EXHIBIT A

STATE OF TENNESSEE

DEPARTMENT OF COMMERCE AND INSURANCE

REPORT ON EXAMINATION

OF

CIGNA HEALTHCARE OF TENNESSEE, INC.

(NAIC # 95606)

FRANKLIN, TENNESSEE

AS OF

DECEMBER 31, 2013

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Franklin, Tennessee
April 13, 2015

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

Dear Commissioner:

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

CIGNA HEALTHCARE OF TENNESSEE, INC.
NAIC # 95606
1000 Corporate Centre Drive
Franklin, Tennessee 37067

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

INTRODUCTION

This examination was arranged by the Tennessee Department of Commerce and Insurance ("TDCI" or "Department") under rules promulgated by the NAIC. The examination commenced on November 14, 2014, and was conducted by duly authorized representatives of the TDCI. Due to the Company being licensed in multiple states, this examination was called through the NAIC's Financial Examination Electronic Tracking System ("FEETS") on October 25, 2013. This examination was an update to the examination conducted by the TDCI as of December 31, 2012, and was conducted as a coordinated examination with the Connecticut Insurance Department ("CID"), with Connecticut serving as the Lead State.

SCOPE OF EXAMINATION

The last examination of the Company was made as of December 31, 2012. This examination covers the period January 1, 2013, through December 31, 2013, and includes any material transactions and/or events occurring subsequent to the examination date which were noted during the course of the examination.

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

During planning, the examiners reviewed all accounts and balances and determined the key activities and accounts to be examined. The key activities included: Investments; Healthcare Premiums; Other Liabilities and Surplus; Taxes; Related Party; Expenses; Claims Handling and Reserving.

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

The CID conducted examinations of several of the Company's affiliates as of December 31, 2013. Reliance was placed on the work performed by the CID to assess common areas, such as Corporate Governance and Information Technology ("IT") General Controls.

An examination of the Company's IT systems was performed, as part of the CID examination. The IT examination included a review of management and organizational controls, logical and physical security controls, changes in application controls, system and program development controls, contingency planning controls, service provider controls, operations controls, processing controls, e-commerce controls, and network and internet controls.

A market conduct review was performed in conjunction with the current financial examination.

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

PricewaterhouseCoopers, LLP was the certified public accountant ("CPA") and independent auditor for the Company for the year under examination. The auditor's workpapers were reviewed and copies of pertinent documents were incorporated into the examination workpapers, as deemed appropriate.

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

COMPLIANCE WITH PREVIOUS EXAMINATION FINDINGS

Our examination included a review to determine the current status of the comments and recommendations in the previous report on examination dated June 12, 2014, which covered the period from January 1, 2009, through December 31, 2012. There were no comments or recommendations noted in the previous report of examination.

COMPANY HISTORY

The Company was incorporated under the laws of Tennessee on September 10, 1984, as a for-profit corporation under the provisions of the Tennessee General Corporation Act, with the name HCA Care, Inc. Effective September 13, 1984, the Company became a wholly-owned subsidiary of Hospital Corporation of America, a Tennessee for-profit corporation. The Company changed its name to HCA Care of Tennessee, Inc. on September 10, 1985, and commenced business on November 1, 1985. On October 1, 1987, the Company amended its charter to change its name to EQUICOR Health Plans, Inc.

At its incorporation, the Company was authorized to issue 1,000 shares of common stock with a par value of one dollar ($1.00) per share. The Company was organized to provide or arrange to provide healthcare services on a fixed fee or capitation basis to employers, groups of employers, or trade associations, for the benefit of their employees. The Company's principal line of business is comprehensive hospital and medical coverage.

The Company was acquired by Cigna Corporation ("Cigna") pursuant to a stock purchase agreement dated January 12, 1990, with The Equitable Life Assurance Society of the United States and Hospital Corporation of America. This acquisition was approved by order of the TDCI Commissioner on March 21, 1990. On July 1, 1991, the name of the Company was changed to Cigna Healthplan of Tennessee, Inc. The most recent name change took place on September 1, 1993, when the Company adopted its current name.

