



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2002  
of the Condition and Affairs of the



## Dental Care Plus, Inc.

NAIC Group Code..... ,0000, (Current Period) (Prior Period) NAIC Company Code..... 96265 Employer's ID Number..... 31-1185262

Organized under the Laws of Ohio State of Domicile or Port of Entry Ohio Country of Domicile United States of America

Licensed as Business Type Specialty Health Care

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

Date Incorporated or Organized..... January 6, 1986 Date Commenced Business..... March 1, 1988

Statutory Home Office 4500 Lake Forest Drive, Suite 512..... Cincinnati ..... OH ..... 45242  
(Street and Number) (City or Town, State and Zip Code)

Address of Main Administrative Office 4500 Lake Forest Drive, Suite 512..... Cincinnati ..... OH ..... 45242 513-554-1100  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 4500 Lake Forest Drive, Suite 512..... Cincinnati ..... OH ..... 45242  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 4500 Lake Forest Drive, Suite 512..... Cincinnati ..... OH ..... 45242 513-554-1100  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address Dentalcareplus.com

Statement Contact Mark William Wetenkamp 513-554-1100  
(Name) (Area Code) (Telephone Number) (Extension)  
MWetenkamp@msn.com 513-554-3187  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact 4500 Lake Forest Drive, Suite 512..... Cincinnati ..... OH ..... 45242 513-554-1100  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

President ..... Anthony A. Cook Treasurer ..... Fred H. Peck D.D.S. Secretary ..... Mary Ellen Wynn D.D.S.

### VICE PRESIDENTS

### DIRECTORS OR TRUSTEES

Fred Bronson D.D.S. Molly Meakin Rogers C.P.A. Mark Zigoris D.D.S. Ross Geiger  
Sanford S. Scheingold D.D.S. Roger Highley D.D.S. Stephen Schuler D.M.D. Donald J. Peak C.P.A.  
Jack Cook M.H.A. David A. Kreyling D.M.D.

State of..... Ohio  
County of..... Hamilton

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Anthony A. Cook  
(Signature)  
Anthony A. Cook  
(Printed Name)  
President

Mary Ellen Wynn  
(Signature)  
Mary Ellen Wynn D.D.S.  
(Printed Name)  
Secretary

Fred H. Peck, D.D.S.  
(Signature)  
Fred H. Peck D.D.S.  
(Printed Name)  
Treasurer

Subscribed and sworn to before me this  
1 day of March, 2003  
Rebecca L. Hodges

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

REBECCA L. HODGES  
Notary Public, State of Ohio  
My Commission Expires Sept. 20, 2005

## ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds.....			0	
2. Stocks:				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate:				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			(a) 0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....5,857,475, Schedule E, Part 1) and short-term investments (\$.....0, Schedule DA, Part 2).....	5,857,475		5,857,475	5,395,362
6. Other long-term invested assets.....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	95,108	86,988	8,120	2,997
9. Subtotal cash and invested assets (Lines 1 to 8).....	5,952,583	86,988	5,865,595	5,398,359
10. Accident and health premiums due and unpaid.....	370,423		370,423	408,222
11. Health care receivables.....			0	
12. Amounts recoverable from reinsurers.....			0	
13. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
14. Investment income due and accrued.....			0	
15. Amounts due from parent, subsidiaries and affiliates.....			0	
16. Amounts receivable relating to uninsured accident and health plans.....			0	
17. Furniture and equipment.....	14,505		14,505	23,073
18. Amounts due from agents.....			0	
19. Federal and foreign income tax recoverable and interest thereon (including \$.....137,296 net deferred tax asset).....	149,381		149,381	
20. Electronic data processing equipment and software.....	103,703		103,703	61,485
21. Other nonadmitted assets.....	3,201	3,201	0	
22. Aggregate write-ins for other than invested assets.....	193,940	11,599	182,341	175,000
23. Total assets (Lines 9 plus 10 through 22).....	6,787,736	101,788	6,685,948	6,066,139

### DETAILS OF WRITE-INS

0801. Accounts Receivable-Other.....	8,120		8,120	1,434
0802. Prepaid Expenses.....	86,988	86,988	0	
0803. Interest Receivable.....			0	1,563
0898. Summary of remaining write-ins for Line 8 from overflow page.....	0	0	0	0
0899. Totals (Lines 0801 thru 0803 plus 0898) (Line 8 above).....	95,108	86,988	8,120	2,997
2201. State Statutory Guarantee Fund Deposits.....	175,563		175,563	175,000
2202. Deposits-Other.....	6,210	6,210	0	
2203. Accounts Receivable-Self-Insured.....	12,167	5,389	6,778	
2298. Summary of remaining write-ins for Line 22 from overflow page.....	0	0	0	0
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above).....	193,940	11,599	182,341	175,000

(a) \$.....0 health care delivery assets included in Line 4.1, Column 3.

