After full consideration and review of the report of the financial examination of Coventry Health Care of Missouri, Inc. for the period ended December 31, 2015, together with any written submissions or rebuttals and any relevant portions of the examiner's workpapers, I, Chlora Lindley-Myers, Director of the Missouri Department of Insurance, Financial Institutions and Professional Registration pursuant to section 374.205.3(3)(a), RSMo, adopt such examination report. After my consideration and review of such report, workpapers, and written submissions or rebuttals, I hereby incorporate by reference and deem the following parts of such report to be my findings and conclusions to accompany this order pursuant to section 374.205.3(4), RSMo: summary of significant events, subsequent events, company history, corporate records, management and control, fidelity bonds and other insurance, territory and plan of operation, growth of company, loss experience, reinsurance, accounts and records, statutory deposits, financial statements, examination changes, comments on financial statements, and summary of recommendations.

Based on such findings and conclusions, I hereby ORDER that the report of the financial examination of Coventry Health Care of Missouri, Inc. as of December 31, 2015 be and is hereby ADOPTED as filed and for Coventry Health Care of Missouri, Inc. to take the following action or actions, which I consider necessary to cure any violation of law, regulation or prior order of the Director revealed by such report: (1) account for its financial condition and affairs in a manner consistent with the Director's findings and conclusions.

So ordered, signed and official seal affixed this 15th day of June 2017.

Chlora Lindley-Myers, Director
Department of Insurance, Financial Institutions
and Professional Registration
REPORT OF
FINANCIAL EXAMINATION

COVENTRY HEALTH CARE OF MISSOURI, INC.

As of:
DECEMBER 31, 2015

STATE OF MISSOURI
DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION

JEFFERSON CITY, MISSOURI
Honorable Chlora Lindley-Myers, Director  
Missouri Department of Insurance, Financial Institutions and Professional Registration  
301 West High Street, Room 530  
Jefferson City, Missouri 65101

Director Lindley-Myers:

In accordance with your financial examination warrant, a comprehensive financial examination has been made of the records, affairs and financial condition of

Coventry Health Care of Missouri, Inc.

hereinafter also referred to as the Company. The Company's main office is located at 550 Maryville Centre Drive, Suite 300, Saint Louis, MO 63141; phone number (800) 843-7421. Examination fieldwork began on March 14, 2016 and concluded on the above date.

**SCOPE OF EXAMINATION**

*Period Covered*
We have performed a multi-state examination of Coventry Health Care of Missouri, Inc. We performed our examination as part of a coordinated examination of Aetna Inc., led by examiners from the state of Connecticut. The last examination of the Company was completed as of December 31, 2010. This examination covers the period of January 1, 2011, through December 31, 2015. This examination also includes material transactions or events occurring subsequent to December 31, 2015.

*Procedures*
This examination was conducted as a full scope comprehensive examination. We conducted our examination in accordance with the NAIC Financial Condition Examiners Handbook (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be
documented separately following the Company's financial statements. Key activities identified were: Investments; Claims Handling and Reserving; Premiums and Underwriting; Taxes and Expenses; Related Parties; Reinsurance; and, Affordable Care Act (ACA) and Medical Loss Ratio (MLR).

This examination report includes significant findings of fact, as mentioned in Section 374.205 RSMo (Examination, director may conduct...), and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators or the Company. The examiners relied upon information and workpapers provided by the Company's independent auditor KPMG LLP, for its audit covering the period from January 1, 2015 through December 31, 2015. Such reliance included taxes, internal control narratives and tests of internal controls.

SUMMARY OF SIGNIFICANT EVENTS
On May 7, 2013, the Company was included in a merger between its parent, Coventry Health Care, Inc. and Aetna Inc. (Aetna).

On July 3, 2015, Aetna announced a proposed acquisition of Humana, Inc. (Humana).

SUBSEQUENT EVENTS
On July 21, 2016, the United States Department of Justice (DOJ) sued to block Aetna’s proposed acquisition of Humana; Aetna and Humana appealed the ruling. On December 5, 2016, trial commenced in the U.S. District Court for the District of Columbia (Court). On January 23, 2017, the Court upheld the DOJ decision blocking the merger. On February 14, 2017, Aetna and Humana mutually ended their merger agreement.

