



# HEALTH ANNUAL STATEMENT

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

## SUPERIOR DENTAL CARE, INC.

NAIC Group Code..... , (Current Period) (Prior Period) NAIC Company Code..... 96280 Employer's ID Number..... 31-1119867

Organized under the Laws of OHIO State of Domicile or Port of Entry OHIO Country of Domicile US

Licensed as Business Type Dental Service Corporation

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

Date Incorporated or Organized..... November 30, 1984 Date Commenced Business..... January 1, 1986

Statutory Home Office 6683 CENTERVILLE-BUSINESS PARKWAY..... DAYTON ..... OH ..... 45459  
(Street and Number) (City or Town, State and Zip Code)

Address of Main Administrative Office 6683 CENTERVILLE-BUSINESS PARKWAY..... DAYTON ..... OH ..... 45459 937-438-0283  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 6683 CENTERVILLE-BUSINESS PARKWAY..... DAYTON ..... OH ..... 45459  
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 6683 CENTERVILLE-BUSINESS PARKWAY..... DAYTON ..... OH ..... 45459 937-438-0283  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address WWW.SUPERIORDENTAL.COM

Statement Contact WENDY GLOVER 937-438-0283  
(Name) (Area Code) (Telephone Number) (Extension)  
WGLOVER@SUPERIORDENTAL.COM 937-291-5690  
(E-Mail Address) (Fax Number)

Policyowner Relations Contact ..... (City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

### OFFICERS

President ..... THOMAS G PAVEY DMD Treasurer ..... DOUGLAS R HOEFLING DDS Secretary ..... JAMES R MILLER DDS

### VICE PRESIDENTS

REBECCA J YORK EXECUTIVE VP & CEO RICHARD W PORTUNE DDS DENTAL DIRECTOR &VP

### DIRECTORS OR TRUSTEES

Dennis A Burns DDS Roger E Clark DDS Douglas R Hoefling DDS Kenneth D Jones DDS  
James R Miller DDS Thomas G Pavey DMD Richard W Portune DDS L Don Shumaker DDS  
Rebecca J York

State of.....  
County of.....

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.

_____ (Signature) THOMAS G PAVEY DMD _____ (Printed Name) President	_____ (Signature) JAMES R MILLER DDS _____ (Printed Name) Secretary	_____ (Signature) DOUGLAS R HOEFLING DDS _____ (Printed Name) Treasurer
--	--	--

Subscribed and sworn to before me this

.....day of ....., 2003

.....

- 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.....

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets	4 Net Admitted Assets
1. Bonds.....	1,151,436	1,260	1,150,176	889,064
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 (\$.....1,583,510, Schedule E, Part 1) and short-term investments (\$.....236,616, Schedule DA, Part 2).....	1,820,127		1,820,127	1,468,350
6. Other long-term invested assets.....			0	
7. Receivable for securities.....			0	
8. Aggregate write-ins for invested assets.....	125,000	0	125,000	125,000
9. Subtotal cash and invested assets (Lines 1 to 8).....	3,096,563	1,260	3,095,303	2,482,414
10. Accident and health premiums due and unpaid.....	221,652		221,652	409,142
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.....	9,568		9,568	26,518
15. Amounts due from parent, subsidiaries and affiliates.....	110,566	110,566	0	0
16. Amounts receivable relating to uninsured accident and health plans.....			0	
17. Furniture and equipment.....	114,109		114,109	147,013
18. Amounts due from agents.....			0	
19. Federal and foreign income tax recoverable and interest thereon (including \$.....0 net deferred tax asset).....			0	
20. Electronic data processing equipment and software.....	19,077		19,077	26,720
21. Other nonadmitted assets.....			0	
22. Aggregate write-ins for other than invested assets.....	379,728	187,701	192,027	217,629
23. Total assets (Lines 9 plus 10 through 22).....	3,951,262	299,527	3,651,735	3,309,435

**DETAILS OF WRITE-INS**

0801. Restricted Assets.....	125,000		125,000	125,000
0802. ....			0	
0803. ....			0	
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).....	125,000	0	125,000	125,000
2201. Prepaid Expenses.....	64,483	64,483	0	0
2202. Deferred Income Taxes.....	61,200	61,200	0	
2203. Supplemental Compensation Trust Fund.....	192,027		192,027	164,175
2298. Summary of remaining write-ins for Line 22 from overflow page.....	62,018	62,018	0	53,453
2299. Totals (Lines 2201 thru 2203 plus 2298) (Line 22 above).....	379,728	187,701	192,027	217,629

