



ANNUAL STATEMENT

For the Year Ending December 31, 2012

OF THE CONDITION AND AFFAIRS OF THE

DELTA DENTAL PLAN OF OHIO, INC.

NAIC Group Code	0477 <small>(Current Period)</small>	0477 <small>(Prior Period)</small>	NAIC Company Code	54402	Employer's ID Number	31-0685339
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:	Life, Accident & Health[] Dental Service Corporation[] Other[X]	Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[] N/A[X]	Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[]			
Incorporated/Organized	03/06/1960		Commenced Business	04/01/1964		
Statutory Home Office	5600 Blazer Pkwy., Suite 150 <small>(Street and Number)</small>		Dublin, OH, 43017 <small>(City or Town, State, Country and Zip Code)</small>			
Main Administrative Office	Okemos, MI, 48864 <small>(City or Town, State, Country and Zip Code)</small>		4100 Okemos Road <small>(Street and Number)</small>		(517)349-6000 <small>(Area Code) (Telephone Number)</small>	
Mail Address	P.O. Box 30416 <small>(Street and Number or P.O. Box)</small>		Lansing, MI, 48909-7916 <small>(City or Town, State, Country and Zip Code)</small>			
Primary Location of Books and Records	Okemos, MI, 48864 <small>(City or Town, State, Country and Zip Code)</small>		4100 Okemos Road <small>(Street and Number)</small>		(517)349-6000 <small>(Area Code) (Telephone Number)</small>	
Internet Website Address	http://ddpoh.com/					
Statutory Statement Contact	Glenn R. Simon, CPA <small>(Name)</small>		(517)347-5405 <small>(Area Code)(Telephone Number)(Extension)</small>			
	gsimon@deltadentalmi.com <small>(E-Mail Address)</small>		(517)381-5572 <small>(Fax Number)</small>			

OFFICERS

Name	Title	#
Laura Linda Czelada, CPA	President & CEO	#
Ann Marie Flermoen, DDS	Secretary	
Douglas Robert Anderson, DDS, MS, JD	Treasurer	#
James Price Hallan	Chairperson	
Kelly Jubb Scheiderer, RHIA, MHA	Immediate Past Chairperson	
Michael Thomas Schaeffer, DDS	Vice Chairperson	

OTHERS

Goran Mike Jurkovic, CPA, Vice President & CFO
Jonathan Stong Groat, Vice President & General Counsel

DIRECTORS OR TRUSTEES

Douglas Robert Anderson, DDS, MS, JD
Frank Buzaki, Jr.
Patrick Thomas Cahill, JD
Ann Marie Flermoen, DDS
James Price Hallan
Michael Thomas Schaeffer, DDS
Kelly Jubb Scheiderer, RHIA, MHA
Bruce Randall Smith
James Robert Stahl, DDS
Timothy Eldon Moffit, DBA #

State of Michigan
County of Eaton ss

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

(Signature) Laura Linda Czelada, CPA <small>(Printed Name)</small> 1. President & CEO <small>(Title)</small>	(Signature) Ann Marie Flermoen, DDS <small>(Printed Name)</small> 2. Secretary <small>(Title)</small>	(Signature) Douglas Robert Anderson, DDS, MS, JD <small>(Printed Name)</small> 3. Treasurer <small>(Title)</small>
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Subscribed and sworn to before me this _____ day of February, 2013

a. Is this an original filing?
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

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)	15,983,029		15,983,029	14,909,219
2. Stocks (Schedule D)				
2.1 Preferred stocks				
2.2 Common Stocks	59,993,829		59,993,829	52,141,600
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 \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....(5,648,700) Schedule E Part 1), cash equivalents (\$.....0 Schedule E Part 2) and short-term investments (\$.....17,426,770 Schedule DA)	11,778,070		11,778,070	3,428,318
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	2,500,000	1,625,685	874,315	1,444,801
9. Receivables for securities	2,585		2,585	4,258
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)	90,257,513	1,625,685	88,631,828	71,928,196
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	74,623		74,623	53,225
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,774,793	11,918	1,762,875	1,693,145
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	9,151,483		9,151,483	10,919,228
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
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	709,059		709,059	2,476,891
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	70		70	
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	101,967,541	1,637,603	100,329,938	87,070,685
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	101,967,541	1,637,603	100,329,938	87,070,685
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Other Miscellaneous	70		70	
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	70		70	

