or 2018.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []
If yes, complete Schedule Y, Parts 1, 1A 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 [X] No [] N/A []
- 1.3 State Regulating? New Jersey
- 1.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [X] No []
- 1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. 1739940
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2018
- 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). 06/19/2017
- 3.4 By what department or departments?
State of New Jersey Department of Banking and Insurance
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [] No [] N/A [X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [] No [X]
4.12 renewals? Yes [] No [X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [] No [X]
4.22 renewals? Yes [] No [X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
If yes, complete and file the merger history data file with the NAIC.
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 Name of Entity | 2 NAIC Company Code | 3 State of Domicile |
|---------------------|------------------------|------------------------|
| | | |

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]
- 7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

| 1 Nationality | 2 Type of Entity |
|------------------|---------------------|
| | |

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 [] No [X]
- 22.2 If answer is yes:
- | | | |
|---|----|---|
| 22.21 Amount paid as losses or risk adjustment \$ | \$ | 0 |
| 22.22 Amount paid as expenses | \$ | 0 |
| 22.23 Other amounts paid | \$ | 0 |
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 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 [X] No []

25.2 If yes, state the amount thereof at December 31 of the current year:

| | | |
|--|----------|-----------|
| 25.21 Subject to repurchase agreements | \$ | 0 |
| 25.22 Subject to reverse repurchase agreements | \$ | 0 |
| 25.23 Subject to dollar repurchase agreements | \$ | 0 |
| 25.24 Subject to reverse dollar repurchase agreements | \$ | 0 |
| 25.25 Placed under option agreements | \$ | 0 |
| 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock | \$ | 0 |
| 25.27 FHLB Capital Stock | \$ | 0 |
| 25.28 On deposit with states | \$ | 1,927,818 |
| 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 |
|--------------------------------|--|
| JPMorgan Chase Bank, N.A | 4 Chase MetroTech Center Brooklyn, New York 11245 |

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 [X] No []

28.04 If yes, give full and complete information relating thereto:

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|-------------------------------|--------------------|---------------------|--|
| Bank of New York Mellon | N/A | 10/31/2019 | Terminated Agreement with Bank of New York Mellon effective 10/31/19 |

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 |
|---------------------------------|------------------|
| Cigna Investments, Inc. | 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 | 2 | 3 | 4 | 5 |
|--|------------------------------|-------------------------------|-----------------|---|
| Central Registration Depository Number | Name of Firm or Individual | Legal Entity Identifier (LEI) | Registered With | Investment Management Agreement (IMA) Filed |
| 105811 | Cigna Investments, Inc. | Not Available | SEC | DS..... |

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 | 2 | 3 | 4 |
|--|--|--|-------------------|
| Name of Mutual Fund (from above table) | Name of Significant Holding of the Mutual Fund | Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding | 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 | 13,763,523 | 13,752,721 | (10,802) |
| 30.2 Preferred stocks | 0 | | 0 |
| 30.3 Totals | 13,763,523 | 13,752,721 | (10,802) |

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

Fair values are based on quoted market prices when available. When market prices are not available, fair value is generally estimated using discounted cash flow analyses, incorporating current market inputs for similar financial instruments with comparable terms and credit quality. In instances where there is little or no market activity for the same or similar instruments, the Company estimates fair value using methods, models and assumptions that the Company believes a hypothetical market participant would use to determine a current transaction price. These valuation techniques involve some level of estimation and judgment by the Company which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

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?\$0

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 |
|-----------|------------------|
| | |

GENERAL INTERROGATORIES

37.1 Amount of payments for legal expenses, if any?\$116

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 | 2,198,132 | 4,841,316 |
| 2.2 Premium Denominator | 2,198,132 | 4,841,316 |
| 2.3 Premium Ratio (2.1/2.2) | 1.000 | 1.000 |
| 2.4 Reserve Numerator | 175,000 | 3,842,000 |
| 2.5 Reserve Denominator | 175,000 | 3,842,000 |
| 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 [X] No []

5.2 If no, explain:

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical \$ 320,000

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:
 Hold harmless contract language with providers, insolvency protection through reinsurance arrangements, statutory reserves and special deposits.

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 28,629

8.2 Number of providers at end of reporting year 29,901

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 [X] No []
- 10.2 If yes:
- | | | |
|--|----|--------|
| 10.21 Maximum amount payable bonuses..... | \$ | 0 |
| 10.22 Amount actually paid for year bonuses..... | \$ | 28,202 |
| 10.23 Maximum amount payable withholds..... | \$ | 0 |
| 10.24 Amount actually paid for year withholds..... | \$ | 0 |

- 11.1 Is the reporting entity organized as:
- | | | |
|--|-----------|----------|
| 11.12 A Medical Group/Staff Model, | Yes [] | No [X] |
| 11.13 An Individual Practice Association (IPA), or, .. | Yes [X] | No [] |
| 11.14 A Mixed Model (combination of above)? | Yes [] | No [X] |
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes [X] No []
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus. New Jersey
- 11.4 If yes, show the amount required. \$ 2,133,666
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [] No [X]

11.6 If the amount is calculated, show the calculation

Minimum required surplus is the greater of an amount set by the Commissioner of Insurance and adjusted annually by the regional consumer price index, or 2% of annual premium revenues on the first \$150 million, or the sum of 8% of fee for service and hospital non-contracted costs and 4% of contracted hospitals costs, or an amount equal to the sum of three months of uncovered healthcare expenditures or Company Action Level Risk Based Capital (RBC) (200% of Authorized Control Level RBC).

