



ANNUAL STATEMENT

For the Year Ended December 31, 2011
of the Condition and Affairs of the

Dental Care Plus, Inc.

NAIC Group Code..... ,
(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 UN

Licensed as Business Type.....Health Maintenance Organization

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

Incorporated/Organized..... January 6, 1986

Commenced Business..... March 1, 1988

Statutory Home Office

100 Crowne Point Place..... Cincinnati OH 45241
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office

100 Crowne Point Place..... Cincinnati OH 45241
(Street and Number) (City or Town, State and Zip Code)

513-554-1100
(Area Code) (Telephone Number)

Mail Address

100 Crowne Point Place..... Cincinnati OH 45241
(Street and Number or P. O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records

100 Crowne Point Place..... Cincinnati OH 45241
(Street and Number) (City or Town, State and Zip Code)

513-554-1100
(Area Code) (Telephone Number)

Internet Web Site Address

www2.Dentalcareplus.com

Statutory Statement Contact

Robert Carr Hodgkins
(Name)
rhodgkins@dentalcareplus.com
(E-Mail Address)

513-554-1100
(Area Code) (Telephone Number) (Extension)
513-554-3187
(Fax Number)

OFFICERS

Name	Title	Name	Title
1. Anthony A. Cook	President & CEO	2. Robert Carr Hodgkins Jr.	Vice President & CFO
3. Fred Bronson D.D.S.	Secretary	4. Fred H. Peck D.D.S.	Treasurer

OTHER

Timothy P. Berghoff F.S.A., M.A.A.A

Consulting Actuary

DIRECTORS OR TRUSTEES

Fred Bronson D.D.S.	Molly Meakin Rogers C.P.A.	Mark Zigoris D.D.S.	Ross Geiger
Roger Higley 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.	Fred H. Peck D.D.S.	Michael Carl D.D.S.	James E. Kroeger M.B.A., C.P.A
Anthony A. Cook M.B.A, M.S.			

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. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)
Anthony A. Cook

1. (Printed Name)
President & CEO

(Title)

(Signature)
Robert Carr Hodgkins Jr.

2. (Printed Name)
Vice President & CFO

(Title)

(Signature)
Fred Bronson D.D.S.

3. (Printed Name)
Secretary

(Title)

Subscribed and sworn to before me
This _____ day of _____ 2012

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	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	4,157,580		4,157,580	3,541,966
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....			.0	
3. Mortgage loans on real estate (Schedule B):				
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 \$.....1,430,000 encumbrances).....	477,768		477,768	454,519
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 (\$.....6,304,414, Sch. E-Part 1), cash equivalents (\$.....0, Sch. E-Part 2) and short-term investments (\$.....65,461, Sch. DA).....	6,369,875		6,369,875	6,315,840
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....			.0	
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	11,005,223	.0	11,005,223	10,312,325
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	39,664		39,664	42,397
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in course of collection.....	497,390		497,390	423,791
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums.....			.0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			.0	
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....			.0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	60,237
18.2 Net deferred tax asset.....	273,917	29,578	244,339	264,073
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....	172,802	102,920	69,882	
21. Furniture and equipment, including health care delivery assets (\$.....0).....	4,161	4,161	.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....5,624) and other amounts receivable.....	5,624		5,624	4,320
25. Aggregate write-ins for other than invested assets.....	34,563	34,563	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	12,033,344	171,222	11,862,122	11,107,143
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTALS (Lines 26 and 27).....	12,033,344	171,222	11,862,122	11,107,143
DETAILS OF WRITE-INS				
1101. Fair Value of Interest Rate Swap Contract.....			.0	
1102. ....			.0	
1103. ....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Prepaid Expenses.....	34,563	34,563	.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).....	34,563	34,563	.0	.0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	2,750,409		2,750,409	2,727,213
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	51,059		51,059	49,115
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....			0	
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserve.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	1,237,437		1,237,437	1,469,909
9. General expenses due or accrued.....	1,197,330		1,197,330	1,065,902
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	250,685		250,685	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....	5,134		5,134	5,134
13. Remittances and items not allocated.....			0	
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	4,859		4,859	12,826
16. Derivatives.....	16,354		16,354	27,639
17. Payable for securities.....			0	
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers).....			0	
20. Reinsurance in unauthorized companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	247,906		247,906	234,887
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	5,761,173	0	5,761,173	5,592,625
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	0
26. Common capital stock.....	XXX	XXX	1,365,663	1,365,663
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX	1,473,089	1,473,089
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	3,262,197	2,675,766
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	6,100,949	5,514,518
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	11,862,122	11,107,143

DETAILS OF WRITE-INS

2301. Fair Value of Interest Rate Swap Contract.....			0	
2302.			0	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above).....	0	0	0	0
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	3,195,557	3,212,150
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	52,158,616	52,105,603
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.....	2,097,394	2,023,685
7. Aggregate write-ins for other non-health revenues.....	XXX.....	.0	.0
8. Total revenues (Lines 2 to 7).....	XXX.....	54,256,010	54,129,288
Hospital and Medical:			
9. Hospital/medical benefits.....		41,784,410	43,177,062
10. Other professional services.....			
11. Outside referrals.....			
12. Emergency room and out-of-area.....			
13. Prescription drugs.....			
14. Aggregate write-ins for other hospital and medical.....	.0	.0	.0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....	.0	41,784,410	43,177,062
Less:			
17. Net reinsurance recoveries.....		(219,469)	(134,949)
18. Total hospital and medical (Lines 16 minus 17).....	.0	42,003,879	43,312,011
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....67,534 cost containment expenses.....		1,091,831	1,092,815
21. General administrative expenses.....		10,345,695	9,895,645
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....	.0	53,441,405	54,300,471
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	814,605	(171,183)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		171,485	167,923
26. Net realized capital gains or (losses) less capital gains tax of \$.....5,930.....		11,511	
27. Net investment gains or (losses) (Lines 25 plus 26).....	.0	182,996	167,923
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....		(31,203)	(20,918)
29. Aggregate write-ins for other income or expenses.....	.0	(702)	3,002
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	965,696	(21,176)
31. Federal and foreign income taxes incurred.....	XXX.....	262,443	73,050
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	703,253	(94,226)

DETAILS OF WRITE-INS			
0601. Self Insured.....	XXX.....	2,097,394	2,023,685
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.....	2,097,394	2,023,685
0701. Other income.....	XXX.....		
0702.	XXX.....		
0703.	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	.0	.0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above).....	XXX.....	.0	.0
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.0	.0	.0
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above).....	.0	.0	.0
2901. Other income.....		(702)	3,002
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.0	.0	.0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above).....	.0	(702)	3,002

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	.....5,514,518	.....4,920,518
34. Net income or (loss) from Line 32.....	.....703,253	.....(94,226)
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$3,837.....	.....7,448	.....(2,644)
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	.....(25,296)	.....19,163
39. Change in nonadmitted assets.....	.....(98,974)	.....221,707
40. Change in unauthorized reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		.....450,000
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	.....0	.....0
48. Net change in capital and surplus (Lines 34 to 47).....	.....586,431	.....594,000
49. Capital and surplus end of reporting period (Line 33 plus 48).....	.....6,100,949	.....5,514,518

DETAILS OF WRITE-INS		
4701. Prior year reclass of Issuance cost to unassigned funds.....		
4702. Common Stock Subscriptions.....		
4703. Common Stock Repurchased and Retired.....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	.....0	.....0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above).....	.....0	.....0

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	51,852,545	52,562,914
2. Net investment income.....	309,597	345,261
3. Miscellaneous income.....	2,097,394	1,970,411
4. Total (Lines 1 through 3).....	54,259,536	54,878,586
5. Benefit and loss related payments.....	41,980,683	42,856,218
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	11,323,040	10,507,496
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	(42,614)	67
10. Total (Lines 5 through 9).....	53,261,109	53,363,781
11. Net cash from operations (Line 4 minus Line 10).....	998,427	1,514,805
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	3,497,202	1,657,000
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		74,921
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	3,497,202	1,731,921
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	4,129,949	3,207,062
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....	4,052	35,778
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	4,134,001	3,242,840
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(636,799)	(1,510,919)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....		450,000
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(307,593)	(285,821)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(307,593)	164,179
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17).....	54,035	168,065
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	6,315,840	6,147,775
19.2 End of year (Line 18 plus Line 19.1).....	6,369,875	6,315,840

