



# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2012  
OF THE CONDITION AND AFFAIRS OF THE

## UDC Ohio, Inc.

NAIC Group Code 0019 0019 NAIC Company Code 52022 Employer's ID Number 74-2609036  
(Current) (Prior)

Organized under the Laws of Ohio, State of Domicile or Port of Entry Ohio

Country of Domicile United States of America

Licensed as business type: Other

Is HMO Federally Qualified? Yes [ ] No [ ]

Incorporated/Organized 04/20/1990 Commenced Business 05/17/1990

Statutory Home Office 312 Elm Street, Suite 1500 Cincinnati, OH, US 45202  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 2323 Grand Boulevard  
(Street and Number)  
Kansas City, MO, US 64108 816-474-2345  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address P.O. Box 419052 Kansas City, MO, US 64141-6052  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 500 Bielenberg Drive, Suite 400  
(Street and Number)  
Woodbury, MN, US 55125 651-361-5286  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Amy Bronk 651-361-5286  
(Name) (Area Code) (Telephone Number)  
amy.bronk@assurant.com 651-361-5356  
(E-mail Address) (FAX Number)

### OFFICERS

President Stacia Nalani Almquist Treasurer Amy Jo Goerke  
Secretary Kenneth Dale Bowen Actuary Eric Steven Vandenberg #

### OTHER

James Vernon Barrett DMD Vice President Gary Louis Lau # Vice President

### DIRECTORS OR TRUSTEES

Stacia Nalani Almquist

State of Missouri SS:  
County of Jackson

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.

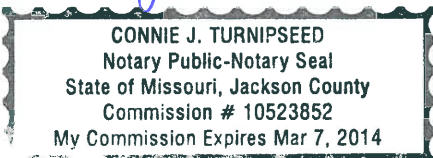
Stacia N Almquist  
Stacia Nalani Almquist  
President

Kenneth Dale Bowen  
Kenneth Dale Bowen  
Secretary

Amy Jo Goerke  
Amy Jo Goerke  
Treasurer

Subscribed and sworn to before me this 31st day of January, 2013

Connie J. Turnipseed  
Connie J. Turnipseed  
Notary Public  
03/07/2014



- 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.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	962,914		962,914	200,210
2. Stocks (Schedule D):				
2.1 Preferred stocks .....				
2.2 Common stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ .....				
encumbrances) .....				
4.2 Properties held for the production of income (less				
\$ .....				
encumbrances) .....				
4.3 Properties held for sale (less \$ .....				
encumbrances) .....				
5. Cash (\$ .....59,662 , Schedule E - Part 1), cash equivalents				
(\$ ....., Schedule E - Part 2) and short-term				
investments (\$ .....21,778 , Schedule DA) .....	81,440		81,440	871,866
6. Contract loans, (including \$ .....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....				
9. Receivables for securities .....				
10. Securities lending reinvested collateral assets (Schedule DL) .....				
11. Aggregate write-ins for invested assets .....				
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	1,044,354		1,044,354	1,072,076
13. Title plants less \$ .....0 charged off (for Title insurers				
only) .....				
14. Investment income due and accrued .....	640		640	693
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	25,986	813	25,173	16,184
15.2 Deferred premiums, agents' balances and installments booked but				
deferred and not yet due (including \$ .....0				
earned but unbilled premiums) .....				
15.3 Accrued retrospective premiums .....				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....				
16.2 Funds held by or deposited with reinsured companies .....				
16.3 Other amounts receivable under reinsurance contracts .....				
17. Amounts receivable relating to uninsured plans .....				
18.1 Current federal and foreign income tax recoverable and interest thereon	11,709		11,709	2,065
18.2 Net deferred tax asset .....	32,417	15,184	17,233	30,778
19. Guaranty funds receivable or on deposit .....				
20. Electronic data processing equipment and software .....				
21. Furniture and equipment, including health care delivery assets				
(\$ .....0 ) .....				
22. Net adjustment in assets and liabilities due to foreign exchange rates .....				
23. Receivables from parent, subsidiaries and affiliates .....	7,004		7,004	15,863
24. Health care (\$ ..... ) and other amounts receivable .....	37,000	37,000		
25. Aggregate write-ins for other than invested assets .....				
26. Total assets excluding Separate Accounts, Segregated Accounts and	1,159,110	52,997	1,106,113	1,137,659
Protected Cell Accounts (Lines 12 to 25) .....				
27. From Separate Accounts, Segregated Accounts and Protected Cell				
Accounts .....				
28. Total (Lines 26 and 27) .....	1,159,110	52,997	1,106,113	1,137,659
<b>DETAILS OF WRITE-INS</b>				
1101. ....				
1102. ....				
1103. ....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....				
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....				
2501. ....				
2502. ....				
2503. ....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....				
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....				

**LIABILITIES, CAPITAL AND SURPLUS**

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded) .....	24,143		24,143	19,415
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	299		299	210
4. Aggregate health policy reserves, including the liability of \$ ..... for medical loss ratio rebate per the Public Health Service Act .....	23,212		23,212	23,771
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	14,108		14,108	13,110
9. General expenses due or accrued .....	93,803		93,803	132,161
10.1 Current federal and foreign income tax payable and interest thereon (including \$ .....0 on realized capital gains (losses)) .....				
10.2 Net deferred tax liability .....				
11. Ceded reinsurance premiums payable .....				
12. Amounts withheld or retained for the account of others .....				
13. Remittance and items not allocated .....				
14. Borrowed money (including \$ .....0 current) and interest thereon \$ .....0 (including \$ .....0 current) .....				
15. Amounts due to parent, subsidiaries and affiliates .....	88		88	403
16. Derivatives .....				
17. Payable for securities .....				
18. Payable for securities lending .....				
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ ..... unauthorized reinsurers and \$ .....0 certified reinsurers) .....				
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....				
21. Net adjustments in assets and liabilities due to foreign exchange rates .....				
22. Liability for amounts held under uninsured plans .....				
23. Aggregate write-ins for other liabilities (including \$ .....0 current) .....	570		570	25
24. Total liabilities (Lines 1 to 23) .....	156,223		156,223	189,095
25. Aggregate write-ins for special surplus funds .....	XXX	XXX		
26. Common capital stock .....	XXX	XXX	100	100
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	865,537	865,537
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	84,253	82,927
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$ .....0 ) .....	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$ .....0 ) .....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	949,890	948,564
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	1,106,113	1,137,659
<b>DETAILS OF WRITE-INS</b>				
2301. Unclaimed funds .....	570		570	25
2302. ....				
2303. ....				
2308. Summary of remaining write-ins for Line 23 from overflow page .....				
2309. Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above) .....	570		570	25
2501. ....	XXX	XXX		
2502. ....	XXX	XXX		
2503. ....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	XXX	XXX		
3001. ....	XXX	XXX		
3002. ....	XXX	XXX		
3003. ....	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX		
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above) .....	XXX	XXX		

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	114,301	117,333
2. Net premium income ( including \$ .....0 non-health premium income) .....	XXX	1,095,516	1,109,896
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	559	2,232
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		
7. Aggregate write-ins for other non-health revenues .....	XXX		
8. Total revenues (Lines 2 to 7) .....	XXX	1,096,075	1,112,128
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....			
10. Other professional services .....		716,181	723,719
11. Outside referrals .....			
12. Emergency room and out-of-area .....			
13. Prescription drugs .....			
14. Aggregate write-ins for other hospital and medical .....			
15. Incentive pool, withhold adjustments, and bonus amounts .....			
16. Subtotal (Lines 9 to 15) .....		716,181	723,719
<b>Less:</b>			
17. Net reinsurance recoveries .....			
18. Total hospital and medical (Lines 16 minus 17) .....		716,181	723,719
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....455 cost containment expenses .....		6,275	5,425
21. General administrative expenses .....		375,430	383,428
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) .....		1,097,886	1,112,572
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	(1,811)	(444)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		1,212	2,121
26. Net realized capital gains (losses) less capital gains tax of \$ .....0 .....			81
27. Net investment gains (losses) (Lines 25 plus 26) .....		1,212	2,202
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ .....0 ) (amount charged off \$ .....0 )] .....			
29. Aggregate write-ins for other income or expenses .....			
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	(599)	1,758
31. Federal and foreign income taxes incurred .....	XXX	(10,850)	8,726
32. Net income (loss) (Lines 30 minus 31) .....	XXX	10,251	(6,968)
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		
0602. ....	XXX		
0603. ....	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX		
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX		
0701. ....	XXX		
0702. ....	XXX		
0703. ....	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX		
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX		
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page .....			
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....			
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....			