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

| |
|---------------------------|
| 1 Name of Service Area |
| State of New Jersey |

- 13.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 13.4 If yes, please provide the balance of funds administered as of the reporting date. \$ 0
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes [] No [] N/A [X]
- 14.2 If the answer to 14.1 is yes, please provide the following:

| 1 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 [X]
- 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 [X]

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) | 14,621,559 | 13,913,898 | 7,486,459 | 10,332,433 | 5,184,904 |
| 2. Total liabilities (Page 3, Line 24) | 841,954 | 3,882,561 | 5,364,526 | 3,109,493 | 2,308,710 |
| 3. Statutory minimum capital and surplus requirement | 2,133,666 | 2,133,666 | 2,003,489 | 2,003,489 | 1,968,064 |
| 4. Total capital and surplus (Page 3, Line 33) | 13,779,605 | 10,031,337 | 2,121,933 | 7,222,940 | 2,876,194 |
| Income Statement (Page 4) | | | | | |
| 5. Total revenues (Line 8) | 2,198,132 | 4,841,316 | 4,382,619 | 3,890,953 | 1,637,028 |
| 6. Total medical and hospital expenses (Line 18) | (297,461) | 7,516,155 | 5,705,287 | 2,538,176 | 2,253,337 |
| 7. Claims adjustment expenses (Line 20) | (821) | 64,196 | 19,252 | 30,094 | 16,533 |
| 8. Total administrative expenses (Line 21) | 810,601 | 277,468 | 297,534 | 301,870 | 343,493 |
| 9. Net underwriting gain (loss) (Line 24) | 3,819,763 | (1,438,503) | (4,038,784) | 1,768,273 | (3,036,215) |
| 10. Net investment gain (loss) (Line 27) | 198,396 | 79,117 | 75,920 | 68,666 | 65,572 |
| 11. Total other income (Lines 28 plus 29) | 66,195 | (26,000) | (10,425) | (40,824) | (2) |
| 12. Net income or (loss) (Line 32) | 3,695,862 | (788,097) | (3,421,316) | 1,386,335 | (2,652,209) |
| Cash Flow (Page 6) | | | | | |
| 13. Net cash from operations (Line 11) | 4,381,530 | (3,637,386) | (1,118,499) | (124,906) | (1,423,892) |
| Risk-Based Capital Analysis | | | | | |
| 14. Total adjusted capital | 13,779,605 | 10,031,337 | 2,121,933 | 7,222,940 | 2,876,194 |
| 15. Authorized control level risk-based capital | 340,838 | 506,285 | 386,079 | 326,880 | 326,035 |
| Enrollment (Exhibit 1) | | | | | |
| 16. Total members at end of period (Column 5, Line 7) | 73 | 128 | 200 | 131 | 150 |
| 17. Total members months (Column 6, Line 7) | 965 | 1,558 | 2,195 | 1,697 | 2,327 |
| 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) | (13.5) | 155.3 | 130.2 | 65.2 | 137.6 |
| 20. Cost containment expenses | 0.9 | 0.8 | 0.1 | 0.1 | 0.6 |
| 21. Other claims adjustment expenses | (0.9) | 0.5 | 0.4 | 0.7 | 0.4 |
| 22. Total underwriting deductions (Line 23) | (73.8) | 129.7 | 192.2 | 54.6 | 285.5 |
| 23. Total underwriting gain (loss) (Line 24) | 173.8 | (29.7) | (92.2) | 45.4 | (185.5) |
| Unpaid Claims Analysis (U&I Exhibit, Part 2B) | | | | | |
| 24. Total claims incurred for prior years (Line 13, Col. 5) | 1,215,212 | 931,505 | (112,723) | (24,671) | 103,970 |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] | 1,706,510 | 1,594,705 | 493,932 | 194,432 | 210,274 |
| Investments In Parent, Subsidiaries and Affiliates | | | | | |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) | | | | | |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) | 0 | | | | |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) | 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 | | | | | |
| 31. All other affiliated | | | | | |
| 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. | | | | | |