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	2,400,000		2,400,000	2,500,000
2. Accrued medical incentive pool and bonus payments.....			0	
3. Unpaid claims adjustment expenses.....			0	
4. Aggregate policy reserves.....			0	45,187
5. Aggregate claim reserves.....			0	
6. Premiums received in advance.....	641,563		641,563	297,702
7. General expenses due or accrued.....	392,806		392,806	301,766
8. Federal and foreign income tax payable and interest thereon (including \$.....0 (on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....			0	279,980
9. Amounts withheld or retained by company for the account of others.....	800,000		800,000	750,000
10. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
11. Amounts due to parent, subsidiaries and affiliates.....			0	
12. Payable for securities.....			0	
13. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
14. Reinsurance in unauthorized companies.....			0	
15. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
16. Liability for amounts held under uninsured accident and health plans.....			0	
17. Aggregate write-ins for other liabilities (including \$.....0 current).....	1,456	0	1,456	6,745
18. Total liabilities (Lines 1 to 17).....	4,235,825	0	4,235,825	4,181,380
19. Common capital stock.....	XXX	XXX	1,321,663	1,337,372
20. Preferred capital stock.....	XXX	XXX		
21. Gross paid in and contributed surplus.....	XXX	XXX	21,751	21,751
22. Surplus notes.....	XXX	XXX		
23. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
24. Unassigned funds (surplus).....	XXX	XXX	1,106,709	525,636
25. Less treasury stock, at cost				
25.1 .....0.000 shares common (value included in Line 19 \$.....0).....	XXX	XXX		
25.2 .....0.000 shares preferred (value included in Line 20 \$.....0).....	XXX	XXX		
26. Total capital and surplus (Lines 19 to 24 less Line 25).....	XXX	XXX	2,450,123	1,884,759
27. Total liabilities, capital and surplus (Lines 18 and 26).....	XXX	XXX	6,685,948	6,066,139

**DETAILS OF WRITE-INS**

1701. Capital Lease Obligation.....	1,456		1,456	6,745
1702. ....			0	
1703. ....			0	
1798. Summary of remaining write-ins for Line 17 from overflow page.....	0	0	0	0
1799. Totals (Lines 1701 thru 1703 plus 1798) (Line 17 above).....	1,456	0	1,456	6,745
2301. ....	XXX	XXX		
2302. ....	XXX	XXX		
2303. ....	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page.....	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	XXX	XXX	0	0

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX	1,634,968	1,680,182
2. Net premium income.....	XXX	24,914,309	21,875,667
3. Change in unearned premium reserves and reserve for rate credits.....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX		
5. Risk revenue.....	XXX		
6. Aggregate write-ins for other health care related revenues.....	XXX	922,208	1,136,867
7. Total revenues (Lines 2 to 6).....	XXX	25,836,517	23,012,534
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits.....		20,795,904	17,782,055
9. Other professional services.....			
10. Outside referrals.....			
11. Emergency room and out-of-area.....			
12. Prescription drugs.....			
13. Aggregate write-ins for other medical and hospital.....	0	0	0
14. Incentive pool and withhold adjustments.....			
15. Subtotal (Lines 8 to 14).....	0	20,795,904	17,782,055
<b>Less:</b>			
16. Net reinsurance recoveries.....			
17. Total medical and hospital (Lines 15 minus 16).....	0	20,795,904	17,782,055
18. Claims adjustment expenses.....			
19. General administrative expenses.....		3,619,696	3,664,315
20. Increase in reserves for accident and health contracts.....		(45,187)	(58,195)
21. Total underwriting deductions (Lines 17 through 20).....	0	24,370,413	21,388,175
22. Total underwriting gain or (loss) (Lines 7 minus 21).....	XXX	1,466,104	1,624,359
23. Net investment income earned.....		32,051	77,177
24. Net realized capital gains or (losses).....			
25. Net investment gains or (losses) (Lines 23 plus 24).....	0	32,051	77,177
26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....			
27. Aggregate write-ins for other income or expenses.....	(764,317)	(764,317)	(742,715)
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27).....	(764,317)	733,838	958,821
29. Federal and foreign income taxes incurred.....	XXX	304,527	320,780
30. Net income (loss) (Lines 28 minus 29).....	XXX	429,311	638,041

### DETAILS OF WRITE-INS

0601. Self-Insured Administrative Revenue.....	XXX	922,208	1,136,867
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	922,208	1,136,867
1301. ....			
1302. ....			
1303. ....			
1398. Summary of remaining write-ins for Line 13 from overflow page.....	0	0	0
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above).....	0	0	0
2701. Provider Withhold Expense.....	(800,000)	(800,000)	(750,000)
2702. Other Income.....	35,683	35,683	7,285
2703. ....			
2798. Summary of remaining write-ins for Line 27 from overflow page.....	0	0	0
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above).....	(764,317)	(764,317)	(742,715)

**STATEMENT OF REVENUE AND EXPENSES (Continued)**

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
31. Capital and surplus prior reporting year.....	1,884,759	1,209,797
<b>GAINS AND LOSSES TO CAPITAL AND SURPLUS</b>		
32. Net income or (loss) from Line 30.....	429,311	638,041
33. Change in valuation basis of aggregate policy and claim reserves.....		
34. Net unrealized capital gains and losses.....		
35. Change in net unrealized foreign exchange capital gain or (loss).....		
36. Change in net deferred income tax.....	137,296	
37. Change in nonadmitted assets.....	14,465	4,921
38. Change in unauthorized reinsurance.....		
39. Change in treasury stock.....		
40. Change in surplus notes.....		
41. Cumulative effect of changes in accounting principles.....		
42. Capital Changes:		
42.1 Paid in.....	(15,708)	32,000
42.2 Transferred from surplus (stock dividend).....		
42.3 Transferred to surplus.....		
43. Surplus adjustments:		
43.1 Paid in.....		
43.2 Transferred to capital (stock dividend).....		
43.3 Transferred from capital.....		
44. Dividends to stockholders.....		
45. Aggregate write-ins for gains or (losses) in surplus.....	0	0
46. Net change in capital and surplus (Lines 32 to 45).....	565,364	674,962
47. Capital and surplus end of reporting year (Line 31 plus 46).....	2,450,123	1,884,759