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
---------	--	--

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plans	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income.....	52,158,616			52,158,616						
2. Change in unearned premium reserves and reserve for rate credit.....	0									
3. Fee-for-service (net of \$.....0 medical expenses).....	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	2,097,394	0	0	0	0	0	0	0	2,097,394	XXX
6. Aggregate write-ins for other non-health care related revenues.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6).....	54,256,010	0	0	52,158,616	0	0	0	0	2,097,394	0
8. Hospital/medical benefits.....	41,784,410			41,784,410						XXX
9. Other professional services.....	0									XXX
10. Outside referrals.....	0									XXX
11. Emergency room and out-of-area.....	0									XXX
12. Prescription drugs.....	0									XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0									XXX
15. Subtotal (Lines 8 to 14).....	41,784,410	0	0	41,784,410	0	0	0	0	0	XXX
16. Net reinsurance recoveries.....	(219,469)			(219,469)						XXX
17. Total hospital and medical (Lines 15 minus 16).....	42,003,879	0	0	42,003,879	0	0	0	0	0	XXX
18. Non-health claims (net).....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$....67,534 cost containment expenses.....	1,091,831			763,957					327,874	
20. General administrative expenses.....	10,345,695			9,051,629					1,294,066	
21. Increase in reserves for accident and health contracts.....	0									XXX
22. Increase in reserve for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22).....	53,441,405	0	0	51,819,465	0	0	0	0	1,621,940	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	814,605	0	0	339,151	0	0	0	0	475,454	0

DETAILS OF WRITE-INS

[illegible]

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 (hospital and medical).....				0
2.	Medicare supplement.....				0
3.	Dental only.....	51,899,589	259,027		52,158,616
4.	Vision only.....				0
5.	Federal employees health benefits plan.....				0
6.	Title XVIII - Medicare.....				0
7.	Title XIX - Medicaid.....				0
8.	Other health.....				0
9.	Health subtotal (Lines 1 through 8).....	51,899,589	259,027	0	52,158,616
10.	Life.....				0
11.	Property/casualty.....				0
12.	Totals (Lines 9 to 11).....	51,899,589	259,027	0	52,158,616

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	41,752,297			41,752,297						
1.2 Reinsurance assumed.....	228,386			228,386						
1.3 Reinsurance ceded.....	0									
1.4 Net.....	41,980,683	0	0	41,980,683	0	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.....	2,730,144			2,730,144						
3.2 Reinsurance assumed.....	20,265			20,265						
3.3 Reinsurance ceded.....	0									
3.4 Net.....	2,750,409	0	0	2,750,409	0	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	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (a).....	0									
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	2,698,031			2,698,031						
8.2 Reinsurance assumed.....	29,182			29,182						
8.3 Reinsurance ceded.....	0									
8.4 Net.....	2,727,213	0	0	2,727,213	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	0									
12. Incurred benefits:										
12.1 Direct.....	41,784,410	0	0	41,784,410	0	0	0	0	0	0
12.2 Reinsurance assumed.....	219,469	0	0	219,469	0	0	0	0	0	0
12.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
12.4 Net.....	42,003,879	0	0	42,003,879	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
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	.0
2. Incurred but unreported:										
2.1 Direct.....	2,730,144			2,730,144						
2.2 Reinsurance assumed.....	20,265			20,265						
2.3 Reinsurance ceded.....	.0									
2.4 Net.....	2,750,409	.0	.0	2,750,409	.0	.0	.0	.0	.0	.0
3. Amounts withheld from paid claims and capitations:										
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	.0
4. Totals:										
4.1 Direct.....	2,730,144	.0	.0	2,730,144	.0	.0	.0	.0	.0	.0
4.2 Reinsurance assumed.....	20,265	.0	.0	20,265	.0	.0	.0	.0	.0	.0
4.3 Reinsurance ceded.....	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
4.4 Net.....	2,750,409	.0	.0	2,750,409	.0	.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	6
	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	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical).....					0	
2. Medicare supplement.....					0	
3. Dental only.....	2,802,687	39,177,996	755	2,749,654	2,803,442	2,727,213
4. Vision only.....					0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	2,802,687	39,177,996	755	2,749,654	2,803,442	2,727,213
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	2,802,687	39,177,996	755	2,749,654	2,803,442	2,727,213

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	3,793	3,795	3,795	3,795	3,795
2. 2007.....	28,695	31,092	31,095	31,095	31,095
3. 2008.....	.XXX	29,220	31,823	31,823	31,823
4. 2009.....	.XXX	.XXX	34,726	37,211	37,215
5. 2010.....	.XXX	.XXX	.XXX	40,373	43,172
6. 2011.....	.XXX	.XXX	.XXX	.XXX	39,178

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	3,793	3,795	3,795	3,795	3,795
2. 2007.....	31,386	31,092	31,095	31,095	31,095
3. 2008.....	.XXX	31,795	31,823	31,823	31,823
4. 2009.....	.XXX	.XXX	36,997	37,212	37,215
5. 2010.....	.XXX	.XXX	.XXX	43,099	43,172
6. 2011.....	.XXX	.XXX	.XXX	.XXX	41,928

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

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. 2007.....	39,738	31,366	.978	3.1	32,344	81.4			32,344	81.4
2. 2008.....	40,599	34,305	1,059	3.1	35,364	87.1			35,364	87.1
3. 2009.....	45,422	39,603	1,053	2.7	40,656	89.5			40,656	89.5
4. 2010.....	52,106	45,583	1,142	2.5	46,725	89.7			46,725	89.7
5. 2011.....	52,159	41,981	1,092	2.6	43,073	82.6	2,750	51	45,874	88.0

**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 HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	3,793	3,795	3,795	3,795	3,795
2. 2007.....	28,695	31,092	31,095	31,095	31,095
3. 2008.....	XXX	29,220	31,823	31,823	31,823
4. 2009.....	XXX	XXX	34,726	37,211	37,215
5. 2010.....	XXX	XXX	XXX	40,373	43,172
6. 2011.....	XXX	XXX	XXX	XXX	39,178

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior.....	3,793	3,795	3,795	3,795	3,795
2. 2007.....	31,386	31,092	31,095	31,095	31,095
3. 2008.....	XXX	31,795	31,823	31,823	31,823
4. 2009.....	XXX	XXX	36,997	37,212	37,215
5. 2010.....	XXX	XXX	XXX	43,099	43,172
6. 2011.....	XXX	XXX	XXX	XXX	41,928

SECTION C - INCURRED YEAR HEALTH 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 Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2007.....	39,738	31,366	978	3.1	32,344	81.4			32,344	81.4
2. 2008.....	40,599	34,305	1,059	3.1	35,364	87.1			35,364	87.1
3. 2009.....	45,422	39,603	1,053	2.7	40,656	89.5			40,656	89.5
4. 2010.....	52,106	45,583	1,142	2.5	46,725	89.7			46,725	89.7
5. 2011.....	52,159	41,981	1,092	2.6	43,073	82.6	2,750	51	45,874	88.0

**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**

**U & I Ex.-Pt.2D
NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....					.....0
2. Salaries, wages and other benefits.....					.....0
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			.....3,151,171		.....3,151,171
4. Legal fees and expenses.....					.....0
5. Certifications and accreditation fees.....					.....0
6. Auditing, actuarial and other consulting services.....			.....15,275		.....15,275
7. Traveling expenses.....					.....0
8. Marketing and advertising.....					.....0
9. Postage, express and telephone.....			.....128,139		.....128,139
10. Printing and office supplies.....					.....0
11. Occupancy, depreciation and amortization.....					.....0
12. Equipment.....			.....382		.....382
13. Cost or depreciation of EDP equipment and software.....			.....7,893		.....7,893
14. Outsourced services including EDP, claims, and other services.....	.....67,534	.....85,093	.....192,676		.....345,303
15. Boards, bureaus and association fees.....			.....8,131		.....8,131
16. Insurance, except on real estate.....			.....10,026		.....10,026
17. Collection and bank service charges.....			.....103,563		.....103,563
18. Group service and administration fees.....		.....939,204	.....7,159,903		.....8,099,107
19. Reimbursements by uninsured plans.....			.....(1,221,758)		.....(1,221,758)
20. Reimbursements from fiscal intermediaries.....					.....0
21. Real estate expenses.....			.....70,586	.....83,950	.....154,536
22. Real estate taxes.....				.....47,447	.....47,447
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....			.....5,014		.....5,014
23.2 State premium taxes.....			.....412,221		.....412,221
23.3 Regulatory authority licenses and fees.....			.....57,410		.....57,410
23.4 Payroll taxes.....					.....0
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	.....245,063	.....0	.....245,063
26. Total expenses incurred (Lines 1 to 25).....	.....67,534	.....1,024,297	.....10,345,695	.....131,397	(a).....11,568,923
27. Less expenses unpaid December 31, current year.....		.....51,059	.....1,197,330		.....1,248,389
28. Add expenses unpaid December 31, prior year.....		.....49,115	.....1,065,902		.....1,115,017
29. Amounts receivable relating to uninsured plans, prior year.....					.....0
30. Amounts receivable relating to uninsured plans, current year.....					.....0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	.....67,534	.....1,022,353	.....10,214,267	.....131,397	.....11,435,551

DETAILS OF WRITE-INS

2501. Interest Expense.....			.....55,296		.....55,296
2502. Network Access Fees.....			.....74,223		.....74,223
2503. Operating lease.....			.....114,847		.....114,847
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....697	.....0	.....697
2599. TOTALS (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....0	.....0	.....245,063	.....0	.....245,063