(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).....	1,230,783		1,230,783	1,473,127
2. Accrued medical incentive pool and bonus payments.....			0	
3. Unpaid claims adjustment expenses.....			0	
4. Aggregate policy reserves.....			0	
5. Aggregate claim reserves.....			0	
6. Premiums received in advance.....	394,537		394,537	300,471
7. General expenses due or accrued.....	280,755		280,755	119,433
8. Federal and foreign income tax payable and interest thereon (including \$.....0 (on realized capital gains (losses)) (including \$.....0 net deferred tax liability).....			0	
9. Amounts withheld or retained by company for the account of others.....			0	
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).....	169,908	0	169,908	154,658
18. Total liabilities (Lines 1 to 17).....	2,075,983	0	2,075,983	2,047,688
19. Common capital stock.....	XXX	XXX	267,600	276,450
20. Preferred capital stock.....	XXX	XXX		
21. Gross paid in and contributed surplus.....	XXX	XXX	(125,999)	(86,628)
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	1,434,153	1,071,924
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	1,575,753	1,261,746
27. Total liabilities, capital and surplus (Lines 18 and 26).....	XXX	XXX	3,651,736	3,309,434

**DETAILS OF WRITE-INS**

1701. Deferred Compensation Payable.....	169,908		169,908	154,658
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).....	169,908	0	169,908	154,658
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	1,109,137	1,224,294
2. Net premium income.....	XXX	16,380,634	14,999,803
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	0	0
7. Total revenues (Lines 2 to 6).....	XXX	16,380,634	14,999,803
<b>Medical and Hospital:</b>			
8. Hospital/medical benefits.....			
9. Other professional services.....		12,805,071	11,847,444
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	12,805,071	11,847,444
<b>Less:</b>			
16. Net reinsurance recoveries.....			
17. Total medical and hospital (Lines 15 minus 16).....	0	12,805,071	11,847,444
18. Claims adjustment expenses.....			
19. General administrative expenses.....		3,460,204	3,343,891
20. Increase in reserves for accident and health contracts.....			
21. Total underwriting deductions (Lines 17 through 20).....	0	16,265,275	15,191,335
22. Total underwriting gain or (loss) (Lines 7 minus 21).....	XXX	115,359	(191,532)
23. Net investment income earned.....		50,501	101,858
24. Net realized capital gains or (losses).....		(33,649)	(12,132)
25. Net investment gains or (losses) (Lines 23 plus 24).....	0	16,852	89,726
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.....	0	376,892	202,928
28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27).....	0	509,103	101,122
29. Federal and foreign income taxes incurred.....	XXX	183,500	26,140
30. Net income (loss) (Lines 28 minus 29).....	XXX	325,603	74,982

**DETAILS OF WRITE-INS**

0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above).....	XXX	0	0
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. Other Income.....		376,892	202,928
2702. ....			
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).....	0	376,892	202,928

**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.....	1,261,746	1,421,393
<b>GAINS AND LOSSES TO CAPITAL AND SURPLUS</b>		
32. Net income or (loss) from Line 30.....	325,603	74,982
33. Change in valuation basis of aggregate policy and claim reserves.....		
34. Net unrealized capital gains and losses.....	12,556	
35. Change in net unrealized foreign exchange capital gain or (loss).....		
36. Change in net deferred income tax.....		
37. Change in nonadmitted assets.....	24,069	(126,017)
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.....	(8,850)	(23,400)
42.2 Transferred from surplus (stock dividend).....		
42.3 Transferred to surplus.....		
43. Surplus adjustments:		
43.1 Paid in.....	(39,371)	(85,212)
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).....	314,007	(159,647)
47. Capital and surplus end of reporting year (Line 31 plus 46).....	1,575,754	1,261,746

