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2014

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**ANNUAL STATEMENT**  
**For the Year Ending DECEMBER 31, 2014**  
**OF THE CONDITION AND AFFAIRS OF THE**  
**DELTA DENTAL PLAN OF OHIO, INC.**

NAIC Group Code	0477 (Current Period)	0477 (Prior Period)	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 (Street and Number)		Dublin, OH, 43017 (City or Town, State, Country and Zip Code)			
Main Administrative Office	4100 Okemos Road Okemos, MI, 48864 (Street and Number)		4100 Okemos Road (Street and Number)		(517)349-6000 (Area Code) (Telephone Number)	
Primary Location of Books and Records	4100 Okemos Road Okemos, MI, 48864 (Street and Number)		4100 Okemos Road (Street and Number)		(517)349-6000 (Area Code) (Telephone Number)	
Internet Website Address	http://ddpoh.com/					
Statutory Statement Contact	Glenn R. Simon, CPA gsimon@deltadentalmi.com (Name) (E-Mail Address)				(517)347-5405 (Area Code)(Telephone Number)(Extension) (517)381-5572 (Fax Number)	

**OFFICERS**

Name	Title
Laura Linda Czelada, CPA	President & Chief Executive Officer
Ann Marie Flermoen, DDS	Secretary
Bruce Randall Smith	Treasurer
Michael Thomas Schaeffer, DDS	Chairperson
Douglas Robert Anderson, DDS, MS, JD	Vice Chairperson
James Price Hallan	Immediate Past Chairperson

**OTHERS**

Goran Mike Jurkovic, CPA, CGMA, Sr. VP, CFO & Chief Risk Officer  
 Jonathan Stong Groat, Vice President & General Counsel  
 Amy Lyn Basel, CPA, CGMA, Vice President, Finance #

**DIRECTORS OR TRUSTEES**

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

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  
 (Printed Name)  
 1.  
 President & Chief Executive Officer  
 (Title)

(Signature)  
 Ann Marie Flermoen, DDS  
 (Printed Name)  
 2.  
 Secretary  
 (Title)

(Signature)  
 Bruce Randall Smith  
 (Printed Name)  
 3.  
 Treasurer  
 (Title)

Subscribed and sworn to before me this  
 \_\_\_\_\_ day of February, 2015

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) .....	37,465,817		37,465,817	17,676,223
2. Stocks (Schedule D)				
2.1 Preferred stocks .....	855,286		855,286	
2.2 Common Stocks .....	79,764,987		79,764,987	74,220,970
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 (\$.....1,640,551, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....3,512,192, Schedule DA) .....	5,152,743		5,152,743	12,086,328
6. Contract loans (including \$.....0 premium notes) .....				
7. Derivatives (Schedule DB) .....				
8. Other invested assets (Schedule BA) .....	2,500,000	2,199,744	300,256	
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) .....	125,738,833	2,199,744	123,539,089	103,983,521
13. Title plants less \$.....0 charged off (for Title insurers only) .....				
14. Investment income due and accrued .....	134,081		134,081	68,747
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,303,720	21,588	1,282,132	1,806,199
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 .....	32,627		32,627	
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 .....	12,906,355	41,369	12,864,986	13,288,776
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 .....	1,348		1,348	1,129,147
24. Health care (\$.....0) and other amounts receivable .....				
25. Aggregate write-ins for other than invested assets .....	8,502	8,502		
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	140,125,466	2,271,203	137,854,263	120,276,390
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28. TOTAL (Lines 26 and 27) .....	140,125,466	2,271,203	137,854,263	120,276,390
<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 through 1103 plus 1198) (Line 11 above) .....				
2501. Miscellaneous asset .....	8,502	8,502		
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) .....	8,502	8,502		

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded) .....	6,606,600		6,606,600	6,337,100
2. Accrued medical incentive pool and bonus amounts .....				
3. Unpaid claims adjustment expenses .....	176,303		176,303	193,905
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				
5. Aggregate life policy reserves .....				
6. Property/casualty unearned premium reserves .....				
7. Aggregate health claim reserves .....				
8. Premiums received in advance .....	1,456,574		1,456,574	1,888,015
9. General expenses due or accrued .....	2,684,400		2,684,400	1,998,801
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 .....	1,793,384		1,793,384	1,653,347
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 .....	335,424		335,424	451
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 .....	6,836,753		6,836,753	6,262,702
23. Aggregate write-ins for other liabilities (including \$.....238,715 current) .....	238,715		238,715	245,766
24. TOTAL Liabilities (Lines 1 to 23) .....	20,128,153		20,128,153	18,580,087
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	1,635,940	
26. Common capital stock .....	XXX	XXX		
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX	9,712,604	9,712,604
29. Surplus notes .....	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX		
31. Unassigned funds (surplus) .....	XXX	XXX	106,377,566	91,983,699
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	117,726,110	101,696,303
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	XXX	XXX	137,854,263	120,276,390
<b>DETAILS OF WRITE-INS</b>				
2301. Uninsured Claim Admin Expense Reserve .....	238,715		238,715	245,766
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) .....	238,715		238,715	245,766
2501. 2015 ACA Fee .....	XXX	XXX	1,635,940	
2502. .....	XXX	XXX		
2503. .....	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	XXX	XXX	1,635,940	
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 through 3003 plus 3098) (Line 30 above) .....	XXX	XXX		

# STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	XXX	7,518,657	6,682,012
1. Member Months .....	XXX	7,518,657	6,682,012
2. Net premium income (including \$.....0 non-health premium income) .....	XXX	186,973,375	167,041,466
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		
4. Fee-for-service (net of \$.....0 medical expenses) .....	XXX		
5. Risk revenue .....	XXX		
6. Aggregate write-ins for other health care related revenues .....	XXX		
7. Aggregate write-ins for other non-health revenues .....	XXX		
8. TOTAL Revenues (Lines 2 to 7) .....	XXX	186,973,375	167,041,466
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....			
10. Other professional services .....		158,384,496	141,853,212
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) .....		158,384,496	141,853,212
<b>Less:</b>			
17. Net reinsurance recoveries .....			
18. TOTAL Hospital and Medical (Lines 16 minus 17) .....		158,384,496	141,853,212
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$.....26,406 cost containment expenses .....		2,553,562	3,307,223
21. General administrative expenses .....		12,080,983	10,299,971
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) .....		173,019,041	155,460,406
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	13,954,334	11,581,060
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		2,980,043	2,161,395
26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....		4,536,426	1,399,420
27. Net investment gains (losses) (Lines 25 plus 26) .....		7,516,469	3,560,815
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....		(128,739)	889
29. Aggregate write-ins for other income or expenses .....		(3,599,527)	5,377
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	17,742,537	15,148,141
31. Federal and foreign income taxes incurred .....	XXX		
32. Net income (loss) (Lines 30 minus 31) .....	XXX	17,742,537	15,148,141
<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 through 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 (Line 0701 through 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 through 1403 plus 1498) (Line 14 above) .....			
2901. Miscellaneous Income (Expense) .....		473	5,377
2902. Contribution to Delta Dental Fund .....		(3,600,000)	
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....		(3,599,527)	5,377

# STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year .....	101,696,303	83,232,938
34. Net income or (loss) from Line 32 .....	17,742,537	15,148,141
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	(1,949,471)	4,185,665
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	236,841	(870,441)
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) .....	16,029,907	18,463,365
49. Capital and surplus end of reporting year (Line 33 plus 48) .....	117,726,210	101,696,303
<b>DETAILS OF WRITE-INS</b>		
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 Current Year	2 Prior Year
<b>Cash from Operations</b>			
1.	Premiums collected net of reinsurance .....	187,017,365	167,624,160
2.	Net investment income .....	3,015,184	2,232,519
3.	Miscellaneous income .....	474	5,377
4.	TOTAL (Lines 1 through 3) .....	190,033,023	169,862,056
5.	Benefit and loss related payments .....	158,114,996	141,674,242
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	15,280,627	17,792,948
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) .....	173,395,623	159,467,190
11.	Net cash from operations (Line 4 minus Line 10) .....	16,637,400	10,394,866
<b>Cash from Investments</b>			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	7,205,735	4,807,267
12.2	Stocks .....	30,078,947	14,484,979
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 .....		
12.7	Miscellaneous proceeds .....		2,585
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7) .....	37,284,682	19,294,831
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	27,085,616	6,499,571
13.2	Stocks .....	33,901,586	23,193,173
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) .....	60,987,202	29,692,744
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) .....	(23,702,520)	(10,397,913)
<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) .....	131,535	311,305
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	131,535	311,305
<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) .....	(6,933,585)	308,258
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	12,086,328	11,778,070
19.2	End of year (Line 18 plus Line 19.1) .....	5,152,743	12,086,328

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 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7	8	9	10
1. Net premium income .....	186,973,375			186,973,375						
2. Change in unearned premium reserves and reserve for rate credit .....										
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) .....	186,973,375			186,973,375						
8. Hospital/medical benefits .....									XXX	
9. Other professional services .....	158,384,496			158,384,496					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) .....	158,384,496			158,384,496					XXX	
16. Net reinsurance recoveries .....									XXX	
17. TOTAL Hospital and Medical (Lines 15 minus 16) .....	158,384,496			158,384,496					XXX	
18. Non-health claims (net) .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....26,406 cost containment expenses .....	2,553,562			2,649,730					(96,168)	
20. General administrative expenses .....	12,080,983			12,535,922					(454,939)	
21. Increase in reserves for accident and health contracts .....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
22. Increase in reserves for life contracts .....										
23. TOTAL Underwriting Deductions (Lines 17 to 22) .....	173,019,041			173,570,148					(551,107)	
24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....	13,954,334			13,403,227					551,107	
<b>DETAILS OF WRITE-INS</b>										
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....										XXX
0599. TOTALS (Lines 0501 through 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 through 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 through 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 (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....
3. Dental only .....	186,973,375	.....	.....	186,973,375
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) .....	186,973,375	.....	.....	186,973,375
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11) .....	186,973,375	.....	.....	186,973,375

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	158,114,996			158,114,996						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	158,114,996			158,114,996						
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	6,606,600			6,606,600						
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	6,606,600			6,606,600						
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	6,337,100			6,337,100						
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	6,337,100			6,337,100						
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	158,384,496			158,384,496						
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	158,384,496			158,384,496						
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 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	1,849,848	.....	.....	1,849,848	.....	.....	.....	.....	.....	.....
1.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.4 Net .....	1,849,848	.....	.....	1,849,848	.....	.....	.....	.....	.....	.....
2. Incurred but Unreported:										
2.1 Direct .....	4,756,752	.....	.....	4,756,752	.....	.....	.....	.....	.....	.....
2.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.4 Net .....	4,756,752	.....	.....	4,756,752	.....	.....	.....	.....	.....	.....
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 .....	6,606,600	.....	.....	6,606,600	.....	.....	.....	.....	.....	.....
4.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.4 Net .....	6,606,600	.....	.....	6,606,600	.....	.....	.....	.....	.....	.....

## UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3. Dental only .....	6,035,692	152,079,304	95,700	6,510,900	6,131,392	6,337,100
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) .....	6,035,692	152,079,304	95,700	6,510,900	6,131,392	6,337,100
10. Healthcare receivables (a) .....	.....	.....	.....	.....	.....	.....
11. Other non-health .....	.....	.....	.....	.....	.....	.....
12. Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13. TOTALS (Lines 9 - 10 + 11 + 12) .....	6,035,692	152,079,304	95,700	6,510,900	6,131,392	6,337,100

(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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	6,715	6,746	6,746	6,746	6,746
2. 2010 .....	109,634	115,146	115,177	115,177	115,177
3. 2011 .....	XXX	118,805	124,652	124,684	124,684
4. 2012 .....	XXX	XXX	130,292	135,786	135,825
5. 2013 .....	XXX	XXX	XXX	136,148	142,145
6. 2014 .....	XXX	XXX	XXX	XXX	152,079

#### 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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	(687)	(687)	(687)	(687)	(687)
2. 2010 .....	115,573	115,177	115,177	115,177	115,177
3. 2011 .....	XXX	124,484	124,684	124,684	124,684
4. 2012 .....	XXX	XXX	136,418	135,825	135,825
5. 2013 .....	XXX	XXX	XXX	142,446	142,241
6. 2014 .....	XXX	XXX	XXX	XXX	158,590

#### 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. 2010 .....	137,674	115,177	6,324	5.491	121,501	88.253			121,501	88.253
2. 2011 .....	145,620	124,684	6,827	5.475	131,511	90.311			131,511	90.311
3. 2012 .....	159,644	135,825	6,101	4.492	141,926	88.902			141,926	88.902
4. 2013 .....	167,041	142,145	3,271	2.301	145,416	87.054	96	3	145,515	87.113
5. 2014 .....	186,973	152,079	2,473	1.626	154,552	82.660	6,511	174	161,237	86.235

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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	6,715	6,746	6,746	6,746	6,746
2. 2010 .....	109,634	115,146	115,177	115,177	115,177
3. 2011 .....	XXX	118,805	124,652	124,684	124,684
4. 2012 .....	XXX	XXX	130,292	135,786	135,825
5. 2013 .....	XXX	XXX	XXX	136,148	142,145
6. 2014 .....	XXX	XXX	XXX	XXX	152,079

**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 2010	2 2011	3 2012	4 2013	5 2014
1. Prior .....	(687)	(687)	(687)	(687)	(687)
2. 2010 .....	115,573	115,177	115,177	115,177	115,177
3. 2011 .....	XXX	124,484	124,684	124,684	124,684
4. 2012 .....	XXX	XXX	136,418	135,825	135,825
5. 2013 .....	XXX	XXX	XXX	142,446	142,241
6. 2014 .....	XXX	XXX	XXX	XXX	158,590

**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. 2010 .....	137,674	115,177	6,324	5.491	121,501	88.253			121,501	88.253
2. 2011 .....	145,620	124,684	6,827	5.475	131,511	90.311			131,511	90.311
3. 2012 .....	159,644	135,825	6,101	4.492	141,926	88.902			141,926	88.902
4. 2013 .....	167,041	142,145	3,271	2.301	145,416	87.054	96	3	145,515	87.113
5. 2014 .....	186,973	152,079	2,473	1.626	154,552	82.660	6,511	174	161,237	86.235

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

13 Underwriting Invest Exh Pt 2D - A & H Reserve ..... NONE

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building) .....	1,988	6,899	58,906		67,793
2. Salaries, wages and other benefits .....	496,489	1,000,140	13,488,896	231,337	15,216,862
3. Commissions (less \$.....0 ceded plus \$.....0 assumed) .....			3,417,020		3,417,020
4. Legal fees and expenses .....			5,548		5,548
5. Certifications and accreditation fees .....					
6. Auditing, actuarial and other consulting services .....	163,085	42,230	428,642	30,618	664,575
7. Traveling expenses .....	5,474	7,815	441,828		455,117
8. Marketing and advertising .....	994		844,217		845,211
9. Postage, express and telephone .....	92,543	990,970	216,124		1,299,637
10. Printing and office supplies .....		75,888	39,271	3,402	118,561
11. Occupancy, depreciation and amortization .....	10,936	34,494	314,167		359,597
12. Equipment .....	5,982	51,909	177,074	13,608	248,573
13. Cost or depreciation of EDP equipment and software .....	129,246	448,428	1,433,387	30,618	2,041,679
14. Outsourced services including EDP, claims, and other services .....	71,711	750,118	1,256,919		2,078,748
15. Boards, bureaus and association fees .....	913	1,041	304,967		306,921
16. Insurance, except on real estate .....			157,084		157,084
17. Collection and bank service charges .....	820	11,113	423,113		435,046
18. Group service and administration fees .....					
19. Reimbursements by uninsured plans .....	(1,004,607)	(1,004,607)	(14,928,058)		(16,937,272)
20. Reimbursements from fiscal intermediaries .....					
21. Real estate expenses .....	7,954	24,146	196,354	10,206	238,660
22. Real estate taxes .....	994				994
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					
23.2 State premium taxes .....			1,869,265		1,869,265
23.3 Regulatory authority licenses and fees .....	128	17,583	1,268,528		1,286,239
23.4 Payroll taxes .....	41,756	68,989	667,605	20,412	798,762
23.5 Other (excluding federal income and real estate taxes) .....					
24. Investment expenses not included elsewhere .....					
25. Aggregate write-ins for expenses .....			126		126
26. TOTAL Expenses Incurred (Lines 1 to 25) .....	26,406	2,527,156	12,080,983	340,201	(a) 14,974,746
27. Less expenses unpaid December 31, current year .....	1,816	174,487	2,684,400		2,860,703
28. Add expenses unpaid December 31, prior year .....	5,992	187,913	1,998,801		2,192,706
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) .....	30,582	2,540,582	11,395,384	340,201	14,306,749