(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).....2,189	.....4,566
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....79,283	.....105,539
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).....293,258	.....293,258
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....323	.....323
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....0	.....0
10. Total gross investment income.....	.....375,053	.....403,686
11. Investment expenses.....	.....	(g).....131,397
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).....100,804
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....232,201
17. Net investment income (Line 10 minus Line 16).....	.....	.....171,485

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 \$.....1,324 accrual of discount less \$.....35,899 amortization of premium and less \$.....14,284 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 \$.....100,804 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 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....0	.....	.....
1.1 Bonds exempt from U.S. tax.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....17,441	.....	.....17,441	.....	.....
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, cash equivalents and short-term investments.....0	.....	.....
7. Derivative instruments.....0	.....11,285	.....
8. Other invested assets.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0	.....0
10. Total capital gains (losses).....	.....17,441	.....0	.....17,441	.....11,285	.....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 OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			.....0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			.....0
2.2 Common stocks.....			.....0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			.....0
3.2 Other than first liens.....			.....0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			.....0
4.2 Properties held for the production of income.....			.....0
4.3 Properties held for sale.....			.....0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			.....0
6. Contract loans.....			.....0
7. Derivatives (Schedule DB).....			.....0
8. Other invested assets (Schedule BA).....			.....0
9. Receivables for securities.....			.....0
10. Securities lending reinvested collateral assets (Schedule DL).....			.....0
11. Aggregate write-ins for invested assets.....	.....0	.....0	.....0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	.....0	.....0	.....0
13. Title plants (for Title insurers only).....			.....0
14. Investment income due and accrued.....			.....0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			.....0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			.....0
15.3 Accrued retrospective premiums.....			.....0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			.....0
16.2 Funds held by or deposited with reinsured companies.....			.....0
16.3 Other amounts receivable under reinsurance contracts.....			.....0
17. Amounts receivable relating to uninsured plans.....			.....0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.....0
18.2 Net deferred tax asset.....	.....29,578	.....38,977	.....9,399
19. Guaranty funds receivable or on deposit.....			.....0
20. Electronic data processing equipment and software.....	.....102,920		.....(102,920)
21. Furniture and equipment, including health care delivery assets.....	.....4,161		.....(4,161)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.....0
23. Receivables from parent, subsidiaries and affiliates.....			.....0
24. Health care and other amounts receivable.....			.....0
25. Aggregate write-ins for other than invested assets.....	.....34,563	.....33,271	.....(1,292)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	.....171,222	.....72,248	.....(98,974)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.....0
28. TOTALS (Lines 26 and 27).....	.....171,222	.....72,248	.....(98,974)

DETAILS OF WRITE-INS

1101. ....			.....0
1102. ....			.....0
1103. ....			.....0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.....0	.....0	.....0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above).....	.....0	.....0	.....0
2501. Prepaid Expenses.....	.....34,563	.....33,271	.....(1,292)
2502. ....			.....0
2503. ....			.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0
2599. Totals (Lines 2501 thru 2503 plus 2598) (Line 25 above).....	.....34,563	.....33,271	.....(1,292)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

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.....	.....223,701	.....222,800	.....222,047	.....224,942	.....225,007	.....2,683,591
2. Provider service organizations.....	.....	.....	.....	.....	.....	.....
3. Preferred provider organizations.....	.....39,307	.....37,388	.....36,973	.....38,256	.....38,390	.....453,228
4. Point of service.....	.....	.....	.....	.....	.....	.....
5. Indemnity only.....	.....4,979	.....5,203	.....5,209	.....4,671	.....4,529	.....58,738
6. Aggregate write-ins for other lines of business.....	.....0	.....0	.....0	.....0	.....0	.....0
7. Total.....	.....267,987	.....265,391	.....264,229	.....267,869	.....267,926	.....3,195,557

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

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Accounting Practices

The financial statements of Dental Care Plus, Inc. (DCP) or (The Company) are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department. The Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state has not adopted any prescribed accounting practices that differ from those found in NAIC SAP.

Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Accounting Policy

Net Premium Income-Fully Insured Fully insured membership contracts are written on an annual basis and are subject to cancellation by the employer group upon thirty days written notice. Management has determined that as of December 31, 2011 and 2010 respectively, no cancellation reserve is required. Premiums are due monthly in advance and are recognized evenly as revenue during the period in which the Company is obligated to provide services to members. Any premiums received prior to the beginning of a reporting period are recognized as unearned premium revenue. Any amounts not received by the end of a reporting period are recorded as accounts receivable by the Company.

Self Insured Withhold Revenue The Company provides access to its provider network for an administrative fee, generally to "self-insured" groups. Self-insured premium revenue is based on the claims incurred by self-insured members in accordance with agreements with self-insured employers. The Company has no underwriting risk for the provision or cost of any services provided to the self-insured groups. Self-insured withhold revenue is recorded when the self-insured claims are incurred. Amounts withheld on claims processed for self-insured contracts and under third party administration arrangements included in other healthcare related revenues amounted to \$2,097,394 and \$2,023,685 for the years ended December 31, 2011 and 2010, respectively.

ASO Fees Third party administration fee revenue ("ASO fees") is recognized monthly when earned and is normally based on annual contracts with the self-insured groups. ASO fees are charged to self-insured employer groups monthly on a per subscriber per month basis. Self-insured administrative fees are recorded a reduction to general administrative expense of \$1,208,226 and \$1,208,226 for the years ended December 31, 2011 and 2010, respectively.

Hospital/medical benefits (Healthcare Services Expense) The Company compensates its providers based on contractual reimbursement for various services. With respect to the dental HMO product, the Company generally retains 10% of this reimbursement (including payments on self-insured claims) in accordance with the Company's provider agreements. Healthcare services expense is recorded net of any amounts withheld in the accompanying statements of revenue and expenses. Under the terms of the Company's provider agreements, the Company is not obligated to return to providers any amounts withheld. Withheld amounts are retained by the Company but not reserved or retained in a separate fund. Participating providers have no interest in the amounts withheld unless the Company's Board authorizes any amount to be paid to the providers.

The cost of fully-insured healthcare services to members is accrued in the period such services are provided based on the accumulation of estimates of claims reported prior to the end of a reporting period and of estimates of dental services incurred but not reported to the Company, net of the amounts withheld in accordance with the provider agreements.

Management's estimates of dental services provided are based on the Company's historical experience and current trends, with assistance from the Company's consulting actuary. Estimated dental claims payable are reviewed monthly by management and are adjusted based on current information, actual paid claims data, dental utilization statistics and other pertinent information. However, final claim payments may differ from the established reserves. Any resulting adjustments are reflected in current operations.

Each year the Board evaluates the performance of the Company's dental plans, capital and surplus requirements prescribed by the Ohio Department of Insurance, factors affecting the Company's financial strength rating, funding needed to support strategic objectives for the coming years and any other factors deemed relevant by the Board and, based on that evaluation, determines whether or not to authorize the payment to the providers of any portion of the provider withhold. Once authorized by the Board, such amounts are recorded as additional healthcare services expense in the period authorized and shown as additional claims payable liability until paid. There was no withhold return authorized for 2011 or 2010.

Reinsurance In the normal course of business, the Company assumes premium revenue and related healthcare services expense from a third party insurance provider. Dental insurance premium assumed was approximately \$259,000 and \$148,000 for the years ended December 31, 2011 and 2010, respectively. The healthcare services expense assumed was approximately \$219,000

NOTES TO FINANCIAL STATEMENTS

and \$135,000 for the years ended December 31, 2011 and 2010, respectively. As of December 31, 2011, the Company has \$11,827 of reinsurance premium receivable and claims payable of \$20,265.

Other

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

Short-term investments and long term bonds are stated at amortized cost.

All derivatives are stated at fair value.

The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts. As of December 31, 2011 and 2010 there was no deficiency reserve required.

The Company has not modified its capitalization policy from the prior period.

Note 2 - Accounting Changes and Corrections of Errors

DCP had no accounting changes or corrections of errors to report.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

The Company did not have any investments in mortgage loans, debt restructuring, reverse mortgages, loan backed securities, or repurchase agreements for the years ended December 31, 2011 and 2010.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

The Company has no Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets as of December 31, 2011 and 2010.

Note 7 - Investment Income

The Company did not have any excluded (nonadmitted) investment income due and accrued as of December 31, 2011 and 2010.

Note 8 - Derivative Instruments

In 2003, the Company entered into an interest rate swap agreement (“Agreement”) (cash flow hedge) with an original notional amount of \$1,500,000. The Agreement is used to manage the Company’s interest rate risk. The swap agreement effectively changed the interest rate related to \$1,500,000 of the Company’s \$1,800,000 mortgage note with a commercial bank from a variable rate based on the 30-day LIBOR rate plus 1.75% to a fixed rate of approximately 4.95% for the 10-year period through June 12, 2013. The Company’s risk management policy is to not enter into any trading activities related to the Agreement. The notional amount decreases \$10,000 per month in direct correlation to the principal reduction of the mortgage. The Company believes that the risk of nonperformance by the counter party in conjunction with this arrangement is not material to the financial statements. The fair value of this Agreement at December 31, 2011 and 2010 was a liability of \$16,354 and \$27,639, respectively. The change in the swap value and unrealized loss included in surplus, related to the interest rate swap was \$7,448 and (\$2,644), net of income tax expense (benefit) of \$3,837 and (\$1,362) and during 2011 and 2010, respectively. The agreement will terminate upon termination of the mortgage loan payable.