**DETAILS OF WRITE-INS**

4501. Increase (decrease) in common stock ***SEE ABOVE.....		
4502. ....		
4503. ....		
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.....	16,662,190	15,080,504
2. Claims and claims adjustment expenses.....	13,047,415	11,829,689
3. General administrative expenses paid.....	3,298,882	3,374,789
4. Other underwriting income (expenses).....	376,892	(202,928)
5. Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4).....	692,785	(326,903)
6. Net Investment income.....	66,932	101,517
7. Other income (expenses).....	65,930	(49,950)
8. Federal and foreign income taxes (paid) recovered.....	(183,500)	(26,140)
9. Net cash from operations (Lines 5 to 8).....	642,147	(301,475)
<b>CASH FROM INVESTMENTS</b>		
10. Proceeds from investments sold, matured or repaid:		
10.1 Bonds.....	979,832	
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.....	12,065	
10.7 Miscellaneous proceeds.....		
10.8 Total investment proceeds (Lines 10.1 to 10.7).....	991,897	.0
11. Cost of investments acquired (long-term only):		
11.1 Bonds.....	1,240,944	
11.2 Stocks.....		
11.3 Mortgage loans.....		
11.4 Real estate.....		
11.5 Other invested assets.....	33,649	(87,806)
11.6 Miscellaneous applications.....		
11.7 Total investments acquired (Lines 11.1 to 11.6).....	1,274,593	(87,806)
12. Net cash from investments (Line 10.8 minus Line 11.7).....	(282,696)	87,806
<b>CASH FROM FINANCING AND MISCELLANEOUS SOURCES</b>		
13. Cash provided:		
13.1 Surplus notes, capital and surplus paid in.....	(48,221)	
13.2 Net transfers from affiliates.....		
13.3 Borrowed funds received.....		
13.4 Other cash provided.....	40,547	
13.5 Total (Lines 13.1 to 13.4).....	(7,674)	.0
14. Cash applied:		
14.1 Dividends to stockholders paid.....		
14.2 Net transfers to affiliates.....		.0
14.3 Borrowed funds repaid.....		
14.4 Other applications.....		26,483
14.5 Total (Lines 14.1 to 14.4).....	0	26,483
15. Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5).....	(7,674)	(26,483)
<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).....	351,777	(240,153)
17. Cash and short-term investments:		
17.1 Beginning of year.....	1,468,349	1,708,502
17.2 End of year (Line 16 plus Line 17.1).....	1,820,126	1,468,349



**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (medical and hospital).....				0
2. Medicare supplement.....				0
3. Dental only.....	16,380,634			16,380,634
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.....	16,380,634	0	0	16,380,634

**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.....	12,675,866			12,675,866					
1.2 Reinsurance assumed.....	0								
1.3 Reinsurance ceded.....	0								
1.4 Net.....	12,675,866	0	0	12,675,866	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.....	1,230,783			1,230,783					
3.2 Reinsurance assumed.....	0								
3.3 Reinsurance ceded.....	0								
3.4 Net.....	1,230,783	0	0	1,230,783	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.....	0								
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct.....	1,473,127			1,473,127					
7.2 Reinsurance assumed.....	0								
7.3 Reinsurance ceded.....	0								
7.4 Net.....	1,473,127	0	0	1,473,127	0	0	0	0	0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct.....	0								
8.2 Reinsurance assumed.....	0								
8.3 Reinsurance ceded.....	0								
8.4 Net.....	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year.....	0								
10. Amounts recoverable from reinsurers December 31, prior year.....	0								
11. Incurred benefits:									
11.1 Direct.....	12,433,523	0	0	12,433,523	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.....	12,433,523	0	0	12,433,523	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
1. Reported in process of adjustment:									
1.1 Direct.....	358,527			358,527					
1.2 Reinsurance assumed.....	0								
1.3 Reinsurance ceded.....	0								
1.4 Net.....	358,527	0	0	358,527	0	0	0	0	0
2. Incurred but unreported:									
2.1 Direct.....	624,191			624,191					
2.2 Reinsurance assumed.....	0								
2.3 Reinsurance ceded.....	0								
2.4 Net.....	624,191	0	0	624,191	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:									
3.1 Direct.....	248,065			248,065					
3.2 Reinsurance assumed.....	0								
3.3 Reinsurance ceded.....	0								
3.4 Net.....	248,065	0	0	248,065	0	0	0	0	0
4. Totals:									
4.1 Direct.....	1,230,783	0	0	1,230,783	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.....	1,230,783	0	0	1,230,783	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.....	1,236,204	11,439,662	358,527	872,256	1,594,731	1,473,127
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.....	1,236,204	11,439,662	358,527	872,256	1,594,731	1,473,127
10. Medical incentive pools, accruals and disbursements.....					.0	
11. Totals.....	1,236,204	11,439,662	358,527	872,256	1,594,731	1,473,127