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 | | | | | | | 9 Deposit-Type Contracts |
|--|------------------------|---------------------------------|---------------------------|-------------------------|--|---|---------------------------------|--------------------------------|-----------------------------|
| | | 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 | |
| 1. Alabama AL | N | | | | | | | | 0 |
| 2. Alaska AK | N | | | | | | | | 0 |
| 3. Arizona AZ | N | | | | | | | | 0 |
| 4. Arkansas AR | N | | | | | | | | 0 |
| 5. California CA | N | | | | | | | | 0 |
| 6. Colorado CO | N | | | | | | | | 0 |
| 7. Connecticut CT | N | | | | | | | | 0 |
| 8. Delaware DE | N | | | | | | | | 0 |
| 9. District of Columbia DC | N | | | | | | | | 0 |
| 10. Florida FL | N | | | | | | | | 0 |
| 11. Georgia GA | N | | | | | | | | 0 |
| 12. Hawaii HI | N | | | | | | | | 0 |
| 13. Idaho ID | N | | | | | | | | 0 |
| 14. Illinois IL | N | | | | | | | | 0 |
| 15. Indiana IN | N | | | | | | | | 0 |
| 16. Iowa IA | N | | | | | | | | 0 |
| 17. Kansas KS | N | | | | | | | | 0 |
| 18. Kentucky KY | N | | | | | | | | 0 |
| 19. Louisiana LA | N | | | | | | | | 0 |
| 20. Maine ME | N | | | | | | | | 0 |
| 21. Maryland MD | N | | | | | | | | 0 |
| 22. Massachusetts MA | N | | | | | | | | 0 |
| 23. Michigan MI | N | | | | | | | | 0 |
| 24. Minnesota MN | N | | | | | | | | 0 |
| 25. Mississippi MS | N | | | | | | | | 0 |
| 26. Missouri MO | N | | | | | | | | 0 |
| 27. Montana MT | N | | | | | | | | 0 |
| 28. Nebraska NE | N | | | | | | | | 0 |
| 29. Nevada NV | N | | | | | | | | 0 |
| 30. New Hampshire NH | N | | | | | | | | 0 |
| 31. New Jersey NJ | L | 2,209,712 | | | | | | 2,209,712 | |
| 32. New Mexico NM | N | | | | | | | | 0 |
| 33. New York NY | N | | | | | | | | 0 |
| 34. North Carolina NC | N | | | | | | | | 0 |
| 35. North Dakota ND | N | | | | | | | | 0 |
| 36. Ohio OH | N | | | | | | | | 0 |
| 37. Oklahoma OK | N | | | | | | | | 0 |
| 38. Oregon OR | N | | | | | | | | 0 |
| 39. Pennsylvania PA | N | | | | | | | | 0 |
| 40. Rhode Island RI | N | | | | | | | | 0 |
| 41. South Carolina SC | N | | | | | | | | 0 |
| 42. South Dakota SD | N | | | | | | | | 0 |
| 43. Tennessee TN | N | | | | | | | | 0 |
| 44. Texas TX | N | | | | | | | | 0 |
| 45. Utah UT | N | | | | | | | | 0 |
| 46. Vermont VT | N | | | | | | | | 0 |
| 47. Virginia VA | N | | | | | | | | 0 |
| 48. Washington WA | N | | | | | | | | 0 |
| 49. West Virginia WV | N | | | | | | | | 0 |
| 50. Wisconsin WI | N | | | | | | | | 0 |
| 51. Wyoming WY | N | | | | | | | | 0 |
| 52. American Samoa AS | N | | | | | | | | 0 |
| 53. Guam GU | N | | | | | | | | 0 |
| 54. Puerto Rico PR | N | | | | | | | | 0 |
| 55. U.S. Virgin Islands VI | N | | | | | | | | 0 |
| 56. Northern Mariana Islands MP | N | | | | | | | | 0 |
| 57. Canada CAN | N | | | | | | | | 0 |
| 58. Aggregate other alien OT | XXX | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 59. Subtotal | XXX | 2,209,712 | 0 | 0 | 0 | 0 | 0 | 2,209,712 | 0 |
| 60. Reporting entity contributions for Employee Benefit Plans | XXX | | | | | | | 0 | |
| 61. Total (Direct Business) | XXX | 2,209,712 | 0 | 0 | 0 | 0 | 0 | 2,209,712 | 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 |
| 58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above) | XXX | 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.
 The Company only has business in the State of New Jersey