The change in the swap value and unrealized loss included in surplus was (\$4,006) and \$14,336, offset by an income tax benefit of (\$1,362) and \$4,874 during 2009 and 2008, respectively.

Note 9 - Income Taxes

A. Components of Deferred Tax Assets (DTAs) and Deferred Tax Liabilities (DTLs):

NOTES TO FINANCIAL STATEMENTS

Description	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	268,357	5,560	273,917	293,652	9,397	303,050	(25,296)	(3,837)	(29,132)
Statutory valuation allowance	-	-	-	-	-	-	-	-	-
Adjusted gross deferred tax assets	268,357	5,560	273,917	293,652	9,397	303,050	(25,296)	(3,837)	(29,132)
Gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
Net deferred tax asset/(liability) before admissibility test	268,357	5,560	273,917	293,652	9,397	303,050	(25,296)	(3,837)	(29,132)
Total Deferred tax assets nonadmitted	(24,018)	(5,560)	(29,578)	(29,580)	(9,397)	(38,977)	5,562	3,837	9,399
Net admitted deferred tax assets / (liabilities)	244,339	-	244,339	264,073	-	264,073	(19,733)	-	(19,733)
The Company has elected to admit DTAs pursuant to paragraph 10.e. which is consistent with prior year election.									

	2011			2010			Ordinary
	Ordinary	Capital	Total	Ordinary	Capital	Total	
Admitted pursuant to 10.a.	244,339	-	244,339	72,468	-	72,468	171,872
Admitted pursuant to 10.b.	-	-	-	191,605	-	191,605	(191,605)
10.b.i.	-	-	-	191,605	-	191,605	(191,605)
10.b.ii.			518,291			418,186	
Admitted pursuant to 10.c.	-	-	-	-	-	-	-
Total admitted from the application of paragraph 10.a	244,339	-	244,339	264,073	-	264,073	(19,733)
Admitted pursuant to 10.e.i.	244,339	-	244,339	72,468	-	72,468	171,872
Admitted pursuant to 10.e.ii.	-	-	-	191,605	-	191,605	(191,605)
10.e.ii.a.	-	-	-	-	-	-	-
10.e.ii.b.			777,437			627,279	
Admitted pursuant to 10.e.iii.	-	-	-	-	-	-	-
Total admitted from the application of paragraph 10.e	244,339	-	244,339	264,073	-	264,073	(19,733)
Total admitted adjusted gross deferred tax assets	244,339	-	244,339	264,073	-	264,073	(19,733)
Deferred tax liability	-	-	-	-	-	-	-
Net admitted deferred tax assets / (liabilities)	244,339	-	244,339	264,073	-	264,073	(19,733)
Nonadmitted deferred tax assets	24,018	5,560	29,578	29,580	9,397	38,977	(5,562)

The Company's risk-based capital level used for purposes of paragraph 10.d. is based on authorized control level risk-based capital of \$1,494,359 and total adjusted capital of \$6,110,949.

Description	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation under 10.a.-10.c	244,339	-	244,339	264,073	-	264,073	(19,733)	-	(19,733)
Admitted ass ets			11,862,122			11,107,143			754,979
Adjusted statutory surplus from most recently filed statement			6,100,949			5,514,518			586,431
Total adjusted capital from DTAs included above			5,856,610			5,250,445			606,165
Increases due to admission under 10.e.i.-10.e.iii.									
Admitted DTAs	-	-	-	-	-	-	-	-	-
Admitted ass ets			11,862,122			11,107,143			754,979
Statutory surplus			6,100,949			5,514,518			586,431

B. Unrecognized Deferred Tax Liabilities- There are no temporary differences for deferred tax liabilities that are not recognized at December 31, 2011 and 2010.

C. Current Tax and Change in Deferred Tax- Current income taxes incurred consisted of the following major components at December 31, 2011 and 2010 are as follows:

Description	2011	2010
Current income tax expense	390,488	72,468
Tax on capital gains/(losses)	5,930	-
Prior year underaccrual/(overaccrual)	(128,045)	583
Federal income taxes incurred	268,373	73,050

The tax effects of temporary differences that give rise to significant portions of the deferred taxes at December 31, 2011 and 2010 are as follows:

NOTES TO FINANCIAL STATEMENTS

	December 31,	December 31,	
DTAs Resulting from Book/Tax Differences In	2011	2010	Change
Ordinary			
Unearned premiums	84,146	99,954	(15,808)
Unpaid losses and LAE	16,063	17,484	(1,421)
Accrued commission	131,597	140,896	(9,299)
Basis difference in fixed assets	24,018	29,580	(5,562)
Allowance for doubtful accounts	5,200	2,759	2,441
Prepaid insurance	7,334	2,980	4,354
Nonadmitted assets	-	-	-
Gross ordinary DTAs	268,357	293,653	(25,296)
Statutory valuation adjustment adjustment - ordinary	-	-	-
Nonadmitted ordinary DTAs	(24,018)	(29,580)	5,562
Admitted ordinary DTAs	244,339	264,073	(19,734)
Capital			
Unrealized loss	5,560	9,397	(3,837)
Gross capital DTAs	5,560	9,397	(3,837)
Statutory valuation adjustment adjustment - capital	-	-	-
Nonadmitted capital DTAs	(5,560)	(9,397)	3,837
Admitted capital DTAs	-	-	-
Admitted DTAs	244,339	264,073	(19,734)
	December 31,	December 31,	
DTLs Resulting from Book/Tax Differences In	2011	2010	Change
Ordinary			
	-	-	-
Ordinary DTLs	-	-	-
Capital			
Unrealized gains	-	-	-
Capital DTLs	-	-	-
DTLs	-	-	-
Net admitted deferred tax asset (liability)	✓ 244,339	✓ 264,073	(19,734)

The change in net deferred tax assets is comprised of the following:

	December 31,	December 31,	
Description	2011	2010	Change
Total deferred tax assets	273,917	303,050	(29,133)
Total deferred tax liabilities	-	-	-
Net deferred tax asset	273,917	303,050	(29,133)
Tax effect of unrealized (gains)/losses			3,837
Change in net deferred income tax (charge)/benefit			(25,296)

	2010	2009	Change
Total deferred tax assets	\$ 303,050	\$ 282,525	\$ 20,525
Total deferred tax liabilities	-	-	-
Net deferred tax asset	\$ 303,050	\$ 282,525	20,525
Tax effect of unrealized gains			(1,362)
Change in net deferred income tax benefit			\$ 19,163

D. Reconciliation of Federal Income Tax Rate to Actual Effective Tax Rate

NOTES TO FINANCIAL STATEMENTS

The Company’s income tax expense differs from the amount obtained by applying the statutory rate of 34% to pretax net income for the following reasons at December 31:

Description				Amount	Tax Effect	Effective Tax Rate
Income before taxes				971,626	330,353	34.0%
Change in nonadmitted assets				(108,374)	(36,847)	-3.8%
Other				479	163	0.0%
				863,731	293,669	30.22%
Federal income taxes incurred						262,443
Tax on capital gains/(losses)						5,930
Change in net deferred income taxes						25,296
Total statutory income taxes						293,669

E. Operating Loss and Tax Credit Carry forwards and Protective Tax Deposits

At December 31, 2011, the Company had no operating loss carry forwards to utilize in future years. The following is income tax incurred for 2009, 2010 and 2011 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2009		-	-
2010	-	-	-
2011	390,488	5,930	396,418
Total	390,488	5,930	396,418

F. The Company's federal income tax return is consolidated with the following entities:

- Dental Care Plus, Inc.
- DCP Holding Company
- Insurance Assoc. Plus, Inc.
- Adenta, Inc.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates

The Company has a Management Services Agreement with DCP Holding Company (“DCPH”) as the parent of the Company, to provide general administrative services to the Company. DCPH collected monthly management fees from the Company based on an apportionment of the DCPH costs incurred. The Company paid management fees to DCPH of \$8,034,160 and \$7,532,001 in 2011 and 2010, respectively.

The Company pays Insurance Associated Plus, Inc. (“IAP”), an insurance agency that is an affiliate of the Company, commissions on collected premiums from employee groups serviced by IAP. The Company paid commissions to IAP of - \$46,714 and \$63,793 in 2011 and 2010, respectively.

The Company renewed a Lease Agreement with DCPH to lease approximately 16,785 square feet at 100 Crowne Point Place to DCPH. The Company received office rent from DCPH of \$231,650 and \$227,108 in 2011 and 2010, respectively.

There were no dividends declared or paid in 2009 or 2008 by the Company. In 2010, the Company received a cash investment of \$450,000 from DCPH.