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**U & I Ex.-Pt.2C-Sn A-Paid Claims-Hospital & Medical  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Hospital & Medical  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Hospital & Medical  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare Supp.  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare Supp.  
NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS**

(000 Omitted)

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

Year in Which Losses Were Incurred	Net Amounts Paid				
	1 1998	2 1999	3 2000	4 2001	5 2002
1. Prior.....	452,155				
2. 1998.....	6,011,605	478,291			
3. 1999.....	XXX	6,978,955	748,024		
4. 2000.....	XXX	XXX	9,466,361	922,877	
5. 2001.....	XXX	XXX	XXX	10,322,259	1,236,204
6. 2002.....	XXX	XXX	XXX	XXX	11,439,662

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

Year in Which Losses Were Incurred	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.....	501,166				
2. 1998.....	6,002,486	590,503			
3. 1999.....	XXX	7,133,695	878,464		
4. 2000.....	XXX	XXX	9,990,350	1,040,397	
5. 2001.....	XXX	XXX	XXX	10,807,047	1,105,352
6. 2002.....	XXX	XXX	XXX	XXX	11,699,719

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

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. Prior to 1998.....	XXX			XXX	0	XXX			0	XXX
2. 1998.....				0.0	0	0.0			0	0.0
3. 1999.....				0.0	0	0.0			0	0.0
4. 2000.....				0.0	0	0.0			0	0.0
5. 2001.....		1,236,204		0.0	1,236,204	0.0			1,236,204	0.0
6. 2002.....	16,380,634	11,439,662		0.0	11,439,662	69.8	1,230,783		12,670,445	77.4
7. Total (Lines 1 through 6).....	XXX	12,675,866	0	XXX	12,675,866	XXX	1,230,783	0	13,906,649	XXX
8. Total (Lines 2 through 6).....	16,380,634	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX

12.DD

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Vision  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Fed Emp Health  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Fed Emp Health  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Fed Emp Health  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicare  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Medicaid  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Medicaid  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Medicaid  
NONE**

**U & I Ex.-Pt.2C-Sn A-Paid Claims-Other  
NONE**

**U & I Ex.-Pt.2C-Sn B-Incurred Claims-Other  
NONE**

**U & I Ex.-Pt.2C-Sn C-Expense Ratio-Other  
NONE**

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
<b>POLICY RESERVE</b>									
1. Unearned premium reserves.....	394,537			394,537					
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	.0	.0	.0	.0	.0	.0	.0	.0
6. Totals (gross).....	394,537	.0	.0	394,537	.0	.0	.0	.0	.0
7. Reinsurance ceded.....	.0								
8. Totals (net) (Page 3, Line 4).....	394,537	.0	.0	394,537	.0	.0	.0	.0	.0
<b>CLAIM RESERVE</b>									
9. Present value of amounts not yet due on claims.....	872,256			872,256					
10. Reserve for future contingent benefits.....	.0								
11. Aggregate write-ins for other claim reserves.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
12. Totals (gross).....	872,256	.0	.0	872,256	.0	.0	.0	.0	.0
13. Reinsurance ceded.....	.0								
14. Totals (net) (Page 3, Line 5).....	872,256	.0	.0	872,256	.0	.0	.0	.0	.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	.0	.0	.0	.0	.0	.0	.0	.0
0599. Totals (Lines 0501 thru 0503 plus 0595) (Line 5 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1101. ....	.0								
1102. ....	.0								
1103. ....	.0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0	.0	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 11911) (Line 11 above).....	.0	.0	.0	.0	.0	.0	.0	.0	.0