**DETAILS OF WRITE-INS**

4501. Common Stock Issuance Cost.....		
4502. Common Stock Subscriptions.....		
4503. Common Stock Repurchased and Retired.....		
4598. Summary of remaining write-ins for Line 45 from overflow page.....	0	0
4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above).....	0	0

**CASH FLOW**

	1 Current Year	2 Prior Year
<b>CASH FROM OPERATIONS</b>		
1. Premiums and revenues collected net of reinsurance.....	31,478,761	29,518,670
2. Claims and claims adjustment expenses.....	26,125,415	24,560,495
3. General administrative expenses paid.....	3,528,656	3,560,984
4. Other underwriting income (expenses).....		
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	1,824,690	1,397,191
6. Net Investment income.....	32,874	77,177
7. Other income (expenses).....	(679,882)	6,185
8. Federal and foreign income taxes (paid) recovered.....	(596,592)	(53,818)
9. Net cash from operations (Lines 5 to 8).....	581,090	1,426,735
<b>CASH FROM INVESTMENTS</b>		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds.....		
10.2 Stocks.....		
10.3 Mortgage loans.....		
10.4 Real estate.....		
10.5 Other invested assets.....		
10.6 Net gains or (losses) on cash and short-term investments.....		
10.7 Miscellaneous proceeds.....		
10.8 Total investment proceeds (Lines 10.1 to 10.7).....	0	0
11. Cost of investments acquired (long-term only):		
11.1 Bonds.....		
11.2 Stocks.....		
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....		
11.6 Miscellaneous applications.....	103,271	33,699
11.7 Total investments acquired (Lines 11.1 to 11.6).....	103,271	33,699
12. Net cash from investments (Line 10.8 minus Line 11.7).....	(103,271)	(33,699)
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in.....	(15,708)	32,000
13.2 Net transfers from affiliates.....		
13.3 Borrowed funds received.....		
13.4 Other cash provided.....		
13.5 Total (Lines 13.1 to 13.4).....	(15,708)	32,000
14. Cash applied:		
14.1 Dividends to stockholders paid.....		
14.2 Net transfers to affiliates.....		
14.3 Borrowed funds repaid.....		
14.4 Other applications.....		
14.5 Total (Lines 14.1 to 14.4).....	0	0
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5).....	(15,708)	32,000
<b>RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS</b>		
16. Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15).....	462,111	1,425,036
17. Cash and short-term investments:		
17.1 Beginning of year.....	5,395,362	3,970,326
17.2 End of year (Line 16 plus Line 17.1).....	5,857,473	5,395,362

**ANALYSIS OF OPERATION BY LINES OF BUSINESS (Gain and Loss Exhibit)**

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Total	Comprehensive (Hospital and Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plans	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
1. Net premium income.....	24,914,309				24,914,309								
2. Change in unearned premium reserves and reserve for rate credit.....	0												
3. Fee-for-service (net of \$.....0 medical expenses).....	0												
4. Risk revenue.....	0												
5. Aggregate write-ins for other health care related revenues.....	922,208	0	0	0	922,208	0	0	0	0	0	0	0	0
6. Total revenues (Lines 1 to 5).....	25,836,517	0	0	0	25,836,517	0	0	0	0	0	0	0	0
7. Medical/hospital benefits.....	20,795,904				20,795,904								
8. Other professional services.....	0												
9. Outside referrals.....	0												
10. Emergency room and out-of-area.....	0												
11. Prescription drugs.....	0												
12. Aggregate write-ins for other medical and hospital.....	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Incentive pool and withhold adjustments.....	0												
14. Subtotal (Lines 7 to 13).....	20,795,904	0	0	0	20,795,904	0	0	0	0	0	0	0	0
15. Net reinsurance recoveries.....	0												
16. Total medical and hospital (Lines 14 minus 15).....	20,795,904	0	0	0	20,795,904	0	0	0	0	0	0	0	0
17. Claims adjustment expenses.....	0												
18. General administrative expenses.....	3,619,696				3,619,696								
19. Increase in reserves for accident and health contracts.....	(45,187)				(45,187)								
20. Total underwriting deductions (Lines 16 to 19).....	24,370,413	0	0	0	24,370,413	0	0	0	0	0	0	0	0
21. Net underwriting gain or (loss) (Line 6 minus Line 20).....	1,466,104	0	0	0	1,466,104	0	0	0	0	0	0	0	0

**DETAILS OF WRITE-INS**

0501. Self-Insured Administrative Revenue.....	922,208				922,208								
0502. ....	0												
0503. ....	0												
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0	0
0599. Total (Lines 0501 thru 0503 plus 0598) (Line 5 above).....	922,208	0	0	0	922,208	0	0	0	0	0	0	0	0
1201. ....	0												
1202. ....	0												
1203. ....	0												
1298. Summary of remaining write-ins for Line 12 from overflow page.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1299. Total (Lines 1201 thru 1203 plus 1298) (Line 12 above).....	0	0	0	0	0	0	0	0	0	0	0	0	0