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

PART 1 – ORGANIZATION CHART

Cigna CORPORATION

| Entity Name | EIN | State | NAIC CODE |
|---|------------|-------|-----------|
| Cigna Corporation (A Delaware corporation and ultimate parent company) | 82-4991898 | DE | |
| Cigna Holding Company | 06-1059331 | DE | |
| Cigna Holdings, Inc. | 06-1072796 | DE | |
| Cigna Intellectual Property, Inc. | 51-0402128 | DE | |
| Cigna Investment Group, Inc. | 06-1095823 | DE | |
| Cigna International Finance, Inc. | 52-0291385 | DE | |
| Former Cigna Investments, Inc. | 23-1914061 | DE | |
| Cigna Investments, Inc. | 06-0861092 | DE | |
| Cigna Benefits Financing, Inc. | 01-0947889 | DE | |
| CareAllies, Inc. | 26-0180898 | DE | |
| Connecticut General Corporation | 06-0840391 | CT | |
| Benefit Management Corp. | 81-0585518 | MT | |
| Allegiance Life & Health Insurance Company | 20-4433475 | MT | 12814 |
| Allegiance Re, Inc. | 20-3851464 | MT | |
| Allegiance Benefit Plan Management, Inc. | 81-0400550 | MT | |
| Allegiance COBRA Services, Inc. | 71-0916514 | MT | |
| Allegiance Provider Direct, LLC | 26-2201582 | MT | |
| Community Health Network, LLC | 84-1461840 | MT | |
| Intermountain Underwriters, Inc. | 81-0425785 | MT | |
| Allegiance Care Management, LLC | 03-0507057 | MT | |
| HealthSpring, Inc. | 20-1821898 | DE | |
| NewQuest, LLC | 76-0628370 | TX | |
| NewQuest Management Northeast, LLC | 52-1929677 | DE | |
| Bravo Health Mid-Atlantic, Inc. | 52-2259087 | MD | 10095 |
| Bravo Health Pennsylvania, Inc. | 52-2363406 | PA | 11524 |
| HealthSpring Life & Health Insurance Company, Inc. | 20-8534298 | TX | 12902 |
| HealthSpring of Florida, Inc. | 65-1129599 | FL | 11532 |
| NewQuest Management of Illinois, LLC | 77-0632665 | IL | |
| NewQuest Management of Florida, LLC | 20-4954206 | FL | |
| HealthSpring Management of America, LLC | 20-8647386 | DE | |
| NewQuest Management of West Virginia, LLC | 45-0633893 | DE | |
| TexQuest, LLC | 75-3108527 | DE | |
| HouQuest, LLC | 75-3108521 | DE | |
| GulfQuest, LP | 76-0657035 | TX | |
| NewQuest Management of Alabama, LLC | 33-1033586 | AL | |
| HealthSpring USA, LLC | 72-1559530 | TN | |
| Tennessee Quest, LLC | 20-5524622 | TN | |
| HealthSpring Pharmacy Services, LLC | 26-2353476 | DE | |
| HealthSpring Pharmacy of Tennessee, LLC | 26-2353772 | DE | |
| Home Physicians Management, LLC | 20-4266628 | DE | |
| Alegis Care Services, LLC | 35-2562415 | DE | |
| Cigna Arbor Life Insurance Company | 03-0452349 | CT | 13733 |
| Cigna Behavioral Health, Inc. | 41-1648670 | MN | |
| Cigna Behavioral Health of California, Inc. | 94-3107309 | CA | |
| Cigna Behavioral Health of Texas, Inc. | 75-2751090 | TX | |
| MCC Independent Practice Association of New York, Inc. | 06-1346406 | NY | |
| Cigna Dental Health, Inc. | 59-2308055 | FL | |
| Cigna Dental Health Plan of Arizona, Inc. | 86-0807222 | AZ | 47013 |
| Cigna Dental Health of California, Inc. | 59-2600475 | CA | |
| Cigna Dental Health of Colorado, Inc. | 59-2675861 | CO | 11175 |
| Cigna Dental Health of Delaware, Inc. | 59-2676987 | DE | 95380 |
| Cigna Dental Health of Florida, Inc. | 59-1611217 | FL | 52021 |
| Cigna Dental Health of Illinois, Inc. | 06-1351097 | IL | |
| Cigna Dental Health of Kansas, Inc. | 59-2625350 | KS | 52024 |
| Cigna Dental Health of Kentucky, Inc. | 59-2619589 | KY | 52108 |
| Cigna Dental Health of Maryland, Inc. | 20-2844020 | MD | 48119 |
| Cigna Dental Health of Missouri, Inc. | 06-1582068 | MO | 11160 |
| Cigna Dental Health of New Jersey, Inc. | 59-2308062 | NJ | 11167 |
| Cigna Dental Health of North Carolina, Inc. | 56-1803464 | NC | 95179 |
| Cigna Dental Health of Ohio, Inc. | 59-2579774 | OH | 47805 |
| Cigna Dental Health of Pennsylvania, Inc. | 52-1220578 | PA | 47041 |
| Cigna Dental Health of Texas, Inc. | 59-2676977 | TX | 95037 |
| Cigna Dental Health of Virginia, Inc. | 52-2188914 | VA | 52617 |
| Cigna Health Corporation | 62-1312478 | DE | |
| Healthsource, Inc. | 02-0387748 | DE | |