13

(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).....		100,164		100,164
2. Salaries, wages and other benefits.....		1,763,260		1,763,260
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....		864,426		864,426
4. Legal fees and expenses.....		6,684		6,684
5. Certifications and accreditation fees.....				0
6. Auditing, actuarial and other consulting services.....		31,099		31,099
7. Traveling expenses.....		99,021		99,021
8. Marketing and advertising.....		81,033		81,033
9. Postage, express and telephone.....		111,683		111,683
10. Printing and office supplies.....		80,676		80,676
11. Occupancy, depreciation and amortization.....		89,105		89,105
12. Equipment.....		16,418		16,418
13. Cost or depreciation of EDP equipment and software.....		7,643		7,643
14. Outsourced services including EDP, claims, and other services.....		77,445		77,445
15. Boards, bureaus and association fees.....		10,368		10,368
16. Insurance, except on real estate.....				0
17. Collection and bank service charges.....				0
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.....				0
23.3 Regulatory authority licenses and fees.....				0
23.4 Payroll taxes.....		121,179		121,179
23.5 Other (excluding federal income and real estate taxes).....				0
24. Investment expenses not included elsewhere.....				0
25. Aggregate write-ins for expenses.....	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	0	3,460,204	0	(a).....3,460,204
27. Add expenses unpaid December 31, prior year.....				0
28. Less expenses unpaid December 31, current year.....				0
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	3,460,204	0	3,460,204

**DETAILS OF WRITE-INS**

2501. ....				0
2502. ....				0
2503. ....				0
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	0	0	0

(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).....37,781	.....25,334
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).....32,963	.....20,898
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....4,332	.....4,269
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....75,076	.....50,501
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).....	.....	.....50,501

**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 \$.....2,711 amortization of premium and less \$.....417 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 \$.....701 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).....	.....26	.....	.....	.....	.....26
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.....	.....12,065	.....	.....	.....	.....12,065
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).....	.....12,091	.....0	.....0	.....0	.....12,091

**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 End of Current Year	2 End of Prior Year	3 Change for Year (Increase) or Decrease
1. Summary of Items, Page 2, Lines 10 to 16 and 19 to 20, Column 2.....	110,566	110,566	0
2. Other nonadmitted assets:			
2.1 Bills receivable.....	25,310		(25,310)
2.2 Leasehold improvements.....	36,707		(36,707)
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).....	62,018	0	(62,018)
4. Aggregate write-ins for other than invested assets.....	126,943	213,030	86,087
5. Total (Line 1 plus Lines 3 and 4).....	299,527	323,596	24,069

**DETAILS OF WRITE-INS**

0401. Prepaid Expenses.....	64,483	178,179	113,696
0402. Deferred Income Taxes.....	61,200	34,600	(26,600)
0403. Stocks Discount/Premium Amortization.....	1,260	251	(1,009)
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).....	126,943	213,030	86,087

**EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE**

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....						
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....						
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	104,289	89,786	92,427	94,664	95,924	1,109,137
7. Total.....	104,289	89,786	92,427	94,664	95,924	1,109,137

**DETAILS OF WRITE-INS**

0601. Dental Service Corporation.....	104,289	89,786	92,427	94,664	95,924	1,109,137
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).....	104,289	89,786	92,427	94,664	95,924	1,109,137

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**NOTES TO FINANCIAL STATEMENTS**

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**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.....	1,151,436	37.2	1,150,176	37.2
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.....		0.0		0.0
8. Cash and short-term investments.....	1,820,127	58.8	1,820,127	58.8
9. Other invested assets.....	125,000	4.0	125,000	4.0
10. Total invested assets.....	3,096,563	100.0	3,095,303	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. \_\_\_\_\_

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. \_\_\_\_\_

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). \_\_\_\_\_

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, .....0.000 %

7.21 State the percentage of foreign control.

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?  
Thorn, Lewis & Duncan, Inc  
2000 Kettering Tower Dayton, OH 45423
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?  
F. Ray Martin, Tillinghast-Towers Perrin  
101 S Hanley St Louis, MO 63105
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 [ ]
- 10.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]
- 10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] 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.....	.....7,500,000	.....1,784,000	.....150.00	.....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 [ ]  
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

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes [ ] No [ X ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

22.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address

**OTHER**

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$.....0

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid

24.1 Amount of payments for legal expenses, if any? \$.....6,684

24.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Coolidge,Wall,Womsley & Lombard	6,684