The Company is the survivor of a merger with Healthsource Tennessee, Inc. (formerly Tennessee 1st, Inc.) with an effective date of October 30, 1998. All outstanding shares of Healthsource Tennessee, Inc. were cancelled following the merger. At the time of the merger, both companies were wholly-owned by Healthsource Management, Inc.

Dividends

On December 10, 2013, the Company paid an extraordinary cash dividend of $1,000,000 to its Parent, Healthsource, Inc., with the approval of TDCI.

MANAGEMENT AND CONTROL

MANAGEMENT

The Company's Bylaws provide for an annual meeting of the shareholder(s) at which time a Board of Directors is elected. The Board of Directors shall have the responsibility and the authority to conduct, manage, and control the property, business, and affairs of the Company, including the provisions or arrangement of health care services. The number of directors shall be not less than three (3) or more than twelve (12) directors. A majority of the directors constitutes a quorum. Directors shall hold office until the next annual election. The following persons were duly elected by the Shareholder and serving as members of the Board of Directors, as of December 31, 2013:

Name	Principal Occupation
David Goldberg	Director of Accounting, Cigna Corporation
Scott Tracy Josephs, MD	Medical Officer, Cigna Healthcare
Renee Haley McLaughlin, MD	Medical Senior Director, Cigna Healthcare

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

The Bylaws provide that the officers of the corporation shall consist of a President, Vice President, Secretary, Treasurer, and such other officers as the Board of Directors may determine. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation, or the Bylaws.

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

Name	**Title**
Richard Seth Novack	President
Glenn Michael Gerhard	Vice President
Scott Tracy Josephs, MD	Vice President
David Mathew Porcello	Vice President
Timothy Sean Sheridan	Vice President
Scott Ronald Lambert	Vice President
David Goldberg	Vice President
Barry Richard McHale	Vice President
Michael Joseph Raybeck, MD	Vice President
Edward Vincent Stacey, Jr.	Vice President
Kathleen Ruth McCabe	Vice President
Robert David Picinich	Vice President
Maureen Hardiman Ryan	Vice President
Irene Sosnowski	Vice President
Scott Ronald Lambert	Treasurer
Anna Krishtul	Secretary

The Bylaws allow the Board of Directors to create one or more committees which may consist of two or more members. The Bylaws state that all committees so created shall have such powers as the Board of Directors may delegate to such committee.

Effective December 23, 2009, the Board of Directors appointed the Audit Committee of Connecticut General Corporation to act as the Audit Committee of the Company for the purposes of Complying with the NAIC Financial Reporting Model Regulation. The following persons were duly elected and serving as members of the Audit Committee of Connecticut General Corporation, as of December 31, 2013:

Name
Mary T. Hoeltzel
John M. Limongelli
Eric Palmer
Jeffrey T. Rigg
Brian Setzer
David Terry
James Yablecki

At December 31, 2013, there were no other established committees.