## UNDERWRITING AND INVESTMENT EXHIBIT

### PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (medical and hospital).....				.....0
2. Medicare supplement.....				.....0
3. Dental only.....	24,914,309			24,914,309
4. Vision only.....				.....0
5. Federal employees health benefits plan premiums.....				.....0
6. Title XVIII - Medicare.....				.....0
7. Title XIX - Medicaid.....				.....0
8. Other.....				.....0
9. Totals.....	24,914,309	.....0	.....0	24,914,309

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct.....	20,895,904			20,895,904					
1.2 Reinsurance assumed.....	0								
1.3 Reinsurance ceded.....	0								
1.4 Net.....	20,895,904	0	0	20,895,904	0	0	0	0	0
2. Paid medical incentive pools and bonuses.....	0								
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct.....	2,400,000			2,400,000					
3.2 Reinsurance assumed.....	0								
3.3 Reinsurance ceded.....	0								
3.4 Net.....	2,400,000	0	0	2,400,000	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct.....	0								
4.2 Reinsurance assumed.....	0								
4.3 Reinsurance ceded.....	0								
4.4 Net.....	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0								
6. Amounts recoverable from reinsurers December 31, current year.....									
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct.....	2,500,000			2,500,000					
7.2 Reinsurance assumed.....	0								
7.3 Reinsurance ceded.....	0								
7.4 Net.....	2,500,000	0	0	2,500,000	0	0	0	0	0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct.....	45,187			45,187					
8.2 Reinsurance assumed.....	0								
8.3 Reinsurance ceded.....	0								
8.4 Net.....	45,187	0	0	45,187	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year.....	0								
10. Amounts recoverable from reinsurers December 31, prior year.....									
11. Incurred benefits:									
11.1 Direct.....	20,750,717	0	0	20,750,717	0	0	0	0	0
11.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0
11.4 Net.....	20,750,717	0	0	20,750,717	0	0	0	0	0
12. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
<b>1. Reported in process of adjustment:</b>									
1.1 Direct.....	0								
1.2 Reinsurance assumed.....	0								
1.3 Reinsurance ceded.....	0								
1.4 Net.....	0	0	0	0	0	0	0	0	0
<b>2. Incurred but unreported:</b>									
2.1 Direct.....	2,400,000			2,400,000					
2.2 Reinsurance assumed.....	0								
2.3 Reinsurance ceded.....	0								
2.4 Net.....	2,400,000	0	0	2,400,000	0	0	0	0	0
<b>3. Amounts withheld from paid claims and captations:</b>									
3.1 Direct.....	0								
3.2 Reinsurance assumed.....	0								
3.3 Reinsurance ceded.....	0								
3.4 Net.....	0	0	0	0	0	0	0	0	0
<b>4. Totals:</b>									
4.1 Direct.....	2,400,000	0	0	2,400,000	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0
4.4 Net.....	2,400,000	0	0	2,400,000	0	0	0	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year				Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year				
1. Comprehensive (medical and hospital).....						0		
2. Medicare supplement.....						0		
3. Dental only.....	2,127,000	18,768,904	1,000	2,399,000		2,128,000	2,500,000	
4. Vision only.....						0		
5. Federal employees health benefits plan premiums.....						0		
6. Title XVIII - Medicare.....						0		
7. Title XIX - Medicaid.....						0		
8. Other.....						0		
9. Subtotal.....	2,127,000	18,768,904	1,000	2,399,000		2,128,000	2,500,000	
10. Medical incentive pools, accruals and disbursements.....						0		
11. Totals.....	2,127,000	18,768,904	1,000	2,399,000		2,128,000	2,500,000	

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**  
(000 Omitted)

**SECTION A - PAID CLAIMS - GRAND TOTAL**

	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior.....					
2. 1998.....			.....5		
3. 1999.....	9,329	1,270	.....5		
4. 2000.....	XXX	11,554	1,740	4	
5. 2001.....	XXX	XXX	18,005	2,483	7
6. 2002.....	XXX	XXX	XXX	15,497	2,120
	XXX	XXX	XXX	XXX	18,028

**SECTION B - INCURRED CLAIMS - GRAND TOTAL**

	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior.....					
2. 1998.....	10,604				
3. 1999.....	XXX	13,298			
4. 2000.....	XXX	XXX	20,495		
5. 2001.....	XXX	XXX	XXX	17,621	
6. 2002.....	XXX	XXX	XXX	XXX	19,974

**SECTION C - INCURRED YEAR CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL**

Years in Which Premiums were Eamed and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expense	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. Prior to 1998.....	XXX			XXX	.....0	XXX			.....0	XXX
2. 1998.....	12,327	9,329		0.0	9,329	75.7			9,329	75.7
3. 1999.....	15,393	12,824		0.0	12,824	83.3			12,824	83.3
4. 2000.....	23,577	19,750		0.0	19,750	83.8			19,750	83.8
5. 2001.....	21,876	17,984		0.0	17,984	82.2			17,984	82.2
6. 2002.....	24,914	20,155		0.0	20,155	80.9			22,555	90.5
7. Total (Lines 1 through 6)	XXX	80,042	0	XXX	80,042	XXX	2,400	0	82,442	XXX
8. Total (Lines 2 through 6)	98,087	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**  
(000 Omitted)