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	6,158,130		6,158,130	5,709,540
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	189,426		189,426	189,500
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	10,452		10,452	20,387
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	1,257,884		1,257,884	1,653,577
9. General expenses due or accrued	1,874,817		1,874,817	1,713,627
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	1,342,113		1,342,113	1,195,442
13. Remittances 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	12,232		12,232	40,401
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	6,026,896		6,026,896	5,828,198
23. Aggregate write-ins for other liabilities (including \$.....225,050 current)	225,050		225,050	233,625
24. TOTAL Liabilities (Lines 1 to 23)	17,097,000		17,097,000	16,584,297
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	9,712,604	9,712,604
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	73,520,334	60,773,784
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	83,232,938	70,486,388
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	100,329,938	87,070,685
DETAILS OF WRITE-INS				
2301. Uninsured Admin Reserve	225,050		225,050	233,625
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	225,050		225,050	233,625
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	6,514,837	6,122,308
2. Net premium income (including \$.....0 non-health premium income)	X X X	159,643,731	145,619,801
3. Change in unearned premium reserves and reserve for rate credits	X X X		
4. Fee-for-service (net of \$.....0 medical expenses)	X X X		
5. Risk revenue	X X X		
6. Aggregate write-ins for other health care related revenues	X X X		
7. Aggregate write-ins for other non-health revenues	X X X		
8. TOTAL Revenues (Lines 2 to 7)	X X X	159,643,731	145,619,801
Hospital and Medical:			
9. Hospital/medical benefits			
10. Other professional services		136,617,589	124,087,725
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)		136,617,589	124,087,725
Less:			
17. Net reinsurance recoveries			
18. TOTAL Hospital and Medical (Lines 16 minus 17)		136,617,589	124,087,725
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....892,068 cost containment expenses		6,241,390	6,288,023
21. General administrative expenses		9,519,298	10,284,248
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)		152,378,277	140,659,996
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	7,265,454	4,959,805
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		2,275,062	2,049,564
26. Net realized capital gains (losses) less capital gains tax of \$.....0		319,895	694,294
27. Net investment gains (losses) (Lines 25 plus 26)		2,594,957	2,743,858
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]		821	4,998
29. Aggregate write-ins for other income or expenses		(2,002,726)	(4,998,339)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	7,858,506	2,710,322
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	7,858,506	2,710,322
DETAILS OF WRITE-INS			
0601.	X X X		
0602.	X X X		
0603.	X X X		
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	X X X		
0702.	X X X		
0703.	X X X		
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. Miscellaneous Income (Expense)		(2,726)	1,661
2902. Contribution to Delta Dental Fund		(2,000,000)	(5,000,000)
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		(2,002,726)	(4,998,339)

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	70,486,388	67,579,276
34.	Net income or (loss) from Line 32	7,858,506	2,710,322
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	4,209,928	(1,792,681)
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	678,116	1,989,471
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		
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		
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		
48.	Net change in capital and surplus (Lines 34 to 47)	12,746,550	2,907,112
49.	Capital and surplus end of reporting year (Line 33 plus 48)	83,232,938	70,486,388
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	159,160,781	145,223,415
2.	Net investment income	2,299,271	2,099,744
3.	Miscellaneous income		1,660
4.	Total (Lines 1 through 3)	161,460,052	147,324,819
5.	Benefit and loss related payments	136,168,999	124,347,983
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	13,887,567	24,500,535
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	Total (Lines 5 through 9)	150,056,566	148,848,518
11.	Net cash from operations (Line 4 minus Line 10)	11,403,486	(1,523,699)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	3,951,678	2,508,592
12.2	Stocks	10,538,830	15,888,629
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets	570,486	
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	15,060,994	18,397,221
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	5,027,179	3,757,509
13.2	Stocks	13,905,153	27,294,112
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications	2,585	
13.7	Total investments acquired (Lines 13.1 to 13.6)	18,934,917	31,051,621
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)	(3,873,923)	(12,654,400)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
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)	820,189	(1,842,550)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	820,189	(1,842,550)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	8,349,752	(16,020,649)
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	3,428,318	19,448,967
19.2	End of year (Line 18 plus Line 19.1)	11,778,070	3,428,318

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
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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	159,643,731			159,643,731						
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7. TOTAL Revenues (Lines 1 to 6)	159,643,731			159,643,731						
8. Hospital/medical benefits										X X X
9. Other professional services	136,617,589			136,617,589						X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area										X X X
12. Prescription drugs										X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	136,617,589			136,617,589						X X X
16. Net reinsurance recoveries										X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	136,617,589			136,617,589						X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$.....892,068 cost containment expenses	6,241,390			5,748,263					493,127	
20. General administrative expenses	9,519,298			8,767,154					752,144	
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	152,378,277			151,133,006					1,245,271	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	7,265,454			8,510,725					(1,245,271)	
DETAILS OF WRITE-INS										
0501.										X X X
0502.										X X X
0503.										X X X
0598. Summary of remaining write-ins for Line 5 from overflow page										X X X
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.										X X X
1302.										X X X
1303.										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
	Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....
3.	Dental only	159,643,731	.....	.....	159,643,731
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)	159,643,731	.....	.....	159,643,731
10.	Life .....	.....	.....	.....	.....
11.	Property/casualty .....	.....	.....	.....	.....
12.	TOTALS (Lines 9 to 11)	159,643,731	.....	.....	159,643,731

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	136,168,999			136,168,999						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	136,168,999			136,168,999						
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	6,158,130			6,158,130						
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	6,158,130			6,158,130						
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	5,709,540			5,709,540						
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	5,709,540			5,709,540						
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	136,617,589			136,617,589						
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	136,617,589			136,617,589						
13. Incurred medical incentive pools and bonuses										

(a) Excludes \$.....0 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	Compre- hensive (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	6,158,130			6,158,130						
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	6,158,130			6,158,130						
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	6,158,130			6,158,130						
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	6,158,130			6,158,130						

UNDERWRITING AND INVESTMENT EXHIBIT

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

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	5,877,327	130,291,672	31,900	6,126,230	5,909,227	5,709,540
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)	5,877,327	130,291,672	31,900	6,126,230	5,909,227	5,709,540
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pool and bonus amounts						
13. TOTALS (Lines 9 - 10 + 11 + 12)	5,877,327	130,291,672	31,900	6,126,230	5,909,227	5,709,540

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

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

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2008	2 2009	3 2010	4 2011	5 2012
1.	Prior	4,755	4,798	4,798	4,798	4,798
2.	2008	105,060	110,057	110,088	110,088	110,088
3.	2009	X X X	106,836	113,551	113,582	113,582
4.	2010	X X X	X X X	109,634	115,145	115,177
5.	2011	X X X	X X X	X X X	118,805	124,652
6.	2012	X X X	X X X	X X X	X X X	130,292

