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August 31, 2018

VIA EMAIL And FedEx

Jared T. Kosky
Counsel
State of Connecticut Insurance Department
153 Market Street, 7th Floor
Hartford, CT 06103

Re: Proposed Acquisition of Control of Aetna Life Insurance Company, Aetna Insurance Company of Connecticut, Aetna Health and Life Insurance Company, Aetna Health Inc. (a Connecticut corporation) and Aetna Better Health Inc. (a Connecticut corporation), Subsidiaries of Aetna Inc. (the "Domestic Insurers") by CVS Health Corporation-Amended and Restated Form A Supplemental Filing – Exhibit 12-Financial Projections of the Domestic Insurers - Docket # EX 18-03

Dear Mr. Kosky:

On behalf of CVS Health Corporation, (the "Applicant"), as a supplement to the August 13, 2018 Amended and Restated Form A in the above mentioned matter, enclosed please find an updated Exhibit 12-Financial Projections of the Domestic Insurers. The Aetna Life Insurance Company financial projections have been updated and we have shown a comparison of the originally filed projections and updated financial projections which show the changes made. The assumptions have been updated which show the reasons for the changes. The rest of the domestic insurer financial projections remain unchanged. A thumb drive containing an electronic copy updated Exhibit 12 is enclosed.

Thank you again for your consideration in this matter. If you require any additional information, please contact the undersigned by email at tfarber@lockelord.com or by phone at (312) 443-0532.

Very truly yours,

LOCKE LORD LLP

A handwritten signature in black ink that reads "Tim Farber".

Tim Farber

August 31, 2018
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Enclosure

Exhibit 12: Financial Projections of the Domestic Insurers

22. Unassigned Surplus	1,997,000	2,353,000	2,702,000	2,267,000	2,743,000	3,104,000	270,000	390,000	402,000
23. Other Items(elaborate)	-	-	-	-	-	-	-	-	-
24. Total Capital and Surplus(19+20+21+22+23)	3,467,000	3,823,000	4,172,000	3,737,000	4,213,000	4,574,000	270,000	390,000	402,000
25. Authorized Control Level Risk-Based Capital	775,000	787,000	800,000	800,000	850,000	900,000	25,000	63,000	100,000
26. Calculated Risk-Based Capital (24/25)	447.4%	485.8%	521.5%	467.1%	495.6%	508.2%			

	2018	2019	2020	2018	2019	2020	2018	2019	2020
1. Net Premiums (All Business)	23,097,000	24,483,000	25,952,000	19,658,000	20,810,000	22,022,000	(3,439,000)	(3,673,000)	(3,930,000)
2. Net Investment Income	537,000	553,000	570,000	480,000	508,000	538,000	(57,000)	(45,000)	(32,000)
3. Reinsurance Ceding Commissions	-	-	-	-	-	-	-	-	-
4. Miscellaneous Income	1,504,000	1,549,000	1,596,000	871,000	897,000	924,000	(633,000)	(652,000)	(672,000)
5. Total (1+2+3+4)	25,138,000	26,585,000	28,118,000	21,009,000	22,215,000	23,484,000	(4,129,000)	(4,370,000)	(4,634,000)
Less:									
6. Death Benefits	-	-	-	-	-	-	-	-	-
7. Matured Endowments	-	-	-	-	-	-	-	-	-
8. Annuity Benefits	493,000	523,000	554,000	447,000	474,000	502,000	(46,000)	(49,000)	(52,000)
9. Accident and Health Policy Benefits	16,192,000	17,135,000	18,135,000	15,676,000	16,589,000	17,557,000	(516,000)	(546,000)	(578,000)
10. Surrender Benefits and Other Fund Withdrawals	35,000	37,000	40,000	12,000	13,000	14,000	(23,000)	(24,000)	(26,000)
11. Group Conversions	-	-	-	-	-	-	-	-	-
12. Interest on Policy and Contract Funds	6,000	6,000	6,000	15,000	15,000	15,000	9,000	9,000	9,000
13. Commissions on Premiums and Annuity Considerations - Direct Business	731,000	775,000	821,000	480,000	509,000	539,000	(251,000)	(266,000)	(282,000)
14. Commissions and Expense Allowances on Reinsurance Assumed	27,000	28,000	30,000	28,000	29,000	31,000	1,000	1,000	1,000
15. Increase in Aggregate Reserves	2,658,000	2,818,000	2,987,000	(63,000)	(67,000)	(71,000)	(2,721,000)	(2,885,000)	(3,058,000)
16. Net Transfer (to) or from Separate Accounts Net of Reinsurance	(72,000)	(76,000)	(81,000)	(64,000)	(68,000)	(72,000)	8,000	8,000	9,000
17. Other Expenses *	2,039,000	2,162,000	2,292,000	2,034,000	2,156,000	2,285,000	(5,000)	(6,000)	(7,000)