**SECTION A - PAID CLAIMS - DENTAL ONLY**

	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior.....					
2. 1998.....					
3. 1999.....	9,329	1,270	5		
4. 2000.....	XXX	11,554	1,740	4	
5. 2001.....	XXX	XXX	18,005	2,483	7
6. 2002.....	XXX	XXX	XXX	15,497	2,120
				XXX	18,028

**SECTION B - INCURRED CLAIMS - DENTAL ONLY**

	Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior.....					
2. 1998.....					
3. 1999.....	10,604				
4. 2000.....	XXX	13,298			
5. 2001.....	XXX	XXX	20,495		
6. 2002.....	XXX	XXX	XXX	17,621	
				XXX	19,974

**SECTION C - INCURRED YEAR CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY**

	1	2	3	4	5	6	7	8	9	10
	Years in Which Premiums were Earned and Claims were Incurred	Claim Payments	Claim Adjustment Expense Payments	Percent (Col. 3/2)	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	Percent (Col. 5/1)	Claims Unpaid	Unpaid Claim Adjustment Expense	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	Percent (Col. 9/1)
1. Prior to 1998.....	XXX			XXX	0	XXX			0	XXX
2. 1998.....	12,327	9,329		0.0	9,329	75.7			9,329	75.7
3. 1999.....	15,393	12,824		0.0	12,824	83.3			12,824	83.3
4. 2000.....	23,577	19,750		0.0	19,750	83.8			19,750	83.8
5. 2001.....	21,876	17,984		0.0	17,984	82.2			17,984	82.2
6. 2002.....	24,914	20,155		0.0	20,155	80.9	2,400		22,555	90.5
7. Total (Lines 1 through 6).....	XXX	80,042	0	XXX	80,042	XXX	2,400	0	82,442	XXX
8. Total (Lines 2 through 6).....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS**

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
<b>POLICY RESERVE</b>									
1. Unearned premium reserves.....	.0								
2. Additional policy reserves (a).....	.0								
3. Reserve for future contingent benefits.....	.0								
4. Reserve for rate credits or experience rating refunds (including \$.0) for investment income.....	.0								
5. Aggregate write-ins for other policy reserves.....	.0								
6. Totals (gross).....	.0								
7. Reinsurance ceded.....	.0								
8. Totals (net) (Page 3, Line 4).....	.0								
<b>CLAIM RESERVE</b>									
9. Present value of amounts not yet due on claims.....	.0								
10. Reserve for future contingent benefits.....	.0								
11. Aggregate write-ins for other claim reserves.....	.0								
12. Totals (gross).....	.0								
13. Reinsurance ceded.....	.0								
14. Totals (net) (Page 3, Line 5).....	.0								
<b>DETAILS OF WRITE-INS</b>									
0501. ....	.0								
0502. ....	.0								
0503. ....	.0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	.0								
0599. Totals (Lines 0501 thru 0503 plus 0595) (Line 5 above).....	.0								
1101. ....	.0								
1102. ....	.0								
1103. ....	.0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0								
1199. Totals (Lines 1101 thru 1103 plus 11911) (Line 11 above).....	.0								

(a) Includes \$.0 premium deficiency reserve.

**UNDERWRITING AND INVESTMENT EXHIBIT****PART 3 - ANALYSIS OF EXPENSES**

	1 Claim Adjustment Expenses	2 General Administrative Expenses	3 Investment Expenses	4 Total
1. Rent (\$.....0 for occupancy of own building).....		116,751		116,751
2. Salaries, wages and other benefits.....		1,388,800		1,388,800
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....		735,845		735,845
4. Legal fees and expenses.....		37,259		37,259
5. Certifications and accreditation fees.....		4,235		4,235
6. Auditing, actuarial and other consulting services.....		115,562		115,562
7. Traveling expenses.....		34,929		34,929
8. Marketing and advertising.....		329,445		329,445
9. Postage, express and telephone.....		146,753		146,753
10. Printing and office supplies.....		227,840		227,840
11. Occupancy, depreciation and amortization.....		23,762		23,762
12. Equipment.....		11,977		11,977
13. Cost or depreciation of EDP equipment and software.....		57,520		57,520
14. Outsourced services including EDP, claims, and other services.....				0
15. Boards, bureaus and association fees.....		111,848		111,848
16. Insurance, except on real estate.....		36,963		36,963
17. Collection and bank service charges.....		10,533		10,533
18. Group service and administration fees.....				0
19. Reimbursements by uninsured accident and health plans.....				0
20. Reimbursements from fiscal intermediaries.....				0
21. Real estate expenses.....				0
22. Real estate taxes.....				0
23. Taxes, licenses and fees:				
23.1 State and local insurance taxes.....				0
23.2 State premium taxes.....		56,436		56,436
23.3 Regulatory authority licenses and fees.....		13,995		13,995
23.4 Payroll taxes.....		104,299		104,299
23.5 Other (excluding federal income and real estate taxes).....		3,020		3,020
24. Investment expenses not included elsewhere.....				0
25. Aggregate write-ins for expenses.....	0	51,924	0	51,924
26. Total expenses incurred (Lines 1 to 25).....	0	3,619,696	0	(a) 3,619,696
27. Add expenses unpaid December 31, prior year.....		301,766		301,766
28. Less expenses unpaid December 31, current year.....		392,806		392,806
29. Amounts receivable relating to uninsured accident and health plans, prior year.....				0
30. Amounts receivable relating to uninsured accident and health plans, current year.....				0
31. Total expenses paid (Lines 26 plus 27 minus 28 minus 29 plus 30).....	0	3,528,656	0	3,528,656

