
AMENDED FILING EXPLANATION

Notes to Financial Statements to revise numbering scheme; Schedule D-Part 1 amended to add CUSIP to certificate of deposit; Schedule Y-Part 1A amended to add non-insurance affiliate.



ANNUAL STATEMENT

For the Year Ended December 31, 2014
of the Condition and Affairs of the

SUPERIOR DENTAL CARE, INC.

NAIC Group Code..... 0, 0
(Current Period) (Prior Period)

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

Licensed as Business Type.....DENTAL SERVICE CORPORATION Is HMO Federally Qualified? Yes [] No [X]

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

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

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

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

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

Internet Web Site Address www.superiodental.com

Statutory Statement Contact WENDY GLOVER 937-438-0283
(Name) (Area Code) (Telephone Number) (Extension)

WGLOVER@SUPERIORDENTAL.COM 937-291-5690
(E-Mail Address) (Fax Number)

OFFICERS

Name	Title	Name	Title
1. RICHARD W PORTUNE DDS	PRESIDENT	2. DOUGLAS R HOEFLING DDS	TREASURER
3. ROGER E CLARK DDS	SECRETARY	4. REBECCA J YORK	EXECUTIVE VP & CEO

OTHER

DIRECTORS OR TRUSTEES

Dennis A Burns DDS	Roger E Clark DDS	Douglas R Hoefling DDS	Richard W Portune DDS
L Don Shumaker DDS	James L Sims DDS	Laura Pall DDS	Rebecca J York
Glenn Bower			

State of..... Ohio
County of..... Montgomery

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

(Signature) RICHARD W PORTUNE DDS	(Signature) DOUGLAS R HOEFLING DDS	(Signature) ROGER E CLARK DDS
1. (Printed Name) PRESIDENT	2. (Printed Name) TREASURER	3. (Printed Name) SECRETARY
(Title)	(Title)	(Title)
Subscribed and sworn to before me	a. Is this an original filing?	Yes [] No [X]
This <u>30th</u> day of <u>March</u> 2015	b. If no 1. State the amendment number	<u>1</u>
	2. Date filed	<u>3/30/2015</u>
	3. Number of pages attached	<u>3</u>

NOTES TO FINANCIAL STATEMENTS**Note 1 - Summary of Significant Accounting Policies****A. Accounting Practices**

The financial statements of Superior Dental Care, Inc. (SDC) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance. The Ohio Department of Insurance 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 a health insuring corporation for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) Accounting Practices and Procedures Manual (P) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The state has not adopted any prescribed accounting practices that differ from those found in NAIC SAP.

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

	State of Domicile	2014	2013
NET INCOME			
(1) SUPERIOR DENTAL CARE, INC. state basis (Page 4, Line 32, Columns 2 & 3)	OH	829,804	756,110
(2) State Prescribed Practices that increase/(decrease) NAIC SAP			
(3) State Permitted Practices that increase/(decrease) NAIC SAP			
(4) NAIC SAP (1 – 2 – 3 = 4)	OH	829,804	756,110
SURPLUS			
(5) SUPERIOR DENTAL CARE, INC. state basis (Page 3, line 33, Columns 3 & 4)	OH	5,098,150	4,434,449
(6) State Prescribed Practices that increase/(decrease) NAIC SAP			
(7) State Permitted Practices that increase/(decrease) NAIC SAP			
(8) NAIC SAP (5 – 6 – 7 = 8)	OH	5,098,150	4,434,449

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conforming 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

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

Health Services Expense is based upon agreed-upon fees for various services with retention of 5% of these fees as a risk retention fund. Amounts withheld are a reduction of healthcare service expense in the accompanying statements of income. The cost of health care services provided to members is accrued in the period such services are provided based on the accumulation of estimates of claims reported prior to the end of a reporting period and of estimates of dental services provided but not reported to the Company, net of the amounts withheld in accordance with the provider agreement.