| Cigna HealthCare of Arizona, Inc. | 86-0334392 | AZ | 95125 |
| Cigna HealthCare of California, Inc. | 95-3310115 | CA | |
| Cigna HealthCare of Colorado, Inc. | 84-1004500 | CO | 95604 |
| Cigna HealthCare of Connecticut, Inc. | 06-1141174 | CT | 95660 |
| Cigna HealthCare of Florida, Inc. | 59-2089259 | FL | 95136 |
| Cigna HealthCare of Georgia, Inc. | 58-1641057 | GA | 96229 |
| Cigna HealthCare of Illinois, Inc. | 36-3385638 | IL | 95602 |
| Cigna HealthCare of Indiana, Inc. | 35-1679172 | IN | 95525 |
| Cigna HealthCare of Maine, Inc. | 01-0418220 | ME | |
| Cigna HealthCare of Massachusetts, Inc. | 02-0402111 | MA | |
| Cigna HealthCare Mid-Atlantic, Inc. | 52-1404350 | MD | |
| Cigna HealthCare of New Hampshire, Inc. | 02-0387749 | NH | 95493 |
| Cigna HealthCare of New Jersey, Inc. | 22-2720890 | NJ | 95500 |
| Cigna HealthCare of North Carolina, Inc. | 56-1479515 | NC | 95132 |
| Cigna HealthCare of Pennsylvania, Inc. | 23-2301807 | PA | |
| Cigna HealthCare of St. Louis, Inc. | 36-3359925 | MO | 95635 |
| Cigna HealthCare of South Carolina, Inc. | 06-1185590 | SC | 95708 |
| Cigna HealthCare of Tennessee, Inc. | 62-1218053 | TN | 95606 |
| Cigna HealthCare of Texas, Inc. | 74-2767437 | TX | 95383 |
| Cigna HealthCare of Utah, Inc. | 62-1230908 | UT | |
| Temple Insurance Company Limited | 00-0000000 | | |
| Arizona Health Plan, Inc. | 86-3581583 | AZ | |
| Healthsource Properties, Inc. | 02-0467679 | NH | |
| Managed Care Consultants, Inc. | 88-0241365 | NV | |
| Cigna Benefit Technology Solutions, Inc. | 02-0515554 | DE | |
| Sagamore Health Network, Inc. | 35-1641636 | IN | |
| Cigna Healthcare Holdings, Inc. | 84-0985843 | CO | |
| Great-West Healthcare of Illinois, Inc. | 93-1174749 | IL | |
| Cigna Healthcare, Inc. | 02-0495422 | VT | |
| Cigna Life Insurance Company of New York | 13-2556568 | NY | 64548 |
| Connecticut General Life Insurance Company | 06-0303370 | CT | 62308 |
| CareAllies, LLC | 81-2760646 | DE | |
| Cigna Onsite Health, LLC | 32-0222252 | DE | |
| Gillette Ridge Community Council, Inc. | 00-0000000 | CT | |
| Gillette Ridge Golf, LLC | 20-3700105 | DE | |
| Hazard Center Investment Company LLC | 52-2149519 | DE | |
| Tel-Drug of Pennsylvania, LLC | 23-3074013 | PA | |
| GRG Acquisitions LLC | 00-0000000 | DE | |
| Cigna Affiliates Realty Investment Group, LLC | 27-5402196 | DE | |
| Secor Properties, LP | 95-2876207 | CA | |
| Transwestern Federal Holdings, L.L.C. | 00-0000000 | DE | |
| Transwestern Federal, L.L.C. | 00-0000000 | DE | |
| CR Washington Street Investors LP | 27-3555688 | DE | |
| Dulles Town Center Mall, LLC | 52-2099336 | VA | |
| PUR Arbors Apartments Venture LLC | 45-5046449 | DE | |
| CG Seventh Street, LLC | 45-5499889 | DE | |
| Ideal Properties II LLC | 95-4838551 | CA | |
| Mallory Square Partners I, LLC | 80-0908244 | DE | |
| Houston Briar Forest Apartments Limited Partnership | 37-1708015 | DE | |
| SB-SNH LLC | 46-3593103 | DE | |
| 680 Investors LLC | 00-0000000 | CA | |
| 685 New Hampshire LLC | 00-0000000 | CA | |
| 222 Main Street Caring GP LLC | 00-0000000 | DE | |
| 222 Main Street Investors LP | 46-4671745 | DE | |
| Notch 8 Residential, L.L.C. | 90-1033569 | DE | |
| UVL, LLC | 46-4901453 | DE | |
| 3601 North Fairfax Drive Associates, LLC | 46-4926192 | DE | |
| Lakehills CM-CG LLC | 47-4375626 | DE | |
| Affiliated Hotel Subsidiary LLC | 30-0939067 | DE | |
| Berewick Apartments LLC | 81-2650133 | DE | |
| CIG-LEI Ygnacio Associates LLC | 81-3389374 | DE | |
| CGGL Orange Collection LLC | 61-1797835 | DE | |
| CGGL Chapman LLC | 81-3281922 | DE | |
| CGGL City Parkway LLC | 81-3313562 | DE | |
| Heights at Bear Creek Venture LLC | 81-4139432 | DE | |
| SOMA Apartments Venture LLC | 82-1732483 | DE | |
| Arbor Heights Venture LLC | 82-3315524 | DE | |
| CG/Wood ALTA 601, LLC | 82-1280312 | DE | |
| CPI-CII 9171 Wilshire JV LLC | 82-4936006 | DE | |
| 9171 Wilshire CPI-CII LLC | 82-4794800 | DE | |
| CARING Capitol Hill GP LLC | 32-0570889 | DE | |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