Note 11 - Debt

In 2003, DCP purchased land and an office building and in connection therewith, the Company executed a mortgage note in the amount of \$1,800,000, secured by the land and the office building. DCP has an outstanding liability for borrowed money in the amount of \$780,000 due to Fifth Third Bank. At the maturity date of the mortgage note in 2013, the expected outstanding balance of the note must be repaid, amounting to \$600,000. Interest is payable based on the 30-day LIBOR rate plus 175 basis points and was 2.03% and 2.01% at December 31, 2011 and 2010, respectively.

The Company renewed a revolving note with a commercial bank in the amount of \$700,000 collateralized by a second mortgage on the office building owned by Dental Care Plus, Inc. As of December 31, 2011 and 2010, there was a principal balance outstanding of \$650,000. This revolving note matures on December 15, 2012, is annually renewable and requires us to make monthly interest payments at a variable rate of 30-day LIBOR plus 1.75%.

NOTES TO FINANCIAL STATEMENTS

The Company does not have any reverse repurchase agreements.

Note 12 - Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Effective July 1, 2005, the Company no longer has employees and the services are rendered by the employees of DCP Holding Company.

Note 13 - Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

The Company has 1,500 Common shares authorized and 166 issued and outstanding Common shares at December 31, 2011 and 2010. The Company has 1,000 Preferred shares authorized and zero issue and outstanding Preferred shares at December 31, 2011 and 2010. The Company is restricted by regulatory requirements of the domiciliary state, which limit by reference to statutory net income and net worth the dividends that can be paid without prior regulatory approval. Dividends paid by the Company cannot, without prior approval of the Department, exceed in any one year the lesser of: (i) 10% of net worth (as of the preceding December 31), or (ii) net income for the prior year, and only if net worth exceeds \$250,000 and only out of positive retained earnings. Under these restrictions, the total dividends that may be paid by DCP in 2011 without prior regulatory approval is zero. The Company did not declare or pay any dividends in 2011 or 2010.

Note 14 - Contingencies

Litigation—Various litigation and claims against the Company are in process and pending. Based upon a review of open matters with legal counsel, management believes that the outcome of such matters will not have a material effect upon the Company’s financial position or results of operations.

Note 15 - Leases

Leases—The Company leases certain equipment and office space under non-cancelable operating leases. Rent expense under all operating leases was approximately \$123,507 and \$10,624 for the years ended December 31, 2011 and 2010, respectively.

At December 31, 2011, future approximate minimum annual lease payments under non-cancelable operating leases are as follows:

Years Ending December 31	
2012	\$ 128,485
2013	128,083
2014	<u>7,293</u>
Total	<u>\$ 263,861</u>

In 2010, the Company entered into a sale-leaseback transaction with a leasing company. The Company sold certain fixed assets totaling \$323,365. There was no gain or loss on the sale. The Company did not retain the benefits and risk to the property sold and the risk of ownership was transferred to the leasing company. The Company entered into a three year non-cancelable operating leasing agreement with the leasing company. Included in the minimum annual lease payments schedule, the fixed asset leasing payments shall be \$113,086 for the years ended December 31, 2012 and 2013. The Company did not engage in any sales-leaseback transactions for years ended December 31, 2010.

Lease Income—The Company leases space in its building to parties under non-cancelable leases. Income recorded by the Company under non-cancelable leases amounted to approximately \$293,258 and \$288,716 for the years ended December 31, 2011 and 2010, respectively. Such amounts are recorded in net investment income in the accompanying financial statements.

As of December 31, 2011, approximate future minimum annual lease income under non-cancelable leases are as follows:

Years Ending December 31	
2012	\$ 297,071
2013	291,679
2014	<u>279,645</u>
Total	<u>\$ 868,395</u>

Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The Company does not have any Financial Instruments that pose Off-Balance Sheet Risk or Financial Instruments with Concentrations of Credit Risk.

NOTES TO FINANCIAL STATEMENTS

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

A. ASO Plans - Not Applicable

B. ASC Plans

The gain from operations from Administrative Service Contract (ASC) uninsured plans was as follows during 2010:

a. Gross reimbursement for medical cost incurred	\$ 22,442,475
b. Gross administrative fees accrued	\$ 1,174,302
c. Other income or expenses	\$ (2,796,242)
d. Gross expenses incurred (claims and administrative)	\$ 20,345,081
e. Total net gain or loss from operations	\$ 475,454

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - Not Applicable

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Type of Business Written	Type of Authority Granted	Total Premiums Written/Produced By
DCP Holding Company (Parent) 100 Crowne Point Place Cincinnati, OH 45241	20-1291244	Yes	PPO, HMO	C, CA, R, B, P, U	\$51,416,332
IHC Health Solutions, Inc 2101 W. Peoria Ave Suite 100 Phoenix AZ, 85029	35-1640589	No	PPO	C, CA, P	\$483,257

Note 20- Fair Value Measurements

The Company classifies the assets and liabilities that require measurement of fair value on a recurring basis based on the priority of the observable and market-based sources of data into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2 – Valuations based on significant other observable inputs other than those included in Level 1 such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.
- Level 3 – Valuations based on unobservable inputs such as when observable inputs are not available or inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table presents for each of the fair value levels, the Company’s assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2011 and 2010:

NOTES TO FINANCIAL STATEMENTS

	December 31, 2011			December 31, 2010		
	Level 1	Level 2	Total Balance	Level 1	Level 2	Total Balance
Assets						
Cash						
Federally-Insured certificates of deposits		\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000
Short-term investments						
Money market funds	\$ 65,461		65,461	\$ 514,109		514,109
Total	\$ 65,461	\$ 50,000	\$ 115,461	\$ 514,109	\$ 50,000	\$ 564,109
Liabilities						
Interest rate swap (included in derivatives)		\$ 16,354	\$ 16,354		\$ 27,639	\$ 27,639
Total	\$	\$ 16,354	\$ 16,354	\$	\$ 27,639	\$ 27,639

The Company measures fair value using the following valuation methodologies. The Company uses quoted market prices to determine the fair value of the deferred compensation investments and certain state fund guarantee fund deposits; such items are classified as Level 1 of the fair-value hierarchy. Examples include government securities and exchange-traded equity securities. The Company obtains prices from independent vendors to determine the fair value of the majority of its short-term investments and investments portfolio. The remainder of the short-term investments and investments portfolio and the remainder of the state fund guarantee deposits are fair valued using a discounted cash flow method whereby the significant observable inputs include the maturity date and the interest rate yield; such items are classified as Level 2 of the fair-value hierarchy. Examples include brokered and non-brokered certificates of deposit. The Company obtains a price from an independent vendor to determine the fair value of the interest rate swap. The independent vendor uses a discounted cash flow method whereby the significant observable inputs include the replacement interest rates of similar swap instruments in the market and swap curves; such items are classified as Level 2 of the fair value hierarchy.

Certain assets and liabilities are measured at fair value on a non-recurring basis. These include long-lived assets such as certain bonds and fixed assets, as well as assets measured at costs that are written down to fair value during a period as a result of impairment. For the year ended December 31, 2011 and 2010, there were no assets or liabilities that were required to be measured at fair value on a non-recurring basis. The Company did not have any Level 3 assets or liabilities at December 31, 2011 and 2010.

Note 21 - Other Items

DCP has no other items to report.

Note 22 - Events Subsequent

DCP has no subsequent events to report.

Note 23 - Reinsurance

- A. Ceded Reinsurance Report
- Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
- Yes () No (X)
- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?
- Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
- Yes () No (X)

NOTES TO FINANCIAL STATEMENTS

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. not applicable
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

B. Uncollectible receivables- Not applicable.

C. Commutation of Ceded Reinsurance- Not applicable.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses

The cost of health care services provided to members is accrued in the period such services are provided based on the accumulation of estimates of claims reported prior to the end of a reporting period and of estimates of dental services provided but not reported to the Company.

Management’s estimates of dental services provided are based on the Company’s historical experience and current trends, with assistance from the Company’s consulting actuary. Estimated dental claims payable are reviewed regularly by management and are adjusted based on current information; however, final claim payments may differ from the established reserves. Any resulting adjustments are reflected in current operations.

Note 26 - Intercompany Pooling Arrangements

Not Applicable.

Note 27 - Structured Settlements

Not Applicable.

Note 28 - Health Care Receivables

Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

The Company periodically reviews contracts with employers groups to determine the adequacy of premiums earned, and to be earned, relative to the total expected claims and claims adjustment expenses for the contracts. In the event that the projected premiums are in excess of projected claims costs, such as when employer groups are extended multi-year rate guarantees outside of the Company’s standard premium rating practice, the Company will establish a premium deficiency reserve to cover an expected premium shortfall in the future. As of December 31, 2011, the Company had 22 active contracts with employer groups with multi-year rate guarantees. Given the premium rate terms in these contracts, the Company determined these contracts did not warrant the establishment of a premium deficiency reserve.

NOTES TO FINANCIAL STATEMENTS

Note 31 - Anticipated Salvage and Subrogation

Not applicable.

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 [X]

No []

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 [X]

No []

N/A []

1.3

State regulating?

Ohio

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:

12/31/2009

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2009

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.

12/31/2009

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).

04/11/2011

3.4

By what department or departments?