Each year the SDC Board of Directors evaluates the performance of the dental HIC, capital and surplus requirements prescribed by the Ohio Department of Insurance, factors impacting financial strength, funding needed to support strategic objectives for the coming years and any other factors deemed relevant to the Board and determines the level of return of provider withhold. Once authorized by the Board, such amounts are recorded as additional healthcare services expense for the period authorized and shown as additional claims payment liability until paid. The determination was made to return 40% of the withheld reserve and payment was made on or before February 28, 2015.

In addition, the company uses the following accounting policies:

1. Short term investments are stated at amortized cost.
2. Bonds are stated at amortized cost using the interest method
3. Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are carried on the equity basis. The company did not have any investments in common stocks at December 31, 2014 and 2013.
4. Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32. The company did not have any investments in preferred stocks at December 31, 2014 and 2013.
5. Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
6. The company did not have any investments in loan-backed securities at December 31, 2014 and 2013.
7. The company does not have any Goodwill.
8. The company does not have any minor ownership interest in any joint ventures.

NOTES TO FINANCIAL STATEMENTS

9. All derivatives are stated at fair value.

10. The company does anticipate investment income as a factor of premium deficiency calculation, in accordance with SSAP No 54, Individual and Group Accident and Health contracts.

11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amounts, 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. The company does not have pharmaceutical rebate receivables.

Note 2 - Accounting Changes and Corrections of Errors

SDC has no accounting changes or corrections of errors to report.

Note 3 - Business Combinations and Goodwill

Superior Dental Care, Inc. and affiliate, SDC Development LLC, were combined at June 30, 2014 using the statutory merger method of accounting. SDC Development LLC was wholly-owned by Superior Dental Care's parent, Superior Dental Care Alliance, Inc. Superior Dental Care Alliance, Inc. had a membership interest in SDC Development LLC of \$158,608. This has been transferred to Superior Dental Care, Inc.

The balance sheet and results of operations for the year ended December 31, 2013 and for the current period ended December 31, 2014 have been restated to include SDC Development LLC in accordance with SSAP No. 68 - *Business Combinations and Goodwill*.

Results of the separate entities that are included in the statements for the period ended December 31, 2014 are as follows:

	Superior Dental Care, Inc.	SDC Development LLC
Revenue	\$44,613,541	\$62,400
Net Income	\$822,960	\$6,844

SDC Development LLC did not employ the statutory basis of accounting, therefore its accounts have been adjusted to the statutory bases with an offsetting adjustment of \$3,959 to beginning surplus for the year ended December 31, 2013.

Note 4 - Discontinued Operations

Not applicable. The company had no discontinued operations.

Note 5 - Investments

A. SDC had no investments in mortgage loans.

B. SDC had no investments in restructured debt.

C. SDC had no investments in reverse mortgages.

D. SDC had no investments in loan-backed securities.

E. SDC had no repurchase agreements and/or securities lending transactions.

F. Real Estate

Superior Dental Care, Inc. owns land and two office buildings. This property is classified as Property Occupied by the Company and is reported net of encumbrances of \$585,878 at December 31, 2014.

G. SDC had no investments in low-income housing tax credits.**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	Additional Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown					0.000	0.000
b. Collateral held under security lending arrangements					0.000	0.000
c. Subject to repurchase agreements					0.000	0.000
d. Subject to reverse repurchase agreements					0.000	0.000
e. Subject to dollar repurchase agreements					0.000	0.000
f. Subject to dollar reverse repurchase agreements					0.000	0.000
g. Placed under option contracts					0.000	0.000
h. Letter stock or securities restricted as to sale-excluding FHLB capital stock					0.000	0.000
i. L FHLB capital stock					0.000	0.000
j. On deposit with states	125,000	125,000		125,000	1.245	1.328
k. On deposit with other regulatory bodies					0.000	0.000
l. Pledged as collateral to FHLB (including					0.000	0.000

NOTES TO FINANCIAL STATEMENTS

assets backing funding agreements)							
m. Pledged as collateral not captured in other categories						0.000	0.000
n. Other restricted assets						0.000	0.000
o. Total Restricted Assets	125,000	125,000			125,000	1.245	1.328

I. SDC had no working-capital finance investments.

J. Offsetting of Assets and Liabilities - Not applicable.

K. SDC had no investments in structured notes.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

SDC has no Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.