18. Total Expenses (sum6...17)	22,109,000	23,408,000	24,784,000	18,565,000	19,650,000	20,800,000	(3,544,000)	(3,758,000)	(3,984,000)
19. Net Gain (Loss) from Operations Before Dividends and Federal Income Taxes(5-17)	3,029,000	3,177,000	3,334,000	2,444,000	2,565,000	2,684,000	(585,000)	(612,000)	(650,000)
20. Federal Income Taxes	1,212,000	1,271,000	1,333,000	611,000	539,000	671,000	(601,000)	(732,000)	(662,000)
21. Net Realized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-
22. Less Capital Gains Tax	-	-	-	-	-	-	-	-	-
23. Net Income((19-20)+(21-22))	1,817,000	1,906,000	2,001,000	1,833,000	2,026,000	2,013,000	16,000	120,000	12,000
24. Prior YE Surplus	2,650,000	3,467,000	3,823,000	2,904,000	3,737,000	4,213,000	254,000	270,000	390,000
25. Net Income	1,817,000	1,906,000	2,001,000	1,833,000	2,026,000	2,013,000	16,000	120,000	12,000
26. Capital Increases	-	-	-	-	-	-	-	-	-
27. Other Increases (Decreases)	-	-	-	-	-	-	-	-	-
28. Dividends to Stockholders	1,000,000	1,550,000	1,652,000	1,000,000	1,550,000	1,652,000	-	-	-
29. YE Surplus	3,467,000	3,823,000	4,172,000	3,737,000	4,213,000	4,574,000	270,000	390,000	402,000
*Itemize in Assumptions									

	2018	2019	2020	2018	2019	2020	2018	2019	2020
Cash From Operations									
1. Premiums Collected Net of Reinsurance	23,097,000	24,483,000	25,952,000	19,658,000	20,810,000	22,022,000	(3,439,000)	(3,673,000)	(3,930,000)
2. Benefits Paid	19,378,000	20,513,000	21,716,000	16,150,000	17,091,000	18,088,000	(3,228,000)	(3,422,000)	(3,628,000)
3. Underwriting Expenses Paid	2,072,000	2,196,000	2,328,000	2,415,000	2,559,000	2,712,000	343,000	363,000	384,000
4. Total Cash From Underwriting (L1-L2-L3)	1,647,000	1,774,000	1,908,000	1,093,000	1,160,000	1,222,000	(554,000)	(614,000)	(686,000)
5. Net Investment Income	537,000	553,000	570,000	480,000	508,000	538,000	(57,000)	(45,000)	(32,000)
6. Other Income	737,000	735,000	515,000	871,000	897,000	924,000	134,000	162,000	409,000
7. Dividends to Policyholders	-	-	-	-	-	-	-	-	-
8. Federal and Foreign Income Taxes (Paid) Recovered	(1,212,000)	(1,271,000)	(1,333,000)	(611,000)	(539,000)	(671,000)	601,000	732,000	662,000
9. Net Cash From Operations (L4+L5+L6-L7+L8)	1,709,000	1,791,000	1,660,000	1,833,000	2,026,000	2,013,000	124,000	235,000	353,000

Aetna Life Insurance Company Financial Projection Assumptions

The Company's projected financial results contain high level assumptions and have been prepared with the best knowledge and judgment available at the time of their preparation. The projections are forward looking information and based on management's current estimates and assumptions. The projections are subject to significant uncertainties and other factors, many of which are beyond Aetna's control. Actual future results and other future events may differ materially from those reflected in the projections.

P&L projections provided earlier were based on Sept '17 actuals and incorrectly run rated certain Group Sale items. The current projections are based on Q2' 18 actuals and have been corrected to exclude group sale/one-time items.

Net gain from operations before income taxes for the projection period, primarily reflects growth/results in the Company's health care business.

Balance Sheet projections are based off income statement and Cash Flow projections are based off the projected Balance Sheet and Income Statement.

Bonds were adjusted to coincide with the changes in the unassigned funds (surplus) account as it's the primary category of assets for the Company.

All other assets and liabilities were assumed to be flat over the projection period.

Unassigned funds (surplus) for the projection period primarily reflects the capital management decisions of the Company and is primarily impacted by earnings and dividends over the period.

All other capital and surplus categories assumed constant over the projection period.

There is no forecast of realized capital gains/losses for the projection period as the Company does not forecast capital gains and losses activity.

The income tax rate is assumed to be 25% for 2018, 21% for 2019 and 25% for 2020.

Affiliated investments are included in other asset categories for the purpose of the projections.