**DETAILS OF WRITE-INS**

2501. Clearinghouse & Communications.....		15,964		15,964
2502. Copier & Mailing Machines.....		32,176		32,176
2503. Miscellaneous.....		3,784		3,784
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	0	51,924	0	51,924

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....	
1.1 Bonds exempt from U.S. tax.....	(a).....	
1.2 Other bonds (unaffiliated).....	(a).....	
1.3 Bonds of affiliates.....	(a).....	
2.1 Preferred stocks (unaffiliated).....	(b).....	
2.11 Preferred stocks of affiliates.....	(b).....	
2.2 Common stocks (unaffiliated).....		
2.21 Common stocks of affiliates.....		
3. Mortgage loans.....	(c).....	
4. Real estate.....	(d).....	
5. Contract loans.....		
6. Cash/short-term investments.....	(e)..... 32,874	32,051
7. Derivative instruments.....	(f).....	
8. Other invested assets.....		
9. Aggregate write-ins for investment income.....	0	0
10. Total gross investment income.....	32,874	32,051
11. Investment expenses.....		(g).....
12. Investment taxes, licenses and fees, excluding federal income taxes.....		(g).....
13. Interest expense.....		(h).....
14. Depreciation on real estate and other invested assets.....		(i)..... 0
15. Aggregate write-ins for deductions from investment income.....		0
16. Total deductions (Lines 11 through 15).....		0
17. Net investment income (Line 10 minus Line 16).....		32,051

**DETAILS OF WRITE-INS**

0901. ....		
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page.....		0
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15 above).....		0

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Increases (Decreases) by Adjustment	4 Net Gain or (Loss) from Change in Difference Between Basis Book/ Adjusted Carrying and Admitted Values	5 Total
1. U.S. government bonds.....					0
1.1 Bonds exempt from U.S. tax.....					0
1.2 Other bonds (unaffiliated).....					0
1.3 Bonds of affiliates.....					0
2.1 Preferred stocks (unaffiliated).....					0
2.11 Preferred stocks of affiliates.....					0
2.2 Common stocks (unaffiliated).....					0
2.21 Common stocks of affiliates.....					0
3. Mortgage loans.....					0
4. Real estate.....					0
5. Contract loans.....					0
6. Cash/short-term investments.....					0
7. Derivative instruments.....					0
8. Other invested assets.....					0
9. Aggregate write-ins for capital gains (losses).....	0	0	0	0	0
10. Total capital gains (losses).....	0	0	0	0	0

**DETAILS OF WRITE-INS**

0901. ....					0
0902. ....					0
0903. ....					0
0998. Summary of remaining write-ins for Line 9 from overflow page.....	0	0	0	0	0
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9 above).....	0	0	0	0	0

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

	1	2	3
	End of Current Year	End of Prior Year	Change for Year (Increase) or Decrease
1. Summary of Items, Page 2, Lines 10 to 16 and 19 to 20, Column 2.....			0
2. Other nonadmitted assets:			
2.1 Bills receivable.....	5,389		(5,389)
2.2 Leasehold improvements.....	3,201	5,883	2,682
2.3 Cash advanced to or in hands of officers and agents.....			0
2.4 Loans on personal security, endorsed or not.....			0
2.5 Commuted commissions.....			0
3. Total (Lines 2.1 to 2.5).....	8,590	5,883	(2,707)
4. Aggregate write-ins for other than invested assets.....	93,198	110,370	17,172
5. Total (Line 1 plus Lines 3 and 4).....	101,788	116,253	14,465

**DETAILS OF WRITE-INS**

0401. Prepaid Expenses.....	86,988	98,720	11,732
0402. Deposits-Other.....	6,210	11,650	5,440
0403. ....			0
0498. Summary of remaining write-ins for Line 4 from overflow page.....	0	0	0
0499. Totals (Lines 0401 thru 0403 plus 0498) (Line 4 above).....	93,198	110,370	17,172

**EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE**

Source of Enrollment	Total Members at End of					
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1. Health maintenance organizations.....	143,774	137,139	136,674	135,890	138,322	1,634,968
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	143,774	137,139	136,674	135,890	138,322	1,634,968

**DETAILS OF WRITE-INS**

0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

**EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
<b>A&amp;H Premiums Due and Unpaid</b>						
0199999. Total individuals.....	.....370					.....370,423
0299998. Premiums due and unpaid not individually listed.....	.....370,423					.....370,423
0299999. Total group.....	.....370,423	.....0	.....0	.....0	.....0	.....370,423
0599999. Accident and health premiums due and unpaid (Page 2, Line 10).....	.....370,793	.....0	.....0	.....0	.....0	.....370,423