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

	1 Current Year	2 Prior Year
<b>CAPITAL AND SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year.....	948,564	954,493
34. Net income or (loss) from Line 32 .....	10,251	(6,968)
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ ..... 0 .....		
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....	(12,597)	7,562
39. Change in nonadmitted assets .....	3,672	(6,547)
40. Change in unauthorized and certified reinsurance .....		
41. Change in treasury stock .....		
42. Change in surplus notes .....		
43. Cumulative effect of changes in accounting principles.....	14,236	
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 .....		24
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 .....	(14,236)	
48. Net change in capital and surplus (Lines 34 to 47) .....	1,326	(5,929)
49. Capital and surplus end of reporting period (Line 33 plus 48)	949,890	948,564
<b>DETAILS OF WRITE-INS</b>		
4701. Reclassification of change in nonadmitted assets due to adoption of SSAP 101 .....	(14,236)	
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....		
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(14,236)	

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**CASH FLOW**

	1	2
	Current Year	Prior Year
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance .....	1,088,293	1,117,271
2. Net investment income .....	1,266	4,788
3. Miscellaneous income .....		
4. Total (Lines 1 through 3) .....	1,089,559	1,122,059
5. Benefit and loss related payments .....	711,453	722,052
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	416,122	370,212
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	(1,206)	45,187
10. Total (Lines 5 through 9) .....	1,126,369	1,137,451
11. Net cash from operations (Line 4 minus Line 10) .....	(36,810)	(15,392)
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	60,000	140,000
12.2 Stocks .....		
12.3 Mortgage loans .....		
12.4 Real estate .....		
12.5 Other invested assets .....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....		.88
12.7 Miscellaneous proceeds .....		
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	60,000	140,088
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	822,705	140,234
13.2 Stocks .....		
13.3 Mortgage loans .....		
13.4 Real estate .....		
13.5 Other invested assets .....		
13.6 Miscellaneous applications .....		
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	822,705	140,234
14. Net increase (decrease) in contract loans and premium notes .....		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(762,705)	(146)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....		
16.2 Capital and paid in surplus, less treasury stock .....		
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) .....	9,089	81,705
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	9,089	81,705
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(790,426)	66,167
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	871,866	805,699
19.2 End of year (Line 18 plus Line 19.1) .....	81,440	871,866

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

20.0001. Infusion from parent of deferred tax asset .....		24
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ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.  
**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	1,095,516			1,095,516						
2. Change in unearned premium reserves and reserve for rate credit .....	559			559						
3. Fee-for-service (net of \$ .....0 medical expenses) .....										XXX
4. Risk revenue .....										XXX
5. Aggregate write-ins for other health care related revenues .....										XXX
6. Aggregate write-ins for other non-health care related revenues .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Lines 1 to 6) .....	1,096,075			1,096,075						
8. Hospital/medical benefits .....										XXX
9. Other professional services .....	716,181			716,181						XXX
10. Outside referrals .....										XXX
11. Emergency room and out-of-area .....										XXX
12. Prescription drugs .....										XXX
13. Aggregate write-ins for other hospital and medical .....										XXX
14. Incentive pool, withhold adjustments and bonus amounts .....										XXX
15. Subtotal (Lines 8 to 14) .....	716,181			716,181						XXX
16. Net reinsurance recoveries .....										XXX
17. Total medical and hospital (Lines 15 minus 16) .....	716,181			716,181						XXX
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....455 cost containment expenses .....	6,275			6,275						
20. General administrative expenses .....	375,430			375,430						
21. Increase in reserves for accident and health contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22. Increase in reserves for life contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	1,097,886			1,097,886						
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	(1,811)			(1,811)						
DETAILS OF WRITE-INS										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....										XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....										XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....										XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....										XXX

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 1 - PREMIUMS**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....				
2. Medicare Supplement .....				
3. Dental only .....	1,095,516			1,095,516
4. Vision only .....				
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII - Medicare .....				
7. Title XIX - Medicaid .....				
8. Other health .....				
9. Health subtotal (Lines 1 through 8) .....	1,095,516			1,095,516
10. Life .....				
11. Property/casualty .....				
12. Totals (Lines 9 to 11)	1,095,516			1,095,516

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2 - CLAIMS INCURRED DURING THE YEAR**

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & 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 .....	711,453			711,453						
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	711,453			711,453						
2. Paid medical incentive pools and bonuses .....										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	24,143			24,143						
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	24,143			24,143						
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....										
6. Net healthcare receivables (a) .....										
7. Amounts recoverable from reinsurers December 31, current year .....										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	19,415			19,415						
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	19,415			19,415						
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....										
11. Amounts recoverable from reinsurers December 31, prior year .....										
12. Incurred Benefits:										
12.1 Direct .....	716,181			716,181						
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....										
12.4 Net .....	716,181			716,181						
13. Incurred medical incentive pools and bonuses .....										

(a) Excludes \$ 37,000 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 (Hospital & Medical)	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 .....										
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....										
2. Incurred but Unreported:										
2.1 Direct .....	7,645			7,645						
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	7,645			7,645						
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	16,498			16,498						
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	16,498			16,498						
4. TOTALS:										
4.1 Direct .....	24,143			24,143						
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	24,143			24,143						

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE**

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred In Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....						
2. Medicare Supplement .....						
3. Dental Only .....	2,953	708,500	17	24,126	2,970	19,415
4. Vision Only .....						
5. Federal Employees Health Benefits Plan .....						
6. Title XVIII - Medicare .....						
7. Title XIX - Medicaid .....						
8. Other health .....						
9. Health subtotal (Lines 1 to 8) .....	2,953	708,500	17	24,126	2,970	19,415
10. Healthcare receivables (a) .....						
11. Other non-health .....						
12. Medical incentive pools and bonus amounts .....						
13. Totals (Lines 9 - 10 + 11 + 12)	2,953	708,500	17	24,126	2,970	19,415

(a) Excludes \$ .....37,000 loans or advances to providers not yet expensed.

## UNDERWRITING AND INVESTMENT EXHIBIT

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Dental Only**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	4	4	4	4	4
2.	2008 .....	724	726	726	727	727
3.	2009 .....	XXX	705	709	710	710
4.	2010 .....	XXX	XXX	694	697	697
5.	2011 .....	XXX	XXX	XXX	717	720
6.	2012 .....	XXX	XXX	XXX	XXX	708

**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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior .....	4	4	4	4	4
2.	2008 .....	747	726	725	727	727
3.	2009 .....	XXX	726	709	710	710
4.	2010 .....	XXX	XXX	712	697	697
5.	2011 .....	XXX	XXX	XXX	736	720
6.	2012 .....	XXX	XXX	XXX	XXX	732

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2008 .....	1,281	727	8	1.1	735	57.4			735	57.4
2. 2009 .....	1,156	710	6	0.8	716	61.9			716	61.9
3. 2010 .....	1,121	697	3	0.4	700	62.4			700	62.4
4. 2011 .....	1,112	720	5	0.7	725	65.2			725	65.2
5. 2012 .....	1,096	708	6	0.8	714	65.1	24		738	67.3

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(000 Omitted)**

**Section A - Paid Health Claims - Grand Total**

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	4	4	4	4	4
2.	2008	724	726	726	727	727
3.	2009	XXX	705	709	710	710
4.	2010	XXX	XXX	694	697	697
5.	2011	XXX	XXX	XXX	717	720
6.	2012	XXX	XXX	XXX	XXX	708

**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 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	4	4	4	4	4
2.	2008	747	726	725	727	727
3.	2009	XXX	726	709	710	710
4.	2010	XXX	XXX	712	697	697
5.	2011	XXX	XXX	XXX	736	720
6.	2012	XXX	XXX	XXX	XXX	732

**Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total**

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2008	1,281	727	8	1.1	735	57.4			735	57.4
2. 2009	1,156	710	6	0.8	716	61.9			716	61.9
3. 2010	1,121	697	3	0.4	700	62.4			700	62.4
4. 2011	1,112	720	5	0.7	725	65.2			725	65.2
5. 2012	1,096	708	6	0.8	714	65.1	24		738	67.3

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**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	23,212			23,212					
2. Additional policy reserves (a) .....									
3. Reserve for future contingent benefits .....									
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....									
5. Aggregate write-ins for other policy reserves .....									
6. Totals (gross) .....	23,212			23,212					
7. Reinsurance ceded .....									
8. Totals (Net)(Page 3, Line 4) .....	23,212			23,212					
9. Present value of amounts not yet due on claims .....									
10. Reserve for future contingent benefits .....									
11. Aggregate write-ins for other claim reserves .....									
12. Totals (gross) .....									
13. Reinsurance ceded .....									
14. Totals (Net)(Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....									
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)									
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....									
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)									