COMPANY HISTORY
General
The Company incorporated on March 2, 1978, as Group Health Plan of Greater St. Louis, a not-for-profit health services corporation. In 1982, the Company merged with Midwest Health Plan, changing its name to Group/Mid-West Health Plan. In 1984, the Company's name reverted to Group Health Plan of Greater St. Louis. In 1985, the Company converted to a for-profit corporation named New Group Health Plan, Inc. and registered the fictitious name Group Health Plan, Inc.

On January 30, 1990, a subsidiary of Coventry Health Care, Inc. acquired the Company and changed its name to Group Health Plan, Inc. In 2000, the Company became a direct subsidiary of Coventry Health Care, Inc.

On September 1, 2011, the Company changed its name from Group Health Plan, Inc. to Coventry Health Care of Missouri, Inc.
Capital Stock and Paid-in Surplus
The Company is authorized to issue ten shares of $1.00 par value common capital stock. At year-end 2015, ten shares were outstanding for a reported $10.00 in common capital stock.

Dividends
The Company paid the following dividends during the current examination period:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$47,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>34,500,000</td>
</tr>
<tr>
<td>2014</td>
<td>6,000,000</td>
</tr>
<tr>
<td>2015</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$87,500,000</td>
</tr>
</tbody>
</table>

Acquisitions, Mergers and Major Corporate Events
On May 1, 2011, the Missouri Department of Insurance, Financial Institutions and Professional Registration (Department) approved the merger of Mercy Health Plans of Missouri, Inc. into the Company. On June 1, 2011, the Department approved the merger of ForeSee Health, Inc. into the Company. On December 31, 2011, the Department approved the merger of MHP, Inc. into the Company. MHP, Inc. had been the holding company parent of Mercy Health Plans of Missouri, Inc.

On May 7, 2013, the Company’s prior parent, Coventry Health Care, Inc. completed a merger with Aetna Inc. Coventry Health Care, Inc. survived the merger as a wholly-owned subsidiary of Aetna Inc. On January 1, 2014, Coventry Health Care, Inc. was merged into Aetna Health Holdings, LLC.

Surplus Debentures
No surplus debentures were issued or outstanding during the current examination period.

CORPORATE RECORDS
The Company’s articles of incorporation and bylaws were reviewed. There were no changes to the articles of incorporation during the current examination period. The bylaws were amended December 1, 2011. The changes stipulated that the annual Board of Directors meeting should occur within the first six months and stated that the bylaws cannot be altered, amended, repealed or replaced without the consent of the Board of Directors.

The minutes of the meetings and the unanimous written consents of the Board of Directors were reviewed for the period under examination. The minutes and consents appear to properly document the review and approval of major corporate transactions and events for the period under examination.
MANAGEMENT AND CONTROL

Board of Directors
Management of the Company is vested in a Board of Directors. Directors serving at December 31, 2015, were as follows:

<table>
<thead>
<tr>
<th>Name and Address</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank J. D'Antonio</td>
<td>President Coventry Health Care of Missouri</td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td></td>
</tr>
<tr>
<td>Brad J. Clothier</td>
<td>President Coventry Health Care of Kansas</td>
</tr>
<tr>
<td>Overland Park, KS</td>
<td></td>
</tr>
</tbody>
</table>

Officers
The officers of the Company serving and reported on the Jurat page of the Annual Statement at December 31, 2015, were as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank J. D'Antonio</td>
<td>President</td>
</tr>
<tr>
<td>Kabir M. Rahmanzai</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Scott D. Miller</td>
<td>Controller</td>
</tr>
<tr>
<td>Elaine R. Cofrancesco</td>
<td>Vice-President and Treasurer</td>
</tr>
<tr>
<td>Edward Chung-I Lee</td>
<td>Vice-President and Secretary</td>
</tr>
<tr>
<td>Kevin J. Casey</td>
<td>Senior Investment Officer</td>
</tr>
</tbody>
</table>

Audit Committee
The Company does not have an Audit Committee. The Company relies upon the Audit Committee of its immediate parent, Aetna Health Holdings, LLC, to fulfill the requirement of RSMo 375.1030 (Annual audit required, report filed, when--extensions granted, when--audit committee required, when.).