Aetna Insurance Company of Connecticut

	2018	2019	2020
Admitted Assets			

1. Bonds	5,927	6,101	6,284
2. Common Stock			
3. Real Estate/Mortgage Loans			
4. Affiliated Investments			
5. Affiliated Receivables			
6. Cash/Cash Equivalents	2,381	2,381	2,381
7. All assets other than investments	173	173	173
8. Total Admitted Assets	8,481	8,655	8,838
Liabilities			

9. Losses (Case & IBNR)	217	200	183
10. Loss Adjustment Expenses			
11. Unearned Premiums			
12. Ceded Reinsurance Payable			
13. Payable to Parents, Subsidiaries & Affiliates	24	24	24
14. All Other Liabilities	172	172	172
15. Total Liabilities(9+10+11+12+13+14)	413	396	379
Capital and Surplus			

16. Capital Stock	3,000	3,000	3,000
17. Gross Paid in and Contributed Surplus	11,736	11,736	11,736
18. Surplus Notes			
19. Unassigned Surplus	(6,668)	(6,477)	(6,277)
20. Other Items(elaborate)			
21. Total Capital and Surplus(16+17+18+19+20)	8,068	8,259	8,459
25. Authorized Control Level Risk-Based Capital	62	62	62
26. Calculated Risk-Based Capital (24/25)	13012.9%	13321.0%	13643.5%

P&L Statement	2018	2019	2020
1. Net Premiums Earned			
2. Net Losses Incurred (Case & IBNR)	(17)	(17)	(17)
3. Net Loss Adjustment Expenses Incurred			
4. Direct and Assumed Commissions & Brokerage			
5. Reinsurance Ceding Commissions			
6. Net Commissions Incurred (4-5)	-	-	-
7. Other Contractual Agreements*			
8. Other Underwriting Expenses Incurred**	140	140	140
9. Underwriting Gain (Loss) (1-(2+3+6+7+8))	(123)	(123)	(123)
10. Net Investment Income	439	452	468
11. Other Income	-		
12. Income Taxes Incurred	133	138	145
13. Net Operating Income (Loss) after taxes	183	191	200
14. Prior YE Surplus	15,885	8,068	8,259
15. Net Income	183	191	200
16. Capital Increases			
17. Other Increases (Decreases)	-		
18. Dividends to Stockholders	8,000		
19. YE Surplus	8,068	8,259	8,459
Operating Percentages:			
Net Premiums Earned			
20. Net Losses Incurred to Net Premiums Earned(2/1)	0.00%	0.00%	0.00%
21. Net Loss Adjustment Expenses Incurred to Net Premiums Earned(3/1)	0.00%	0.00%	0.00%
22. Other Underwriting Expenses to Net Premiums Earned ((6+7+8)/1)	0.00%	0.00%	0.00%
23. Net Underwriting Gain Or (Loss) (9/1)	0.00%	0.00%	0.00%
Other Percentages:			

24. Other Underwriting Expenses to Net Premiums Written ((6+7+8)/Total Net Premiums Written))	n.a	n.a	n.a
25. Net Loss and Loss Adjustment Expenses Incurred to Net Premiums Earned ((2+3)/1)	0.00%	0.00%	0.00%

Cash Flow Statement	2018	2019	2020
Cash From Operations			
1. Premiums Collected Net of Reinsurance	-	-	-
2. Loss and Loss Adjustments Expenses Paid (Net of S&S)	(0)	-	-
3. Underwriting Expenses Paid			
4. Other Underwriting Income(expenses)	(140)	(140)	(140)
5. Total Cash From Underwriting(1-2-3+4)	(140)	(140)	(140)
6. Net Investment Income	439	452	468
7. Other Income			
8. Dividends to Policyholders	-	-	-
9. Federal and Foreign Income Taxes (Paid) Recovered	(133)	(138)	(145)
10. Net Cash From Operations(5+6+7-8+9)	166	174	183
Cash From Investments			
11. Net Cash from Investments	7,834	(174)	(183)
Cash From Financing and Misc Sources			
12. Capital and Paid in Surplus	-	-	-
13. Surplus Notes			
14. Borrowed Funds			
15. Dividends	8,000	-	-
16. Other Cash Provided (applied)	-	-	-
17. Net Cash from Financing and Misc. Sources	(8,000)	-	-
18. Net Change in Cash, Cash Equivalents and Short-Term Investments(10+11+17)	0	(0)	(0)

Assumptions

The Company's projected financial results contain high level assumptions and have been prepared with the best knowledge and judgment available at the time of their preparation. The projections are forward looking information and based on management's current estimates and assumptions. The projections are subject to significant uncertainties and other factors, many of which are beyond Aetna's control. Actual future results and other future events may differ materially from those reflected in the projections.

Balance Sheet projections are based off income statement.

Cash Flow projections based off the projected Balance Sheet and Income Statement.

The Company has no active business, the only activity is immaterial run off of an assumed auto reserve.

Bonds was the category that was adjusted to coincide with the changes in the unassigned funds (surplus) account as it's the primary category of assets for the Company.

All other assets assumed constant over the projection period.

Reserves changes (auto run off) are consistent over the projection years and based upon the most recent estimate of 2017 reserve changes.

All other liabilities held constant over the projection period.

There is no forecast of realized capital gains/losses for the projection period as the Company does not forecast capital gains and losses activity.

The income tax rate is assumed to be 42% for all periods presented and does not include any potential impact from the 2017 tax reform bill.