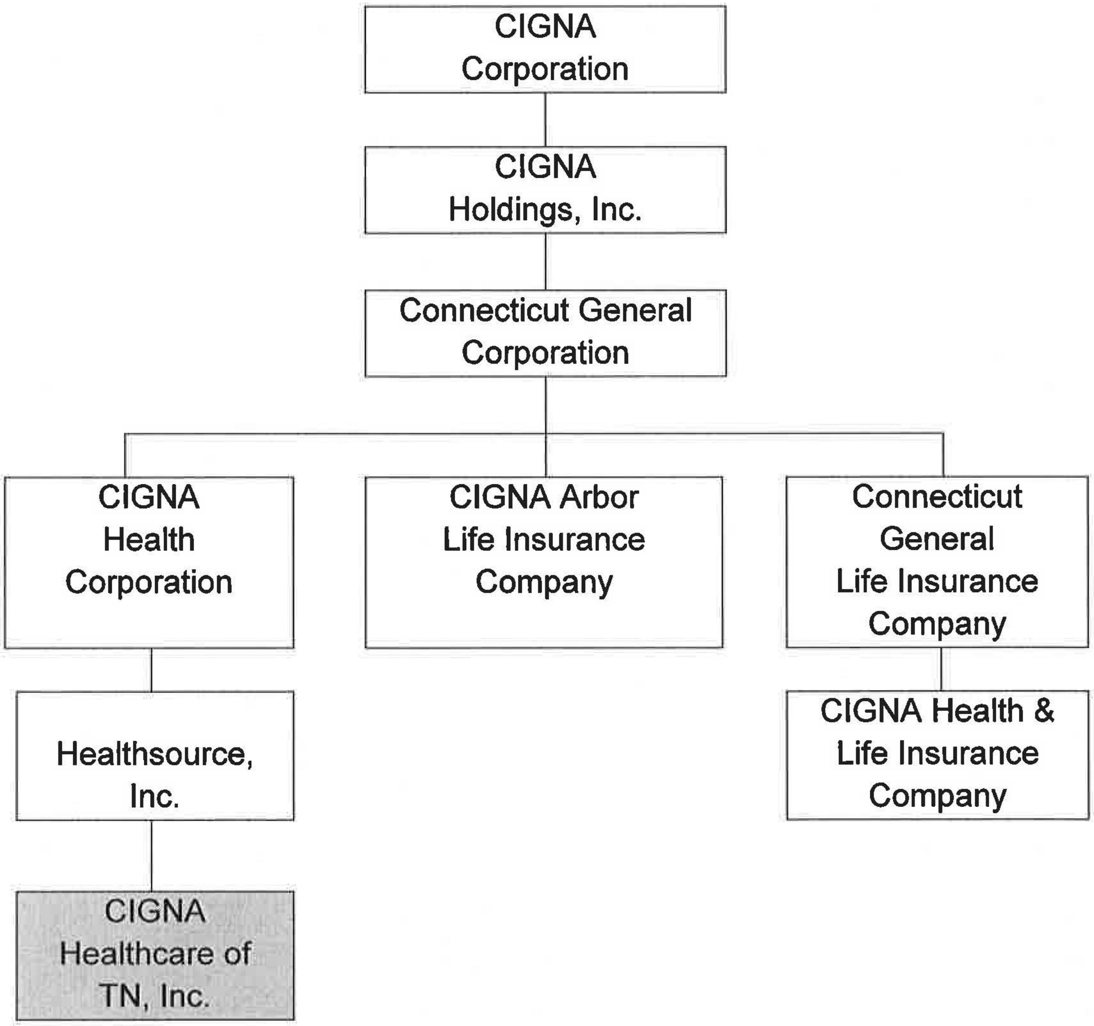
CONTROL

The Company is a member of an insurance holding company system, as defined by Tenn. Code Ann. § 56-11-101, et seq. "Insurance Company Holding Act of 1986." The Company files a Holding Company Registration Statement annually, as required by Tenn. Code Ann. § 56-11-105. The required Forms B and C were filed by the Company on April 29, 2014.

At December 31, 2013, all 1,000 shares of the Company's common stock were owned by Healthsource, Inc., a wholly-owned subsidiary of Cigna Health Corporation. Cigna Health Corporation is a wholly-owned subsidiary of Connecticut General Corporation, a subsidiary of Cigna Holdings, Inc. Cigna Holdings, Inc. is ultimately controlled by Cigna Corporation.

ORGANIZATIONAL CHART

The following is an abbreviated organizational chart reflecting ownership and control of the Company, as of December 31, 2013:



CONFLICTS OF INTEREST AND PECUNIARY INTEREST

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

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

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

CORPORATE RECORDS

The minutes of meetings of the Board of Directors and Shareholder were reviewed for the period under examination. They were complete as to necessary detail and appear to adequately reflect the acts of the respective bodies. The review of the minutes indicates all investment transactions were approved by the Board. In addition, the minutes of the meeting of the Cigna Investment Committee and the Cigna Audit Committee were reviewed for the period under examination.

Charter

The Charter of the Company, in effect at December 31, 2013, is the Company's Amended and Restated Charter, which was approved by the TDCI on October 29, 1998. The Charter states the Corporation is a health maintenance organization. No amendments or restatements were made to the Company's Charter during the period of examination.

Bylaws

The Bylaws of the Company, in effect at December 31, 2013, are the Company's Amended Bylaws, which were adopted by the Board of Directors on December 17, 2009. No amendments or restatements were made to the Company's Bylaws during the period of examination.