**DETAILS OF WRITE-INS**

2501. Miscellaneous Expense .....			126		126
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) .....			126		126

(a) Includes management fees of \$.....24,189,172 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) .....	62,182	71,485
1.1 Bonds exempt from U.S. tax .....	(a) .....		
1.2 Other bonds (unaffiliated) .....	(a) .....	674,871	727,265
1.3 Bonds of affiliates .....	(a) .....		
2.1 Preferred stocks (unaffiliated) .....	(b) .....	(6,151)	2,857
2.11 Preferred stocks of affiliates .....	(b) .....		
2.2 Common stocks (unaffiliated) .....	2,515,357	2,515,357	
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) .....	3,479	3,479
7. Derivative instruments .....	(f) .....		
8. Other invested assets .....			
9. Aggregate write-ins for investment income .....			
10. TOTAL Gross investment income .....	3,249,738	3,320,443	
11. Investment expenses .....	(g) .....	340,201	
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 .....			199
16. TOTAL Deductions (Lines 11 through 15) .....			340,400
17. Net Investment income (Line 10 minus Line 16) .....			2,980,043

## 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. Miscellaneous expense .....			199
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) .....			199

(a) Includes \$.....17,265 accrual of discount less \$.....117,842 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.  
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.  
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.  
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.  
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.  
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.  
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

## EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds .....	7,909		7,909		
1.1 Bonds exempt from U.S. tax .....					
1.2 Other bonds (unaffiliated) .....	1,501		1,501		
1.3 Bonds of affiliates .....					
2.1 Preferred stocks (unaffiliated) .....				(545)	
2.11 Preferred stocks of affiliates .....					
2.2 Common stocks (unaffiliated) .....	4,527,016		4,527,016	(2,021,423)	
2.21 Common stocks of affiliates .....				72,497	
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) .....	4,536,426		4,536,426	(1,949,471)	

## 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 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	.....	.....	.....
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) .....	2,199,744	2,500,000	300,256
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) .....	2,199,744	2,500,000	300,256
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 .....	21,588	5,579	(16,009)
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 .....	41,369	2,465	(38,904)
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 .....	8,502	.....	(8,502)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,271,203	2,508,044	236,841
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.....	.....	.....
28. TOTAL (Lines 26 and 27) .....	2,271,203	2,508,044	236,841
<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 through 1103 plus 1198) (Line 11 above) .....	.....	.....	.....
2501. Prepaid Miscellaneous .....	8,502	.....	(8,502)
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) .....	8,502	.....	(8,502)

## 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 .....	554,603	617,764	625,165	632,345	633,919	7,518,657
4. Point of Service .....						
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business .....						
7. TOTAL .....	554,603	617,764	625,165	632,345	633,919	7,518,657
<b>DETAILS OF WRITE-INS</b>						
0601. ....						
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) .....						

# **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>Description</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Net Income, OH	\$ 17,742,437	\$ 15,148,141
Effect of OH prescribed practices		
Effect of OH permitted practices		
Net income, NAIC SAP	\$ 17,742,437	\$ 15,148,141

<b>Description</b>	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Statutory Surplus, OH	\$ 117,726,110	\$ 101,696,303
Effect of OH prescribed practices		
Effect of OH permitted practices		
Policyholders Surplus, NAIC SAP	\$ 117,726,110	\$ 101,696,303

### **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) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) No mortgage loans on real estate are held as of December 31, 2014 and 2013.
- (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, 2014 and 2013.
- (9) No derivatives are held as of December 31, 2014 and 2013.
- (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**

The Company had no accounting changes or correction of errors during fiscal years 2014 and 2013

## **3. Business Combinations and Goodwill**

The Company had no goodwill on its books and no business combinations occurred during fiscal years 2014 and 2013.

# Notes to Financial Statements

## 4. Discontinued Operations

The Company had no discontinued operations during the fiscal years ending December 31, 2014 and 2013.

## 5. Investments

- A. The Company owned no mortgage loans.
- 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 does not have investments in real estate.
- G. The Company has no investments in low-income housing tax credits (LIHTC).
- H. Restricted Assets

### (1) Restricted Assets (Including Pledged)

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown						
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock						
j. On deposit with states	\$150,586	\$150,715	\$(129)	\$150,586	0.107%	0.109%
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB (including assets backing funding agreements)						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets						

### (2) & (3) – Not applicable.

- I. Not applicable.
- J. Not applicable.
- K. Not applicable.

## 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 2014 and 2013.

## **Notes to Financial Statements**

### **8. Derivative Instruments**

The Company held no derivative instruments in 2014 and 2013.