Holding Company, Subsidiaries and Affiliates
The Company is part of an Insurance Holding Company System as defined by RSMo 382.010 (Definitions). The Company is a wholly-owned subsidiary of Aetna Health Holdings, LLC (DE) which is a direct subsidiary of Aetna Inc. (PA), a publicly-traded corporation. Aetna Inc. is the ultimate controlling entity in the holding company system.

Organizational Chart
The following is an abridged organizational chart showing the insurance holding company system at December 31, 2015. All subsidiaries are wholly-owned unless otherwise noted.
Intercompany Agreements

Guarantor Agreement

Parties: The Company and Aetna Inc.

Effective: January 1, 2014

Terms: In the event of the Company’s insolvency, Aetna will pay all expenses and claims incurred by the Company during insolvency pursuant to the obligation with employer groups and subscribers until the end of the subscription contract period for which premiums have been received.

Rate(s): There are no rates associated with this agreement.

Fees: There were no fees associated with this agreement during 2015.

Tax Sharing Agreement

Parties: Aetna Inc. and its subsidiaries, including the Company and other Coventry companies

Effective: May 8, 2013

Terms: Aetna and its subsidiaries file consolidated federal and state income tax returns. The federal or state income tax liability (or benefit) and alternative minimum tax liability are calculated as if each subsidiary filed a separate tax return. The agreement provides the Company with an enforceable right to recoup federal and state income taxes paid in prior years in the event of future net losses the Company may incur or to recoup net losses carried forward as an offset to future income subject to federal and state income taxes.

Aetna acts as agent for the group for the payment of all federal and state income taxes, the receipt of all tax refunds, and all dealings with the IRS or other federal or state agencies. Payments by the subsidiaries to Aetna are to be made in time to reasonably permit Aetna to make required estimated payments. Differences between the estimated tax liabilities or benefits of loss carry forwards generated and the actual tax liabilities or benefits of loss carry forwards on the tax return will be settled within ninety days of filing the income tax return.

Rate(s): There are no rates associated with this agreement.


Administrative Services Agreement

Parties: The Company and Aetna Health Management, LLC (AHM)

Effective: January 1, 2014

Terms: Under the agreement, AHM provides administrative services to the Company. Some of the services provided include: finance; operational services; procurement services; legal services; quality assessment; utilization review; disease management; patient management; case management; customer service; provider network and credentialing services; facilities; marketing; insurance and
risk management; data processing; and, pharmacy services. There is also a provision that allows the Company to use AHM for rebate services.

Rate(s): Rates are based on a percentage of premiums equal to AHM’s unreimbursed actual cost. The agreement includes an annual true-up provision.

Fees: The Company paid $83.3 million under this agreement in 2014 and $94.9 million under this agreement in 2015.

Mental Health Services Agreement
Parties: The Company and MHNet Specialty Services, LLC (MHNet)
Effective: January 1, 2001
Terms: MHNet provides managed behavioral health services to the Company’s members.
Rates: Rates are charged on a per-member-per-month (PMPM) basis and vary according to plan type. Current commercial rates are: HMO - $8.06 PMPM; POS - $6.74 PMPM; PPO - $5.32 PMPM; Health Exchange - $5.07 PMPM. Current Medicare rates are: 65 and older - $5.88 PMPM; under 65 - $30.22 PMPM.
Fees: The Company paid $6.8 million for services under this agreement in 2014 and $7.6 million in 2015.

Pharmacy Rebate Agreement
Parties: The Company and Aetna Health Management, LLC (AHM)
Effective: January 1, 2015
Terms: AHM processes pharmacy rebates for the Company’s Medicare and Administrative Services Only (ASO) business.
Rates: A percentage of earned pharmaceutical rebates are remitted to AHM.
Fees: In 2015, the Company was charged $2.5 million under this agreement.

Pharmacy Benefits Administration Agreement
Parties: The Company and Coventry Prescription Management Services (CPMS)
Effective: January 1, 2011
Terms: For commercial business, CPMS pays pharmacy claims on the Company’s behalf. Payments to CPMS are reduced by a PMPM rebate credit.
Rate(s): The PMPM rate is determined for each group using the following formula: Projected claims expense + Administrative expense + Group purchasing leverage - Rebated credit = Net PMPM. Rates change annually subject to Department approval.
Fees: Under the agreement, the Company received net rebates of $6.1 million in 2014 and paid capitation fees, net of rebate, of $2.4 million in 2015.