Section B - Incurred Health Claims

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	(297)	(297)	(297)	(297)	(297)
2.	2008	110,315	110,088	110,088	110,088	110,088
3.	2009	X X X	114,269	113,582	113,582	113,582
4.	2010	X X X	X X X	115,573	115,176	115,177
5.	2011	X X X	X X X	X X X	124,483	124,684
6.	2012	X X X	X X X	X X X	X X X	136,418

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2008	129,689	110,088	3,853	3.500	113,941	87.857			113,941	87.857
2. 2009	131,182	113,582	7,008	6.170	120,590	91.926			120,590	91.926
3. 2010	137,674	115,177	6,324	5.491	121,501	88.253			121,501	88.253
4. 2011	145,620	124,652	6,826	5.476	131,478	90.288	32	1	131,511	90.311
5. 2012	159,644	130,292	5,972	4.584	136,264	85.355	6,126	188	142,578	89.310

12 Total

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Hospital and Medical . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

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

Dental Only

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	4,755	4,798	4,798	4,798	4,798
2. 2008	105,060	110,057	110,088	110,088	110,088
3. 2009	X X X	106,836	113,551	113,582	113,582
4. 2010	X X X	X X X	109,634	115,145	115,177
5. 2011	X X X	X X X	X X X	118,805	124,652
6. 2012	X X X	X X X	X X X	X X X	130,292

Section B - Incurred Health Claims

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	(297)	(297)	(297)	(297)	(297)
2. 2008	110,315	110,088	110,088	110,088	110,088
3. 2009	X X X	114,269	113,582	113,582	113,582
4. 2010	X X X	X X X	115,573	115,176	115,177
5. 2011	X X X	X X X	X X X	124,483	124,684
6. 2012	X X X	X X X	X X X	X X X	136,418

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	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	129,689	110,088	3,853	3.500	113,941	87.857			113,941	87.857
2. 2009	131,182	113,582	7,008	6.170	120,590	91.926			120,590	91.926
3. 2010	137,674	115,177	6,324	5.491	121,501	88.253			121,501	88.253
4. 2011	145,620	124,652	6,826	5.476	131,478	90.288	32	1	131,511	90.311
5. 2012	159,644	130,292	5,972	4.584	136,264	85.355	6,126	188	142,578	89.310

12 Dental Only

- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid NONE
- 12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other NONE
- 12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other NONE
- 12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other NONE

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves	10,452			10,452					
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)	10,452			10,452					
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	10,452			10,452					
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 through 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 through 1103 plus 1198) (Line 11 above)									

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

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)	52,888	606,291	861,029	2,721	1,522,929
2. Salaries, wages and other benefits	879,553	5,216,066	8,114,009	32,105	14,241,733
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			2,942,466		2,942,466
4. Legal fees and expenses			11,550		11,550
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	17,553	17,977	273,718	96,045	405,293
7. Traveling expenses	13,437	166,457	493,621	1,213	674,728
8. Marketing and advertising	8,345	58,538	1,171,165	2,613	1,240,661
9. Postage, express and telephone	163,326	836,172	322,797	3,442	1,325,737
10. Printing and office supplies	8,213	189,144	84,973	322	282,652
11. Occupancy, depreciation and amortization	15,886	181,622	278,787	860	477,155
12. Equipment	28,974	153,407	87,823	675	270,879
13. Cost or depreciation of EDP equipment and software	288,750	1,503,959	534,675	6,007	2,333,391
14. Outsourced services including EDP, claims, and other services	343,397	47,833	652,859	6,975	1,051,064
15. Boards, bureaus and association fees	11,433	45,733	228,984		286,150
16. Insurance, except on real estate			127,628	270	127,898
17. Collection and bank service charges			381,648		381,648
18. Group service and administration fees					
19. Reimbursements by uninsured plans	(1,007,549)	(4,380,415)	(9,381,914)		(14,769,878)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses	9,380	107,541	152,616	482	270,019
22. Real estate taxes		15	21		36
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			1,595,807		1,595,807
23.3 Regulatory authority licenses and fees			41,549		41,549
23.4 Payroll taxes	58,482	343,494	394,796	1,823	798,595
23.5 Other (excluding federal income and real estate taxes)		255,488	38,106	6	293,600
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses			110,585		110,585
26. TOTAL Expenses Incurred (Lines 1 to 25)	892,068	5,349,322	9,519,298	155,559	(a) 15,916,247
27. Less expenses unpaid December 31, current year	27,069	162,357	1,874,817		2,064,243
28. Add expenses unpaid December 31, prior year	28,084	161,416	1,713,627		1,903,127
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)	893,083	5,348,381	9,358,108	155,559	15,755,131
DETAILS OF WRITE-INS					
2501. Contribution & Community Affairs			98,695		98,695
2502. Legal Settlement & Arbitration Hearing			11,142		11,142
2503. Miscellaneous Expense			496		496
2598. Summary of remaining write-ins for Line 25 from overflow page			252		252
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)			110,585		110,585

(a) Includes management fees of \$.....25,126,856 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a) 194,346	158,514
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 248,298	239,720
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	1,923,999	1,923,999
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) 14,163	14,163
7. Derivative instruments	(f)	
8. Other invested assets	94,543	94,544
9. Aggregate write-ins for investment income		
10. Total gross investment income	2,475,349	2,430,940
11. Investment expenses		(g) 155,559
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h) 319
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)		155,878
17. Net Investment income (Line 10 minus Line 16)		2,275,062

DETAILS OF WRITE-INS

0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. TOTALS (Lines 0901 through 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 through 1503 plus 1598) (Line 15, above)		