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

AGREEMENTS WITH PARENT, SUBSIDIARIES AND AFFILIATES

The Company was a party to the following intercompany agreements, at December 31, 2013:

Line of Credit Agreement

Effective October 1, 2005, the Company entered into a Line of Credit Agreement with Cigna Health Corporation ("CHC"). Under this agreement, CHC will loan funds to the Company from time to time to ensure that the Company will be able to continue to meet its operational cash obligations, while earning additional investment income.

Management Services Agreement

Effective January 1, 1994, and as amended July 1, 2012, the Company entered into a Management Services Agreement by and between 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 this agreement) to the Company and its affiliated health maintenance organizations ("HMO," collectively, "the HMOs").

Network Access Agreement

Effective November 27, 2001, the Company entered into a Network Access Agreement with Connecticut General Life Insurance Company ("CGLIC") and certain subsidiaries of Cigna Corporation, including the HMOs. This agreement allows CGLIC and each of the HMOs to utilize the participating provider networks maintained by its affiliated HMOs. Under this agreement, an HMO may also provide to, or receive from, other participants certain administrative services associated with network access.

Mental Health Agreement

Effective January 1, 1990, and as amended November 18, 1999, the Company entered into a Mental Health Agreement with Cigna Behavioral Health, Inc. ("CBH") and CHC on behalf of their respective subsidiaries and affiliates, including the HMOs. Under this agreement, CBH provides mental health and substance abuse services to the enrollees of the HMOs.

Tel-Drug Agreement

Effective January 1, 2005, the Company entered into a Participating Mail Order Pharmacy Agreement with Tel-Drug, Inc., Tel-Drug of Pennsylvania, LLC, its affiliates, and certain subsidiaries of CHC, including the Company. Under this agreement, Tel-Drug, Inc. and Tel-Drug of Pennsylvania, LLC, provide mail order pharmaceutical services.

Dental Consultation Agreement

Effective October 1, 2000, the Company entered into a Dental Consultation Agreement with Cigna Dental Health, Inc. and the HMOs. Pursuant to this agreement, Cigna Dental Health, Inc. provides dental consultations at the request of the Company with respect to selected dental cases.

Cigna Health Access Premium Billing Authorization Agreement

Effective June 1, 1996, the Company participates in the Cigna Health Access Agreement, which is by and between CGLIC and the HMOs. The HMOs offer group and individual standard service agreements providing coverage of "in-network" health care services; and CGLIC supplements the HMOs' service agreements by providing group insurance coverage of "out-of-network" health care services. Customers purchasing this product receive a single premium bill.

Investment Advisory Agreement

Effective September 28, 2009, the Company participates in an Investment Advisory Agreement, with its affiliate Cigna Investments, Inc., pursuant to which Cigna Investments, Inc. acts as the Company's investment adviser. This replaces a previous agreement with another affiliated investment advisor, then known as Cigna Investments, Inc. and now known as "Former Cigna Investments, Inc.", or "former CII." There are no substantive changes between the two agreements, and no change in the manner by which fees are assessed.

Cigna Health Management, Inc. (f/k/a INTRACORP) Agreement

Effective January 1, 2001, the Company entered into The Cigna Health Management, Inc. Agreement, as amended January 1, 2004, with Cigna Health Management, Inc. (f/k/a Intracorp), CGLIC, and CHC on behalf of certain of its subsidiaries, including the Company. Pursuant to the Agreement, Cigna Health Management, Inc. provides consultative services with respect to utilization management, case management, demand management, disease management, care management and any other consultative services in conjunction with the administration of such plans to the enrollees of participating plans. The Agreement was amended effective January 1, 2012, to record Intracorp's name change to Cigna Health Management, Inc., and to add another affiliate as a party.

Consolidated Tax Allocation Agreement

Effective January 1, 1997, the Company participates in the Amended and Restated Consolidated Federal Income Tax Agreement by and between Cigna Corporation and certain of its subsidiaries. This agreement facilitates the filing of a consolidated federal income tax return as an affiliated group under Cigna Corporation. Pursuant to this agreement, tax payments are paid to Cigna Corporation based on taxable income of the Company. In the case of a taxable loss, Cigna Corporation will pay the Company a refund based on the Company's taxable loss, but only to the extent Cigna Corporation is able to utilize the loss in the consolidated tax return.

Note: The Company entered into reinsurance agreements with affiliates. Refer to the "Reinsurance Agreements" section below for additional information.