Quota Share Reinsurance Agreement
Parties: The Company and Coventry Health Care of Illinois, Inc.
Effective: February 1, 2014
In return for accepting the ceded risk, Coventry Health Care of Illinois receives one hundred percent (100%) of the amounts received from CMS with respect to the policies attaching during the term of the agreement. The affected policies are Medicare Advantage policies issued in Illinois.

In 2015, the Company ceded $67.8 million in premiums under this agreement; the Company ceded $58.8 million in losses.

**Quota Share Reinsurance Agreement**

**Parties:** The Company and Coventry Health Care of Kansas, Inc.

**Effective:** May 1, 2011

In return for accepting the ceded risk, Coventry Health Care of Kansas receives one hundred percent (100%) of the amounts received from CMS with respect to the policies attaching during the term of the agreement. The affected policies are Medicare Advantage policies.

In 2015, the Company ceded $189.6 million in premiums under this agreement; the Company ceded $158.4 million in losses.

**FIDELITY BONDS AND OTHER INSURANCE**

The Company’s insurance coverage is administered through Aetna Inc., which purchases insurance coverage for itself and its subsidiaries. The Company is included on a Financial Institutions Insurance Company Bond issued by Travelers Casualty and Surety Company of America with a liability limit of $10 million and a $5 million deductible. This coverage exceeds the suggested minimum amount of fidelity insurance prescribed by the NAIC.

Aetna Inc. maintains other coverage including Errors and Omissions, General Liability, Business Auto, Commercial General Liability, Workers Compensation and Professional Liability. The Company’s insurance coverage appears adequate.

**TERRITORY AND PLAN OF OPERATION**

The Company is licensed in Missouri as a health maintenance organization (HMO) under Chapter 354 RSMo (Health Service Corporations, Health Maintenance Organizations and Prepaid Dental Plans). The Company is also licensed in Illinois and in Oklahoma. In 2015, the Company only wrote business in Missouri and Illinois.

The Company’s primary line of business is Medicare. The Company reported 78,000 members at year-end, of which 75,000 were Medicare enrollees. The Company also writes Group and Individual Comprehensive business and administers ASO plans. The Company’s products are marketed by independent brokers and by captive agents.
GROWTH OF COMPANY

The following exhibit illustrates the Company’s growth over the past five years.

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenue (000s)</td>
<td>469,111</td>
<td>458,919</td>
<td>456,773</td>
<td>512,641</td>
<td>563,493</td>
</tr>
<tr>
<td>Change from prior year (%)</td>
<td>24.9</td>
<td>(2.2)</td>
<td>(0.5)</td>
<td>12.2</td>
<td>9.9</td>
</tr>
<tr>
<td>Total capital and surplus (000s)</td>
<td>101,130</td>
<td>97,550</td>
<td>79,650</td>
<td>88,156</td>
<td>116,896</td>
</tr>
<tr>
<td>Change from prior year (%)</td>
<td>25.8</td>
<td>(3.5)</td>
<td>(18.3)</td>
<td>10.7</td>
<td>32.6</td>
</tr>
<tr>
<td>Premium : Surplus ratio</td>
<td>4.64</td>
<td>4.70</td>
<td>5.73</td>
<td>5.82</td>
<td>4.82</td>
</tr>
</tbody>
</table>

LOSS EXPERIENCE

The following exhibit reflects the annual underwriting results of the Company over the past five years (in 000s).

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net premium income</td>
<td>$469,079</td>
<td>$458,922</td>
<td>$456,773</td>
<td>$512,641</td>
<td>$563,778</td>
</tr>
<tr>
<td>Change in unearned premium</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(285)</td>
</tr>
<tr>
<td>Other revenue</td>
<td>32</td>
<td>(3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total underwriting deductions</td>
<td>(432,003)</td>
<td>(422,429)</td>
<td>(435,489)</td>
<td>(508,296)</td>
<td>(522,779)</td>
</tr>
<tr>
<td>Net underwriting gain</td>
<td>$ 37,108</td>
<td>$ 36,490</td>
<td>$ 21,284</td>
<td>$ 4,345</td>
<td>$ 40,714</td>
</tr>
</tbody>
</table>