- (a) Includes \$.....14,481 accrual of discount less \$.....60,088 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	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	14,077		14,077		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	29,846		29,846		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	275,972		275,972	3,850,468	
2.21 Common stocks of affiliates				359,460	
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)	319,895		319,895	4,209,928	

DETAILS OF WRITE-INS

0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above)					

EXHIBIT OF NONADMITTED 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)	1,625,685	2,305,199	679,514
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)	1,625,685	2,305,199	679,514
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	11,918	4,326	(7,592)
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		5,078	5,078
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
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. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets		1,116	1,116
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,637,603	2,315,719	678,116
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	1,637,603	2,315,719	678,116
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid Capitation		1,116	1,116
2502. Prepaid Claims Adjustment on Uninsured			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		1,116	1,116

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	514,573	542,654	541,319	546,713	545,369	6,513,777
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	68	83	100	94	89	1,060
7. TOTAL	514,641	542,737	541,419	546,807	545,458	6,514,837
DETAILS OF WRITE-INS						
0601. Capitation	68	83	100	94	89	1,060
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	68	83	100	94	89	1,060

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Delta Dental Plan of Ohio (Company) are presented on the basis of accounting practices prescribed or permitted by the State of Ohio Insurance Department in accordance with the National Association of Insurance Commissioners (NAIC) *Accounting Practices and Procedures Manual*.

The State of Ohio Insurance Department recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The NAIC *Accounting Practices and Procedures* manual has been adopted as a component of prescribed or permitted practices by the State of Ohio. The state has not adopted any accounting practices that differ from those found in NAIC SAP with regards to completion the Company's financial statement.

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 expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned ratably over the terms of the related insurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method.
- (3) Common stocks are recorded at market value except investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the statutory equity basis.
- (4) No preferred stocks are held as of December 31, 2012 and 2011.
- (5) No mortgage loans on real estate are held as of December 31, 2012 and 2011.
- (6) Loan backed securities are stated at amortized cost. The retrospective adjustment method is used to value MBS's and the scientific interest method is used to value CMO's.
- (7) The Company carries its investment in a non insurance affiliate at the audited GAAP equity basis adjusted to a statutory equity basis.
- (8) The Company has no ownership interests in joint ventures, partnerships or limited liability companies as of December 31, 2012 and 2011.
- (9) No derivatives are held as of December 31, 2012 and 2011.
- (10) Not applicable.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Not applicable

2. Accounting Changes and Corrections of Errors

- A. 1. None.
2. None.
3. None.
4. None.

3. Business Combinations and Goodwill

The Company had no goodwill on its books and no business combinations occurred during fiscal years 2012 and 2011.

4. Discontinued Operations

The Company had no discontinued operations during the fiscal years ending December 31, 2012 and 2011.

5. Investments

- A. The Company owned no mortgage loans.

Notes to Financial Statements

- B. The Company had no investments in restructured debt.
- C. The Company had no investments in reverse mortgages.
- D. The Company had no investments in loan backed securities that are recorded at other-than-temporarily impaired values.
- E. The Company had no repurchase agreements.
- F. The Company owned no repurchase agreements.
- G. The Company has no investments in low-income housing tax credits (LIHTC).

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in joint ventures, partnerships or limited liability companies.

7. Investment Income

No due and accrued income was excluded from surplus in 2012 and 2011.

8. Derivative Instruments

The Company held no derivative instruments in 2012 and 2011.

9. Income Taxes

The Company is exempt from federal income taxes under provisions of Section 501(c)(4) of the Internal Revenue Code.

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

Delta Dental Plan of Michigan (DDPMI)

- A. In 1982, DDPMI assumed the responsibility for the general management and supervision of the operations of the Company. On January 1, 1999, the agreement was amended to reflect that DDPMI is the sole member of the Company.
- B&C. Monthly a management fee, based on a management agreement, was calculated and paid to DDPMI. Beginning in 2012, the fee is based on a percentage of the number of paid claims, not to exceed actual costs. The management fee for fiscal years 2012 and 2011 was \$25,116,689 and \$24,625,144 respectively.
- D. At December 31, 2012, the Company recorded an amount due from DDPMI of \$709,059. At December 31, 2011, the Company recorded an amount due from DDPMI of \$2,476,891. These receivables are a result of overpayments of the management fees in the month of December of each year. The December payments were paid based on an estimated calculation. The terms of the agreement require outstanding amounts to be settled monthly.
- E. No guarantees or undertakings took place during fiscal years 2012 and 2011.
- F. DDPMI provides general management and supervision of the operations of the Company. In addition, per the management agreement, DDPMI makes the rental payments for the office facilities, which the Company occupies.
- G. DDPMI is the sole corporate member of the Company.
- H. The Company has no investment in DDPMI.
- I&J. The Company has no investments in an SCA entity that exceed 10% of admitted assets.
- K. The Company has no investments in a foreign insurance subsidiary.

Renaissance Holding Company (Renaissance Holding)

- A. The Company owns 300 shares of common stock of Renaissance Holding, which represents 4.0% ownership of Renaissance Holding. Renaissance Holding is a for-profit holding company domiciled in the state of Michigan. The Company and Renaissance Holding belong to the same holding company system.
- B&C. There were no material transactions between the Company and Renaissance Holding in 2012 or 2011.
- D. At December 31, 2012 and 2011, the Company reported no amounts due from or to Renaissance Holding.
- E. No guarantees or undertakings took place during fiscal years 2012 and 2011.
- F. No management agreement or service contract existed between the Company and Renaissance Holding in 2012 and 2011.
- G&H. The Company owns 4.0 % of the outstanding stock of Renaissance Holding. Companies belonging to the same holding company system as Delta Dental Plan of Ohio own the remaining 96.0% of outstanding common stock.
- I. The book value of the Renaissance Holding stock represents 2.3% and 2.3% of the Company's admitted assets at 2012 and 2011, respectively.