Aetna Health Inc. (a Connecticut corporation)

Balance Sheet	2018	2019	2020
Admitted Assets			

1. Bonds	145,422	160,948	178,165
2. Stock	-	-	-
3. Real Estate/Mortgage Investments	-	-	-
4. Affiliated Investments	-	-	-
5. Affiliated Receivables	-	-	-
6. Cash/Cash Equivalents	2,428	2,692	2,980
7. Aggregate write in for assets	15,505	17,501	19,317
8. Total Assets(1+2+3+4+5+6+7)	163,356	181,141	200,462
Liabilities			

9. Losses (Unpaid Claims for Accident and Health Policies)	32,798	37,726	42,221
10. Unpaid claims adjustment expenses	379	432	480
11. Reserve for Accident and Health Policies	3,015	3,434	3,815
12. Ceded Reinsurance Payable	-	-	-
13. Payable to Parents, Subsidiaries & Affiliates	-	-	-
14. MLR rebates	-	-	-
15. Premiums received in advanced	23,367	26,615	29,569
16. All other Liabilites	17,807	14,432	14,423
17. Total Liabilities (9+10+11+12+13+14+15+16)	77,365	82,638	90,508
Capital and Surplus			

18. Capital Stock	0	0	0
19. Gross Paid In and Contributed Surplus	94,845	94,845	94,845
20. Surplus Notes	-	-	-
21. Unassigned Surplus	(8,854)	3,658	15,109
22. Other Items(elaborate)	-	-	-
23. Total Capital and Surplus(18+19+20+21+22)	85,991	98,503	109,954
24. Authorized Control Level Risk-Based Capital	\$ 10,200	\$ 11,700	\$ 13,100

25. Calculated Risk-Based Capital (23/24)	843.0%	841.9%	839.3%
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P & L	2018	2019	2020
1. Member months	368	417	463
2. Net Premium Income	303,954	346,204	384,633
3. Fee for Service	-	-	-
4. Risk Revenue	-	-	-
5. Change in unearned premium reserves	-	-	-
6. Aggregate write in for other health related revenue	-	-	-
7. Aggregate write in for other non-health related revenue	-	-	-
8. Total (L2+L3+L4+L5+L6+L7)	303,954	346,204	384,633
Hospital and Medical:			
9. Hospital/Medical Benenfits	204,196	234,879	262,867
10. Other professional Services	(0)	(0)	(0)
11. Prescription Drugs	36,337	41,797	46,777
12. Aggregate write ins for other hospital/medical	6,720	7,730	8,651
13. Subtotal (L9+L10+L11+L12)	247,253	284,406	318,296
Less:			
14. Reinsurance recoveries	1,354	1,558	1,743
15. Total hospital and Medical (L13 -L14)	245,899	282,849	316,553
16. Non health claims	-	-	-
17. Claims adjustment expenses	3,875	4,413	4,903
18. General admin expenses	24,744	28,184	31,312
19. Increase in reserves for accident and health contacts	-	-	-
20. Total underwriting deductions (L15+L16+L17+L18+L19)	274,518	315,445	352,768
21. Net underwriting gain or loss (L8 -L20)	29,436	30,759	31,865
22. Net investment income earned	4,045	4,607	5,119
23. Aggregate write in for other income or expenses	-	-	-
24. Federal Income Taxes	14,062	14,854	15,533
25. Net Realized Capital Gains (Losses)	-	-	-
26. Less Capital Gains Tax	-	-	-
27. Net Income (L21+L22+L23-L24+L25)	19,419	20,512	21,451

28. Prior YE Surplus	78,571	85,991	98,503
29. Net Income	19,419	20,512	21,451
30. Capital Increases	-	-	-
31. Other Increases (Decreases)	-	-	-
32. Dividends to Stockholders	12,000	8,000	10,000
33. YE Surplus (L28+L29+L30+L31-L32)	85,991	98,503	109,954
*Itemize in Assumptions			

Cash Flow	2018	2019	2020
Cash From Operations			
1. Premiums Collected Net of Reinsurance	306,844	348,432	386,659
2. Benefits Paid	240,158	277,700	311,858
3. Underwriting Expenses Paid	28,457	32,472	36,101
4. Total Cash From Underwriting (L1-L2-L3)	38,230	38,260	38,700
5. Net Investment Income	3,833	4,444	4,970
6. Other Income	-	-	-
7. Dividends to Policyholders	-	-	-
8. Federal and Foreign Income Taxes (Paid) Recovered	(8,345)	(18,342)	(15,645)
9. Net Cash From Operations (L4+L5+L6-L7+L8)	33,718	24,361	28,025
Cash From Investments			
10. Net Cash from Investments	(20,648)	(15,525)	(17,218)
Cash From Financing and Misc Sources			
11. Capital and paid in Surplus	-	-	-
12. Surplus Notes	-	-	-
13. Borrowed Funds	-	-	-
14. Dividends	12,000	8,000	10,000
15. Other Cash Provided (Applied)	(742)	(572)	(520)
16. Net Cash from Financing and Misc Sources (L11+L12+L13-L14+L15)	(12,742)	(8,572)	(10,520)
17. Net Change in Cash, Cash Equivalents and Short -Term			

Assumptions

The Company's projected financial results contain high level assumptions and have been prepared with the best knowledge and judgment available at the time of their preparation. The projections are forward looking information and based on management's current estimates and assumptions. The projections are subject to significant uncertainties and other factors, many of which are beyond Aetna's control. Actual future results and other future events may differ materially from those reflected in the projections.