REINSURANCE

General
The Company uses reinsurance to protect against catastrophes or other events that might cause unfavorable underwriting results. The Company’s direct, ceded and net written premiums over the examination period were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct written premiums</td>
<td>$ 471,660,956</td>
<td>$ 613,627,339</td>
<td>$ 631,329,777</td>
<td>$ 749,133,783</td>
<td>$ 821,132,825</td>
</tr>
<tr>
<td>Ceded premiums</td>
<td>(2,581,707)</td>
<td>(154,705,166)</td>
<td>(174,556,732)</td>
<td>(236,492,702)</td>
<td>(257,355,048)</td>
</tr>
<tr>
<td>Net written premiums</td>
<td>$ 469,079,249</td>
<td>$ 458,922,173</td>
<td>$ 456,773,045</td>
<td>$ 512,641,081</td>
<td>$ 563,777,777</td>
</tr>
</tbody>
</table>

Ceded
As detailed above in Intercompany Agreements, the Company has quota share agreements in place with two affiliates. Under these agreements the Company cedes Medicare Advantage business. The Company remains provisionally liable for the business reinsured.

The Company is contingently liable for all reinsurance losses ceded to others. This contingent liability would become an actual liability in the event that any assuming reinsurer should fail to perform its obligations under its reinsurance agreement with the Company.
ACCOUNTS AND RECORDS

General
The Company uses PeopleSoft® financial accounting software to prepare its financial statements. The Company’s primary care application is IDX, which is used to manage in-plan services, benefits tracking, enrollment and eligibility, provider contracts, provider networks, claims processing and premium billing.

Independent Accountants
The Company’s 2015 financial statements were audited by the certified public accounting firm of KPMG LLP. The 2015 audit workpapers were reviewed and used in the course of the examination as deemed appropriate.

Actuarial Opinion
For the years 2011 through 2013, reserves and related actuarial items were reviewed and certified by Judith Lipinski, FSA, MAAA, Actuarial Services Director, Coventry Health Care, Inc. For 2014 and 2015, reserves and related actuarial items were reviewed and certified by William Jones, FSA, MAAA, Vice-President and Actuary, Aetna Life Insurance Company.

Consulting Actuary
Pursuant to a contract with the Department, Karen Elsom, FSA, MAAA, of Lewis & Ellis, Inc., reviewed the underlying actuarial assumptions and actuarial methods used in determining the adequacy of reserves and related liabilities. The Company’s reserves, as of the examination date, were deemed adequate.

Information Systems
Connecticut contracted with Exam Resources to perform an information technology (IT) review in accordance with the Handbook. Exam Resources determined that the IT general control environment is effective and that IT risks have been sufficiently mitigated to allow for reliance on general controls.

STATUTORY DEPOSITS

Deposits with the State of Missouri
The funds on deposit with the Missouri Department of Insurance, Financial Institutions and Professional Registration as of December 31, 2015, as reflected below, were sufficient to meet the capital deposit requirements ($456,510.00) for the State of Missouri in accordance with Section 354.410 RSMo (Certificate issued, when- annual deposit requirements--capital account, amount, contents):

<table>
<thead>
<tr>
<th>Type of Security</th>
<th>Par Value</th>
<th>Fair Value</th>
<th>Statement Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Treasury Note</td>
<td>$ 470,000</td>
<td>$ 468,900</td>
<td>$ 469,861</td>
</tr>
<tr>
<td>US Treasury Note</td>
<td>$ 500,000</td>
<td>$ 499,530</td>
<td>$ 499,528</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$ 970,000</strong></td>
<td><strong>$ 968,430</strong></td>
<td><strong>$ 969,389</strong></td>
</tr>
</tbody>
</table>
Deposits with Other States

The Company also has funds on deposit with other states in which it is licensed. Those funds on deposit as of December 31, 2015, were as follows:

<table>
<thead>
<tr>
<th>State</th>
<th>Security</th>
<th>Par Value</th>
<th>Fair Value</th>
<th>Statement Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>US Treasury Note</td>
<td>$315,000</td>
<td>$315,012</td>
<td>$314,705</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>$315,000</td>
<td>$315,012</td>
<td>$314,705</td>
</tr>
</tbody>
</table>

FINANCIAL STATEMENTS

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2015. The accompanying Comments on Financial Statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

There may have been additional differences found in the course of this examination, which are not shown in the Comments on Financial Statements. These differences were determined to be immaterial in relation to the financial statements, and therefore were only communicated to the Company and noted in the workpapers for each individual Annual Statement item.