Ohio Department of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [X]

No []

N/A []

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X]

No []

N/A []

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 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 [X]

No []

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	2	3
Name of Entity	NAIC Co. Code	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?

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

.....%

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	2
Nationality	Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes []

No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes []

No [X]

8.4

If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

9.

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 EAST FIFTH STREET, SUITE 1900, CINCINNATI, OHIO 45202

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes []

No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes []

No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X]

No []

N/A []

10.6

If the answer to 10.5 is no or n/a, please explain.

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
TIMOTHY P. BERGHOFF, MAAA, 8216 MILLVIEW DRIVE, CINCINNATI, OH 45249

12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes []

No [X]

12.11

Name of real estate holding company

12.12

Number of parcels involved

.....

12.13

Total book/adjusted carrying value

.....

12.2

If yes, provide explanation.

GENERAL INTERROGATORIES

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [X]
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []
- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:

- 14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).

- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [] No [X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

PART 1 - COMMON INTERROGATORIES - BOARD OF DIRECTORS

16. 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 []
17. 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 []
18. 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 that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

PART 1 - COMMON INTERROGATORIES - FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers \$.0
- 20.12 To stockholders not officers \$.0
- 20.13 Trustees, supreme or grand (Fraternal only) \$.0
- 20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers \$.0
- 20.22 To stockholders not officers \$.0
- 20.23 Trustees, supreme or grand (Fraternal only) \$.0
- 21.1 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]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others
- 21.22 Borrowed from others
- 21.23 Leased from others
- 21.24 Other
- 22.1 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]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment
- 22.22 Amount paid as expenses
- 22.23 Other amounts paid
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [] No [X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.1 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 (other than securities lending programs addressed in 24.3)? Yes [X] No []
- 24.2 If no, give full and complete information relating thereto.

- 24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

- 24.4 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [X] No [] N/A []
- 24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs.
- 24.6 If answer to 24.4 is no, report amount of collateral for other programs.

PART 1 - COMMON INTERROGATORIES - INVESTMENT

- 24.7

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes [☐]

No [☐]

N/A [☒]
- 24.8

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes [☐]

No [☐]

N/A [☒]
- 24.9

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes [☐]

No [☐]

N/A [☒]
- 25.1

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, 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 21.1 and 24.3)

Yes [☒]

No [☐]
- 25.2

If yes, state the amount thereof at December 31 of the current year:
- 25.21

Subject to repurchase agreements

\$.....0
- 25.22

Subject to reverse repurchase agreements

\$.....0
- 25.23

Subject to dollar repurchase agreements

\$.....0
- 25.24

Subject to reverse dollar repurchase agreements

\$.....0
- 25.25

Pledged as collateral

\$.....0
- 25.26

Placed under option agreements

\$.....0
- 25.27

Letter stock or securities restricted as to sale

\$.....0
- 25.28

On deposit with state or other regulatory body

\$.....284,791
- 25.29

Other

\$.....0

25.3

For category (25.27) provide the following:

- 26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes [☒]

No [☐]
- 26.2

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.

- 27.1

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 [☒]
- 27.2

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

.....
28.

Excluding items in Schedule E-Part 3-Special Deposits, 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 Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [☒]

No [☐]

- 28.01

For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
-
- Farmer's Bank (Kentucky)

#1 Farmer's Bank Plaza, Frankfort, KY 40601
- Key Bank -(Indiana and Ohio)

5181 Natorp Blvd, Suite 510, Mason, OH 45040
- Fifth Third Securities, Inc.

38 Fountain Sq. Plaza, Cincinnati, OH 45263
- UBS Financial Securities

8044 Montgomery Rd, Cincinnati, OH 45236

28.02

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:

- 28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes [☐]

No [☒]

- 28.04

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

- 28.05

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:
-

- 29.1

Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [☐]

No [☒]

- 29.2

If yes, complete the following schedule:
-
-
- 29.2999. TOTAL

0

- 29.3

For each mutual fund listed in the table above, complete the following schedule:
-

30.

Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds.....	.....4,157,580	.....4,167,204	.....9,624
30.2 Preferred stocks.....			.....0
30.3 Totals.....	.....4,157,580	.....4,167,204	.....9,624

- 30.4

Describe the sources or methods utilized in determining the fair values:

Cusip trading price at end of period

- 31.1

Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [☒]

No [☐]
- 31.2

If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [☒]

No [☐]
- 31.3

If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D.

- 32.1

Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [☒]

No [☐]
- 32.2

If no, list exceptions:

PART 1 - COMMON INTERROGATORIES - INVESTMENT

PART 1 - COMMON INTERROGATORIES - OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....0

33.2 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
National Association of Insurance Commissioners (NAIC)	3,600
AMBEST	12,800
National Assn. of Dental Plans	8,131

34.1 Amount of payments for legal expenses, if any? \$.....0

34.2 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

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

35.2 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
Ohio Department of Insurance	34,188

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [☐]

No [☒]

1.2

If yes, indicate premium earned on U.S. business only

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

1.62

Total incurred claims

1.63

Number of covered lives

All years prior to most current three years:

1.64

Total premium earned

1.65

Total incurred claims

1.66

Number of covered lives

1.7

Group policies:

Most current three years:

1.71

Total premium earned

1.72

Total incurred claims

1.73

Number of covered lives

All years prior to most current three years:

1.74

Total premium earned

1.75

Total incurred claims

1.76

Number of covered lives

2.

Health test:

	1 Current Year	2 Prior Year
2.1 Premium Numerator.....	52,158,616	52,105,603
2.2 Premium Denominator.....	52,158,616	52,105,603
2.3 Premium Ratio (2.1/2.2).....	100.0	100.0
2.4 Reserve Numerator.....	2,750,409	2,727,213
2.5 Reserve Denominator.....	2,750,409	2,727,213
2.6 Reserve Ratio (2.4/2.5).....	100.0	100.0

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, and if the earnings of the reporting entity permits?

Yes [☐]

No [☒]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [☒]

No [☐]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [☒]

No [☐]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [☐]

No [☒]

5.2

If no, explain:

Dental HMO, Indemnity and PPO are not required to have a stop loss coverage

5.3

Maximum retained risk (see instructions):

5.31

Comprehensive medical

\$.....0

5.32

Medical only

\$.....0

5.33

Medicare supplement

\$.....0

5.34

Dental and vision

\$.....0

5.35

Other limited benefit plan

\$.....0

5.36

Other

\$.....0

6.

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:

Provider agreements call for providers to only collect deductibles and coinsurance even if the Company becomes insolvent

In addition, providers are obligated to continue with all current patient treatments to completion

7.1

Does the reporting entity set up its claim liability for provider services on a service date base?

Yes [☒]

No [☐]

7.2

If no, give details:

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

2,858

8.2

Number of providers at end of reporting year

4,825

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [☒]

No [☐]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$.....1,691,733

9.22

Business with rate guarantees over 36 months

\$.....0

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus arrangements in its provider contracts?

Yes [☒]

No [☐]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$.....0

10.22

Amount actually paid for year bonuses

\$.....0

10.23

Maximum amount payable withholds

\$.....0

10.24

Amount actually paid for year withholds

\$.....0

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

11.1. Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

11.13 An Individual Practice Association (IPA), or

11.14 A Mixed Model (combination of above)?

Yes []

No [X]

11.2. Is the reporting entity subject to Minimum Net Worth Requirements?

Yes [X]

No []

11.3. If yes, show the name of the state requiring such net worth.

OH, KY, IND

11.4. If yes, show the amount required.

\$.....3,262,197

11.5. Is this amount included as part of a contingency reserve in stockholder's equity?

Yes [X]

No []

11.6. If the amount is calculated, show the calculation:

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

12. List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
ADAIR, KY
ALLEN, KY
Anderson, KY
BALLARD, KY
BARREN, KY
BATH, KY
BELL, KY
Boone, KY
Bourbon, KY
BOYD, KY
Boyle, KY
BRACKEN, KY
BREATHITT, KY
BRECKENRIDGE, KY
Bullitt, KY
BUTLER, KY
CALDWELL, KY
CALLOWAY, KY
Campbell, KY
CARLISLE, KY
Carroll, KY
CARTER, KY
CASEY, KY
CHRISTIAN, KY
Clark, KY
CLAY, KY
CLINTON, KY
CRITTENDEN, KY
CUMBERLAND, KY
DAVIESS, KY
EDMONSON, KY
ELLIOTT, KY
Estill, KY
Fayette, KY
FLEMING, KY
FLOYD, KY
Franklin, KY
FULTON, KY
Gallatin, KY
Garrard, KY
Grant, KY
GRAVES, KY
GRAYSON, KY
GREEN, KY
GREENUP, KY
HANCOCK, KY
HARDIN, KY
HARLAN, KY
Harrison, KY
HART, KY
HENDERSON, KY
Henry, KY
HICKMAN, KY
HOPKINS, KY
JACKSON, KY
Jefferson, KY
Jessamine, KY
JOHNSON, KY
Kenton, KY
KNOTT, KY
KNOX, KY
LARUE, KY
LAUREL, KY
LAWRENCE, KY
LEE, KY
LESLIE, KY
LETCHER, KY
LEWIS, KY
Lincoln, KY
LIVINGSTON, KY
LOGAN, KY
LYON, KY
Madison, KY
MAGOFFIN, KY
MARION, KY
MARSHALL, KY
MARTIN, KY
MASON, KY
MCCRACKEN, KY
MCCREARY, KY
MCLEAN, KY
MEADE, KY