### **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. The fee is based on a percentage of the number of paid claims, not to exceed actual costs. The management fee for fiscal years 2014 and 2013 was \$24,146,865 and \$23,244,977 respectively.
- D. At December 31, 2014, the Company recorded an amount due to DDPMI of \$325,274. At December 31, 2013, the Company recorded an amount due from DDPMI of 1,129,147. 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 2014 and 2013.
- 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 500 and 500 shares of common stock of Renaissance Holding, which represents 4.2% ownership of Renaissance Holding as of December 31, 2014 and 2013, respectively. 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. The Company purchased an additional 200 shares of Renaissance Holding common stock on January 1, 2013.
- D. At December 31, 2014 and 2013, the Company reported no amounts due from or to Renaissance Holding.
- E. No guarantees or undertakings took place during fiscal years 2014 and 2013.
- F. No management agreement or service contract existed between the Company and Renaissance Holding in 2014 and 2013.
- G&H The Company owns 4.2% of the outstanding Renaissance Holding common stock as of December 31, 2014 and 2013, respectively. Companies belonging to the same holding company system as Delta Dental Plan of Ohio own the remaining 95.8% of outstanding common stock as of December 31, 2014 and 2013, respectively.
- I. The book value of the Renaissance Holding stock represents 3% and 3.6% of the Company's admitted assets at 2014 and 2013, respectively.
- 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. No principle or interest was paid during 2014 and 2013. A portion of the surplus

## **Notes to Financial Statements**

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, 2014 and 2013, the Company reported no amounts due from or to DDNC.
- E. No guarantees or undertakings took place during fiscal years 2014 and 2013.
- 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 2014 and 2013.

- D. At December 31, 2014 and 2013, the Company reported no amounts due from or to RHSC.
- E. No guarantees or undertakings took place during fiscal years 2014 and 2013.
- 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, 2014 and 2013.

### **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) 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, 2014 and 2013 was \$5,935,816 and \$7,885,586, 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. Liabilities, Contingencies and Assessments**

The Company is subject to routine audits by taxing jurisdictions. The Company and some of its affiliates are being audited by the Internal Revenue Service for the 2012 and 2013 tax periods. The results of the examination are unknown at this time, and the financial statements have not been adjusted for any potential outcomes as of December 31, 2014 and 2013.

### **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 January 31, 2017. Rental expense is paid directly by Delta Dental Plan of Michigan.

- 2. At December 31, 2014, the minimum aggregate rental commitments are as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2015	\$ 123,400
2016	\$ 126,327
2017	\$ 73,416
2018	\$ 68,931
2019	\$ 28,721
<b>Total</b>	<b>\$ 420,795</b>

## **Notes to Financial Statements**

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 2014 and 2013.

### **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 2014 and 2013:

<b>2014</b>	<b>ASO Uninsured Plans</b>	<b>Uninsured Portion of Partially Insured Plans</b>	<b>Total ASO</b>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses.	\$0	\$0	\$0
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	\$0	\$0	\$0
d. Total claim payment volume	\$0	\$0	\$0

<b>2013</b>	<b>ASO Uninsured Plans</b>	<b>Uninsured Portion of Partially Insured Plans</b>	<b>Total ASO</b>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses.	\$ 29,891	\$0	\$ 29,891
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	\$ 29,891	\$0	\$ 29,891
d. Total claim payment volume	\$13,478,533	\$0	\$13,478,533

## 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 2014 and 2013:

#### 2014

	<u>ASC Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASC</u>
a. Gross reimbursement for medical cost incurred	\$ 243,658,298	\$ -	\$ 243,658,298
b. Gross administrative fees accrued	16,937,272	-	16,937,272
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>260,044,463</u>	-	<u>260,044,463</u>
e. Total gain (loss) from operations	<u><u>\$ 551,107</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 551,107</u></u>

#### 2013

	<u>ASC Uninsured Plans</u>	<u>Portion of Partially Insured Plans</u>	<u>Total ASC</u>
a. Gross reimbursement for medical cost incurred	\$ 206,221,288	\$ -	\$ 206,221,288
b. Gross administrative fees accrued	14,447,344	-	14,447,344
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>220,643,506</u>	-	<u>220,643,506</u>
e. Total gain (loss) from operations	<u><u>\$ 25,126</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,126</u></u>

C. The Company wrote no Medicare business in 2014 and 2013.

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

#### 2014:

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 Okemos, MI 48864	38-1791480	yes	Dental	C,CA,B,P,U	\$ 186,973,375

# Notes to Financial Statements

## 2013:

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	\$ 167,041,466
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
<b>a. Assets at fair value</b>				
Perpetual Preferred stock				
Industrial & Misc	\$376,924	\$478,304	\$0	\$855,228
Parent, Subs, and Affiliate	0	0	0	\$0
<b>Total Perpetual Preferred Stock</b>	<b>\$376,924</b>	<b>\$478,304</b>	<b>\$0</b>	<b>\$855,228</b>
Bonds				
U.S. Governments	\$0	\$12,851,258	\$0	\$12,851,258
Industrial & Misc	0	25,458,775	0	25,458,775
Hybrid Securities	0	0	0	0
Parent, Subs, and Affiliate	0	0	0	0
<b>Total Bonds</b>	<b>\$0</b>	<b>\$38,310,033</b>	<b>\$0</b>	<b>\$38,310,033</b>
Common stock				
Industrial & Misc	\$75,395,078	\$0	\$0	\$75,395,078
Parent, Subs, and Affiliate	0	0	0	0
<b>Total Common Stocks</b>	<b>\$75,395,078</b>	<b>\$0</b>	<b>\$0</b>	<b>\$75,395,078</b>
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
<b>Total Derivatives</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Separate account assets				
<b>Total assets at fair value</b>	<b>\$75,772,002</b>	<b>\$38,788,337</b>	<b>\$0</b>	<b>\$114,560,339</b>
<b>b. Liabilities at fair value</b>				
Derivative liabilities				
<b>Total liabilities at fair value</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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. Not applicable.
- E. The Company has no state tax credits.
- F. The Company owns several mortgage pools in the investment portfolio, all of which are backed by federal agencies. The federal agency-backed mortgage pools do not have sub-prime mortgage exposure. The Company does not own any mortgage pools that are not backed by federal agencies, so there is no sub-prime exposure in the portfolios.
- G. Not applicable.