PART 1 -- ORGANIZATION CHART

Cigna CORPORATION

| Entity Name | EIN | State | NAIC CODE |
|--|--------------------|-------|-----------|
| CARING Capitol Hill LP LLC | 37-1903297 | DE | |
| Rise-CG Capitol Hill, LP | 83-1460134 | DE | |
| CARING 3130 Investor LLC | 84-1960231 | DE | |
| CARING 9171 Wilshire Investor LLC | 83-2318410 | DE | |
| CARING Heights at Bear Creek Investor LLC | 83-2318233 | DE | |
| CARING Dulles Town Center Investor LLC | 83-2318370 | DE | |
| CARING 500 Ygnacio Investor LLC | 83-2562994 | DE | |
| CARING Alta Englewood Investor LLC | 83-2851501 | DE | |
| CARING Alta Woodson Investor LLC | 83-2563284 | DE | |
| CARING Mallory Square Investor LLC | 83-2339522 | DE | |
| CARING Soma Investor LLC | 83-2563138 | DE | |
| CARING Century Plaza Investor LLC | 83-2851364 | DE | |
| CG-Muller 550 Winchester, LLC | 83-2993316 | DE | |
| CARING Hillcrest Investor LLC | 83-1400482 | DE | |
| CI-GS Hillcrest LLC | 82-1612980 | DE | |
| CARING Alexan Enclave Investor LLC | 83-2633790 | DE | |
| CARING Orange Collection Investor LLC | 83-2633886 | DE | |
| CGGL Orange Collection Mezz LLC | 00-0000000 | DE | |
| CARING South Coast Subsidiary LLC | 83-8294933 | DE | |
| CARING 18th & Salmon Investor LLC | 83-1400586 | DE | |
| CI-GS Portland, LLC | 82-4774243 | DE | |
| CARING Firestone Investor LLC | 83-3701937 | DE | |
| CG-AQ 477 South Market Street LLC | 84-2083351 | DE | |
| CARING XR 2 International Investor LLC | 83-4317078 | DE | |
| CGGL XR 2 International LLC | 84-1843578 | DE | |
| CARING XR International Investor LLC | 83-3923178 | DE | |
| CGGL XR International LLC | 84-1921719 | DE | |
| CARING JA Lofts Investor GP LLC | 00-0000000 | DE | |
| CARING JA Lofts Investor LP LLC | 00-0000000 | DE | |
| JA Lofts JV Limited Partnership | 84-3395923 | DE | |
| JA Lofts Holdings, LLC | 84-3406799 | DE | |
| RISE-CG JA Lofts Limited Partnership | 84-3254168 | DE | |
| CARING Westcore Holding Investor LLC | 38-4085763 | DE | |
| Westcore CG AC, LLC | 00-0000000 | DE | |
| Westcore CG Commerce, LLC | 00-0000000 | DE | |
| Westcore CG Venture, LLC | 00-0000000 | DE | |
| Cigna Health and Life Insurance Company | 59-1031071 | CT | 67369 |
| CarePlexus, LLC | 45-2681649 | DE | |
| Cigna Corporate Services, LLC | 27-3396038 | DE | |
| Cigna Insurance Agency, LLC | 27-1903785 | CT | |
| Ceres Sales of Ohio, LLC | 34-1970892 | OH | |
| Cigna National Health Insurance Company | 34-0970995 | OH | 61727 |
| Provident American Life & Health Insurance Company | 23-1335885 | OH | 67903 |
| United Benefit Life Insurance Company | 75-2305400 | OH | 65269 |
| Loyal American Life Insurance Company | 63-0343428 | OH | 65722 |
| American Retirement Life Insurance Company | 59-2760189 | OH | 88366 |
| QualCare Alliance Networks, Inc. | 23-3744987 | NJ | |
| QualCare, Inc. | 22-3129563 | NJ | |
| Scibal Associates, Inc. | 22-2483867 | NJ | |
| QualCare Captive Insurance Company Inc., PCC | 46-1634843 | NJ | |
| QualCare Management Resources Limited Liability Company | 46-1801639 | NJ | |
| Health-Lynx, LLC | 46-2086778 | NJ | |
| Sterling Life Insurance Company | 13-1867829 | IL | 77399 |
| Olympic Health Management Systems, Inc. | 91-1500758 | WA | |
| Olympic Health Management Services, Inc. | 91-1599329 | WA | |
| WorldDoc, Inc. | 88-0455414 | NV | |
| Omada Health, Inc. | 45-2355015 | DE | |
| Cigna Ventures, LLC | 83-1069280 | DE | |
| Cricket Health, Inc. | 47-2746692 | DE | |
| Verity Solutions Group, Inc. | 00-0000000 | DE | |
| Cigna Health Management, Inc. | 23-1728483 | DE | |
| Kronos Optimal Health Company | 20-8064696 | AZ | |
| Life Insurance Company of North America | 23-1503749 | PA | 65498 |
| Cigna & CMB Life Insurance Company Limited | 91440000710931571W | | |
| Cigna & CMB Health Services Company, Ltd. | 00-0000000 | | |
| Cigna Direct Marketing Company, Inc. | 58-1136865 | DE | |