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

MENIFEE, KY
Mercer, KY
METCALFE, KY
MONROE, KY
MONTGOMERY, KY
MORGAN, KY
MUHLENBERG, KY
NELSON, KY
Nicholas, KY
OHIO, KY
Oldham, KY
Owen, KY
OWSLEY, KY
Pendleton, KY
PERRY, KY
PIKE, KY
Powell, KY
PULASKI, KY
ROBERTSON, KY
ROCKCASTLE, KY
ROWAN, KY
RUSSELL, KY
Scott, KY
Shelby, KY
SIMPSON, KY
Spencer, KY
TAYLOR, KY
TODD, KY
TRIGG, KY
Trimble, KY
UNION, KY
WARREN, KY
WASHINGTON, KY
WAYNE, KY
WEBSTER, KY
WHITLEY, KY
WOLFE, KY
Woodford, KY
ADAMS, OH
ALLEN, OH
ASHLAND, OH
ASHTABULA, OH
ATHENS, OH
AUGLAIZE, OH
BELMONT, OH
BROWN, OH
BUTLER, OH
CARROLL, OH
CHAMPAIGN, OH
CLARK, OH
CLERMONT, OH
CLINTON, OH
COLUMBIANA, OH
COSHOCTON, OH
CRAWFORD, OH
CUYAHOGA, OH
DARKE, OH
DEFIANCE, OH
DELAWARE, OH
ERIE, OH
FAIRFIELD, OH
FAYETTE, OH
FRANKLIN, OH
FULTON, OH
GALLIA, OH
GEAUGA, OH
GREENE, OH
GUERNSEY, OH
HAMILTON, OH
HANCOCK, OH
HARDIN, OH
HARRISON, OH
HENRY, OH
HIGHLAND, OH
HOCKING, OH
HOLMES, OH
HURON, OH
JACKSON, OH
JEFFERSON, OH
KNOX, OH
LAKE, OH
LAWRENCE, OH
LICKING, OH
LOGAN, OH
LORAIN, OH
LUCAS, OH

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

MADISON, OH
MAHONING, OH
MARION, OH
MEDINA, OH
MEIGS, OH
MERCER, OH
MIAMI, OH
MONROE, OH
MONTGOMERY, OH
MORGAN, OH
MORROW, OH
MUSKINGUM, OH
OTTAWA, OH
PAULDING, OH
PERRY, OH
PICKAWAY, OH
PIKE, OH
PORTAGE, OH
PREBLE, OH
PUTNAM, OH
RICHLAND, OH
ROSS, OH
SANDUSKY, OH
SCIOTO, OH
SENECA, OH
SHELBY, OH
STARK, OH
SUMMIT, OH
TRUMBULL, OH
TUSCARAWAS, O H
UNION, OH
VAN WERT, OH
VINTON, OH
WARREN, OH
WASHINGTON, OH
WAYNE, OH
WILLIAMS, OH
WOOD, OH
WYANDOT, OH
Adams, IN
Allen, IN
Bartholomew, IN
Benton, IN
Blackford, IN
Boone, IN
Brown, IN
Carroll, IN
Cass, IN
Clark, IN
Clay, IN
Clinton, IN
Crawford, IN
Daviess, IN
Dearborn, IN
Decatur, IN
DeKalb, IN
Delaware, IN
Dubois, IN
Elkhart, IN
Fayette, IN
Floyd, IN
Fountain, IN
Franklin, IN
Fulton, IN
Gibson, IN
Grant, IN
Greene, IN
Hamilton, IN
Hancock, IN
Harrison, IN
Hendricks, IN
Henry, IN
Howard, IN
Huntington, IN
Jackson, IN
Jasper, IN
Jay, IN
Jefferson, IN
Jennings, IN
Johnson, IN
Knox, IN
Kosciusko, IN
La Porte, IN
Lagrange, IN
Lake, IN
Lawrence, IN

GENERAL INTERROGATORIES (continued)

PART 2 - HEALTH INTERROGATORIES

Madison, IN
Marion, IN
Marshall, IN
Martin, IN
Miami, IN
Monroe, IN
Montgomery, IN
Morgan, IN
Newton, IN
Noble, IN
Ohio, IN
Orange, IN
Owen, IN
Parke, IN
Perry, IN
Pike, I N
Porter, IN
Posey, IN
Pulaski, IN
Putnam, IN
Randolph, I N
Ripley, IN
Rush, IN
Scott, IN
Shelby, IN
Spencer, IN
St. Joseph, IN
Starke, IN
Steuben, IN
Sullivan, IN
Switzerland, I N
Tippecanoe, IN
Tipton, I N
Union, IN
Vanderburgh, IN
Vermillion, IN
Vigo, IN
Wabash, IN
Warren, IN
Warrick, IN
Washington, IN
Wayne, IN
Wells, IN
White, IN
Whitley, IN

- 13.1. Do you act as a custodian for health savings account?

Yes [☐] No [☒ X]
- 13.2. If yes, please provide the amount of custodial funds held as of the reporting date.

.....
- 13.3. Do you act as an administrator for health savings accounts?

Yes [☐] No [☒ X]
- 13.4. If yes, please provide the balance of the funds administered as of the reporting date.

.....

FIVE-YEAR HISTORICAL DATA

	1 2011	2 2010	3 2009	4 2008	5 2007
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	11,862,122	11,107,143	9,530,301	9,593,911	8,952,675
2. Total liabilities (Page 3, Line 24).....	5,761,173	5,592,625	4,609,783	4,419,632	4,282,407
3. Statutory surplus.....	3,262,197	2,675,766	2,531,766	2,785,527	2,281,516
4. Total capital and surplus (Page 3, Line 33).....	6,100,949	5,514,518	4,920,518	5,174,279	4,670,268
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	54,256,010	54,129,288	47,584,202	42,663,488	41,546,289
6. Total medical and hospital expenses (Line 18).....	42,003,879	43,312,011	37,028,104	31,754,941	31,261,848
7. Claims adjustment expenses (Line 20).....	1,091,831	1,092,815	1,007,524	1,002,690	933,617
8. Total administrative expenses (Line 21).....	10,345,695	9,895,645	10,031,382	9,387,488	9,055,229
9. Net underwriting gain (loss) (Line 24).....	814,605	(171,183)	(482,808)	518,369	295,595
10. Net investment gain (loss) (Line 27).....	182,996	167,923	183,154	267,606	530,324
11. Total other income (Lines 28 plus 29).....	(31,905)	(17,916)	(2,415)	5,522	29,819
12. Net income or (loss) (Line 32).....	703,253	(94,226)	(374,600)	641,219	493,813
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	998,427	1,514,805	(105,174)	1,406,011	(692,382)
Risk-Based Capital Analysis					
14. Total adjusted capital.....	6,100,949	5,514,518	4,920,518	5,174,279	4,670,268
15. Authorized control level risk-based capital.....	1,483,543	1,584,172	1,386,934	1,180,515	1,154,816
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	267,926	267,987	258,697	253,094	228,117
17. Total member months (Column 6, Line 7).....	3,195,557	3,212,150	3,000,002	2,919,893	2,669,154
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100 .0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	80.5	83.1	81.5	78.6	78.7
20. Cost containment expenses.....	0.1	0.1	0.2	0.1	
21. Other claims adjustment expenses.....	2.0	2.0	2.0	2.3	2.3
22. Total underwriting deductions (Line 23).....	102.5	104.2	105.8	104.8	103.9
23. Total underwriting gain (loss) (Line 24).....	1.6	(0.3)	(1.1)	0.8	0.7
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	2,803,442	2,484,792	2,605,941	2,381,530	3,623,800
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)]	2,727,213	2,271,421	2,574,681	2,421,112	3,916,569
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes[] No[]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....AL	...N.....							.....0	
2.	Alaska.....AK	...N.....							.....0	
3.	Arizona.....AZ	...N.....							.....0	
4.	Arkansas.....AR	...N.....							.....0	
5.	California.....CA	...N.....							.....0	
6.	Colorado.....CO	...N.....							.....0	
7.	Connecticut.....CT	...N.....							.....0	
8.	Delaware.....DE	...N.....							.....0	
9.	District of Columbia.....DC	...N.....							.....0	
10.	Florida.....FL	...N.....							.....0	
11.	Georgia.....GA	...N.....							.....0	
12.	Hawaii.....HI	...N.....							.....0	
13.	Idaho.....ID	...N.....							.....0	
14.	Illinois.....IL	...N.....							.....0	
15.	Indiana.....IN	...L.....							.....0	
16.	Iowa.....IA	...N.....							.....0	
17.	Kansas.....KS	...N.....							.....0	
18.	Kentucky.....KY	...L.....	...7,859,476						...7,859,476	
19.	Louisiana.....LA	...N.....							.....0	
20.	Maine.....ME	...N.....							.....0	
21.	Maryland.....MD	...N.....							.....0	
22.	Massachusetts.....MA	...N.....							.....0	
23.	Michigan.....MI	...N.....							.....0	
24.	Minnesota.....MN	...N.....							.....0	
25.	Mississippi.....MS	...N.....							.....0	
26.	Missouri.....MO	...N.....							.....0	
27.	Montana.....MT	...N.....							.....0	
28.	Nebraska.....NE	...N.....							.....0	
29.	Nevada.....NV	...N.....							.....0	
30.	New Hampshire.....NH	...N.....							.....0	
31.	New Jersey.....NJ	...N.....							.....0	
32.	New Mexico.....NM	...N.....							.....0	
33.	New York.....NY	...N.....							.....0	
34.	North Carolina.....NC	...N.....							.....0	
35.	North Dakota.....ND	...N.....							.....0	
36.	Ohio.....OH	...L.....	...44,040,113						...44,040,113	
37.	Oklahoma.....OK	...N.....							.....0	
38.	Oregon.....OR	...N.....							.....0	
39.	Pennsylvania.....PA	...N.....							.....0	
40.	Rhode Island.....RI	...N.....							.....0	
41.	South Carolina.....SC	...N.....							.....0	
42.	South Dakota.....SD	...N.....							.....0	
43.	Tennessee.....TN	...N.....							.....0	
44.	Texas.....TX	...N.....							.....0	
45.	Utah.....UT	...N.....							.....0	
46.	Vermont.....VT	...N.....							.....0	
47.	Virginia.....VA	...N.....							.....0	
48.	Washington.....WA	...N.....							.....0	
49.	West Virginia.....WV	...N.....							.....0	
50.	Wisconsin.....WI	...N.....							.....0	
51.	Wyoming.....WY	...N.....							.....0	
52.	American Samoa.....AS	...N.....							.....0	
53.	Guam.....GU	...N.....							.....0	
54.	Puerto Rico.....PR	...N.....							.....0	
55.	U.S. Virgin Islands.....VI	...N.....							.....0	
56.	Northern Mariana Islands.....MP	...N.....							.....0	
57.	Canada.....CN	...N.....							.....0	
58.	Aggregate Other alien.....OT	...XXX.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Subtotal.....	...XXX.....	...51,899,589	.....0	.....0	.....0	.....0	.....0	...51,899,589	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	...XXX.....							.....0	
61.	Total (Direct Business).....	(a).....3	...51,899,589	.....0	.....0	.....0	.....0	.....0	...51,899,589	.....0