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

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.  
**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) .....		255	8,651		8,906
2. Salary, wages and other benefits .....		4,454	150,808		155,262
3. Commissions (less \$ .....0 ceded plus \$ .....0 assumed) .....			102,806		102,806
4. Legal fees and expenses .....		6	199		205
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....		24	828		852
7. Traveling expenses .....		196	6,637		6,833
8. Marketing and advertising .....		22	742		764
9. Postage, express and telephone .....		277	9,395		9,672
10. Printing and office supplies .....		29	976		1,005
11. Occupancy, depreciation and amortization .....		5	164		169
12. Equipment .....		15	523		538
13. Cost or depreciation of EDP equipment and software .....		46	40,174		40,220
14. Outsourced services including EDP, claims, and other services .....		417	22,698		23,115
15. Boards, bureaus and association fees .....		25	862		887
16. Insurance, except on real estate .....		23	792		815
17. Collection and bank service charges .....		26	867		893
18. Group service and administration fees .....	455				455
19. Reimbursements by uninsured plans .....					
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....					
22. Real estate taxes .....					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					
23.2 State premium taxes .....			10,955		10,955
23.3 Regulatory authority licenses and fees .....			(11,921)		(11,921)
23.4 Payroll taxes .....			9,932		9,932
23.5 Other (excluding federal income and real estate taxes) .....					
24. Investment expenses not included elsewhere .....				7	7
25. Aggregate write-ins for expenses .....			19,342	1,056	20,398
26. Total expenses incurred (Lines 1 to 25) .....	455	5,820	375,430	1,063	(a) 382,768
27. Less expenses unpaid December 31, current year .....		299	93,803		94,102
28. Add expenses unpaid December 31, prior year .....		210	132,161		132,371
29. Amounts receivable relating to uninsured plans, prior year .....					
30. Amounts receivable relating to uninsured plans, current year .....					
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	455	5,731	413,788	1,063	421,037
<b>DETAILS OF WRITE-INS</b>					
2501. Management fees .....			9,514	1,056	10,570
2502. IT chargebacks .....			8,484		8,484
2503. Miscellaneous expenses .....			1,344		1,344
2598. Summary of remaining write-ins for Line 25 from overflow page .....					
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....			19,342	1,056	20,398

(a) Includes management fees of \$ .....280,729 to affiliates and \$ ..... to non-affiliates.

**EXHIBIT OF NET INVESTMENT INCOME**

	1	2
	Collected During Year	Earned During Year
1. U.S. government bonds .....	(a) 2,484	2,243
1.1 Bonds exempt from U.S. tax .....	(a)	
1.2 Other bonds (unaffiliated) .....	(a)	
1.3 Bonds of affiliates .....	(a)	
2.1 Preferred stocks (unaffiliated) .....	(b)	
2.11 Preferred stocks of affiliates .....	(b)	
2.2 Common stocks (unaffiliated) .....		
2.21 Common stocks of affiliates .....		
3. Mortgage loans .....	(c)	
4. Real estate .....	(d)	
5. Contract Loans .....		
6. Cash, cash equivalents and short-term investments .....	(e) 32	32
7. Derivative instruments .....	(f)	
8. Other invested assets .....		
9. Aggregate write-ins for investment income .....		
10. Total gross investment income .....	2,516	2,275
11. Investment expenses .....		(g) 1,063
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)
15. Aggregate write-ins for deductions from investment income .....		
16. Total deductions (Lines 11 through 15) .....		1,063
17. Net investment income (Line 10 minus Line 16) .....		1,212
<b>DETAILS OF WRITE-INS</b>		
0901. ....		
0902. ....		
0903. ....		
0998. Summary of remaining write-ins for Line 9 from overflow page .....		
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....		
1501. ....		
1502. ....		
1503. ....		
1598. Summary of remaining write-ins for Line 15 from overflow page .....		
1599. Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above) .....		

- (a) Includes \$ .....82 accrual of discount less \$ .....83 amortization of premium and less \$ .....69 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$ ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

**EXHIBIT OF CAPITAL GAINS (LOSSES)**

	1	2	3	4	5
	Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....					
1.1 Bonds exempt from U.S. tax .....					
1.2 Other bonds (unaffiliated) .....					
1.3 Bonds of affiliates .....					
2.1 Preferred stocks (unaffiliated) .....					
2.11 Preferred stocks of affiliates .....					
2.2 Common stocks (unaffiliated) .....					
2.21 Common stocks of affiliates .....					
3. Mortgage loans .....					
4. Real estate .....					
5. Contract loans .....					
6. Cash, cash equivalents and short-term investments .....					
7. Derivative instruments .....					
8. Other invested assets .....					
9. Aggregate write-ins for capital gains (losses) .....					
10. Total capital gains (losses) .....					
<b>NONE</b>					
<b>DETAILS OF WRITE-INS</b>					
0901. ....					
0902. ....					
0903. ....					
0998. Summary of remaining write-ins for Line 9 from overflow page .....					
0999. Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above) .....					

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**EXHIBIT OF NON-ADMITTED ASSETS**

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			
2.2 Common stocks .....			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			
3.2 Other than first liens .....			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			
4.2 Properties held for the production of income .....			
4.3 Properties held for sale .....			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			
6. Contract loans .....			
7. Derivatives (Schedule DB) .....			
8. Other invested assets (Schedule BA) .....			
9. Receivables for securities .....			
10. Securities lending reinvested collateral assets (Schedule DL) .....			
11. Aggregate write-ins for invested assets .....			
12. Subtotals, cash and invested assets (Lines 1 to 11) .....			
13. Title plants (for Title insurers only) .....			
14. Investment income due and accrued .....			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	813	1,581	768
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3 Accrued retrospective premiums .....			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			
16.2 Funds held by or deposited with reinsured companies .....			
16.3 Other amounts receivable under reinsurance contracts .....			
17. Amounts receivable relating to uninsured plans .....			
18.1 Current federal and foreign income tax recoverable and interest thereon .....			
18.2 Net deferred tax asset .....	15,184	14,236	(948)
19. Guaranty funds receivable or on deposit .....			
20. Electronic data processing equipment and software .....			
21. Furniture and equipment, including health care delivery assets .....			
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			
23. Receivable from parent, subsidiaries and affiliates .....			
24. Health care and other amounts receivable .....	37,000	40,852	3,852
25. Aggregate write-ins for other than invested assets .....			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	52,997	56,669	3,672
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28. Total (Lines 26 and 27) .....	52,997	56,669	3,672
<b>DETAILS OF WRITE-INS</b>			
1101. ....			
1102. ....			
1103. ....			
1198. Summary of remaining write-ins for Line 11 from overflow page .....			
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)			
2501. ....			
2502. ....			
2503. ....			
2598. Summary of remaining write-ins for Line 25 from overflow page .....			
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)			

**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 .....						
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....						
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....	9,516	9,761	9,643	9,364	9,263	114,301
7. Total	9,516	9,761	9,643	9,364	9,263	114,301
<b>DETAILS OF WRITE-INS</b>						
0601. Dental .....	9,516	9,761	9,643	9,364	9,263	114,301
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....						
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	9,516	9,761	9,643	9,364	9,263	114,301

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of UDC Ohio, Inc. (the "Company") are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance ("DOI").

The Ohio DOI recognizes only statutory 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* ("SAP"), has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state has adopted certain prescribed accounting practices that differ from those found in NAIC SAP. There were no differences between the Company's financial statements prepared according to the NAIC SAP or practices prescribed by the state of Ohio. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below:

	December 31 2012	December 31 2011
(1) Net Income Ohio state basis	\$ 10,251	\$ (6,968)
(2) State Prescribed Practices (Income) - None	-	-
(3) State Permitted Practices (Income) - None	-	-
(4) Net Income, NAIC SAP	\$ 10,251	\$ (6,968)
(5) Statutory Surplus Ohio basis	\$ 949,890	\$ 948,564
(6) State Prescribed Practices (Surplus) - None	-	-
(7) State Permitted Practices (Surplus) - None	-	-
(8) Statutory Surplus, NAIC SAP	\$ 949,890	\$ 948,564

#### B. 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 expense during the period. Actual results could differ from those estimates.

#### C. Accounting Policy

Premiums billed to individual and group subscribers are recognized as revenue in the month in which subscribers are entitled to receive dental care. Uncollected premiums over 90 days past due are nonadmitted and excluded from surplus. The Company contracts with dentists (providers) for dental services to be provided to its subscribers. Provider capitation consists of monthly fees paid to providers and is expensed in the month in which the provider is obligated to render dental services. Emergency services to members while temporarily out of their provider's area, as well as specialty services not covered by capitation fees, are recorded as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds are stated at amortized cost using the modified scientific interest method of amortization.
- (3) The Company has no investments in common stocks.
- (4) The Company has no investments in preferred stocks.
- (5) The Company has no investments in mortgage loans.
- (6) The Company has no investments in loan-backed securities.
- (7) The Company does not own any shares of an upstream or intermediate parent or affiliate, either directly or indirectly.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no investments in derivative instruments.
- (10) The Company has no premium deficiency reserves.
- (11) The reserve for costs expected to be incurred for services approved during the year, as well as costs incurred but not reported, are actuarial estimates based on historical claims data. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has no fixed assets.
- (13) The Company has no pharmaceutical rebate receivables.