| Tel-Drug, Inc. | 46-0427127 | SD | |
| Cigna Global Wellbeing Holdings Limited | 224 72651 19448 | | |
| Cigna Global Wellbeing Solutions Limited | 579 23011 03137 | | |
| Vielife Services, Inc. | 98-0463704 | DE | |
| CG Individual Tax Benefit Payments, Inc. | 06-1332403 | DE | |
| CG Life Pension Benefits Payments, Inc. | 06-1332405 | DE | |
| CG LINA Pension Benefits Payments, Inc. | 06-1332401 | DE | |
| Cigna Federal Benefits, Inc. | 62-1724116 | DE | |
| Cigna Healthcare Benefits, Inc. | 23-2741293 | DE | |
| Cigna Integratedcare, Inc. | 23-2924152 | DE | |
| Cigna Managed Care Benefits Company | 23-2741294 | DE | |
| Cigna Re Corporation | 06-1071502 | DE | |
| Blodgett & Hazard Limited | 06-1522976 | DE | |
| Cigna Resource Manager, Inc. | 06-1567902 | DE | |
| Connecticut General Benefit Payments, Inc. | 06-1252419 | DE | |
| Healthsource Benefits, Inc. | 06-1533555 | DE | |
| IHN, Inc. | 35-2041388 | IN | |
| LINA Benefit Payments, Inc. | 06-1252418 | DE | |
| Mediversal, Inc. | 88-0334401 | NV | |
| Universal Claims Administration | 88-0344624 | NV | |
| Brighter, Inc. | 27-1713977 | DE | |
| Patient Provider Alliance, Inc. | 80-0818758 | DE | |
| Cigna Global Holdings, Inc. | 51-0389196 | DE | |
| Cigna International Corporation, Inc. | 51-0111677 | DE | |
| Cigna International Services, Inc. | 23-2610178 | DE | |
| Cigna International Marketing (Thailand) Limited | 0105546038364 | | |
| CGO Participatos LTDA | 00-0000000 | | |
| YCFM Servicios LTDA | 00-0000000 | | |
| Cigna Global Reinsurance Company, Ltd. | 98-0210110 | | |
| Cigna Holdings Overseas, Inc. | 23-3009279 | DE | |
| Cigna Bellevue Alpha LLC | 00-0000000 | DE | |
| Cigna Linden Holdings, Inc. | 46-4110289 | DE | |
| Cigna Laurel Holdings, Ltd. | 98-1146864 | | |
| Cigna Palmetto Holdings, Ltd. | 98-1232443 | | |
| Cigna Apac Holdings, Ltd. | 00-0000000 | | |
| Cigna Alder Holdings, LLC | 00-0000000 | DE | |
| Cigna Walnut Holdings, Ltd. | 00-0000000 | | |
| Cigna Chestnut Holdings, Ltd. | 98-1137759 | | |
| LINA Life Insurance Company of Korea | 00-0000000 | | |
| Cigna International Services Australia Pty Ltd. | 00-0000000 | | |
| Cigna Hong Kong Holdings Company Limited | 00-0000000 | | |
| Cigna Data Services (Shanghai) Company Limited | 00-0000000 | | |
| Cigna HLA Technology Services Limited | 00-0000000 | | |
| Cigna Worldwide General Insurance Company Limited | 00-0000000 | | |
| Cigna Worldwide Life Insurance Company Limited | 00-0000000 | | |
| Cigna International Health Services Sdn. Bhd. | 00-0000000 | | |
| Cigna New Zealand Holdings Limited | 00-0000000 | | |
| Cigna New Zealand Finance Limited | 00-0000000 | | |
| OnePath Life (NZ) Limited | 00-0000000 | | |
| Cigna Life Insurance New Zealand Limited | 00-0000000 | | |
| Crown Ups New Zealand Limited | 119-599-164 | | |
| Cigna Life Insurance Company of Canada | AA-1560515 | | |
| Cigna Korea Chusik Heosa (A/K/A Cigna Korea Company Limited) | 00-0000000 | | |
| LINA Financial Service | 00-0000000 | | |
| Cigna Spruce Holdings GmbH | 00-0000000 | | |
| Ascent Health Services LLC | 00-0000000 | | |
| Cigna Nederland Gamma B.V. | 00-0000000 | | |
| Cigna Finans Emekliklik Ve Hayat A.S. | 00-0000000 | | |
| RHP (Thailand) Limited | 00-0000000 | | |
| Cigna Brokerage & Marketing (Thailand) Limited | 00-0000000 | | |
| KDM (Thailand) Limited | 00-0000000 | | |
| Cigna Insurance Public Company Limited | 00-0000000 | | |
| Cigna Taiwan Life Assurance Company Limited | 00-0000000 | | |
| Cigna Myrtle Holdings, Ltd. | 98-1154657 | | |
| Cigna Elmwood Holdings, Ltd. | 98-1155943 | | |
| Cigna Beechwood Holdings | 98-1181787 | | |
| Cigna Life Insurance Company of Europe S.A.-N.V. | AA-1240009 | | |
| Cigna Europe Insurance Company S.A.-N.V. | 00-0000000 | | |
| Cigna European Services (UK) Limited | 00-0000000 | | |
| Cigna 2000 UK Pension LTD | 00-0000000 | | |