DETAILS OF WRITE-INS									
5801.	.....								.....0
5802.	.....								.....0
5803.	.....								.....0
5898.	Summary of remaining write-ins for line 58.....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
5899.	Total (Lines 5801 thru 5803 + 5898) (Line 58 above).....	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

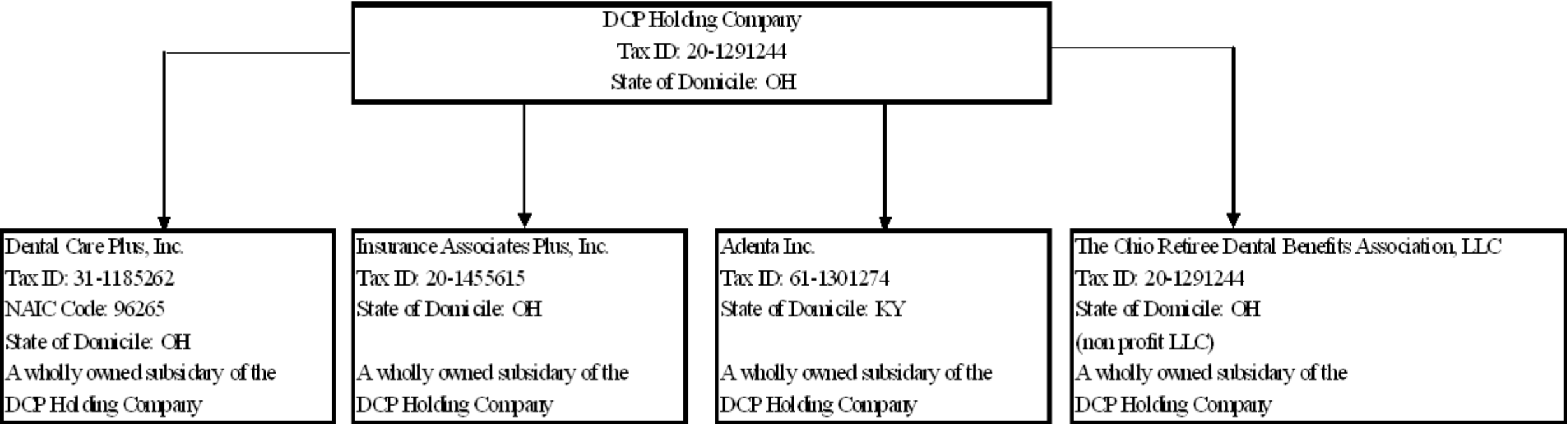
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

Dental Care Plus, Inc. allocates it premium revenue based on the situs or location of its employer group customers.

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

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



2011 ALPHABETICAL INDEX

HEALTH ANNUAL STATEMENT BLANK

Analysis of Operations By Lines of Business	7	Schedule D – Part 6 – Section 2	E16
Assets	2	Schedule D – Summary By Country	SI04
Cash Flow	6	Schedule D – Verification Between Years	SI03
Exhibit 1 – Enrollment By Product Type for Health Business Only	17	Schedule DA – Part 1	E17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18	Schedule DA – Verification Between Years	SI10
Exhibit 3 – Health Care Receivables	19	Schedule DB – Part A – Section 1	E18
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	20	Schedule DB – Part A – Section 2	E19
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	21	Schedule DB – Part A – Verification Between Years	SI11
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	22	Schedule DB – Part B – Section 1	E20
Exhibit 7 – Part 1 – Summary of Transactions With Providers	23	Schedule DB – Part B – Section 2	E21
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	23	Schedule DB – Part B – Verification Between Years	SI11
Exhibit 8 – Furniture, Equipment and Supplies Owned	24	Schedule DB – Part C – Section 1	SI12
Exhibit of Capital Gains (Losses)	15	Schedule DB – Part C – Section 2	SI13
Exhibit of Net Investment Income	15	Schedule DB – Part D	E22
Exhibit of Nonadmitted Assets	16	Schedule DB – Verification	SI14
Exhibit of Premiums, Enrollment and Utilization (State Page)	29	Schedule DL – Part 1	E23
Five-Year Historical Data	28	Schedule DL – Part 2	E24
General Interrogatories	26	Schedule E – Part 1 – Cash	E25
Jurat Page	1	Schedule E – Part 2 – Cash Equivalents	E26
Liabilities, Capital and Surplus	3	Schedule E – Part 3 – Special Deposits	E27
Notes To Financial Statements	25	Schedule E – Verification Between Years	SI15
Overflow Page For Write-ins	42	Schedule S – Part 1 – Section 2	30
Schedule A – Part 1	E01	Schedule S – Part 2	31
Schedule A – Part 2	E02	Schedule S – Part 3 – Section 2	32
Schedule A – Part 3	E03	Schedule S – Part 4	33
Schedule A – Verification Between Years	SI02	Schedule S – Part 5	34
Schedule B – Part 1	E04	Schedule S – Part 6	35
Schedule B – Part 2	E05	Schedule T – Part 2 – Interstate Compact	37
Schedule B – Part 3	E06	Schedule T – Premiums and Other Considerations	36
Schedule B – Verification Between Years	SI02	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	38
Schedule BA – Part 1	E07	Schedule Y – Part 1A – Detail of Insurance Holding Company System	39
Schedule BA – Part 2	E08	Schedule Y - Part 2 – Summary of Insurer's Transactions With Any Affiliates	40
Schedule BA – Part 3	E09	Statement of Revenue and Expenses	4
Schedule BA – Verification Between Years	SI03	Summary Investment Schedule	SI01
Schedule D – Part 1	E10	Supplemental Exhibits and Schedules Interrogatories	41
Schedule D – Part 1A – Section 1	SI05	Underwriting and Investment Exhibit – Part 1	8
Schedule D – Part 1A – Section 2	SI08	Underwriting and Investment Exhibit – Part 2	9
Schedule D – Part 2 – Section 1	E11	Underwriting and Investment Exhibit – Part 2A	10
Schedule D – Part 2 – Section 2	E12	Underwriting and Investment Exhibit – Part 2B	11
Schedule D – Part 3	E13	Underwriting and Investment Exhibit – Part 2C	12
Schedule D – Part 4	E14	Underwriting and Investment Exhibit – Part 2D	13
Schedule D – Part 5	E15	Underwriting and Investment Exhibit – Part 3	14
Schedule D – Part 6 – Section 1	E16		