## 22. Events Subsequent

### Type II – Nonrecognized Subsequent Events

On January 1, 2015, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premium written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2014, the Company has written health insurance business subject to the ACA assessment, expects to conduct health insurance business in 2015, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2015 to be \$1,635,940. This amount is reflected in special surplus. This assessment is expected to impact risk based capital (RBC) by 1.4%. Reporting the ACA assessment as of December 31, 2014, would not have triggered an RBC action level.

	Current Year	Prior Year
A. ACA fees assessment payable for the upcoming year	\$ 1,635,940	\$ 1,208,881
B. ACA fee assessment paid	\$ 1,158,187	\$ -
C. Premium written subject to ACA 9010 assessment	\$ 88,081,405	\$ 78,691,670
D. Total Adjusted Capital before surplus adjustment	\$ 117,726,110	
E. Authorized Control Level before surplus adjustment	\$ 9,275,541	
F. Total Adjusted Capital after surplus adjustment	\$ 116,090,170	
G. Authorized Control Level after surplus adjustment	\$ 9,275,541	
H. Would reporting the ACA assessment as of December 31, 2014, have triggered an RBC action level (YES/NO)?	NO	

## 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, 2014 and 2013 subject to retrospectively rating features were \$1.3 million and \$1.2 million, respectively. These amounts represented .69% and .74% of total net premiums written by the Company in 2014 and 2013, respectively.
- D. Not applicable.

## 25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves as of December 31, 2013 were \$6,531,005. As of December 31, 2014, \$6,133,840 has been paid for incurred claims and claim adjustment expense attributable to insured events of prior years. Remaining reserves for prior years are now \$98,254 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$298,911 favorable prior-year loss development since December 31, 2013 to December 31, 2014. This decrease 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 2014 and 2013.

## 27. Structured Settlement

Not applicable.

## **Notes to Financial Statements**

### **28. Health Care Receivables**

The Company reported no pharmaceutical rebate receivables or risk sharing receivables in 2014 and 2013.

### **29. Participating Policies**

The Company did not have participating contracts in 2014 and 2013.

### **30. Premium Deficiency Reserves**

There were no Premium Deficiency Reserves reported by the Company in 2014 and 2013.

### **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?  
If yes, complete Schedule Y, Parts 1, 1A and 2. 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[ ]  
Ohio.....

1.3 State Regulating? .....

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

2.2 If yes, date of change: .....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2013.....

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[ ] No[ ] N/A[X]

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,  
7.21 State the percentage of foreign control ..... 0.000%  
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] ..			

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

## **GENERAL INTERROGATORIES (Continued)**

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			\$ 0										
12.12	Number of parcels involved			\$ 0										
12.13	Total book/adjusted carrying value			\$ 0										
12.2	If yes, provide explanation													
<b>13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:</b>														
13.1	What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?			Yes[ ] No[ ] N/A[X]										
13.2	Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?			Yes[ ] No[ ] N/A[X]										
13.3	Have there been any changes made to any of the trust indentures during the year?			Yes[ ] No[ ] N/A[X]										
13.4	If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?			Yes[ ] No[ ] N/A[X]										
14.1	Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?			Yes[X] No[ ]										
a.	Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;													
b.	Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;													
c.	Compliance with applicable governmental laws, rules and regulations;													
d.	The prompt internal reporting of violations to an appropriate person or persons identified in the code; and													
e.	Accountability for adherence to the code.													
14.11	If the response to 14.1 is no, please explain:													
14.2	Has the code of ethics for senior managers been amended?			Yes[ ] No[X]										
14.21	If the response to 14.2 is yes, provide information related to amendment(s).			Yes[ ] No[X]										
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).			Yes[ ] No[X]										
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.													
<table border="1"> <thead> <tr> <th></th> <th>1 American Bankers Association (ABA) Routing Number</th> <th>2 Issuing or Confirming Bank Name</th> <th>3 Circumstances That Can Trigger the Letter of Credit</th> <th>4 Amount</th> </tr> </thead> <tbody> <tr> <td>15.2001</td> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> </tr> </tbody> </table>						1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount	15.2001	.....	.....	.....	.....
	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount										
15.2001	.....	.....	.....	.....										
<b>BOARD OF DIRECTORS</b>														
16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?			Yes[X] No[ ]										
17.	Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?			Yes[X] No[ ]										
18.	Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?			Yes[X] No[ ]										
<b>FINANCIAL</b>														
19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?			Yes[ ] No[X]										
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):													
20.11	To directors or other officers			\$ 0										
20.12	To stockholders not officers			\$ 0										
20.13	Trustees, supreme or grand (Fraternal only)			\$ 0										
20.2	Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):													
20.21	To directors or other officers			\$ 0										
20.22	To stockholders not officers			\$ 0										
20.23	Trustees, supreme or grand (Fraternal only)			\$ 0										
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?			Yes[ ] No[X]										
21.2	If yes, state the amount thereof at December 31 of the current year:													
21.21	Rented from others			\$ 0										
21.22	Borrowed from others			\$ 0										
21.23	Leased from others			\$ 0										
21.24	Other			\$ 0										
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			\$ 0										
22.22	Amount paid as expenses			\$ 0										
22.23	Other amounts paid			\$ 0										
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										
<b>INVESTMENT</b>														
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?													
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.			\$ 0										
24.06	If answer to 24.04 is no, report amount of collateral for other programs.			\$ 0										
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?													
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?													