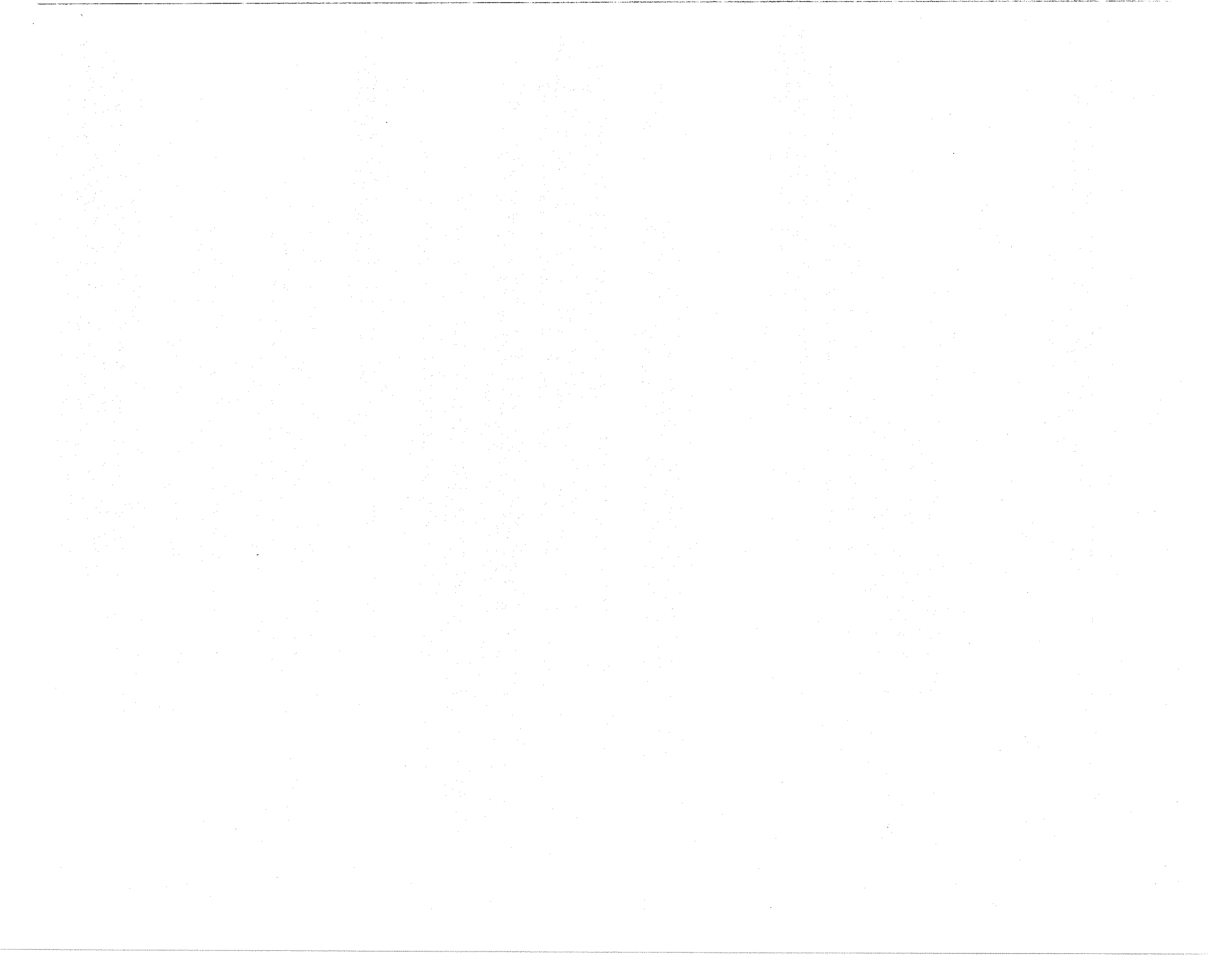
The income tax rate is assumed to be 42% for all periods presented and does not include any potential impact from the 2017 tax reform bill.

Balance Sheet projections are based off income statement.

Cash Flow projections based off the projected Balance Sheet and Income Statement.

The Company's projections are based off Medicare projected growth (95% of business is Medicare).

There is no forecast of realized capital gains/losses for the projection period as the Company does not forecast capital gains and losses activity.