### 2. Accounting Changes and Corrections of Errors

Effective January 1, 2012, the Company adopted Statement of Statutory Accounting Principle No. 101-Income Taxes, A Replacement of SSAP No. 10R and SSAP No. 10 ("SSAP No. 101"). Under SSAP No. 101, determining admissibility of deferred tax assets using expanded three-year reversal periods and 15 percent of adjusted capital and surplus limitations is not elective. Companies that meet certain adjusted risk-based capital thresholds are required to determine admitted deferred tax assets using the expanded admissibility limitations. The adoption of SSAP 101 decreased the Company's nonadmitted deferred tax asset and increased its admitted deferred tax asset by \$14,236. The Company's unassigned surplus also increased by \$14,236, which is reflected in cumulative effect of change in accounting principle.

## NOTES TO FINANCIAL STATEMENTS

The decrease in nonadmitted deferred tax assets and the cumulative effect of change in accounting are as follows:

	As Adjusted by Adoption of SSAP 101	As Reported at 12/31/2011 Under SSAP 10R	Decrease in Nonadmitted/ Cumulative Effect
Net deferred tax assets	\$ 45,014	\$ 45,014	\$ -
Nonadmitted deferred tax assets	-	(14,236)	14,236
Admitted deferred tax assets	<u>\$ 45,014</u>	<u>\$ 30,778</u>	<u>\$ 14,236</u>

**3. Business Combinations and Goodwill**

None

**4. Discontinued Operations**

None

**5. Investments**

None

**6. Joint Ventures, Partnerships and Limited Liability Companies**

None

**7. Investment Income**

A& B. All investment income due and accrued with amounts over 90 days past due is nonadmitted and subsequently excluded from surplus. The Company did not have any nonadmitted due and accrued investment income at December 31, 2012.

**8. Derivative Instruments**

None

**9. Income Taxes**

The 2012 amounts presented in this note reflect the provisions of SSAP No. 101, and the 2011 amounts presented reflect the provisions of SSAP No. 10R.

A. (1) The components of deferred tax assets (DTAs) and deferred tax liabilities (DTLs) are as follows:

Description	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Gross DTAs	\$ 32,446	\$ -	\$ 32,446	\$ 45,014	\$ -	\$ 45,014	\$ (12,568)	\$ -	\$ (12,568)
(b) Statutory valuation allowance	-	-	-	-	-	-	-	-	-
(c) Adjusted gross DTAs	32,446	-	32,446	45,014	-	45,014	(12,568)	-	(12,568)
(d) Gross DTLs	-	(29)	(29)	-	-	-	-	(29)	(29)
(e) Net DTA/(DTL)	\$ 32,446	\$ (29)	\$ 32,417	\$ 45,014	\$ -	\$ 45,014	\$ (12,568)	\$ (29)	\$ (12,597)
(f) DTA nonadmitted	(15,184)	-	(15,184)	(14,236)	-	(14,236)	(948)	-	(948)
(g) Net admitted DTA/(DTL)	<u>\$ 17,262</u>	<u>\$ (29)</u>	<u>\$ 17,233</u>	<u>\$ 30,778</u>	<u>\$ -</u>	<u>\$ 30,778</u>	<u>\$ (13,516)</u>	<u>\$ (29)</u>	<u>\$ (13,545)</u>

**NOTES TO FINANCIAL STATEMENTS**

(2) The components of the admission calculation are as follows:

Description	2012			2011			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admission calculation pursuant to Para. 11.a. - 11.c.:									
(a) Admitted pursuant to									
Para. 11.a.	\$ 8,733	\$ -	\$ 8,733	\$ 30,778	\$ -	\$ 30,778	\$ (22,045)	\$ -	\$ (22,045)
(b) Admitted pursuant to									
Para. 11.b.									
(lesser of i. or ii.)	8,500	-	8,500	-	-	-	8,500	-	8,500
(c) Paragraph 11.b.i.			8,500			-			8,500
(d) Paragraph 11.b.ii.			139,899			92,268			47,631
(e) Admitted pursuant to									
para. 11.c.	29	-	29	-	-	-	29	-	29
(f) Total admitted pursuant to									
11.a. - 11.c.	17,262	-	17,262	30,778	-	30,778	(13,516)	-	(13,516)
(g) Gross DTLs	-	(29)	(29)	-	-	-	-	(29)	(29)
Net admitted DTA pursuant									
to 11.a.-11.c.	\$ 17,262	\$ (29)	\$ 17,233	\$ 30,778	\$ -	\$ 30,778	\$ (13,516)	\$ (29)	\$ (13,545)

Threshold used in Para. 11.b.:

(h) ExDTA ACL RBC Ratio	3051%	3086%	-35%
-------------------------	-------	-------	------

(3) Tax planning strategies had no impact on the Company's ordinary or capital adjusted gross DTAs and net admitted DTAs as of December 31, 2012 and 2011.

The Company has not availed itself of a tax planning strategy involving reinsurance.

B. All DTLs have been recognized.

C. Current tax and change in deferred tax:

(1) Current income taxes incurred consist of the following major components:

Description	2012	2011
Current income tax (benefit) expense - ordinary	\$ (10,850)	\$ 8,726
Current income tax expense - capital	-	7
Federal income taxes incurred	\$ (10,850)	\$ 8,733

The Company does not expect a significant increase in tax contingencies within the 12-month period following the balance sheet date.

## NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the DTAs and DTLs are as follows:

Description	December 31,		
	2012	2011	Change
(2) DTAs			
(a) Ordinary			
Unassigned capitation	\$ 5,879	\$ 4,994	\$ 885
Nonadmitted assets	285	553	(268)
Accrued expenses	26,282	39,467	(13,185)
Gross DTAs - Ordinary	\$ 32,446	\$ 45,014	\$ (12,568)
(b) Statutory valuation allowance - Ordinary	-	-	-
(c) Nonadmitted DTAs - Ordinary	(15,184)	(14,236)	(948)
(d) Admitted adjusted DTAs - Ordinary	\$ 17,262	\$ 30,778	\$ (13,516)
(h) Admitted adjusted DTAs - Capital	-	-	-
(i) Admitted adjusted DTA - Total	\$ 17,262	\$ 30,778	\$ (13,516)

Description	December 31,		
	2012	2011	Change
(3) DTLs			
(a) Gross DTLs - Ordinary	\$ -	\$ -	\$ -
(b) Capital			
Investments	(29)	-	(29)
Gross DTLs - Capital	\$ (29)	\$ -	\$ (29)
(c) Gross DTLs - Total	\$ (29)	\$ -	\$ (29)
(4) Net admitted adjusted DTA/(DTL)	\$ 17,233	\$ 30,778	\$ (13,545)

(5) The change in net deferred income taxes is comprised of the following:

Description	December 31,		
	2012	2011	Change
Gross DTAs	\$ 32,446	\$ 45,014	\$ (12,568)
Gross DTLs	(29)	-	(29)
Net DTA/(DTL)	32,417	45,014	(12,597)
Statutory valuation allowance	-	-	-
Adjusted net DTA/(DTL)	\$ 32,417	\$ 45,014	\$ (12,597)
Less: Tax effect of change in unrealized gains/losses			-
Change in net deferred income tax			\$ (12,597)

The Company's adjusted gross DTAs as of December 31, 2012 and 2011, include no valuation allowances because, based on the weight of available evidence, it is more likely than not that all DTAs will be realized.