FIDELITY BOND AND OTHER INSURANCE

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

Fidelity Bond	Property Insurance
Aviation Liability	Directors' & Officer's Liability Insurance
Commercial Auto Liability	Coverage Network Liability
Commercial General Liability	Direct & Vicarious Medical Professional Liability
Workers' Compensation	Umbrella Employment Practices Liability
Global Casualty	Professional Liability E&O Insurance
International Property	

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

EMPLOYEE BENEFITS AND PENSION PLANS

The Company has no employees; therefore, it has no direct pension costs. Cigna allocates amounts to the Company based on salary ratios. Cigna formerly provided retirement benefits to substantially all eligible employees through a single integrated plan ("the Plan"). Cigna's policy for the plan was to fund at least the minimum amount required by the Employee Retirement Income Security Act of 1974 ("ERISA"). On May 8, 2009, Cigna announced a freeze of its primary domestic defined benefit pension plans, effective July 1, 2009. A curtailment of benefits occurred as a result of this action, since it eliminated the accrual of benefits effective July 1, 2009 for active employees enrolled in these domestic pension plans. As a result, pension expense is no longer allocated to the Company and it is not included within administrative expenses for 2013.

In addition, the Company also participates in a capital accumulation 401(k) plan sponsored by Cigna, in which employee contributions on a before-tax basis are supplemented by the Company's matching contributions. The cost of the defined benefit plan and 401(k) plan are included within administrative expenses in the annual statement.

The Company provides certain other postretirement benefits to retired employees, spouses and other eligible dependents through a plan sponsored by Cigna. The Company has no legal obligation for benefits under these plans. Cigna allocates amounts to the Company based on a combination of salary ratios and member months. Cigna and its participating subsidiaries make contributions to these plans as claims are incurred.

TERRITORY AND PLAN OF OPERATION

TERRITORY

The Company is a HMO licensed to provide health insurance services in Tennessee and Mississippi. Principal products and services include managed care products and services. Certificates of Authority granted by the licensed states were reviewed and found to be in force at year-end 2013.

SCHEDULE T – EXHIBIT OF PREMIUMS WRITTEN AND ADDITIONAL INFORMATION

State	Licensed (Yes or No)	Direct Premiums Written	Amount Paid for Provision of Health Care Services	Amount Incurred for Provision of Health Care Services	Claims Unpaid
Mississippi	Yes	$3,509,884	$3,875,977	$3,635,897	$379,001
Tennessee	Yes	32,467,353	23,809,572	22,334,799	2,328,147
Totals		$35,977,237	$27,685,549	$25,970,696	$2,707,148

PLAN OF OPERATION

The Company arranges for a variety of health care services including basic physician and hospital services, outpatient services, emergency room treatment, preventive health, and well-baby care, as well as mental health and substance abuse treatments through CBH.

The Company contracts with physicians, group practices, skilled care facilities, hospitals, health care practitioners, and other ancillary providers to furnish health care services to its members.

GROWTH OF COMPANY

The following exhibit depicts certain aspects of the growth and financial history of the Company for the prior five years according to its annual statements, as filed with the TDCI:

Year	Members	Direct Premiums Written	Net Admitted Assets	Liabilities	Total Capital and Surplus	Net Income
2013	7,571	$35,977,237	$12,783,137	$4,597,984	$8,185,153	$2,296,253
2012	10,359	$45,916,155	$12,706,491	$6,100,866	$6,605,625	($1,425,284)
2011	11,911	$51,369,605	$17,945,550	$6,949,437	$10,996,113	$3,400,793
2010	14,939	$73,804,333	$19,814,880	$6,942,300	$12,872,580	$2,008,488
2009	24,014	$94,974,911	$29,970,916	$10,432,398	$19,538,518	$4,611,856

The number of members and direct written premium has decreased significantly over the last five years due to customers seeking Preferred Provider Organizations ("PPO") and other products not offered by the Company. The Company continues to renew existing policyholders while writing only minimal new business. Management noted that there is still a need in the market for an HMO product, but acknowledges that need is declining. Management expects the downward trend to continue and is content with the decline in premium. The Company has no immediate plans to make changes to the current products, offer new products, or increase marketing efforts on existing products. The Company has the support of Cigna to maintain solvency should capital be needed in the future. There are currently no plans to dissolve or merge the legal entity.