**EXHIBIT 4 - HEALTH CARE RECEIVABLES**

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted

**NONE**

**EXHIBIT 5 - CLAIMS PAYABLE (REPORTED AND UNREPORTED)**

**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
<b>Claims Payable (Reported)</b>						
IBNR	1,818,000	341,000	107,000	46,000	88,000	2,400,000
0199999. Individually listed claims payable	1,818,000	341,000	107,000	46,000	88,000	2,400,000
0499999. Subtotals	1,818,000	341,000	107,000	46,000	88,000	2,400,000
0799999. Total claims payable						

**EXHIBIT 8 - PART 1 - SUMMARY OF TRANSACTIONS WITH PROVIDERS**

Payment Method	1 Direct Medical Expense Payment	2 Column 1 as a % of Total	3 Total Members Covered	4 Column 3 as a % of Total	5 Column 1 Expenses Paid to Affiliated Providers	6 Column 1 Expenses Paid to Non-Affiliated Providers
<b>Capitation Payments:</b>						
1. Medical groups.....	0.0	0.0		0.0		
2. Intermediaries.....	0.0	0.0		0.0		
3. All other providers.....	0.0	0.0		0.0		
4. Total capitation payments.....	0	0.0	0	0.0	0	0
<b>Other Payments:</b>						
5. Fee-for-service.....		0.0	XXX	XXX		
6. Contractual fee payments.....		0.0	XXX	XXX		
7. Bonus/withhold arrangements - fee-for-service.....		0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments.....	26,125,415	100.0	XXX	XXX	26,125,415	
9. Non-contingent salaries.....		0.0	XXX	XXX		
10. Aggregate cost arrangements.....		0.0	XXX	XXX		
11. All other payments.....		0.0	XXX	XXX		
12. Total other payments.....	26,125,415	100.0	XXX	XXX	26,125,415	0
13. Total (Line 4 plus Line 12).....	26,125,415	100.0	XXX	XXX	26,125,415	0

**EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES**

1 NAIC Code	2 Name of Intermediary	3 Capitation Paid	4 Average Monthly Capitation	5 Intermediary's Total Adjusted Capital	6 Intermediary's Authorized Control Level RBC

**NONE**

**EXHIBIT 9 - FURNITURE, EQUIPMENT AND SUPPLIES OWNED**

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment.....	109,130		94,625	14,505		14,505
2. Medical furniture, equipment and fixtures.....						.0
3. Pharmaceuticals and surgical supplies.....						.0
4. Durable medical equipment.....						.0
5. Other property and equipment.....						.0
6. Total.....	109,130	0	94,625	14,505	0	14,505

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## **NOTES TO FINANCIAL STATEMENTS**

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### **Accounts Receivable**

Accounts receivable has been adjusted for all known uncollectible accounts. No allowance for doubtful accounts is considered necessary.

### **Property and Depreciation**

Property and equipment are recorded at cost. Depreciation is provided on a straight-line method over the estimated useful lives of the respective asset classifications.

### **Dental Claims Expense**

Dental claims expense includes an estimate for the amount of claims incurred but not reported at December 31, 2002. Management estimates this amount using approved actuarial methods.

Dental Care Plus, Inc. compensates the providers in the network based upon agreed fees for various services. The company retains a percentage of these payments as withhold.

***There is no contractual obligation between Dental Care Plus and its providers to remit any of these withhold amounts back to the provider. Withhold amounts may be remitted to providers only at the discretion of the Dental Care Plus Board of Directors.***

### **Premium Deficiency Reserve**

A premium deficiency reserve is established in cases of contracts that extend beyond a year, and actuarial models indicate a potential shortfall between future premium revenues and future claims expense related to these contracts. At December 31, 2002 there was no indication that a reserve was necessary.

**SUMMARY INVESTMENT SCHEDULE**

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities.....		0.0		0.0
1.2 U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies.....		0.0		0.0
1.22 Issued by U.S. government sponsored agencies.....		0.0		0.0
1.3 Foreign government (including Canada, excluding mortgage-backed securities).....		0.0		0.0
1.4 Securities issued by states, territories and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations.....		0.0		0.0
1.42 Political subdivisions of states, territories & possessions & political subdivisions general obligations.....		0.0		0.0
1.43 Revenue and assessment obligations.....		0.0		0.0
1.44 Industrial development and similar obligations.....		0.0		0.0
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Guaranteed by GNMA.....		0.0		0.0
1.512 Issued by FNMA and FHLMC.....		0.0		0.0
1.513 Privately issued.....		0.0		0.0
1.52 CMOs and REMICs:				
1.521 Issued by FNMA and FHLMC.....		0.0		0.0
1.522 Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA or FHLMC.....		0.0		0.0
1.523 All other privately issued.....		0.0		0.0
2. Other debt and other fixed income securities (excluding short-term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO).....		0.0		0.0
2.2 Unaffiliated foreign securities.....		0.0		0.0
2.3 Affiliated securities.....		0.0		0.0
3. Equity interests:				
3.1 Investments in mutual funds.....		0.0		0.0
3.2 Preferred stocks:				
3.21 Affiliated.....		0.0		0.0
3.22 Unaffiliated.....		0.0		0.0
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated.....		0.0		0.0
3.32 Unaffiliated.....		0.0		0.0
3.4 Other equity securities:				
3.41 Affiliated.....		0.0		0.0
3.42 Unaffiliated.....		0.0		0.0
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated.....		0.0		0.0
3.52 Unaffiliated.....		0.0		0.0
4. Mortgage loans:				
4.1 Construction and land development.....		0.0		0.0
4.2 Agricultural.....		0.0		0.0
4.3 Single family residential properties.....		0.0		0.0
4.4 Multifamily residential properties.....		0.0		0.0
4.5 Commercial loans.....		0.0		0.0
5. Real estate investments:				
5.1 Property occupied by company.....		0.0		0.0
5.2 Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt).....		0.0		0.0
5.3 Property held for sale (\$.....0 including property acquired in satisfaction of debt).....		0.0		0.0
6. Policy loans.....		0.0		0.0
7. Receivables for securities.....	177	0.0	177	0.0
8. Cash and short-term investments.....	5,857,475	100.0	5,857,475	100.0
9. Other invested assets.....		0.0		0.0
10. Total invested assets.....	5,857,652	100.0	5,857,652	100.0