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$.....0

25.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

**GENERAL INTERROGATORIES (continued)**

**PART 2 - HEALTH INTERROGATORIES**

1.1	Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
1.2	If yes, indicate premium earned on U.S. business only	\$.....	0
1.3	What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$.....	0
1.31	Reason for excluding		
<hr/>			
1.4	Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$.....	0
1.5	Indicate total incurred claims on all Medicare Supplement insurance.	\$.....	0
1.6	Individual policies:		
	Most current three years:		
1.61	Total premium earned	\$.....	0
1.62	Total incurred claims	\$.....	0
1.63	Number of covered lives	.....	0
	All years prior to most current three years:		
1.64	Total premium earned	\$.....	0
1.65	Total incurred claims	\$.....	0
1.66	Number of covered lives	.....	0
1.7	Group policies:		
	Most current three years:		
1.71	Total premium earned	\$.....	0
1.72	Total incurred claims	\$.....	0
1.73	Number of covered lives	.....	0
	All years prior to most current three years:		
1.74	Total premium earned	\$.....	0
1.75	Total incurred claims	\$.....	0
1.76	Number of covered lives	.....	0
2.1	Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
2.2	If yes, give particulars:		
<hr/>			
3.1	Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]
3.2	If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]
4.1	Does the reporting entity have stop-loss reinsurance?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
4.2	If no, explain:		
	Not required due to small average claim amounts and due to annual maximums to covered benefits		
<hr/>			
4.3	Maximum retained risk (see instructions):		
4.31	Comprehensive medical	\$.....	0
4.32	Medical only	\$.....	0
4.33	Medicare supplement	\$.....	0
4.34	Dental	\$.....	1,000
4.35	Other limited benefit plan	\$.....	0
4.36	Other	\$.....	0
5.	Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:		
	Dentists' Participation Agreement specifies that members can not be billed other than for copayment amounts		
<hr/>			
6.1	Does the reporting entity set up its claim liability for provider services on a service data base?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]
6.2	If no, give details:		
<hr/>			
7.	Provide the following information regarding participating providers:		
7.1	Number of providers at start of reporting year	.....	0
7.2	Number of providers at end of reporting year	.....	0
8.1	Does the reporting entity have business subject to premium rate guarantees?	Yes [ <input type="checkbox"/> ]	No [ <input checked="" type="checkbox"/> ]
8.2	If yes, direct premium earned:		
8.21	Business with the rate guarantees between 15-36 months	\$.....	0
8.22	Business with rate guarantees over 36 months	\$.....	0
9.1	Does the reporting entity have Bonus/withhold arrangements in its provider contracts?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]
9.2	If yes:		
9.21	Maximum amount payable bonuses	\$.....	0
9.22	Amount actually paid for year bonuses	\$.....	0
9.23	Maximum amount payable withholds	\$.....	624,457
9.24	Amount actually paid for year withholds	\$.....	248,065
10.	List service areas in which reporting entity is licensed to operate:		
	<div style="text-align: center;">1</div> <div style="text-align: center;">Name of Service Area</div> <div>Ohio, Indiana, Kentucky</div>		

## FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 23).....	3,651,735	3,309,435	3,423,223	3,160,796	2,221,377
2. Total liabilities (Page 3, Line 18).....	2,075,983	2,047,688	2,001,830	1,972,010	1,334,038
3. Statutory surplus.....	250,000				
4. Total capital and surplus (Page 3, Line 26).....	1,575,753	1,261,746	1,421,393	1,188,786	887,339
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 7).....	16,380,634	14,999,803	14,373,270	11,407,571	8,598,157
6. Total medical and hospital expenses (Line 17).....	12,805,071	11,847,444	10,868,844	8,323,783	6,503,651
7. Total administrative expenses (Line 19).....	3,460,204	3,343,891	3,172,144	2,834,743	2,326,584
8. Net underwriting gain (loss) (Line 22).....	115,359	(191,532)	332,282	249,045	(232,078)
9. Net investment gain (loss) (Line 25).....	16,852	89,726	129,027	123,933	94,609
10. Total other income (Lines 26 plus 27).....	376,892	202,928	107,787	122,510	195,662
11. Net income or (loss) (Line 30).....	325,603	74,982	368,696	319,988	48,193
<b>Risk-Based Capital Analysis</b>					
12. Total adjusted capital.....	1,575,753	1,261,746	1,421,393	1,188,785	887,339
13. Authorized control level risk-based capital.....	466,117	521,698	501,560	322,666	212,212
<b>Enrollment (Exhibit 2)</b>					
14. Total members at end of period (Column 5, Line 7).....	95,924	104,289	112,697	99,600	79,081
15. Total member months (Column 6, Line 7).....	1,109,137	1,224,294	1,319,864	1,112,430	905,536
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5)</b>					
16. Premiums earned (Lines 2 plus 3).....	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17).....	0.8	0.8	0.8	0.7	0.8
18. Total underwriting deductions (Line 21).....	1.0	1.0	1.0	1.0	1.0
19. Total underwriting gain (loss) (Line 22).....	0.0	(0.0)	0.0	0.0	(0.0)
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
20. Total claims incurred for prior years (Line 11, Col. 5).....	1,594,731	1,407,760	1,165,882	772,586	
21. Estimated liability of unpaid claims - prior year (Line 11, Col. 6)	1,473,127	1,455,372	1,355,626	1,041,468	