Note 7 - Investment Income

SDC did not have any excluded (nonadmitted) investment income due and accrued as of December 31, 2014.

Note 8 - Derivative Instruments

The Company entered into an interest swap agreement with an original notional amount of \$616,250 at December 31, 2013. The agreement is used to manage the Company's interest rate risk. The swap agreement effectively changes the interest rate related to the Company's mortgage note with a commercial bank from a variable rate based on the 30-day LIBOR rate plus 2.35% to a fixed rate of approximately 4.10% for the 7-year period through December 31, 2020. The notional amount decreases \$2,531 per month in direct correlation to the principal reduction of the mortgage.

The fair value of the agreement at December 31, 2014 was a liability of \$19,221.

Note 9 - Income Taxes

A. Deferred Tax Assets/(Liabilities)

1. Components of Net Deferred Tax Asset/(Liability)

	2014			2013			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets				35,700		35,700	(35,700)		(35,700)
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)				35,700		35,700	(35,700)		(35,700)
d. Deferred tax assets nonadmitted				35,700		35,700	(35,700)		(35,700)
e. Subtotal net admitted deferred tax asset (1c-1d)									
f. Deferred tax liabilities	18,470		18,470				18,470		18,470
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	(18,470)		(18,470)				(18,470)		(18,470)

2. Admission Calculation Components

	2014			2013			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks									
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:									
Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
Adjusted gross deferred tax assets allowed per limitation threshold									
c. Adjusted gross deferred tax assets (excluding the amount									

NOTES TO FINANCIAL STATEMENTS

of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities								
d. Deferred tax assets admitted as the result of application of SSAP 101.								
Total (2(a)+2(b)+2(c))								

3. Other Admissibility Criteria

		2014	2013
a. Ratio percentage used to determine recovery period and threshold limitation amount		398.400	343.000
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above		5,098,150	4,434,449

4. Impact of Tax Planning Strategies

(a) Determination of adjusted gross deferred tax assets and net admitted deferred tax assets, by tax character as a percentage.

	1 Ordinary	2 Capital	3 Ordinary	4 Capital	5 (Col. 1-3) Ordinary	6 (Col. 2-4) Capital
1. Adjusted gross DTAs amount from Note 9A1(c)			35,700		(35,700)	
2. Percentage of adjusted gross DTAs by tax character attributable to the impact of tax planning strategies	0.000	0.000	0.000	0.000	0.000	0.000
3. Net Admitted Adjusted Gross DTAs amount from Note 9A1(e)						
4. Percentage of net admitted adjusted gross DTAs by tax character admitted because of the impact of tax planning strategies	0.000	0.000	0.000	0.000	0.000	0.000

B. Current and Deferred Income Taxes

1. Current Income Tax

	1 2014	2 2013	3 (Col 1-2) Change
a. Federal	425,850	399,350	26,500
b. Foreign			
c. Subtotal	425,850	399,350	26,500
d. Federal income tax on net capital gains			
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	425,850	399,350	26,500

2. Deferred Tax Assets

	1 2014	2 2013	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses			
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)		35,700	(35,700)
99. Subtotal		35,700	(35,700)
b. Statutory valuation allowance adjustment			

NOTES TO FINANCIAL STATEMENTS

	1 2014	2 2013	3 (Col 1-2) Change
c. Nonadmitted		35,700	(35,700)
d. Admitted ordinary deferred tax assets (2a99-2b-2c)			
e. Capital:			
1. Investments			
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal			
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)			

3. Deferred Tax Liabilities

	1 2014	2 2013	3 (Col 1-2) Change
a. Ordinary:			
1. Investments			
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax assets)	18,470		18,470
99. Subtotal	18,470		18,470
b. Capital:			
1. Investments			
2. Real estate			
3. Other (including items <5% of total capital tax assets)			
99. Subtotal			
c. Deferred tax liabilities (3a99+3b99)	18,470		18,470
4. Net Deferred Tax Assets (2i – 3c)	(18,470)		(18,470)

C. The federal income tax provision varies from the statutory tax rate primarily because of nondeductible meal and entertainment expenses and tax-exempt interest income.