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory federal income tax rate to income before taxes. The significant items causing this difference are as follows:

	Effective Tax Rate	
	2012	2011
Statutory income before taxes	35.0%	35.0%
Change in nonadmitted assets	-269.9%	11.3%
Other permanent adjustments	-57.1%	20.1%
Total adjustments	-327.0%	31.4%
Total	-292.0%	66.4%
Federal income taxes incurred	1811.0%	494.8%
Change in net deferred income tax	-2103.0%	-428.4%
Total statutory income taxes	-292.0%	66.4%

E. (1) As of December 31, 2012, the Company had no net operating or capital loss carryforwards.

**NOTES TO FINANCIAL STATEMENTS**

- (2) The following are income taxes incurred in the current and prior years that are available for recoupment in the event of future losses:

2012	\$	-
2011	\$	8,733

- F. (1) The Company files a consolidated federal income tax return with the following entities:

Assurant, Inc., Assurant Service Protection, Inc., American Bankers General Agency, Inc., American Bankers Insurance Co. of Florida, American Bankers Insurance Group, American Bankers Life Assurance Co. of Florida, American Bankers Management Co., Inc., American Memorial Life Insurance Co., American Reliable Insurance Co., American Security Insurance Co., Assurant Payment Services, Inc., Assurant Reinsurance of Turks & Caicos, Ltd., Bankers Atlantic Reinsurance Co., Consumer Assist Network Association, Inc., Denticare of Alabama, Inc., Disability Reinsurance Management Services, Inc., Family Considerations, Inc., Federal Warranty Service Corp., Florida Office Corp., GP Legacy Place, Inc., Guardian Investment Services, Inc., Guardian Travel, Inc., Insureco Agency and Services, Inc. (CA), Insureco, Inc., Interfinancial, Inc., International Financial Group, Inc., John Alden Financial Corp., John Alden Life Insurance Co., Mortgage Group Reinsurance, Ltd., MS Diversified Corp., National Insurance Agency, Inc., North Star Marketing Corp., NSM Sales Corp., Reliable Lloyds Insurance Co., SSDC Services Corp. (fka SSDC Corp.), Standard Guaranty Insurance Co., Sureway, Inc., Time Insurance Co., TrackSure Insurance Agency, Inc., TS Holdings, Inc., UDC Dental California, Inc., UDC Ohio, Inc., Union Security DentalCare of Georgia, Inc., Union Security DentalCare of New Jersey, Inc., Union Security Insurance Co., Union Security Life Insurance Co. of New York, United Dental Care of Arizona, Inc., United Dental Care of Colorado, Inc., United Dental Care of Michigan, Inc., United Dental Care of Missouri, Inc., United Dental Care of New Mexico, Inc., United Dental Care of Texas, Inc., United Dental Care of Utah, Inc., US Insurance Services, United Service Protection Corp., United Service Protection, Inc., Voyager Group, Inc., Voyager Indemnity Insurance Co., and Voyager Service Warranties, Inc.

- (2) The method of allocation between the companies is subject to a written agreement. Allocation is based on separate return calculations with current credit for net losses. Intercompany tax balances are settled annually within 30 days of the filing of the consolidated federal income tax return. The tax allocation agreement was amended in 2011 to permit utilization of the capital loss of an affiliated entity to offset the Company's net capital gains.

**10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties**

- A. B & C. The receivable from or payable to affiliates results primarily from premiums collected, net of fees paid to providers and claims paid, by an affiliate, Union Security Insurance Company ("USIC"), on behalf of the Company. The Company records its respective premium revenues for the products it underwrites. The cash remittances related to these transactions are collected or paid by USIC and then settled monthly.

Please see Note 13, Capital and Surplus, for information regarding dividends and capital contributions.

- D. Net amounts due to parent and affiliates are \$88 and included on Page 3, line 15 and net amounts receivable from parent and affiliates are \$7,004 and included on Page 2, line 23. The receivable and payable is non-interest bearing and the terms of the agreement require that the amounts are settled within 30 days of each month.

- E. The Company has not entered into any guarantees or undertakings for the benefit of an affiliate or others which will result in an actual contingent exposure of the Company's assets to liability, other than insurance contracts entered into in the ordinary course of business as disclosed in Note 14A.

- F. The Company has a service agreement with USIC to provide and receive services relating to management, policy administration, provider fees, claims payment, member and client administration, sales and marketing, information technology and actuarial services. The Company also has an investment management agreement and a federal tax allocation agreement with its ultimate parent, Assurant, Inc.

The cost allocation methods and its application utilized by the Company are subject to judgment and interpretation and may vary from year to year. Due to the subjective nature of these expense allocations, the process will be continuously reviewed by management to ensure reasonable results. Any modification in methodology resulting from management's review is considered a change in methodology and any corresponding changes will be applied on a prospective basis.

- G. The Company is 100% directly owned by Interfinancial Inc. which is directly owned by Assurant, Inc., New York, NY, at December 31, 2012. A chart of the current organization is included in Schedule Y, Parts 1 and 1A.

See Note 22, Events Subsequent, for information regarding a change in direct ownership.

- H. The Company does not own any shares of an upstream or intermediate parent, either directly or indirectly.

- I. The Company does not own any shares in an affiliate or other related entity.

- J. The Company did not recognize any investment impairment.

- K. The Company does not own any shares in foreign investments.

- L. The Company does not have any investments in downstream non-insurance holding companies.

**11. Debt**

None

**12. Retirement Plans, Deferred Compensation, Post employment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

The Company does not have any retirement plans or deferred compensation. The Company does not have employees.

**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

- (1) The Company has 1,000 shares of common stock authorized and 1,000 shares issued and outstanding at a par value of \$.10.

- (2) The Company has no preferred stock outstanding.

- (3) Ohio regulations generally do not allow the payment of dividends in any one year to exceed the greater of (a) statutory net income for the preceding year or (b) 10% of statutory surplus as of the preceding December 31.

**NOTES TO FINANCIAL STATEMENTS**

- (4) There were no dividends paid during 2012.
- (5) Within limitation of (3) above, there are no restrictions placed on the portion of the Company profit that may be paid as ordinary dividends to stockholders.
- (6) Under Ohio statute, the Company is required to maintain total admitted assets equal to the greater of (a) 110% of the liabilities of the corporation, or (b) \$250,000. The Company is licensed in Kentucky as a Limited Health Service Organization. The Kentucky Office of Insurance requires the Company to maintain a minimum net worth of \$125,000. The Company was in compliance with both of these requirements at December 31, 2012. Under Ohio statute, the Company is required to have deposited investments with an approved custodian of not less than \$75,000. The Kentucky Office of Insurance requires the Company to maintain a deposit with a trustee acceptable to the executive director of \$50,000. At December 31, 2012 there were investments on deposit to satisfy these statutory deposit requirements.
- (7) The Company does not have any advances to surplus.
- (8) The Company does not hold any preferred stock, employee stock options or stock purchase warrants.
- (9) The Company does not have special surplus funds.
- (10) The portion of unassigned funds (surplus) represented or reduced by each item below is follows:
 

a.	Unrealized gains and losses:	\$ 0
b.	Nonadmitted asset values:	\$ 52,997
c.	Separate account business:	\$ 0
d.	Asset valuation reserve:	\$ 0
e.	Provision for reinsurance:	\$ 0
- (11) The Company did not issue any surplus debenture or similar obligations during the periods covered by this statement.
- (12) The quasi-reorganization is not applicable to this Company.
- (13) There have been no quasi-reorganizations in the prior 10 years.

**14. Contingencies**

- A. Contingent Commitments  
None
- B. Assessments  
The Company has not been notified of any insolvency that will result in a guaranty fund assessment against the Company at some future date.
- C. Gain Contingencies  
None
- D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming From Lawsuits  
There is no litigation pending at this time against the Company.
- E. All Other Contingencies  
Various lawsuits against the Company have arisen in the course of the Company's business. Further, the Company is subject to routine examination by state departments of insurance. An assessment of these examinations, contingent liabilities arising from litigation, income taxes and other matters indicate that they are not material in relation to the financial position of the Company.

**15. Leases**

None

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

The Company is not exposed to any significant credit concentration risk of a single issuer, excluding U.S. Government and government agencies as of December 31, 2012.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

None

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

None

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

None

**20. Fair Value Measurement**

A. Assets Measured at Fair Value:

- (1) The Company had no financial assets or liabilities measured and reported at fair value.

**NOTES TO FINANCIAL STATEMENTS****C. Aggregate Fair Value Disclosures and Level Within the Fair Value Hierarchy**

The following methods and assumptions were used by the Company in estimating the fair value of financial instruments:

**Bonds**

Fair values for bonds are based on market prices.

**Cash and short-term investments**

The carrying value reported approximates fair value because of the short maturity of the instruments.

The following table summarizes the aggregate fair value of financial instruments and the level within the fair value hierarchy as of December 31, 2012:

Type of financial instrument	Aggregate Fair Value	Carrying Value	Level 1	Level 2
<b>Financial assets:</b>				
Bonds	\$ 964,520	\$ 962,914	\$ -	\$ 964,520
Cash and short-term investments	81,440	81,440	81,440	-
Total financial assets	<u>\$ 1,045,960</u>	<u>\$ 1,044,354</u>	<u>\$ 81,440</u>	<u>\$ 964,520</u>

**D. Not Practicable to Estimate Fair Value:**

The Company held no financial instruments where it was not practicable to estimate fair value.

**21. Other Items****A. Extraordinary Items**

None

**B. Troubled Debt Restructuring: Debtors**

None

**C. Other Disclosures**

Assets in the amount of \$199,959 and \$200,210 at December 31, 2012 and 2011, respectively, were on deposit with government authorities or trustees as required by law to satisfy regulatory requirements.