Aetna Health and Life Insurance Company

	2018	2019	2020
Admitted Assets			
1. Bonds	123,128	81,344	76,424
2. Stock	1,550	1,550	1,550
3. Real Estate/Mortgage Investments	-	-	-
4. Affiliated Investments	-	-	-
5. Affiliated Receivables	-	-	-
6. Cash/Cash Equivalents	126,023	126,023	126,023
7. Separate Account Assets	-	-	-
8. All Other Assets	7,687	7,687	7,687
9. Total Assets	258,388	216,604	211,684
Liabilities			
10. Losses (Unpaid Claims for Life & Health Policies)	7,074	8,201	9,431
11. Reserve for Life Policies	-	-	-
12. Reserve for Accident and Health Policies	37,414	43,376	49,881
13. Ceded Reinsurance Payable	-	-	-
14. Payable to Parents, Subsidiaries & Affiliates	-	-	-
15. All Other Liabilities	20,597	23,893	27,478
16. Asset Valuation Reserve(AVR)	44,204	44,204	44,204
17. Separate Account Liabilities	-	-	-
18. Total Liabilities(10+11+12+13+14+15+16+17)	109,289	119,673	130,993
Capital and Surplus			
19. Capital Stock	2,500	2,500	2,500
20. Gross Paid In and Contributed Surplus	99,010	99,010	99,010
21. Surplus Notes	-	-	-
22. Unassigned Surplus	47,589	(4,579)	(20,819)
23. Other Items(elaborate)	-	-	-
24. Total Capital and Surplus(19+20+21+22+23)	149,099	96,931	80,691

25. Authorized Control Level Risk-Based Capital	15,300	17,700	20,400
26. Calculated Risk-Based Capital (24/25)	1263.4%	797.4%	612.2%

	2018	2019	2020
1. Net Premiums (All Business)	357,400	414,600	476,800
2. Net Investment Income	1,700	1,900	2,100
3. Reinsurance Ceding Commissions	-	-	-
4. Miscellaneous Income	-	-	-
5. Total (1+2+3+4)	359,100	416,500	478,900
Less:			
6. Death Benefits	-	-	-
7. Matured Endowments	-	-	-
8. Annuity Benefits	-	-	-
9. Accident and Health Policy Benefits	250,100	289,900	333,400
10. Surrender Benefits and Other Fund Withdrawals	-	-	-
11. Group Conversions	-	-	-
12. Interest on Policy and Contract Funds	-	-	-
13. Commissions on Premiums and Annuity Considerations - Direct Business	94,900	106,700	116,900
14. Commissions and Expense Allowances on Reinsurance Assumed	-	-	-
15. Increase in Aggregate Reserves	17,900	20,800	23,900
16. Net Transfer (to) or from Separate Accounts Net of Reinsurance	-	-	-
17. Other Expenses *	25,100	28,700	32,700
18. Total Expenses (sum6...17)	388,000	446,100	506,900
19. Net Gain (Loss) from Operations Before	(28,900)	(29,600)	(28,000)

Dividends and Federal Income Taxes(5-17)			
20. Federal Income Taxes	(12,138)	(12,432)	(11,760)
21. Net Realized Capital Gains (Losses)	-	-	-
22. Less Capital Gains Tax	-	-	-
23. Net Income((19-20)+(21-22))	(16,762)	(17,168)	(16,240)
24. Prior YE Surplus	255,861	149,099	96,931
25. Net Income	(16,762)	(17,168)	(16,240)
26. Capital Increases	-	-	-
27. Other Increases (Decreases)	-	-	-
28. Dividends to Stockholders	90,000	35,000	-
29. YE Surplus	149,099	96,931	80,691
*Itemize in Assumptions			

	2018	2019	2020
Cash From Operations			
1. Premiums Collected Net of Reinsurance	357,400	414,600	476,800
2. Benefits Paid	260,442	303,612	349,564
3. Underwriting Expenses Paid	120,000	132,104	146,015
4. Total Cash From Underwriting (L1-L2-L3)	(23,042)	(21,115)	(18,780)
5. Net Investment Income	1,700	1,900	2,100
6. Other Income	-	-	-
7. Dividends to Policyholders	-	-	-
8. Federal and Foreign Income Taxes (Paid) Recovered	12,138	12,432	11,760
9. Net Cash From Operations (L4+L5+L6-L7+L8)	(9,204)	(6,783)	(4,920)
Cash From Investments			
10. Net Cash from Investments	99,204	41,783	4,920
Cash From Financing and Misc Sources			
11. Capital and paid in Surplus	-	-	-

12. Surplus Notes	-	-	-
13. Borrowed Funds	-	-	-
14. Dividends	90,000	35,000	-
15. Other Cash Provided (Applied)	-	-	-
16. Net Cash from Financing and Misc Sources (L11+L12+L13-L14+L15)	(90,000)	(35,000)	-
17. Net Change in Cash, Cash Equivalents and Short -Term Investments (L9+L10+L16)	0	(0)	0

Assumptions

The Company's projected financial results contain high level assumptions and have been prepared with the best knowledge and judgment available at the time of their preparation. The projections are forward looking information and based on management's current estimates and assumptions. The projections are subject to significant uncertainties and other factors, many of which are beyond Aetna's control. Actual future results and other future events may differ materially from those reflected in the projections.