Notes to Financial Statements

- J The Company did not recognize any impairment write down for its investment in Renaissance Holding for the statement period.
- L Renaissance Holding is a downstream holding company. The value of Renaissance Holding is based on the audited GAAP basis adjusted to a statutory equity basis. The adjustment to statutory basis included a “look through” to the subsidiaries held by Renaissance Holding. The values of these subsidiaries in determining Renaissance Holding’s statutory equity value were also adjusted to a statutory equity basis.

Delta Dental of North Carolina (DDNC)

- A The Company and DDNC are related companies belonging to the same holding company system.
- B&C. During 2010, DDNC issued a surplus note to the Company in the amount of \$3,750,000 which accrues interest at a rate of 4% per annum. Any repayment of the surplus note, including interest, is subject to approval by the North Carolina Department of Insurance. A portion of the surplus note, \$1,250,000, was repaid in 2012, leaving a remaining balance of \$2,500,000. Interest of \$94,543 was also paid in 2012.
- D At December 31, 2012 and 2011, the Company reported no amounts due from or to DDNC.
- E No guarantees or undertakings took place during fiscal years 2012 and 2011.
- F No management agreement or service contracts exist between DDNC and the Company.

Renaissance Health Service Corporation (RHSC)

- A RHSC is the holding company of Delta Dental Plan of Ohio. RHSC is a Michigan non-profit corporation.
- B&C. There were no material transactions between the Company and RHSC in 2012 and 2011.
- D At December 31, 2012 and 2011, the Company reported no amounts due from or to RHSC.
- E No guarantees or undertakings took place during fiscal years 2012 and 2011.
- F No management agreement or service contracts exist between RHSC and the Company.
- G&H. RHSC is the holding company of Delta Dental Plan of Ohio. There is no stock ownership between the two companies.

11. Debt

The Company carried no debt on its books at December 31, 2012 and 2011.

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

This note does not apply to the Company, which does not have employees.

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

- (1) The Company is a non-profit organization and has no stock outstanding.
- (2) There is no preferred stock outstanding.
- (3) No dividends exist.
- (4) No dividends exist.
- (5) No dividends exist.
- (6) At December 31, 2012 and 2011, there were no restrictions placed on the surplus, including for whom the surplus is being held.
- (7) There are no advances to surplus.
- (8) No stock, including stock of affiliated companies, is held for special purposes.
- (9) There are no changes in balances of special surplus funds from the prior year.
- (10) The portion of unassigned funds (surplus) represented by accumulated unrealized (loss) gains at December 31, 2012 and 2011 was \$3,699,623 and \$(510,306), respectively.
- (11) The Company has issued no surplus debentures or similar obligations.
- (12) There are no restatements due to prior quasi-reorganizations.
- (13) There have been no quasi-reorganizations in the prior 10 years

14. Contingencies

The Company had no contingencies as of December 31, 2012 and 2011

Notes to Financial Statements

15. Leases

A. Lessee Operating Lease

1. Under their management agreement with Delta Dental Plan of Michigan, the Company leases office space under various non-cancelable operating lease agreements that expire through December 31, 2016. Rental expense is paid directly by Delta Dental Plan of Michigan.

2. At December 31, 2012, the minimum aggregate rental commitments are as follows:

Year Ending December 31,	Operating Leases
2013	\$ 130,572
2014	\$ 71,136
2015	\$ 56,467
2016	\$ 63,712
2017	\$ -
Total	\$ 321,887

3. There were no contingent rentals, sublease rentals or sale-leaseback transactions.

B. Not applicable

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

The Company held no financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk in 2012 and 2011.

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

The Company had no sales, transfers or servicing of financial assets or extinguishments of liabilities.

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

A. ASO Plans

The gain from operations from Administrative Service Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2012 and 2011:

2012	<u>ASO Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASO</u>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses.	\$ (43,542)	\$0	\$ (43,542)
b. Total net other income or expenses (including interest paid to or received from other plans.)	\$0	\$0	\$0
c. Net gain (loss) from operations	\$ (43,542)	\$0	\$ (43,542)
d. Total claim payment volume	\$13,565,180	\$0	\$13,565,180

2011	<u>ASO Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASO</u>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses.	\$ (192,141)	\$0	\$ (192,141)
b. Total net other income or expenses (including interest paid to or received from other plans.)	\$0	\$0	\$0
c. Net gain (loss) from operations	\$ (192,141)	\$0	\$ (192,141)
d. Total claim payment volume	\$13,997,180	\$0	\$13,997,180

Notes to Financial Statements

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2012 and 2011:

2012

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 197,085,581	\$ -	\$ 197,085,581
b. Gross administrative fees accrued	13,964,631	-	13,964,631
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>212,251,941</u>	<u>-</u>	<u>212,251,941</u>
e. Total gain (loss) from operations	<u>\$ (1,201,729)</u>	<u>\$ -</u>	<u>\$ (1,201,729)</u>

2011

	ASC Uninsured Plans	Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 189,466,007	\$ -	\$ 189,466,007
b. Gross administrative fees accrued	12,852,545	-	12,852,545
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>204,546,454</u>	<u>-</u>	<u>204,546,454</u>
e. Total gain (loss) from operations	<u>\$ (2,227,902)</u>	<u>\$ -</u>	<u>\$ (2,227,902)</u>

C. The Company wrote no Medicare business in 2012 and 2011.

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

2012:

Name and Address of Managing General Agent or Third Party Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premium Written
Delta Dental Plan of MI 4100 Okemos Rd Okemos, MI 48864	38-1791480	yes	Dental	C,CA,B,P,U	\$ 159,643,731

Notes to Financial Statements

2011:

Name and Address of Managing General Agent or Third Party Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premium Written
Delta Dental Plan of MI 4100 Okemos Rd. Okemos, MI 48864	38-1791480	yes	Dental	C,CA,B,P,U	\$ 145,619,801

- C - Claims Payment
- CA - Claims Adjustment
- R - Reinsurance Ceding
- B - Binding Authority
- P - Premium Collection
- U - Underwriting

20. Fair Value Measurements

A.