## GENERAL INTERROGATORIES (Continued)

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]

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 Placed under option agreements	\$ ..... 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ ..... 0
25.27 FHLB Capital Stock	\$ ..... 0
25.28 On deposit with states	\$ ..... 150,586
25.29 On deposit with other regulatory bodies	\$ ..... 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ ..... 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ ..... 0
25.32 Other	\$ ..... 0

25.3 For category (25.26) 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]

26.3 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 advisors, 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 .....
104650 .....	ClearArc Capital, Inc. ....	111 Lyon Street NW, MD RMNR2B Grand Rapids, MI 49503 .....
104859 .....	Eaton Vance .....	P.O. Box 9653, Providence, RI 02940-9653 .....
105360 .....	Invesco Advisers, Inc. ....	1555 Peachtree Street, NE, Atlanta, GA 30309 .....
107038 .....	JP Morgan .....	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:

## GENERAL INTERROGATORIES (Continued)

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 .....	37,465,817	38,310,033	844,216
30.2 Preferred stocks .....	855,286	855,228	(58)
30.3 Totals .....	38,321,103	39,165,261	844,158

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?

\$ ..... 325,611

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 Plans Association .....	307,011

34.1 Amount of payments for legal expenses, if any?

\$ ..... 3,065

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 Seymour & Pease .....	3,065

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:	
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	186,973,375	167,041,466
2.2 Premium Denominator	186,973,375	167,041,466
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	6,606,600	6,337,100
2.5 Reserve Denominator	6,606,600	6,337,100
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	..... 7,158
8.2 Number of providers at end of reporting year	..... 7,289

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	..... 52,971,521
9.22 Business with rate guarantees over 36 months	..... 12,054,311

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.

\$..... 2,012,815

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 (\$20,128,153) = \$22,140,968 less liabilities (20,128,153) = \$2,012,815

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

**GENERAL INTERROGATORIES (Continued)**

14.1 Are any of the captive affiliates reported on Schedule S, Part 3 as authorized reinsurers?

Yes[ ] No[ ] N/A[X]

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....	.....	.....	.....	.....	.....	.....

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)

15.1 Direct Premium Written

\$..... 0

15.2 Total incurred claims

15.2 Number of covered lives

\$..... 0

..... 0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

## FIVE-YEAR HISTORICAL DATA

	1 2014	2 2013	3 2012	4 2011	5 2010
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	137,854,263	120,276,390	100,329,938	87,070,685	86,114,226
2. TOTAL Liabilities (Page 3, Line 24) .....	20,128,153	18,580,087	17,097,000	16,584,297	18,534,950
3. Statutory surplus .....	2,012,815	1,858,009	1,709,700	1,658,429	1,853,495
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	117,726,110	101,696,303	83,232,938	70,486,388	67,579,276
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	186,973,375	167,041,466	159,643,731	145,619,801	137,673,943
6. TOTAL Medical and Hospital Expenses (Line 18) .....	158,384,496	141,853,212	136,617,589	124,087,725	114,885,950
7. Claims adjustment expenses (Line 20) .....	2,553,562	3,307,223	6,241,390	6,288,023	6,391,250
8. TOTAL Administrative Expenses (Line 21) .....	12,080,983	10,299,971	9,519,298	10,284,248	7,092,311
9. Net underwriting gain (loss) (Line 24) .....	13,954,334	11,581,060	7,265,454	4,959,805	9,304,432
10. Net investment gain (loss) (Line 27) .....	7,516,469	3,560,815	2,594,957	2,743,858	1,847,655
11. TOTAL Other Income (Lines 28 plus 29) .....	(3,728,266)	6,266	(2,001,905)	(4,993,341)	(53,966)
12. Net income or (loss) (Line 32) .....	17,742,537	15,148,141	7,858,506	2,710,322	11,098,121
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	16,637,400	10,394,866	11,403,486	(1,523,699)	8,394,535
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	117,726,110	101,696,303	83,232,938	70,486,388	67,579,276
15. Authorized control level risk-based capital .....	9,275,541	8,448,709	9,743,037	8,972,123	7,408,995
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	633,919	554,603	545,458	514,641	457,114
17. TOTAL Members Months (Column 6, Line 7) .....	7,518,657	6,682,012	6,514,837	6,122,308	5,819,044
<b>OPERATING PERCENTAGE (Page 4)</b>					
(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) .....	84.7	84.9	85.6	85.2	83.4
20. Cost containment expenses .....	0.0	0.1	0.6	0.6	0.7
21. Other claims adjustment expenses .....	1.4	1.9	3.4	3.7	4.0
22. TOTAL Underwriting Deductions (Line 23) .....	92.5	93.1	95.4	96.6	93.2
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	7.5	6.9	4.6	3.4	6.8
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	6,131,392	5,565,147	5,909,227	5,573,587	6,777,258
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	6,337,100	6,158,130	5,709,540	5,969,798	7,464,156
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
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) .....	4,369,910	4,297,412	2,340,211	1,980,752	1,745,137
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	2,500,000	2,500,000	3,750,000	3,750,000
32. TOTAL of Above Lines 26 to 31 .....	6,869,910	6,797,412	4,840,211	5,730,752	5,495,137
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 [ ] N/A [X]