Balance Sheet projections are based off income statement.

Cash Flow projections based off the projected Balance Sheet and Income Statement.

Premiums are based on new business growth rates experienced when launching medicare supplement products and anticipated rate increases on renewal business.

Medical expenses and death/surrender benefits (where applicable) are based on medical loss ratios and actual historical experience.

Commission estimates are derived from commission schedules in place and aging of the block of business.

Other expenses include general insurance expenses, insurance taxes, licenses, and fees and are based on historical percentage of premiums.

The income tax rate is assumed to be 42% for all periods presented and does not include any potential impact from the 2017 tax reform bill.

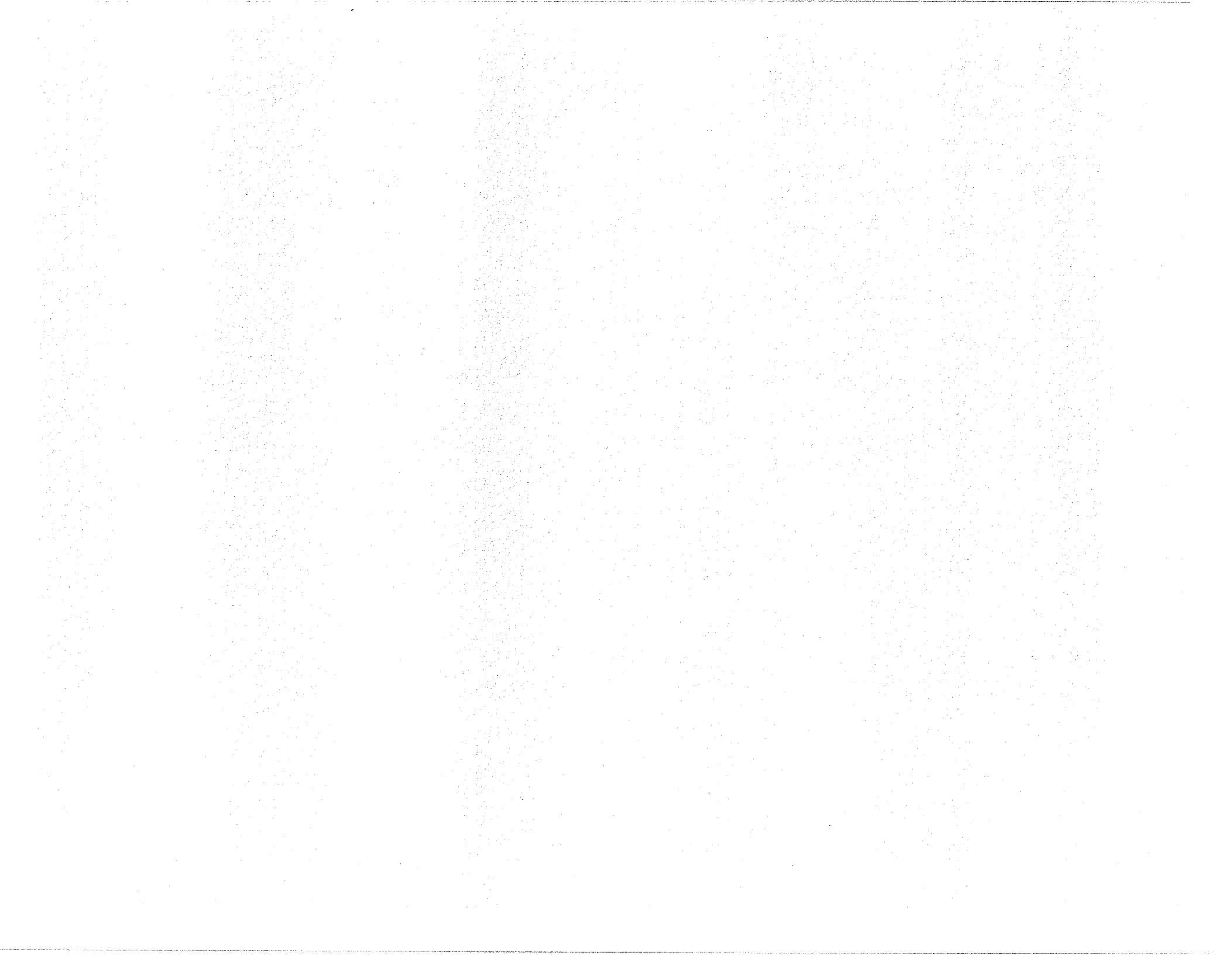
Miscellaneous Income kept in line with prior years.

There is no forecast of realized capital gains/losses for the projection period as the Company does not forecast capital gains and losses activity.

Anticipated capital contributions are based upon Aetna's commitment to fund losses resulting from growth, as proven by a history of such capital contributions.

Assumes Congress does not pass legislation which materially impacts traditional Medicare or Medicare Supplement (Medigap) insurance, thereby affecting premiums and losses.