ANNUAL STATEMENT FOR THE YEAR 2019 OF THE CIGNA HealthCare of New Jersey Inc.

PART 1 -- ORGANIZATION CHART

Cigna CORPORATION

| Entity Name | EIN | State | NAIC CODE |
|--|-------------------------|-------|-----------|
| Cigna Oak Holdings, Ltd. | 00-000000 | | |
| Cigna Willow Holdings, LTD. | 00-000000 | | |
| FirstAssist Administration Limited | 00-000000 | | |
| Cigna Legal Protection U.K. Ltd. | 00-000000 | | |
| Cigna Insurance Services (Europe) Limited | 00-000000 | | |
| Cigna International Health Services, BVBA | 00-000000 | | |
| Cigna International Health Services, LLC | 30-0526216 | FL | |
| Cigna International Health Services Kenya Limited | 00-000000 | | |
| Cigna Cedar Holdings, Ltd. | 00-000000 | | |
| Cigna Insurance Middle East S.A.L. | 00-000000 | | |
| Cigna Insurance Management Services (DIFC), Ltd. | 00-000000 | | |
| Cigna Magnolia Holdings, Ltd. | 98-1232512 | | |
| Cigna Turkey Danismanlik Hizmetleri, A.S (A/K/A Cigna Turkey Consultancy Services, A.S.) | 00-000000 | | |
| Cigna Health Solution India Pvt. Ltd. | 00-000000 | | |
| Cigna Poplar Holdings, Inc. | 46-4099800 | DE | |
| PT GAR Indonesia | 00-000000 | | |
| Cigna Global Insurance Company Limited | 68-0676638 | | |
| ManipalCigna Health Insurance Company Limited | 00-000000 | | |
| Cigna Worldwide Insurance Company | 23-2088429 | DE | 90859 |
| PT Asuransi Cigna | AA-5360003 | | |
| Cigna Teak Holdings, LLC | 00-000000 | DE | |
| Express Scripts Holding Company | 45-2884094 | DE | |
| Express Scripts, Inc. | 43-1420563 | DE | |
| Express Scripts Services Co. | 43-1832983 | DE | |
| Diversified Pharmaceutical Services, Inc. | 41-1627938 | MN | |
| Diversified NY IPA, Inc. | 16-1526641 | NY | |
| ESI Mail Pharmacy Service, Inc. | 43-1867735 | DE | |
| Express Scripts Pharmaceutical Procurement, LLC | 20-5826948 | DE | |
| Econdisc Contracting Solutions, LLC | 27-3542089 | DE | |
| Express Scripts Sales Operations, Inc. | 22-3114423 | NJ | |
| Express Scripts Specialty Distribution Services, Inc. | 43-1869712 | DE | |
| ESI Partnership | 43-1925562 | DE | |
| ESI Resources, Inc. | 41-2006555 | MN | |
| ESI GP Holdings, Inc. | 43-1925566 | DE | |
| Express Scripts Utilization Management Company | 43-1869714 | DE | |
| Express Scripts Strategic Development, Inc. | 22-2230703 | NJ | |
| Airport Holdings, LLC | 75-3040465 | NJ | |
| CuraScript, Inc. | 36-4369972 | DE | |
| Priority Healthcare Corporation | 35-1927379 | IN | |
| Lynnfield Drug, Inc. | 04-3546044 | FL | |
| Freedom Service Company, LLC | 20-3229217 | FL | |
| Priority Healthcare Distribution, Inc. | 59-3761140 | FL | |
| Freco, Inc. | 02-0523249 | FL | |
| Lynnfield Compounding Center, Inc. | 58-2593075 | FL | |
| SpectraCare, Inc. | 61-1147068 | KY | |
| SpectraCare Health Care Ventures, Inc. | 61-1317695 | KY | |
| Care Continuum, Inc. | 61-1162797 | KY | |
| Matrix GPO, LLC | 51-0500147 | IN | |
| Healthbridge Reimbursement & Product Support, Inc. | 04-2992335 | MA | |
| Strategic Pharmaceutical Investments, LLC | 47-2658932 | DE | |
| L&C Investments, LLC | 47-5292506 | DE | |
| Express Scripts Senior Care Holdings, Inc. | 20-3126104 | DE | |
| Express Scripts Senior Care, Inc. | 20-3126075 | DE | |
| ESI Mail Order Processing, Inc. (f/k/a NXI) | 74-2974964 | DE | |
| Express Reinsurance Company | 27-3175443 | MO | 13918 |
| Express Scripts Canada Holding Co. | 43-1942542 | DE | |
| Express Scripts Canada Co. | 98-0650775/CN98-0358790 | | |
| ESI Canada | CN 98-0358792 | | |
| ESI GP Canada ULC | CN 98-0358791 | | |
| ESI GP2 Canada ULC | 00-000000 | | |
| Express Scripts Canada Wholesale | CN25-0012861 | | |
| Express Scripts Canada Services | 00-000000 | | |
| Express Scripts Pharmacy Ontario, Ltd. | 00-000000 | | |
| Express Scripts Pharmacy West, Ltd. | 00-000000 | | |
| Express Scripts Pharmacy Central, Ltd. | 00-000000 | | |
| Express Scripts Pharmacy Atlantic, Ltd. | 00-000000 | | |
| Express Scripts Canada Holding, LLC | 27-1490640 | DE | |
| Healthbridge, Inc. | 26-2159005 | DE | |
| Inside RX, LLC | 82-0658250 | DE | |
| myMatrix Holdings, LLC | 82-1350878 | DE | |
| Matrix Healthcare Services, Inc. | 59-3720653 | FL | |
| myMatrix-B, LLC | 46-2589799 | FL | |
| MyM Technology Services, LLC | 36-4833284 | FL | |
| Innovative Product Alignment, LLC | 82-1655179 | DE | |
| Piso Delmatico, LLC | 83-2368310 | DE | |
| Medco Health Solutions, Inc. | 22-3461740 | DE | |
| MAH Pharmacy, LLC | 27-1506930 | DE | |
| Medco Containment Life Insurance Company | 42-1425239 | PA | 63762 |
| Medco Containment Insurance Company of NY | 13-3506395 | NY | 34720 |
| Accredo Health, Incorporated | 55-0894449 | DE | |
| AHG of New York, Inc. | 13-3888838 | NY | |
| Biopartners in Care, Inc. | 43-1815573 | MO | |
| Accredo Health Group, Inc. | 11-3358535 | DE | |
| Medco Europe, LLC | 46-2166374 | DE | |
| Medco Europe II, LLC | 27-3709630 | DE | |
| Express Scripts Administrators LLC | 41-2063830 | DE | |
| Medco Health Puerto Rico, LLC | 81-0616525 | DE | |
| Systemed, LLC | 22-3474888 | DE | |
| Medco Health Services, Inc. | 26-3544786 | DE | |
| Express Scripts Pharmacy, Inc. | 30-0789911 | DE | |
| Specialty Products Acquisitions, LLC | 82-4405071 | DE | |
| ValoremRx Sourcing Solutions, LLC | 82-4410128 | DE | |
| SureScripts, LLC | 00-000000 | VA | |
| eviCore 1, Inc. | 46-4676347 | DE | |
| CareCore National, LLC | 14-1831391 | NY | |
| CareNext Post-Acute, LLC | 47-2873703 | DE | |
| CareNext Managed Care, LLC | 27-3845847 | NY | |
| MedSolutions Holdings, Inc. | 27-3801345 | DE | |
| eviCore healthcare MSI, LLC | 62-1615395 | TN | |
| CareCore NJ, LLC | 20-1089572 | NJ | 10144 |
| CCN-WNY IPA, LLC | 33-1039759 | NY | |
| CCN NMO, LLC | 45-2604992 | NY | |
| MedSolutions of Texas, Inc. | 62-1872797 | TN | |
| MSI Health Organization of Texas, Inc. | 32-0071543 | TX | |
| Premerus, Inc. | 26-1737661 | TN | |
| Triad Healthcare, Inc. | 39-1886617 | CT | |
| MSIAZ I, LLC | 86-1090522 | TN | |
| MSICA I, LLC | 20-1749733 | TN | |
| MSICO I, LLC | 20-1222347 | TN | |
| MSIFL, LLC | 55-0840800 | TN | |
| MSIMD I, LLC | 26-0181185 | TN | |
| MSINC I, LLC | 74-3122235 | TN | |
| MSINH, LLC | 03-0524694 | TN | |
| MSINH II, LLC | 11-3715243 | TN | |
| MSINJ I, LLC | 20-1749446 | TN | |
| MSINV I, LLC | 20-1761914 | TN | |
| MSI HT, LLC | 27-5492993 | TN | |
| MSI LT, LLC | 27-5493148 | TN | |
| MSI SAR-GW, LLC | 27-5493321 | TN | |
| MSISC II, LLC | 55-0840806 | TN | |
| MSIVT I, LLC | 26-0336736 | TN | |
| MSIWA, LLC | 20-2536458 | TN | |
| Palladian Independent Practice Association, LLC | 16-1513067 | DE | |
| Palladian Health of Florida, LLC | 26-1937849 | DE | |
| Chiro Alliance Corporation | 59-3466707 | FL | |
| AS Acquisition Corp. | 46-1543748 | SC | |
| HealthFortis, Inc. | 27-3611739 | DE | |
| DNA Direct, Inc. | 71-0958489 | DE | |
| Landmark Healthcare, Inc. | 95-4034089 | CA | |
| Landmark Healthcare Services, Inc. | 68-0393103 | CA | |
| Landmark Healthcare Colorado, Inc. | 86-0805962 | CO | |
| QPID Health, LLC | 45-5569416 | DE | |

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