1. Fair Value Measurements at Reporting Date

Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at fair value				
Perpetual Preferred stock				
Industrial & Misc	\$0	\$0	\$0	\$0
Parent, Subs, and Affiliate	0	0	0	\$0
Total Perpetual Preferred Stocks	\$0	\$0	\$0	\$0
Bonds				
U.S. Governments	\$0	\$0	\$0	\$0
Industrial & Misc	0	0	0	0
Hybrid Securities	0	0	0	0
Parent, Subs, and Affiliate	0	0	0	0
Total Bonds	\$0	\$0	\$0	\$0
Common stock				
Industrial & Misc	\$57,653,618	\$0	\$0	\$57,653,618
Parent, Subs, and Affiliate	0	0	0	0
Total Common Stocks	\$57,653,618	\$0	\$0	\$57,653,618
Derivative assets				
Interest rate contracts	\$0	\$0	\$0	\$0
Foreign exchange contracts	0	0	0	0
Credit contracts	0	0	0	0
Commodity futures contracts	0	0	0	0
Commodity forward contracts	0	0	0	0
Total Derivatives	\$0	\$0	\$0	\$0
Separate account assets	\$0	\$0	\$0	\$0
Total assets at fair value	\$57,653,618	\$0	\$0	\$57,653,618
b. Liabilities at fair value				
Derivative liabilities	\$0	\$0	\$0	\$0
Total liabilities at fair value	\$0	\$0	\$0	\$0

- 2. None
- 3. None
- 4. None
- 5. None

- B. None
- C. None
- D. None

Notes to Financial Statements

21. Other Items

- A. The Company had no extraordinary items.
- B. The Company had no troubled debt restructuring.
- C. The Company had no unusual items to disclose.
- D. There are no amounts for which it is reasonably possible to be uncollectible.
- E. Not applicable.
- F. The Company had no state tax credits available.
- G. The Company has no Subprime Mortgage related risk exposure.
- H. Not applicable.

22. Events Subsequent

Effective January 1, 2013, the Company purchased an additional 200 shares of RHC common stock (see Note 10).

23. Reinsurance

The Company has no ceded reinsurance agreements.

24. Retrospectively Rated Contracts & Contracts Subject to Re-determination

- A,B The Company estimates accrued retrospective premium adjustments for a portion of its group dental insurance business through a claims paid development method and aggregate reserve factors based on premium and prior experience.
- C. The amount of net premiums written by the Company at December 31, 2012 and 2011 subject to retrospectively rating features were \$1.1 million and \$1.1 million, respectively. These amounts represented .72% and .75% of total net premiums written by the Company in 2012 and 2011, respectively.
- D. Not applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2011 were \$5,899,040. As of December 31, 2012 \$6,146,723 has been paid for incurred claims and claim adjustment expense attributable to insured events of prior years. Remaining reserves for prior years are now \$32,881 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$247,683 unfavorable prior-year loss development since December 31, 2011 to December 31, 2012. This increase is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The business to which this relates does not include retrospectively rated policies, therefore there was no return premium accrued as a result of the prior year effects.

26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements in 2012 and 2011.

27. Structured Settlement

The Company had no structured settlements during 2012 and 2011.

28. Health Care Receivables

The Company reported no Health Care Receivables in 2012 and 2011.

29. Participating Policies

The Company had no participating contracts in 2012 and 2011.

30. Premium Deficiency Reserves

There were no Premium Deficiency Reserves reported by the Company in 2012 and 2011.

31. Anticipated Salvage and Subrogation

The Company has no anticipated salvage and subrogation included as a reduction of loss reserves and loss adjustment expense reserves.

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[X] No[]
- 2.2 If yes, date of change: 08/03/2012
- 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). 05/21/2012
- 3.4 By what department or departments?
State of 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 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[] No[X]
- 7.2 If yes, 0.000%
- 7.21 State the percentage of foreign control
- 7.22 State the nationality(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, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the 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
		Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Plante & Moran, PLLC 1111 Michigan Avenue, East Lansing, Michigan 48823
- 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 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 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?
Toby L. Hall, ASA, MAAA 4100 Okemos Rd, Okemos, Michigan 48864 -employee
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 - 24.103 Total payable for securities lending reported on the liability page. \$ 0
- 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 \$ 0
 - 25.22 Subject to reverse repurchase agreements \$ 0
 - 25.23 Subject to dollar repurchase agreements \$ 0
 - 25.24 Subject to reverse dollar repurchase agreements \$ 0
 - 25.25 Pledged as collateral \$ 0
 - 25.26 Placed under option agreements \$ 0
 - 25.27 Letter stock or securities restricted as to sale \$ 0
 - 25.28 On deposit with state or other regulatory body \$ 151,081
 - 25.29 Other \$ 0

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. \$ 0
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 I, 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
Bank of America/Merrill Lynch	135. LaSalle St., Chicago, IL 60603
Fifth Third Bank	P.O. Box 630900, Cincinnati, OH 45263-0900