Asset mix kept constant over time based on historical results.



Aetna Better Health Inc. (a Connecticut corporation)

Balance Sheet	2018	2019	2020
Admitted Assets			

1. Bonds	1,014	1,017	1,033
2. Stock			
3. Real Estate/Mortgage Investments			
4. Affiliated Investments			
5. Affiliated Receivables			
6. Cash/Cash Equivalents	2,190	2,214	2,241
7. Aggregate write in for assets	6	13	11
8. Total Assets(1+2+3+4+5+6+7)	3,210	3,244	3,285
Liabilities			

9. Losses (Unpaid Claims for Accident and Health Policies)			
10. Unpaid claims adjustment expenses			
11. Reserve for Accident and Health Policies			
12. Ceded Reinsurance Payable			
13. Payable to Parents, Subsidiaries & Affiliates			
14. MLR rebates			
15. Premiums received in advanced			
16. All other Liabilites	1	1	1
17. Total Liabilities (9+10+11+12+13+14+15+16)	1	1	1
Capital and Surplus			

18. Capital Stock	2,310	2,310	2,310
19. Gross Paid In and Contributed Surplus			
20. Surplus Notes	899	933	974
21. Unassigned Surplus			
22. Other Items(elaborate)			
23. Total Capital and Surplus(18+19+20+21+22)	3,209	3,243	3,284
24. Authorized Control Level Risk-Based Capital	\$ 8	\$ 8	\$ 9

25. Calculated Risk-Based Capital (23/24)

40112.5% 40537.5% 36488.9%

P & L	2018	2019	2020
1. Member months			
2. Net Premium Income			
3. Fee for Service			
4. Risk Revenue			
5. Change in unearned premium reserves			
6. Aggregate write in for other health related revenue			
7. Aggregate write in for other non-health related revenue			
8. Total (L2+L3+L4+L5+L6+L7)	-	-	-
Hospital and Medical:			
9. Hospital/Medical Benenfits	(50)	(38)	(28)
10. Other professional Services			
11. Prescription Drugs			
12. Aggregate write ins for other hospital/medical			
13. Subtotal (L9+L10+L11+L12)	(50)	(38)	(28)
Less:			
14. Reinsurance recoveries			
15. Total hospital and Medical (L13 -L14)	(50)	(38)	(28)
16. Non health claims			
17. Claims adjustment expenses			
18. General admin expenses	1	1	1
19. Increase in reserves for accident and health contacts			
20. Total underwriting deductions (L15+L16+L17+L18+L19)	(49)	(37)	(27)
21. Net underwriting gain or loss (L8 -L20)	49	37	27
22. Net investment income earned	29	22	44
23. Aggregate write in for other income or expenses			
24. Federal Income Taxes	33	25	30
25. Net Realized Capital Gains (Losses)			
26. Less Capital Gains Tax			
27. Net Income (L21+L22+L23-L24+L25)	45	34	41

28. Prior YE Surplus	3,164	3,209	3,243
29. Net Income	45	34	41
30. Capital Increases			
31. Other Increases (Decreases)			
32. Dividends to Stockholders			
33. YE Surplus (L28+L29+L30+L31-L32)	3,209	3,243	3,284
*Itemize in Assumptions			

Cash Flow	2018	2019	2020
Cash From Operations			
1. Premiums Collected Net of Reinsurance			
2. Benefits Paid	(50)	(38)	(28)
3. Underwriting Expenses Paid	2	1	1
4. Total Cash From Underwriting (L1-L2-L3)	48	37	27
5. Net Investment Income	30	23	41
6. Other Income			
7. Dividends to Policyholders			
8. Federal and Foreign Income Taxes (Paid) Recovered	(38)	(33)	(25)
9. Net Cash From Operations (L4+L5+L6-L7+L8)	40	27	43
Cash From Investments			
10. Net Cash from Investments	(11)	(3)	(16)
Cash From Financing and Misc Sources			
11. Capital and paid in Surplus	-	-	-
12. Surplus Notes	-	-	-
13. Borrowed Funds	-	-	-
14. Dividends	-	-	-
15. Other Cash Provided (Applied)	-	-	-
16. Net Cash from Financing and Misc Sources (L11+L12+L13-L14+L15)	-	-	-
17. Net Change in Cash, Cash Equivalents and Short -Term			

Assumptions

The Company's projected financial results contain high level assumptions and have been prepared with the best knowledge and judgment available at the time of their preparation. The projections are forward looking information and based on management's current estimates and assumptions. The projections are subject to significant uncertainties and other factors, many of which are beyond Aetna's control. Actual future results and other future events may differ materially from those reflected in the projections.

The Company is not currently writing business and the projections reflect any run-off

The income tax rate is assumed to be 42% for all periods presented and does not include any potential impact from the 2017 tax reform bill.

Balance Sheet projections are based off income statement.

Cash Flow projections based off the projected Balance Sheet and Income Statement.

There is no forecast of realized capital gains/losses for the projection period as the Company does not forecast capital gains and losses activity.