**FIVE-YEAR HISTORICAL DATA (Continued)**

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
22. Affiliated bonds (Sch. D Summary, Line 25, Col. 1).....					
23. Affiliated preferred stocks (Sch D. Summary, Line 39, Col. 1).....					
24. Affiliated common stocks (Sch D. Summary, Line 53, Col. 2).....					
25. Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11).....					
26. Affiliated mortgage loans on real estate.....					
27. All other affiliated.....					
28. Total of above Lines 22 to 27.....	.0	.0	.0	.0	.0

**NONE**

**SCHEDULE D - SUMMARY BY COUNTRY**

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value (a)	3 Actual Cost	4 Par Value of Bonds
<b>BONDS</b>					
Governments (Including all obligations guaranteed by governments)	1. United States.....	889,176	889,176	893,129	889,176
	2. Canada.....				
	3. Other Countries.....				
	4. Totals.....	889,176	889,176	893,129	889,176
States, Territories and Possessions (Direct and guaranteed)	5. United States.....				
	6. Canada.....				
	7. Other Countries.....				
	8. Totals.....	0	0	0	0
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States.....				
	10. Canada.....				
	11. Other Countries.....				
	12. Totals.....	0	0	0	0
Special Revenue and Special Assessment Obligations and all Non-guaranteed Obligations of Agencies and Authorities of Governments and their Political Subdivisions	13. United States.....				
	14. Canada.....				
	15. Other Countries.....				
	16. Totals.....	0	0	0	0
Public Utilities (unaffiliated)	17. United States.....				
	18. Canada.....				
	19. Other Countries.....				
	20. Totals.....	0	0	0	0
Industrial and Miscellaneous and Credit Tenant Loans (Unaffiliated)	21. United States.....	260,000	260,000	260,000	260,000
	22. Canada.....				
	23. Other Countries.....				
	24. Totals.....	260,000	260,000	260,000	260,000
Parent, Subsidiaries and Affiliates	25. Totals.....	1,000	1,000	1,000	1,000
	26. <b>Total Bonds.....</b>	<b>1,150,176</b>	<b>1,150,176</b>	<b>1,154,129</b>	<b>1,150,176</b>
<b>PREFERRED STOCKS</b>					
Public Utilities (Unaffiliated)	27. United States.....				
	28. Canada.....				
	29. Other Countries.....				
	30. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	31. United States.....				
	32. Canada.....				
	33. Other Countries.....				
	34. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	35. United States.....				
	36. Canada.....				
	37. Other Countries.....				
	38. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	39. Totals.....				
	40. <b>Total Preferred Stocks.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COMMON STOCKS</b>					
Public Utilities (Unaffiliated)	41. United States.....				
	42. Canada.....				
	43. Other Countries.....				
	44. Totals.....	0	0	0	0
Banks, Trust and Insurance Companies (Unaffiliated)	45. United States.....				
	46. Canada.....				
	47. Other Countries.....				
	48. Totals.....	0	0	0	0
Industrial and Miscellaneous (Unaffiliated)	49. United States.....				
	50. Canada.....				
	51. Other Countries.....				
	52. Totals.....	0	0	0	0
Parent, Subsidiaries and Affiliates	53. Totals.....				
	54. <b>Total Common Stocks.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	55. <b>Total Stocks.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	56. <b>Total Bonds and Stocks...</b>	<b>1,150,176</b>	<b>1,150,176</b>	<b>1,154,129</b>	

(a) The aggregate value of bonds which are valued at other than actual fair value is \$.....0.