**D. Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers**

None

**E. Business Interruption Insurance Recoveries**

None

**F. State Transferable and Non-transferable Tax Credits**

None

**G. Sub-prime Mortgage Related Risk Exposure**

None

**H. Retained Assets**

None

**22. Events Subsequent**

Subsequent events have been considered through February 15, 2013 for the statutory statement of December 31, 2012. Ownership of the Company transferred from 100% directly owned by Interfinancial Inc. to 100% owned by Union Security Insurance Company during the first quarter of 2013. Union Security Insurance Company is a directly owned subsidiary of Interfinancial Inc.

**23. Reinsurance**

None

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination**

None

**25. Change in Incurred Claims and Claims Adjustment Expenses**

Reserves as of December 31, 2011 were \$19,625. As of December 31, 2012, \$2,985 has been paid in 2012 for incurred claims and claim adjustment expenses attributable to insured events of 2011 and prior years. Reserves remaining for prior years are now \$17 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$16,623 favorable prior-year development from December 31, 2011 to December 31, 2012.

**26. Intercompany Pooling Arrangements**

None

**27. Structured Settlements**

None

**28. Health Care Receivables**

None

**NOTES TO FINANCIAL STATEMENTS**

**29. Participating Policies**

None

**30. Premium Deficiency Reserves**

None

**31. Anticipated Salvage and Subrogation**

None

# 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: .....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .... 12/31/2010
- 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. .... 12/31/2010
- 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). .... 03/14/2012
- 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 [ ] No [ ] N/A [ X ]
- 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 [ ] No [ X ]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business? ..... Yes [ ] No [ X ]  
4.22 renewals? ..... Yes [ ] No [ X ]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? ..... Yes [ ] No [ X ]
- 5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.
- | 1<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity
.....	.....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**GENERAL INTERROGATORIES**

- 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 below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
PricewaterhouseCoopers, LLP, 300 Madison Avenue, New York, NY 10017-6204
- 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 response 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?  
Eric S. Vandenberg, FSA, MAAA is an employee of Union Security Insurance Company, an affiliate company, 2323 Grand Boulevard, Kansas City, MO 64108-2670
- 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:  
.....
- 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 [ ]
- 13.3 Have there been any changes made to any of the trust indentures during the year? ..... Yes [ ] No [ ]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? ..... Yes [ ] No [ ] N/A [ ]
- 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 [ X ] No [ ]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).  
In January 2012, the Code of Ethics were updated to address the following: (1) listed new internet site available in multiple languages with translated versions of Assurant policies; (2) updated Compliance Helpline dialing instructions for International; (3) updated Conflicts of Interest section; and (4) updated Anti-corruption section to include the UK Bribery Act. ....
- 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).  
.....

**GENERAL INTERROGATORIES**

- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? 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 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

**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 with the official duties of such person? Yes [ X ] No [ ]

**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 \$
  - 20.12 To stockholders not officers \$
  - 20.13 Trustees, supreme or grand (Fraternal Only) \$
- 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 \$
  - 20.22 To stockholders not officers \$
  - 20.23 Trustees, supreme or grand (Fraternal Only) \$
- 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 [ X ] No [ ]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$ 0

**INVESTMENT**

- 24.01 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 24.03). Yes [ X ] No [ ]
- 24.02 If no, give full and complete information relating thereto
- 24.03 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)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [ X ]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs \$
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs \$
- 24.07 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 [ X ]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [ X ]
- 24.09 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 [ X ]

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**GENERAL INTERROGATORIES**

24.10 For the reporting entity's security lending program state the amount of the following as December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....
24.102 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 .....	\$ .....
24.103 Total payable for securities lending reported on the liability page .....	\$ .....

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 24.03) ..... Yes [ X ] No [ ]

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

25.21 Subject to repurchase agreements .....	\$ .....
25.22 Subject to reverse repurchase agreements .....	\$ .....
25.23 Subject to dollar repurchase agreements .....	\$ .....
25.24 Subject to reverse dollar repurchase agreements .....	\$ .....
25.25 Pledged as collateral .....	\$ .....
25.26 Placed under option agreements .....	\$ .....
25.27 Letter stock or other securities restricted as to sale .....	\$ .....
25.28 On deposit with state or other regulatory body .....	\$ 199,959
25.29 Other .....	\$ .....

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

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

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

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 [ X ]

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 [ X ] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
BMO Harris Bank N.A. ....	111 East Kilbourn Ave, Ste 200, Milwaukee, WI 53202 .....

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:

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

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?..... Yes [ X ] No [ ]

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

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Marshall & Ilsley Trust Company .....	BMO Harris Bank N.A. ....	08/31/2012 .....	Marshall & Ilsley Trust Company merged into BMO Harris Bank N.A. ....

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

1 Central Registration Depository Number(s)	2 Name	3 Address
Not a registered advisor ...	Assurant Asset Management .....	One Chase Manhattan Plaza, New York, NY 10005 .....

**GENERAL INTERROGATORIES**

- 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 [ X ]
- 29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

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 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	984,692	986,298	1,606
30.2 Preferred stocks			
30.3 Totals	984,692	986,298	1,606

- 30.4 Describe the sources or methods utilized in determining the fair values:  
 Fair Values are obtained from third party pricing services. For those that are not available from a third party pricing service, fair values were obtained from a broker or internal analysis or the NAIC Securities Valuation Office.

- 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 [ X ] 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 [ X ] 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 [ X ] No [ ]
- 32.2 If no, list exceptions:  
 .....

**GENERAL INTERROGATORIES**

**OTHER**

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

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
None .....	.....
.....	.....

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

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
None .....	.....
.....	.....

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

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
None .....	.....
.....	.....

**GENERAL INTERROGATORIES**

**PART 2 - HEALTH INTERROGATORIES**

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? ..... Yes [ ] No [ X ]  
 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 .....	1,095,516	1,109,896
2.2 Premium Denominator .....	1,095,516	1,109,896
2.3 Premium Ratio (2.1/2.2) .....	1.000	1.000
2.4 Reserve Numerator .....	47,355	43,186
2.5 Reserve Denominator .....	47,355	43,186
2.6 Reserve Ratio (2.4/2.5) .....	1.000	1.000

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, as and if the earnings of the reporting entity permits? ..... Yes [ ] No [ X ]

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 [ X ] 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 [ X ]

5.1 Does the reporting entity have stop-loss reinsurance? ..... Yes [ ] No [ X ]

5.2 If no, explain:

Entity operates a prepaid dental plan and does not retain claim risk.

5.3 Maximum retained risk (see instructions) 5.31 Comprehensive Medical ..... \$ \_\_\_\_\_  
5.32 Medical Only ..... \$ \_\_\_\_\_  
5.33 Medicare Supplement ..... \$ \_\_\_\_\_  
5.34 Dental & Vision ..... \$ \_\_\_\_\_  
5.35 Other Limited Benefit Plan ..... \$ \_\_\_\_\_  
5.36 Other ..... \$ \_\_\_\_\_

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:  
 Entity does not retain claim risk and providers are required by contract to provide services to active members. ....

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? ..... Yes [ ] No [ X ]

7.2 If no, give details

Not applicable since the entity operates a prepaid dental plan.

8. Provide the following information regarding participating providers: 8.1 Number of providers at start of reporting year ..... 427  
8.2 Number of providers at end of reporting year ..... 409

9.1 Does the reporting entity have business subject to premium rate guarantees? ..... Yes [ X ] No [ ]

9.2 If yes, direct premium earned: 9.21 Business with rate guarantees between 15-36 months..\$ ..... 33,124  
9.22 Business with rate guarantees over 36 months ..... \$ \_\_\_\_\_

**GENERAL INTERROGATORIES**

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ ] No [ X ]

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$ .....

10.22 Amount actually paid for year bonuses.....\$ .....

10.23 Maximum amount payable withholds.....\$ .....

10.24 Amount actually paid for year withholds.....\$ .....

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, ..... Yes [ ] No [ X ]

11.13 An Individual Practice Association (IPA), or, . Yes [ ] No [ X ]

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. .... Ohio/Kentucky

11.4 If yes, show the amount required. .... \$ 250,000

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ ] No [ X ]

11.6 If the amount is calculated, show the calculation

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

1 Name of Service Area
State of Ohio .....
State of Kentucky .....
.....

13.1 Do you act as a custodian for health savings accounts? ..... 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 funds administered as of the reporting date. .... \$ .....

ANNUAL STATEMENT FOR THE YEAR 2012 OF THE UDC OHIO, INC.