# GENERAL INTERROGATORIES

## PART 1 - COMMON INTERROGATORIES

### GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [ ] No [X]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [ ] No [ ] N/A [X]

1.3 State regulating? \_\_\_\_\_

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended. \_\_\_\_\_

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 02/14/2003

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/1999

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/11/2001

3.4 By what department or departments? \_\_\_\_\_

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under a common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11 sales of new business? Yes [ ] No [X]

4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21 sales of new business? Yes [ ] No [X]

4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.) Yes [ ] No [X]

6.2 If yes, give full information: \_\_\_\_\_

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,  
7.21 State the percentage of foreign control. .....0.000 %

7.22 State the nationality(ies) of the foreign person(s) or entity(ies); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(ies) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

## GENERAL INTERROGATORIES (continued)

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche, LLP  
250 E. 5th St., Suite 1900, Cincinnati, OH 45202
- 
9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Timothy P. Berghoff, F.S.A., M.A.A.A.  
8216 Millview Drive, Cincinnati, OH 45249
- 
10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
 \_\_\_\_\_
- 
- 10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [X]
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [X] N/A [ ]

### BOARD OF DIRECTORS

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No [ ]
12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No [ ]
13. Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person? Yes [X] No [ ]

### FINANCIAL

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.11 To directors or other officers \$.....0
- 14.12 To stockholders not officers \$.....0
- 14.13 Trustees, supreme or grand (Fraternal only) \$.....0
- 14.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 14.21 To directors or other officers \$.....0
- 14.22 To stockholders not officers \$.....0
- 14.23 Trustees, supreme or grand (Fraternal only) \$.....0
- 15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]
- 15.2 If yes, state the amount thereof at December 31 of the current year:
- 15.21 Rented from others \$.....0
- 15.22 Borrowed from others \$.....0
- 15.23 Leased from others \$.....0
- 15.24 Other \$.....0
- Disclose in the Notes to Financial the nature of each obligation.
- 16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]
- 16.2 If answer is yes:
- 16.21 Amount paid as losses or risk adjustment \$.....0
- 16.22 Amount paid as expenses \$.....0
- 16.23 Other amounts paid \$.....0

## GENERAL INTERROGATORIES (continued)

### INVESTMENT

17. List the following capital stock information for the reporting entity:

Class	1 Number of Shares Authorized	2 Number of Shares Outstanding	3 Par Value Per Share	4 Redemption Price If Callable	5 Is Dividend Rate Limited?	6 Are Dividends Cumulative?
Preferred.....	.....	.....	.....	.....	Yes [ ] No [ ]	Yes [ ] No [ ]
Common.....	950.000	685.000	2,000.00	XXX	XXX XXX	XXX XXX

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E-Part 2-Special Deposits? Yes [ X ] No [ ]

18.2 If no, give full and complete information relating thereto.

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19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E-Part 2-Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1) Yes [ ] No [ X ]

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

19.21 Loaned to others	\$.....0
19.22 Subject to repurchase agreements	\$.....0
19.23 Subject to reverse repurchase agreements	\$.....0
19.24 Subject to dollar repurchase agreements	\$.....0
19.25 Subject to reverse dollar repurchase agreements	\$.....0
19.26 Pledged as collateral	\$.....0
19.27 Placed under option agreements	\$.....0
19.28 Letter stock or securities restricted as to sale	\$.....0
19.29 Other	\$.....0

19.3 For each category above, if any of these assets are held by others, identify by whom held:

- 19.31 \_\_\_\_\_
- 19.32 \_\_\_\_\_
- 19.33 \_\_\_\_\_
- 19.34 \_\_\_\_\_
- 19.35 \_\_\_\_\_
- 19.36 \_\_\_\_\_
- 19.37 \_\_\_\_\_
- 19.38 \_\_\_\_\_
- 19.39 \_\_\_\_\_

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [ X ]  
If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [ X ]

21.2 If yes, state the amount thereof at December 31 of the current year: \$.....0

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]

22.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
PNC Bank (Ohio)	P.O. Box 618, Pittsburgh, PA 15230
Farmer's Bank (Kentucky)	#1 Farmer's Bank Plaza, Frankfort, KY 40601
Fifth Third Bank (Indiana)	38 Fountain Square Plaza, Cincinnati, OH 45263