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[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
108633	AEW REIT	Two Seaport Lane, Boston, MA 02210-2021
104859	Eaton Vance	P.O. Box 9653, Providence, RI 02940-9653
105360	Invesco Advisers, Inc.	1555 Peachtree Street, NE, Atlanta, GA 30309
107038	JPM International	270 Park Avenue, New York, NY 10017
74069	McDonnell Investment Management, LLC	1515 W 22nd St., 11th Fl., Oak Brook, IL 60523
2908	Neuberger Berman, LLC, Managed Account Group	605 Third Ave., New York, NY 10158-3698
121876	NWQ Investment Management	2049 Century Park East 4th Floor, Los Angeles, CA 90067

- 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:

GENERAL INTERROGATORIES (Continued)

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	33,409,799	34,518,633	1,108,834
30.2 Preferred stocks			
30.3 Totals	33,409,799	34,518,633	1,108,834

30.4 Describe the sources or methods utilized in determining the fair values
The brokers relay the fair market values from IDS, a pricing service.

- 31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[] No[X]
- 31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[] No[] N/A[X]
- 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:

OTHER

- 33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ 285,834
- 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
Delta Dental Plan Association	285,834

- 34.1 Amount of payments for legal expenses, if any? \$ 11,555
- 34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Vorys Sater Seymore & Pease	10,299

- 35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ 0
- 35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No[X]
- 1.2 If yes, indicate premium earned on U.S. business only: \$ 0
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ 0
 - 1.31 Reason for excluding: \$ 0
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ 0
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ 0
- 1.6 Individual policies - Most current three years:
 - 1.61 Total premium earned \$ 0
 - 1.62 Total incurred claims \$ 0
 - 1.63 Number of covered lives 0
- All years prior to most current three years:
 - 1.64 Total premium earned \$ 0
 - 1.65 Total incurred claims \$ 0
 - 1.66 Number of covered lives 0
- 1.7 Group policies - Most current three years:
 - 1.71 Total premium earned \$ 0
 - 1.72 Total incurred claims \$ 0
 - 1.73 Number of covered lives 0
- All years prior to most current three years:
 - 1.74 Total premium earned \$ 0
 - 1.75 Total incurred claims \$ 0
 - 1.76 Number of covered lives 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator	159,643,731	145,619,801
2.2 Premium Denominator	159,643,731	145,619,801
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	6,168,582	5,729,927
2.5 Reserve Denominator	6,168,582	5,729,927
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] N/A []
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No[X]
- 5.2 If no, explain:
Not necessary, dental policies contain annual maximum benefit.
- 5.3 Maximum retained risk (see instructions):
 - 5.31 Comprehensive Medical \$ 0
 - 5.32 Medical Only \$ 0
 - 5.33 Medicare Supplement \$ 0
 - 5.34 Dental & Vision \$ 0
 - 5.35 Other Limited Benefit Plan \$ 0
 - 5.36 Other \$ 0
- 6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
The Company has both hold harmless provisions and provisions requiring the providers to continue rendering services.
- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No []
- 7.2 If no, give details:
- 8. Provide the following information regarding participating providers:
 - 8.1 Number of providers at start of reporting year 6,999
 - 8.2 Number of providers at end of reporting year 7,178
- 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 57,755,877
 - 9.22 Business with rate guarantees over 36 months 11,061,064
- 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 \$ 0
 - 10.22 Amount actually paid for year bonuses \$ 0
 - 10.23 Maximum amount payable withholds \$ 0
 - 10.24 Amount actually paid for year withholds \$ 0
- 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.
State of Ohio
- 11.4 If yes, show the amount required. \$ 1,709,700
- 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.
Required admitted assets =(110% of liabilities (\$17,097,000) = \$18,806,700 less liabilities (17,097,000) = \$1,709,700
- 12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
State of Ohio

- 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: \$ 0
- 13.3 Do you act as an administrator for health savings accounts? Yes [] No[X]
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$ 0

FIVE-YEAR HISTORICAL DATA

	1 2012	2 2011	3 2010	4 2009	5 2008
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	100,329,938	87,070,685	86,114,226	75,333,576	63,208,087
2. TOTAL Liabilities (Page 3, Line 24)	17,097,000	16,584,297	18,534,950	18,675,039	13,724,232
3. Statutory surplus	1,709,700	1,658,429	1,853,495	1,867,504	1,372,423
4. TOTAL Capital and Surplus (Page 3, Line 33)	83,232,938	70,486,388	67,579,276	56,658,537	49,483,855
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	159,643,731	145,619,801	137,673,943	131,181,806	129,689,187
6. TOTAL Medical and Hospital Expenses (Line 18)	136,617,589	124,087,725	114,885,950	114,042,188	110,018,718
7. Claims adjustment expenses (Line 20)	6,241,390	6,288,023	6,391,250	7,004,310	3,608,889
8. TOTAL Administrative Expenses (Line 21)	9,519,298	10,284,248	7,092,311	7,405,217	8,803,799
9. Net underwriting gain (loss) (Line 24)	7,265,454	4,959,805	9,304,432	2,730,091	7,257,781
10. Net investment gain (loss) (Line 27)	2,594,957	2,743,858	1,847,655	1,010,702	1,228,434
11. TOTAL Other Income (Lines 28 plus 29)	(2,001,905)	(4,993,341)	(53,966)	(83,919)	21,407
12. Net income or (loss) (Line 32)	7,858,506	2,710,322	11,098,121	3,656,874	8,507,622
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	11,403,486	(1,523,699)	8,394,535	15,118,700	1,729,869
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	83,232,938	70,486,388	67,579,276	56,658,537	49,483,855
15. Authorized control level risk-based capital	9,743,037	8,972,123	7,408,995	5,873,796	5,045,053
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	545,458	514,641	457,114	496,516	461,039
17. TOTAL Members Months (Column 6, Line 7)	6,514,837	6,122,308	5,819,044	5,887,535	5,317,553
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	85.6	85.2	83.4	86.9	84.8
20. Cost containment expenses	0.6	0.6	0.7	0.9	0.5
21. Other claims adjustment expenses	3.4	3.7	4.0	4.4	2.3
22. TOTAL Underwriting Deductions (Line 23)	95.4	96.6	93.2	97.9	94.4
23. TOTAL Underwriting Gain (Loss) (Line 24)	4.6	3.4	6.8	2.1	5.6
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	5,909,227	5,573,587	6,777,258	5,070,903	4,845,624
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	5,709,540	5,969,798	7,464,156	5,298,070	5,142,390
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	2,340,211	1,980,752	1,745,137	1,570,891	1,687,232
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated	2,500,000	3,750,000	3,750,000		
32. TOTAL of Above Lines 26 to 31	4,840,211	5,730,752	5,495,137	1,570,891	1,687,232
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[X] N/A[]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS ALLOCATED BY STATES AND TERRITORIES