CLAIMS EXPERIENCE

As developed from applicable amounts included in the Company's annual statements filed with the TDCI, the ratios of claims and claims adjustment expenses ("CAE") incurred to net earned premiums for the prior five (5) years were as follows:

Year	Net Earned Premiums	Claims & CAE Incurred	Percent
2013	$35,352,521	$27,980,129	79.1%
2012	$48,123,575	$41,096,428	85.4%
2011	$49,162,185	$37,103,386	75.5%
2010	$73,804,333	$57,931,864	78.5%
2009	$94,974,911	$74,252,664	78.2%

REINSURANCE AGREEMENTS

ASSUMED

The Company did not assume any reinsurance during the period under examination.

CEDED

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

Quota Share Reinsurance Agreement

Effective January 1, 1994, the Company entered into a Reinsurance Agreement with CGLIC. The Reinsurance Agreement is administered by CHC. Under the provisions of the Reinsurance Agreement, the Company pays a monthly premium based on an established rate per member. In return for premiums paid, the Company is reimbursed eighty percent (80%) of the costs in excess of a deductible for hospital and related services provided to individual members. At December 31, 2013, the deductible per individual member per calendar year was $150,000.

Effective January 1, 2012, the Agreement was amended to revise Schedule C and Section IX (2). The revised Schedule C modifies the maximum allowable premium due to CGLIC and the maximum allowable bank account funding obligation. The revision to Section IX (2) of the Agreement modified the process by which future amendments become effective.

Effective January 1, 2013, the Agreement was amended to change the reinsurer to Cigna Health and Life Insurance Company ("CHLIC") for claims incurred January 1, 2013, onwards.

LITIGATION AND CONTINGENT LIABILITIES

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

STATUTORY DEPOSITS

In compliance with statutory and other requirements, the Company maintained deposits with the below named jurisdictions or custodians, as of December 31, 2013. The deposits were verified by direct correspondence with the custodians of such deposits.

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

Jurisdiction and Description	Book/Adjusted Carrying Value	Fair Market Value	Par Value
Mississippi			
USTN, 1.75%, Due 7/31/15	$561,825	$562,815	$550,000
Tennessee			
Virginia Beach, 5%, Due 7/15/14	1,357,031	1,384,805	1,350,000
Mass St College, 7%, Due 5/1/16	847,934	906,797	795,000
NY Enviro, 5.25%, Due 12/15/19	686,564	763,900	640,000
USTN, 1.25%, Due 10/31/15	620,751	620,126	610,000
Totals for Tennessee	$3,512,280	$3,675,628	$3,395,000
Totals for all states	$4,074,105	$4,238,443	$3,945,000

ACCOUNTS AND RECORDS

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

PricewaterhouseCoopers, LLP, and is in compliance with this regulation.

During the course of the examination, annual statement asset and liability amounts were traced to the trial balance and general ledger. All of the Company's investment securities were confirmed with the custodian of such securities, as of the date of this examination. The annual statement for the period under examination was reviewed for completeness and adequacy of disclosure. These test checks and reviews revealed no material discrepancies.

MARKET CONDUCT ACTIVITIES

In conjunction with this examination, a market conduct review was made of the Company, as of December 31, 2013. Given the decline in members and direct written premium, and limited production of new business, the review of market conduct activities was restricted to the following areas:

Operations and Management Standards

Company antifraud initiatives were examined and it was determined that they are reasonably designed to detect, prosecute, and prevent fraudulent insurance acts. Company procedures and policies relating to privacy and HIPPA were reviewed to determine compliance with applicable statutes, rules, and regulations. No exceptions were identified as a result of this review.

Complaint Handling Standards

Company complaint data for the period under examination was examined for compliance. The Company maintains complaint files in compliance with Tenn. Code Ann. § 56-8-104(11). The Company's complaint handling manual was reviewed and determined to be appropriate for the type of coverage and in compliance with applicable statutes. No issues were noted.

Claims Review

The Company's claim forms and claims manual were reviewed and determined to be appropriate for the type of coverage provided and in compliance with applicable statutes. Control testing for claims handling procedures determined that controls were adequately designed, appropriately implemented, and functioning properly.