ASSETS

<table>
<thead>
<tr>
<th>Assets</th>
<th>Non-admitted</th>
<th>Net Admitted</th>
<th>Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonds</td>
<td>$182,652,441</td>
<td></td>
<td>$182,652,441</td>
</tr>
<tr>
<td>Cash, cash equivalents and short-term investments</td>
<td>10,399,576</td>
<td>10,399,576</td>
<td>9</td>
</tr>
<tr>
<td>Receivable for securities</td>
<td>9</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Investment income due and accrued</td>
<td>1,891,847</td>
<td>1,891,847</td>
<td>491,156</td>
</tr>
<tr>
<td>Uncollected premiums</td>
<td>501,192</td>
<td>10,036</td>
<td>491,156</td>
</tr>
<tr>
<td>Accrued retrospective premiums</td>
<td>4,495,202</td>
<td></td>
<td>4,495,202</td>
</tr>
<tr>
<td>Amounts recoverable from reinsurers</td>
<td>34,337</td>
<td></td>
<td>34,337</td>
</tr>
<tr>
<td>Amounts receivable relating to uninsured plans</td>
<td>23,598,847</td>
<td></td>
<td>23,598,847</td>
</tr>
<tr>
<td>Current federal and foreign income tax recoverable</td>
<td>5,802,292</td>
<td></td>
<td>5,802,292</td>
</tr>
<tr>
<td>Net deferred tax asset</td>
<td>8,301,267</td>
<td>2,735,848</td>
<td>5,565,419</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>31,048</td>
<td>31,048</td>
<td></td>
</tr>
<tr>
<td>Receivables from parent, subsidiaries and affiliates</td>
<td>2,462</td>
<td></td>
<td>2,462</td>
</tr>
<tr>
<td>Health care and other amounts receivable</td>
<td>233,999</td>
<td></td>
<td>233,999</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>315,726</td>
<td>315,726</td>
<td></td>
</tr>
<tr>
<td>Prior year correction of FIT incurred</td>
<td>1,162,714</td>
<td></td>
<td>1,162,714</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$239,422,959</td>
<td>$3,092,658</td>
<td>$236,330,301</td>
</tr>
</tbody>
</table>
### LIABILITIES, CAPITAL AND SURPLUS

<table>
<thead>
<tr>
<th>Description</th>
<th>Covered</th>
<th>Uncovered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims unpaid</td>
<td>$51,393,817</td>
<td>$2,261,223</td>
<td>$53,655,040</td>
</tr>
<tr>
<td>Accrued medical incentive pool and bonus amounts</td>
<td>5,820,899</td>
<td>-</td>
<td>5,820,899</td>
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<tr>
<td>Unpaid claims adjustment expenses</td>
<td>768,499</td>
<td>-</td>
<td>768,499</td>
</tr>
<tr>
<td>Aggregate health policy reserves</td>
<td>287,635</td>
<td>-</td>
<td>287,635</td>
</tr>
<tr>
<td>Premiums received in advance</td>
<td>869,835</td>
<td>-</td>
<td>869,835</td>
</tr>
<tr>
<td>General expenses due or accrued</td>
<td>1,277,090</td>
<td>-</td>
<td>1,277,090</td>
</tr>
<tr>
<td>Amounts withheld or retained for the account of others</td>
<td>10,220,917</td>
<td>-</td>
<td>10,220,917</td>
</tr>
<tr>
<td>Remittances and items not allocated</td>
<td>1,561,009</td>
<td>-</td>
<td>1,561,009</td>
</tr>
<tr>
<td>Amounts due to parent, subsidiaries and affiliates</td>
<td>44,219,359</td>
<td>-</td>
<td>44,219,359</td>
</tr>
<tr>
<td>Liability for amounts held under uninsured plans</td>
<td>301,495</td>
<td>-</td>
<td>301,495</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>11,251</td>
<td>-</td>
<td>11,251</td>
</tr>
<tr>
<td>Abandoned property liability</td>
<td>441,737</td>
<td>-</td>
<td>441,737</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$117,173,543</td>
<td>$2,261,223</td>
<td>$119,434,766</td>
</tr>
<tr>
<td>Estimated Health Insurer Fee Accrual</td>
<td></td>
<td></td>
<td>14,930,000</td>
</tr>
<tr>
<td>Common capital stock</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Gross paid in and contributed surplus</td>
<td></td>
<td></td>
<td>74,443,448</td>
</tr>
<tr>
<td>Contingency reserve</td>
<td></td>
<td></td>
<td>11,275,556</td>
</tr>
<tr>
<td>Unassigned funds (surplus)</td>
<td></td>
<td></td>
<td>16,246,521</td>
</tr>
<tr>
<td><strong>Total Capital and Surplus</strong></td>
<td></td>
<td></td>
<td>116,895,535</td>
</tr>
<tr>
<td><strong>Total Liabilities, Capital and Surplus</strong></td>
<td></td>
<td></td>
<td>$236,330,301</td>
</tr>
</tbody>
</table>
STATEMENT OF OPERATIONS