State, 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)	N								
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	159,643,731						159,643,731	
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 Marianas Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	159,643,731						159,643,731	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. TOTAL (Direct Business)	(a) 1	159,643,731						159,643,731	
DETAILS OF WRITE-INS									
5801.	X X X								
5802.	X X X								
5803.	X X X								
5898. Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899. TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(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.

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

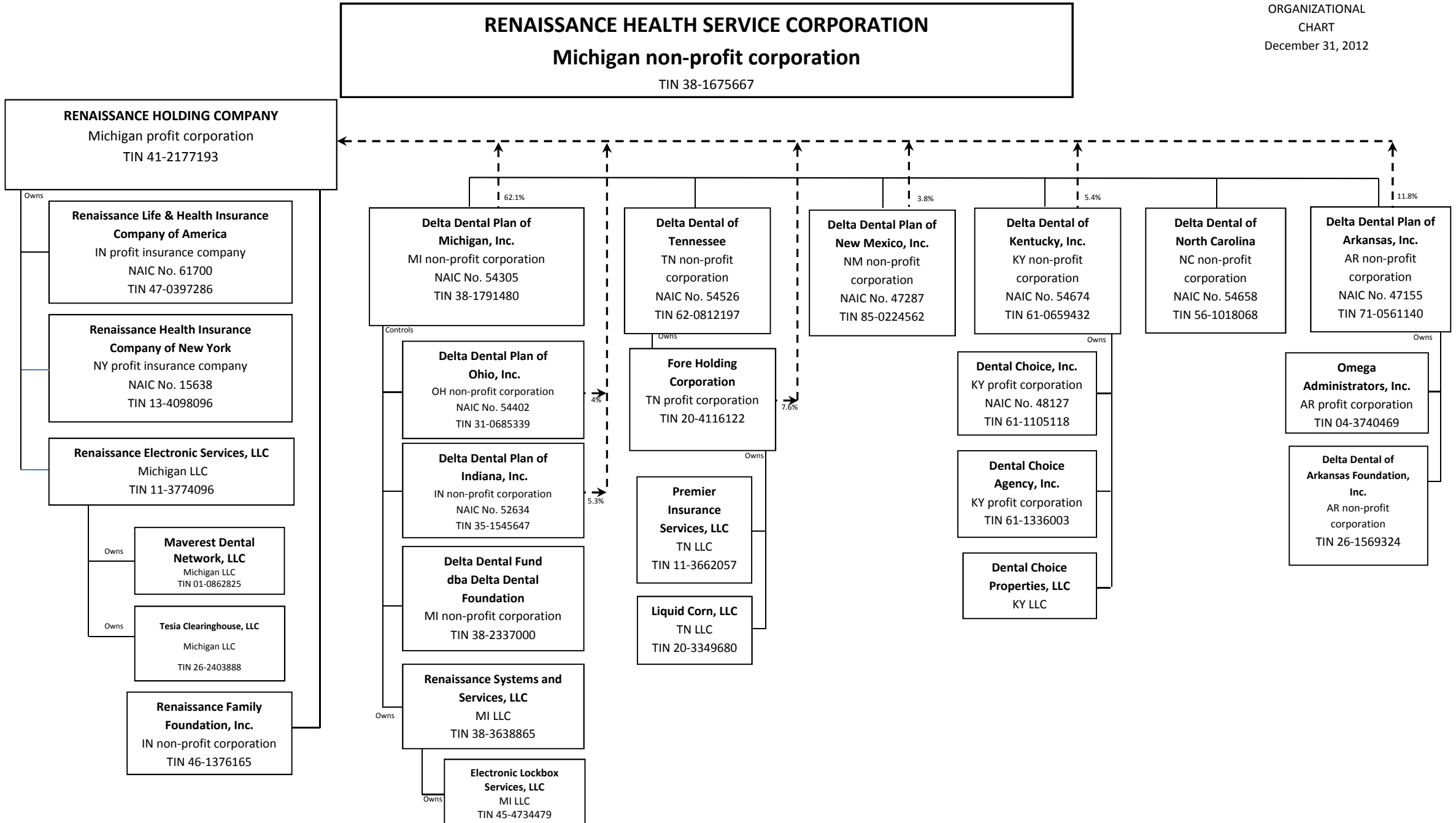
Explanation of basis of allocation of premiums by states, etc.: The Company allocates premium to a state for Group business by where the contract was issued and delivered.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

ORGANIZATIONAL
CHART
December 31, 2012



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