SUBSEQUENT EVENTS

On January 1, 2014, the Company was subject to an annual fee under Section 9010 of the Patient Protection and Affordable Care Act ("ACA"). The share of the annual fee for each Cigna entity was based on the ratio of the amount of each entity's aggregate net premiums written during the preceding year. On September 30, 2014, the Company's share of the annual health insurance industry fee was $1,100,255. The Company estimates its portion of the annual health insurance industry fee payable on September 30, 2015 to be $439,955.

Effective August 1, 2014, the Company entered into a Fee Sharing Agreement with Cigna. Pursuant to the agreement, the Company and all Cigna subsidiaries pay their proportionate share of the ACA fee to Cigna in order for Cigna to remit a single payment to the Department of the Treasury on behalf of all covered entities in the Cigna group. Cigna does not charge a fee to its subsidiaries for performing this service. This agreement was approved by the TDCI on August 1, 2014.

On December 23, 2014, the Company paid an extraordinary cash dividend of $2,000,000 to its Parent, Healthsource, Inc. This transaction was approved by the TDCI on December 12, 2014.

FINANCIAL STATEMENTS

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

ASSETS

	Admitted Assets	Non-Admitted Assets	Net Admitted Assets
Bonds	$7,397,827	$0	$7,397,827
Cash and short-term investments	627,718	0	627,718
Receivable for securities	1,100,000	0	1,100,000
Investment income due and accrued	62,631	0	62,631
Uncollected premiums and agents' balances in the course of collection	3,359,916	102,369	3,257,547
Current federal and foreign income tax recoverable and interest thereon	284,612	0	284,612
Broker commissions receivable	8,783	8,783	0
Broker advisory fee	66,592	66,592	0
Premium tax receivable	52,802	0	52,802
Totals	$12,960,881	$177,744	$12,783,137

LIABILITIES, CAPITAL AND SURPLUS

Claims unpaid		$2,707,148
Unpaid claims adjustment expenses		44,726
Aggregate health policy reserves		648,215
Premiums received in advance		257,266
Net deferred tax liability		34,072
Ceded reinsurance premiums payable		59,653
Amounts withheld or retained for the account of others		77,019
Amounts due to parent and affiliates		539,122
Credit balanced due to policyholders		37,202
Escheat liabilities		86,615
Broker commission payable		91,315
Current state income tax payable		25
Patient centered outcomes research institute liabilities		15,606
Total Liabilities		4,597,984
Common capital stock	$1,000	
Gross paid in and contributed surplus	28,234,100	
Unassigned funds (surplus)	(20,049,947)	
Total Capital and Surplus		8,185,153
Totals		$12,783,137

STATEMENT OF REVENUE AND EXPENSES

Member Months		93,007
Net premium income		$35,977,236
Change in unearned premium reserves		(624,715)
Total Revenues		35,352,521
HOSPITAL AND MEDICAL:		
Hospital/medical benefits		15,856,829
Other professional services		1,592,829
Outside referrals		1,174,615
Emergency room and out-of-area		1,896,433
Prescription drugs		5,449,721
Incentive pool, withhold adjustments and bonus amounts		270
Total Hospital and Medical		25,970,697
Claims adjustment expenses, including cost containment	$2,009,432	
General administrative expenses	4,197,618	
Increase in reserves for life and A&H contracts	(92,870)	
		6,114,180
Total Underwriting Deductions		32,084,877
Net Underwriting Gain		3,267,644
INVESTMENT INCOME:		
Net investment income earned	187,780	
Net realized capital gains (losses)	20	
Net Investment Gain		187,800
OTHER INCOME:		
Net loss from agents' or premium balances charged off	5,187	
Total Other Income		5,187
Net income before dividends to policyholders, after capital gains tax and before all other federal income taxes		3,460,631
Federal and foreign income taxes incurred		1,164,378
Net Income		$2,296,253