**FIVE-YEAR HISTORICAL DATA**

	1 2012	2 2011	3 2010	4 2009	5 2008
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	1,106,113	1,137,659	1,159,653	1,017,088	1,028,823
2. Total liabilities (Page 3, Line 24) .....	156,223	189,095	205,160	82,005	125,839
3. Statutory surplus .....	250,000	250,000	250,000	250,000	250,000
4. Total capital and surplus (Page 3, Line 33) .....	949,890	948,564	954,493	935,083	902,984
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	1,096,075	1,112,128	1,120,967	1,156,134	1,280,881
6. Total medical and hospital expenses (Line 18) .....	716,181	723,719	695,399	705,261	727,378
7. Claims adjustment expenses (Line 20) .....	6,275	5,425	3,367	5,676	7,707
8. Total administrative expenses (Line 21) .....	375,430	383,428	383,330	398,619	439,876
9. Net underwriting gain (loss) (Line 24) .....	(1,811)	(444)	38,871	46,578	105,920
10. Net investment gain (loss) (Line 27) .....	1,212	2,202	3,070	5,835	19,160
11. Total other income (Lines 28 plus 29) .....					
12. Net income or (loss) (Line 32) .....	10,251	(6,968)	(4,926)	35,520	77,679
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	(36,810)	(15,392)	133,334	22,828	39,365
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	949,890	948,564	954,493	935,083	902,984
15. Authorized control level risk-based capital .....	30,570	30,739	31,405	31,368	32,602
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	9,263	9,516	10,185	10,133	11,114
17. Total members months (Column 6, Line 7) .....	114,301	117,333	121,354	125,767	138,234
<b>Operating Percentage</b> (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 (Lines 18 plus Line 19) .....	65.3	65.1	62.0	61.0	56.8
20. Cost containment expenses .....	0.0	0.0	0.0	0.0	0.0
21. Other claims adjustment expenses .....	0.5	0.5	0.3	0.5	0.6
22. Total underwriting deductions (Line 23) .....	100.2	100.0	96.5	96.0	91.7
23. Total underwriting gain (loss) (Line 24) .....	(0.2)	0.0	3.5	4.0	8.3
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	2,970	5,374	5,419	3,967	3,622
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	19,415	17,748	21,530	23,809	23,706
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
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 Schedule DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. Total of above Lines 26 to 31 .....					
33. Total investment in parent included in Lines 26 to 31 above.					

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**

States, etc.	1 Active Status	Direct Business Only								
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts	
1. Alabama ..... AL	N									
2. Alaska ..... AK	N									
3. Arizona ..... AZ	N									
4. Arkansas ..... AR	N									
5. California ..... CA	N									
6. Colorado ..... CO	N									
7. Connecticut ..... CT	N									
8. Delaware ..... DE	N									
9. District of Columbia ..... DC	N									
10. Florida ..... FL	N									
11. Georgia ..... GA	N									
12. Hawaii ..... HI	N									
13. Idaho ..... ID	N									
14. Illinois ..... IL	N									
15. Indiana ..... IN	N									
16. Iowa ..... IA	N									
17. Kansas ..... KS	N									
18. Kentucky ..... KY	L									
19. Louisiana ..... LA	N									
20. Maine ..... ME	N									
21. Maryland ..... MD	N									
22. Massachusetts ..... MA	N									
23. Michigan ..... MI	N									
24. Minnesota ..... MN	N									
25. Mississippi ..... MS	N									
26. Missouri ..... MO	N									
27. Montana ..... MT	N									
28. Nebraska ..... NE	N									
29. Nevada ..... NV	N									
30. New Hampshire ..... NH	N									
31. New Jersey ..... NJ	N									
32. New Mexico ..... NM	N									
33. New York ..... NY	N									
34. North Carolina ..... NC	N									
35. North Dakota ..... ND	N									
36. Ohio ..... OH	L	1,095,516					1,095,516			
37. Oklahoma ..... OK	N									
38. Oregon ..... OR	N									
39. Pennsylvania ..... PA	N									
40. Rhode Island ..... RI	N									
41. South Carolina ..... SC	N									
42. South Dakota ..... SD	N									
43. Tennessee ..... TN	N									
44. Texas ..... TX	N									
45. Utah ..... UT	N									
46. Vermont ..... VT	N									
47. Virginia ..... VA	N									
48. Washington ..... WA	N									
49. West Virginia ..... WV	N									
50. Wisconsin ..... WI	N									
51. Wyoming ..... WY	N									
52. American Samoa ..... AS	N									
53. Guam ..... GU	N									
54. Puerto Rico ..... PR	N									
55. U.S. Virgin Islands ..... VI	N									
56. Northern Mariana Islands ..... MP	N									
57. Canada ..... CAN	N									
58. Aggregate other alien ..... OT	XXX									
59. Subtotal	XXX	1,095,516					1,095,516			
60. Reporting entity contributions for Employee Benefit Plans	XXX									
61. Total (Direct Business)	(a) 2	1,095,516					1,095,516			
DETAILS OF WRITE-INS										
58001. ....	XXX									
58002. ....	XXX									
58003. ....	XXX									
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX									
58999. Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX									

(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.

Premiums are assigned to state based on the situs of contract.

(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  
PART 1 - ORGANIZATIONAL CHART**

Assurant, Inc.

Owns 100% of Family Considerations, Inc.	FEI 58-2315775 - GA
Owns 100% of FamilySide, Inc.	CANADA
Owns 100% of Florida Office Corp.	FEI 13-3896525 - DE
Owns 100% of GP Legacy Place, Inc.	FEI 13-3882719 - DE
Owns 100% of Insureco, Inc.	FEI 33-0658229 - CA
Owns 100% of Interfinancial Inc.	FEI 13-3036467 - GA
Owns 100% of Union Security Life Insurance Company of New York	FEI 13-2699219; NAIC 81477 - NY

Insureco, Inc.

Owns 100% of Assurant Reinsurance of Turks & Caicos, Ltd.	FEI 03-0387721 - TURKS & CAICOS
Owns 100% of Insureco Agency & Insurance Services, Inc. (CA)	FEI 95-3097622 - CA

Interfinancial Inc.

Owns 100% of ALOC Holdings ULC	CANADA
Owns 100% of American Bankers Insurance Group	FEI 59-1985922- FL
Owns 100% of American Memorial Life Insurance Company	FEI 46-0260270; NAIC 67989 - SD
Owns 100% of American Security Insurance Company	FEI 58-1529575; NAIC 42978 - DE
Owns 100% of Denticare of Alabama, Inc.	FEI 59-3063687; NAIC 12880 - AL
Owns 100% of Disability Reinsurance Management Services, Inc.	FEI 01-0483086 - DE
Owns 100% of Guardian Travel, Inc.	FEI 59-2519974 - FL
Owns 100% of John Alden Financial Corporation	FEI 59-2840712 - DE
Owns 100% of Mortgage Group Reinsurance, Ltd.	FEI 20-0101110 - BERMUDA
Owns 100% of Time Insurance Company	FEI 39-0658730; NAIC 69477 - WI
Owns 100% of TrackSure Insurance Agency, Inc.	FEI 33-0388029 - CA
Owns 100% of UDC Dental California, Inc.	FEI 33-0360239; NAIC 52031 - CA
Owns 100% of UDC Ohio, Inc.	FEI 74-2609036; NAIC 52022 - OH
Owns 100% of Union Security DentalCare of Georgia, Inc.	FEI 58-1909945 - GA
Owns 100% of Union Security DentalCare of New Jersey, Inc.	FEI 52-1565653; NAIC 11244 - NJ
Owns 100% of Union Security Insurance Company	FEI 81-0170040; NAIC 70408 - KS
Owns 100% of United Dental Care of Arizona, Inc.	FEI 86-0517444; NAIC 47708 - AZ
Owns 100% of United Dental Care of Colorado, Inc.	FEI 86-0631335; NAIC 52032 -CO
Owns 100% of United Dental Care of Michigan, Inc.	FEI 38-2833988; NAIC 11111 - MI
Owns 100% of United Dental Care of Missouri, Inc.	FEI 75-2481527; NAIC 47044 - MO
Owns 100% of United Dental Care of New Mexico, Inc.	FEI 86-0384270; NAIC 47042 - NM
Owns 100% of United Dental Care of Texas, Inc.	FEI 75-2076282; NAIC 95142 - TX
Owns 100% of United Dental Care of Utah, Inc.	FEI 75-2635404; NAIC 95450 - UT

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY  
PART 1 - ORGANIZATIONAL CHART**