Member months 939,245

Net premium income $ 563,777,777
Change in unearned premium reserves (284,884)
Total revenues 563,492,893

Hospital/medical benefits 573,048,826
Other professional services 17,684,710
Outside referrals 8,937,964
Emergency room and out-of-area 14,590,428
Prescription drugs 56,625,606
Incentive pool, withhold adjustments and bonus amounts 1,741,163
Net reinsurance recoveries (217,287,679)
Total hospital and medical 455,341,018

Claims adjustment expenses 13,560,391
General administrative expenses 53,877,720
Total underwriting deductions 522,779,129

Net underwriting gain 40,713,764

Net investment income earned 5,725,957
Net realized capital gains (680,803)
Net investment gains 5,045,154

Regulatory fines (26,550)
Net income (pre-tax) 45,732,368
Federal and foreign income taxes incurred (13,342,745)
Net income $ 32,389,623

RECONCILIATION OF SURPLUS

Capital and surplus prior reporting year $ 88,156,055
Net income 32,389,623
Change in net unrealized capital gains (412,009)
Change in net deferred income tax (1,620,183)
Change in nonadmitted assets 867,368
Prior year correction of AHM management fee (3,322,039)
Prior year correction of federal income tax incurred 1,162,714
Prior year correction of current income taxes (325,994)
Net change in capital and surplus 28,739,480

Capital and surplus end of reporting year $ 116,895,535
EXAMINATION CHANGES
There were no changes to the financial statements resulting from the examination.

COMMENTS ON FINANCIAL STATEMENTS
There were no comments on the financial statements resulting from the examination.

SUMMARY OF RECOMMENDATIONS
There were no recommendations resulting from the examination.
ACKNOWLEDGMENT

The assistance and cooperation extended by the officers and staff of Coventry Health Care of Missouri, Inc. during the course of this examination is hereby acknowledged and appreciated. In addition to the undersigned, Andy Balas, CFE, AES, CPA; Richard Hayes, CFE; James Le, CPA, CPCU, ARe; and, Ken Tang, examiners for the Department, participated in this examination. Karen Elsom, FSA, MAAA, of Lewis & Ellis, Inc., reviewed the Company's reserves and related actuarial items.

VERIFICATION

State of Missouri  
County of St. Louis

I, Thomas J. Cunningham, on my oath swear that to the best of my knowledge and belief the above examination report is true and accurate and is comprised of only facts appearing upon the books, records or other documents of the Company, its agents or other persons examined or as ascertained from the testimony of its officers or agents or other persons examined concerning its affairs and such conclusions and recommendations as the examiners find reasonably warranted from the facts.

[Signature]
Thomas J. Cunningham, CFE, CPA
Examiner-in-Charge
Missouri Department of Insurance,
Financial Institutions and Professional Registration

Sworn to and subscribed before me this 9 day of May 2017

My commission expires: 6-25-19

Notary Public

SUPERVISION

The examination process has been monitored and supervised by the undersigned. The examination report and supporting workpapers have been reviewed and approved. Compliance with NAIC procedures and guidelines as contained in the Financial Condition Examiners Handbook has been confirmed.

[Signature]
Michael Shadowens, CFE
Assistant Chief Financial Examiner, St. Louis
Missouri Department of Insurance, Financial Institutions and Professional Registration