CAPITAL AND SURPLUS ACCOUNT

	2013
Capital and Surplus, December 31, previous year	$6,605,625
Net income	2,296,253
Change in net unrealized capital gains or (losses)	-0-
Change in net deferred income tax	(141,265)
Change in non-admitted assets	424,540
Change in provision for reinsurance	-0-
Change in surplus notes	-0-
Dividends to stockholders	(1,000,000)
Aggregate write-ins for gains and losses in surplus	-0-
Net change in capital and surplus	1,579,528
Capital and Surplus, December 31, current year	$8,185,153

ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS

Total Capital and Surplus $8,185,153

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

Tenn. Code Ann. § 56-32-112(a)(2) requires an insurer of this Company's type, an HMO, to establish and maintain minimum net worth equal to the greater of (1) $1,500,000 or (2) an amount totaling 4% of the first $150 million of annual premium revenue earned plus 1.5% of the amount earned in excess of $150 million for the most recent Annual Statement filed with the Commissioner. The Company's premium revenue per documentation obtained from their 2013 Annual Statement totaled $35,352,521; therefore, based upon Tenn. Code Ann. § 56-32-112(a)(2), the Company's minimum statutory net worth requirement was $1,500,000 as of December 31, 2013. Therefore, as of December 31, 2013, the Company maintains capital and surplus in excess of the amount required per Tenn. Code Ann. § 56-32-112(a)(2).

COMMENTS AND RECOMMENDATIONS

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

CONCLUSION

The customary insurance examination practices and procedures as promulgated by the NAIC have been followed in connection with the verification and valuation of assets and the determination of liabilities of Cigna Healthcare of Tennessee, Inc. located in Franklin, Tennessee.

In such manner, it was found that as of December 31, 2013, the Company had net admitted assets of $12,783,137 and liabilities of $4,597,984. Thus, there existed for the additional protection of the policyholders, the amount of $8,185,153 in the form of capital and surplus.

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

In addition to the undersigned, Jean Adams-Harris, CFE, CPA, CISA, AES, MCM, Joanne Smith, CFE, MCM, and Lori Brock, CFE, of Johnson Lambert LLP, Jay Uselton, CFE, of TDCI, as well as Michael A. Mayberry, FSA, MAAA, of Lewis and Ellis, Inc., participated in the work of this examination.

Respectfully submitted,

Eric Free, CFE
Examiner-In-Charge
Johnson Lambert LLP
Representing the State of Tennessee

AFFIDAVIT

The undersigned deposes and says that he has duly executed the attached examination report of Cigna Healthcare of Tennessee, Inc. located in Franklin, Tennessee, dated April 13, 2015 and made as of December 31, 2013, on behalf of the Tennessee Department of Commerce and Insurance. Deponent further says he is familiar with such instrument and the contents thereof, and the facts therein set forth are true to the best of his knowledge, information, and belief.

Eric M. Free

Eric Free, CFE
Examiner-In-Charge
Johnson Lambert LLP
Representing the State of Tennessee

State Oklahoma

County Canadian

Subscribed to and sworn before me

this 12 day of June, 2015

Brittany Shubert
(NOTARY)

My Commission Expires: 4/23/19

BRITTANY SHUBERT
IN AND FOR
#15003783
EXP. 04/23/19
STATE OF OKLAHOMA
NOTARY PUBLIC

EXHIBIT B

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

June 16, 2015

CERTIFIED MAIL
7012 1010 0003 2379 5414

Ms. Karen J. S. Fogarty
Cigna – Audit Coordinator
Cigna HealthCare of Tennessee, Inc.
Wilde Building Routing: C6ACC
900 Cottage Grove Road
Bloomfield, CT 06002

RE: **Report of Examination of Cigna HealthCare of Tennessee, Inc.**

Dear Ms. Fogarty:

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

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

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

Sincerely,

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

Karen J. S. Fogarty
DOI Audit Coordinator
Financial Examinations

Routing C6ACC
900 Cottage Grove Road
Bloomfield, CT 06152
Tel 860-226-8476
Karen.Fogarty@Cigna.com

June 16, 2015

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

RE: Cigna HealthCare of Tennessee, Inc.
Report of Examination as of 12/31/2013

Dear Ms. Little:

We hereby acknowledge receipt of the final 2013 Report of Examination for Cigna HealthCare of Tennessee, Inc. By signing below, we indicate acceptance of the report, as transmitted, and without rebuttal.

Sincerely,

Karen J S Fogarty

Karen J. S. Fogarty