**SCHEDULE D - VERIFICATION BETWEEN YEARS**

1. Book/adjusted carrying value of bonds and stocks, prior year.....	889,064	6. Foreign exchange adjustment:	
2. Cost of bonds and stocks acquired, Column 6, Part 3.....	1,240,944	6.1 Column 17, Part 1.....	
3. Increase (decrease) by adjustment:		6.2 Column 13, Part 2, Section 1.....	
3.1 Column 16, Part 1.....		6.3 Column 11, Part 2, Section 2.....	
3.2 Column 12, Part 2, Section 1.....		6.4 Column 11, Part 4.....	0
3.3 Column 10, Part 2, Section 2.....		7. Book/adjusted carrying value at end of current period.....	1,150,176
3.4 Column 10, Part 4.....	0	8. Total valuation allowance.....	
4. Total gain (loss), Column 14, Part 4.....		9. Subtotal (Lines 7 plus 8).....	1,150,176
5. Deduct consideration for bonds and stocks disposed of, Column 6, Part 4...	979,832	10. Total nonadmitted amounts.....	
		11. Statement value of bonds and stocks, current period.....	1,150,176

**SUPERIOR DENTAL CARE, INC.**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

Allocated by States and Territories

State, Etc.	1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed? (Yes or No)	Direct Business Only			6 Federal Employees Health Benefits Program Premiums
			3 Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	
1. Alabama.....AL	No	No				
2. Alaska.....AK	No	No				
3. Arizona.....AZ	No	No				
4. Arkansas.....AR	No	No				
5. California.....CA	No	No				
6. Colorado.....CO	No	No				
7. Connecticut.....CT	No	No				
8. Delaware.....DE	No	No				
9. District of Columbia.....DC	No	No				
10. Florida.....FL	No	No				
11. Georgia.....GA	No	No				
12. Hawaii.....HI	No	No				
13. Idaho.....ID	No	No				
14. Illinois.....IL	No	No				
15. Indiana.....IN	No	Yes				
16. Iowa.....IA	No	No				
17. Kansas.....KS	No	No				
18. Kentucky.....KY	No	Yes	113,456			
19. Louisiana.....LA	No	No				
20. Maine.....ME	No	No				
21. Maryland.....MD	No	No				
22. Massachusetts.....MA	No	No				
23. Michigan.....MI	No	No				
24. Minnesota.....MN	No	No				
25. Mississippi.....MS	No	No				
26. Missouri.....MO	No	No				
27. Montana.....MT	No	No				
28. Nebraska.....NE	No	No				
29. Nevada.....NV	No	No				
30. New Hampshire.....NH	No	No				
31. New Jersey.....NJ	No	No				
32. New Mexico.....NM	No	No				
33. New York.....NY	No	No				
34. North Carolina.....NC	No	No				
35. North Dakota.....ND	No	No				
36. Ohio.....OH	No	Yes	16,267,178			
37. Oklahoma.....OK	No	No				
38. Oregon.....OR	No	No				
39. Pennsylvania.....PA	No	No				
40. Rhode Island.....RI	No	No				
41. South Carolina.....SC	No	No				
42. South Dakota.....SD	No	No				
43. Tennessee.....TN	No	No				
44. Texas.....TX	No	No				
45. Utah.....UT	No	No				
46. Vermont.....VT	No	No				
47. Virginia.....VA	No	No				
48. Washington.....WA	No	No				
49. West Virginia.....WV	No	No				
50. Wisconsin.....WI	No	No				
51. Wyoming.....WY	No	No				
52. American Samoa.....AS	No	No				
53. Guam.....GU	No	No				
54. Puerto Rico.....PR	No	No				
55. U.S. Virgin Islands.....VI	No	No				
56. Canada.....CN	No	No				
57. Aggregate Other alien.....OT	XXX	XXX	0	0	0	0
58. Total (Direct Business).....	XXX	(a) 3	16,380,634	0	0	0

**DETAILS OF WRITE-INS**

5701. ....				
5702. ....				
5703. ....				
5798. Summary of remaining write-ins for line 57 from overflow page.....		0	0	0
5799. Total (Lines 5701 thru 5703 plus 5798) (Line 57 above).....		0	0	0

Explanation of basis of allocation by states, etc., of premiums and annuity considerations.

Allocated by location of group

(a) Insert the number of yes responses except for Canada and Other Alien.

**SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 – ORGANIZATIONAL CHART

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