	Owns 100% of Solidify Software, LLC	FEI 45-2424030- KS
ALOC Holdings ULC		
	Owns 100% of Assurant Life of Canada	CANADA
American Security Insurance Company		
	Owns 100% of Standard Guaranty Insurance Company	FEI 58-1529579; NAIC 42986 - DE
John Alden Financial Corporation		
	Owns 100% of John Alden Life Insurance Company	FEI 41-0999752; NAIC 65080 - WI
	Owns 100% of NSM Sales Corporation	FEI 65-0416844 - NV
John Alden Life Insurance Company		
	Owns 100% of North Star Marketing Corporation	FEI 59-2394561 - OH
Time Insurance Company		
	Owns 100% of National Insurance Institute, LLC	FEI 83-0408679 - WI
Union Security Insurance Company		
	Owns 100% of Dental Health Alliance, L.L.C.	FEI 13-3830846 - DE
American Bankers Insurance Group, Inc.		
	Owns 100% of ABI International	CAYMAN ISLANDS
	Owns 100% of American Bankers Dominicana, S.A.	DOMINICAN REPUBLIC
	Owns 100% of American Bankers Insurance Company of Florida	FEI 59-0593886; NAIC 10111 - FL
	Owns 100% of American Bankers Life Assurance Company of Florida	FEI 59-0676017; NAIC 60275 - FL
	Owns 100% of American Bankers Management Company, Inc	FEI 65-0597010 - FL
	Owns 100% of American Reliable Insurance Company	FEI 41-0735002; NAIC 19615 - AZ
	Owns 100% of Assurant Service Protection, Inc.	FEI 26-3914986 - OK
	Owns 100% of Assurant Services Canada Inc.	CANADA
	Owns 100% of Bankers Atlantic Reinsurance Company	FEI 98-0152782 - TURKS & CAICOS
	Owns 100% of Federal Warranty Service Corporation	FEI 36-3596362 - IL
	Owns 100% of Guardian Investment Services, Inc.	FEI 59-2720545 - FL
	Owns 100% of International Financial Group, Inc.	FEI 75-2533456 - TX
	Owns 100% of MSDiversified Corp.	FEI 64-0660045 - MS
	Owns 100% of National Insurance Agency	FEI 59-1357775 - FL

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY  
PART 1 - ORGANIZATIONAL CHART**

	Owns 100% of Assurant Payment Services, Inc. (fka Quail Roost Properties, Inc.)	FEI 59-1414202 - FL
	Owns 51% of Signal Holdings LLC	FEI 47-0876083 - PA
	Owns 100% of Sureway, Inc.	FEI 59-1532747 - DE
	Owns 100% of TS Holdings, Inc.	FEI 30-0080387 - DE
	Owns 100% of Voyager Group, Inc.	FEI 59-1236556 - FL
	Owns 100% of Voyager Service Warranties, Inc.	FEI 59-2675787 - FL
ABIG Holding de Espana, S.L.	Owns 96.986% of Assurant Argentina Compania de Seguros Sociedad Anonima	ARGENTINA
	Owns 95% of Assurant Services Argentina, S.A.	ARGENTINA
	Owns 99% of Assurant Holding de Puerto Rico, Inc.	PUERTO RICO
	Owns 99% of Assurant Seguradora S.A.	BRASIL
	Owns 99% of Assurant Services Brasil, Limitada	BRASIL
	Owns 100% of Assurant Services de Chile, SpA	CHILE
	Owns 98% of Assurant Servicios de Mexico, S.A. de CV	MEXICO
	Owns 99% of Rolim Consult S.A.	BRASIL
	Owns 99% of Assurant Chile Compañia de Seguros Generales S.A.	CHILE
ABI International	Owns 100% of Assurant Group, Limited	UNITED KINGDOM
	Owns 1% of Assurant International Division Limited (fka American Bankers International Division, Inc.)	FEI 99-5951827 - MALTA
	Owns 100% of Solutions Holdings	CAYMAN ISLANDS
	Owns 100% of Protection Holding Cayman	CAYMAN ISLANDS
American Bankers General Agency, Inc.	Controls thru a management agreement - Reliable Lloyds Insurance Company	FEI 74-2289453; NAIC 28843 - TX
American Bankers Insurance Company of Florida	Owns 100% of American Bankers General Agency, Inc.	FEI 74-2135158 - TX
Assurant International Division Limited (fka American Bankers International Division, Inc.)	Owns 3.014% of Assurant Argentina Compania de Seguros Sociedad Anonima	ARGENTINA
	Owns 5% of Assurant Services Argentina, S.A.	ARGENTINA
	Owns 49% of Assurant Danos Mexico S.A.	MEXICO

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY  
PART 1 - ORGANIZATIONAL CHART**

	Owns 1% of Assurant Seguradora S.A.	BRASIL
	Owns 1% of Assurant Services Brasil, Limitada	BRASIL
	Owns 2% of Assurant Servicios de Mexico, S.A. de CV	MEXICO
	Owns 100% of Assurant Services of Puerto Rico, Inc.	FEI 66-0520042 - PR
	Owns 49% of Assurant Vida Mexico S.A.	MEXICO
	Owns 100% of ABIG Holding de Espana, S.L.	SPAIN
	Owns 1% of Rolim Consult S.A.	BRASIL
	Owns 1% of Assurant Chile Compañia de Seguros Generales S.A.	CHILE
	Owns 100% of Assurant Solutions Holding Puerto Rico, Inc.	FEI 66-0791841 - PR
Assurant Servicios de Mexico, S.A. de CV		
	Owns 1% of Assurant Holding de Puerto Rico, Inc.	PUERTO RICO
Assurant Solutions Holding Puerto Rico, Inc.		
	Owns 74% of Caribbean American Property Insurance Company	FEI 66-0481184; NAIC 30590 - PR
	Owns 100% of Caribbean American Life Assurance Company	FEI 66-0448783; NAIC 73156 - PR
American Bankers Management Company, Inc.		
	Owns 100% of Consumer Assist Network Association, Inc.	FEI 65-0597011 - DE
American Reliable Insurance Company		
	Owns 100% of U.S. Insurance Services, Inc.	FEI 59-3717622 - FL
Assurant Group LTD		
	Owns 100% of Assurant Direct Limited	UNITED KINGDOM
	Owns 100% of Assurant General Insurance Limited	UNITED KINGDOM
	Owns 100% of Assurant Life Limited	UNITED KINGDOM
	Owns 100% of Assurant Services (UK) Limited	UNITED KINGDOM
	Owns 100% of Assurant Intermediary Ltd.	UNITED KINGDOM
	Owns 100% of Assurant Deutschland GmbH	GERMANY
	Owns 100% of Assurant Italia Agenzia di Assicurazioni s.r.l.	ITALY
	Owns 100% of Assurant Services Italia s.r.l.	ITALY
	Owns 100% of Assurant Solutions Spain, S.A.	SPAIN
	Owns 100% of Assurant Services Limited	IRELAND

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY  
PART 1 - ORGANIZATIONAL CHART**

Assurant Holding de Puerto Rico, Inc.	Owns 51% of Assurant Danos Mexico S.A. Owns 51% of Assurant Vida Mexico S.A.	MEXICO MEXICO
Caribbean American Life Assurance Company	Owns 26% of Caribbean American Property Insurance Company	FEI 66-0481184; NAIC 30590 - PR
Federal Warranty Service Corporation	Owns 80% of Service Delivery Advantage, LLC	FEI 61-1455870; IL
MS Diversified Corp.	Owns 100% of United Service Protection Corporation Owns 100% of United Service Protection, Inc.	FEI 64-0906751 - DE FEI 59-1794848 - FL
Signal Holdings LLC	Owns 99.9% of CWork Solutions, LP Owns 100% of Signal GP LLC Owns 100% of Signal Northwest LLC Owns 99.9% of The Signal LP Owns 100% of TeleCom Re, Inc.	FEI 04-3706805 - PA FEI 47-0876082 - DE FEI 36-4553652 - DE FEI 22-2623205 - PA FEI 23-3055804 - FL
CWork Solutions, LP	Owns 100% of CWork Financial Management LLC	FEI 20-3810453 - DE
Signal GP LLC	Owns 0.1% of CWork Solutions, LP Owns 0.1% of The Signal LP	FEI 04-3706805 - PA FEI 22-2623205 - PA
Sureway, Inc.	Owns 100% of Assurant Consulting Company, Limited	CHINA
The Signal LP	Owns 100% of Signal Financial Management LLC	FEI 20-3810532 - DE
Telecom Re, Inc.	Owns 49% of Signal Holdings LLC	FEI 47-0876083 - PA

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY  
PART 1 - ORGANIZATIONAL CHART**

Voyager Group Inc.	Owns 100% of Voyager Indemnity Insurance Company	FEI 58-1455416; NAIC 40428 - GA
Solutions Holdings	Owns 100% of Solutions Cayman	CAYMAN ISLANDS
Protection Holding Cayman	Owns 99% of Assurant International Division Limited (fka American Bankers International Division, Inc.)	FEI 99-5951827 - MALTA

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