If no, please explain::

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

State, Etc.	1 Active Status	Direct Business Only							9 Deposit - Type Contracts
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/ Casualty Premiums	8 Total Columns 2 Through 7	
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 .. 186,973,375	.....	.....	.....	.....	.....	.....	186,973,375	.....
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 .. 186,973,375	.....	.....	.....	.....	.....	.....	186,973,375	.....
60. Reporting entity contributions for Employee Benefit Plans .....	XXX ..	.....	.....	.....	.....	.....	.....	.....	.....
61. TOTAL (Direct Business) .....	(a) .. 1 .. 186,973,375	.....	.....	.....	.....	.....	.....	186,973,375	.....

**DETAILS OF WRITE-INS**

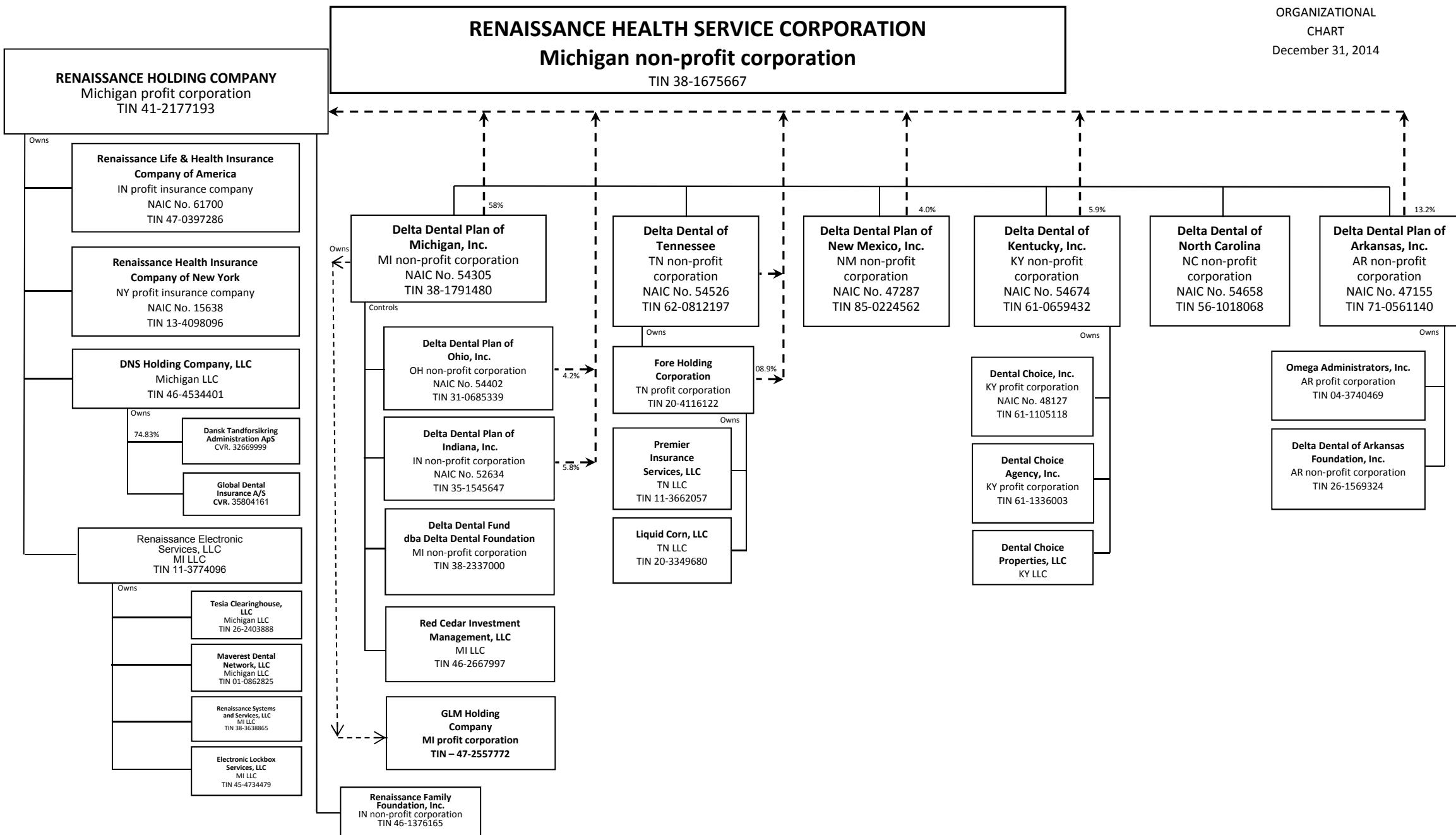
58001 .....	XXX ..	.....	.....	.....	.....	.....	.....	.....	.....
58002 .....	XXX ..	.....	.....	.....	.....	.....	.....	.....	.....
58003 .....	XXX ..	.....	.....	.....	.....	.....	.....	.....	.....
58998. Summary of remaining write-ins for Line 58 from overflow page .....	XXX ..	.....	.....	.....	.....	.....	.....	.....	.....
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.

(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**



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