D. Consolidated Federal Income Tax Return

The Company's federal income tax return is consolidated with its parent company, Superior Dental Care Alliance, Inc.

E. Federal or Foreign Federal Income Tax Loss Contingencies

The Company does not have any tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties

A, B, C. Superior Dental Care, Inc is a wholly owned subsidiary of Superior Dental Care Alliance, Inc. (parent). SDC did not declare or pay any dividends to parent in 2014. SDC paid a dividend of \$950,000 to parent in 2013.

D. At December 31, 2014, the Company reported \$610,244 as amounts due from Parent and Affiliates.

E. Not applicable. SDC has no guarantees or undertakings.

F. SDC has a management services agreement with parent whereby parent incurs the majority of general and administrative expenses, including payroll, and charges SDC a management fee. The management fee is determined by a fixed per member per month charge, rather than a pass-through of actual expenses incurred by parent. SDC paid management fees to parent of \$5,760,601 in 2014 and \$5,121,713 in 2013.

G. All outstanding shares of SDC are owned by the parent.

H. Not applicable. SDC does not own shares of stock of parent.

I. Not applicable. SDC does not own any interest or investment in an SCA entity that exceeds 10% of the company's admitted assets.

J. Not applicable. SDC does not own any investments in an SDA entity.

K. Not applicable. SDC does not invest in any foreign insurance company.

NOTES TO FINANCIAL STATEMENTS

L. Not applicable. SDC does not have any downstream noninsurance holding company.

Note 11 - Debt

A. SDC does not have any debt outstanding at December 31, 2014.

SDC does not have any reverse repurchase agreements.

B. Not applicable. The company has no Federal Home Loan Bank Agreements.

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

All employees are employed by Superior Dental Care Alliance, Inc. and therefore the retirement plans and the nonqualified deferred compensation agreement are the responsibility of the Holding Company. Superior Dental Care Alliance, Inc. had a deferred compensation plan that was dissolved in 2013 and paid out in 2014. This had no effect on Superior Dental Care, Inc.'s financial statements.

A. Defined Benefit Plan - not applicable

B. Investment Policies and Strategies - not applicable. SDC has no retirement plans, deferred compensation, postretirement benefits and compensated absences and other postretirement benefit plans.

C. Fair Value of Plan Assets - not applicable

D. Basis Used to Determine Expected Long-Term Rate-of-Return - not applicable

E. Defined Contribution Plans - not applicable

F. Multiemployer Plans - not applicable

G. Consolidate/Holding Company Plans - not applicable. SDC has no employees.

H. Postemployment Benefits and Compensated Absences - not applicable

I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - not applicable

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

1. SDC has 1 share authorized and outstanding at year end. It is owned by Superior Dental Care Alliance, Inc. (parent).

2. SDC has no preferred stock outstanding.

3. Without prior approval of the Ohio Department of Insurance, dividends to shareholder cannot exceed in any one year the lesser of (i) 10% of surplus as of the preceding December 31, or (ii) net income for the prior year, and only out of unassigned surplus.

4. The company did not declare or pay any dividends in 2014.

5. Within the limitations of (3) above, there are no restrictions placed on the portion of company profits that may be paid as ordinary dividends to shareholder.

6. There were no restrictions placed on the company's surplus, including for whom the surplus is being held.

7. Not applicable. The company had no advances to surplus not repaid.

8. Not applicable. The company has no stocks of affiliated companies held for any special purpose.

9. Not applicable. The company had no special surplus funds in prior year.

10. At December 31, 2014, the company has no portion of unassigned funds represented or reduced by cumulative unrealized gains and losses.

11. The company does not have any surplus debenture or similar obligations.

12-13. The company does not have any quasi-reorganizations.

Note 14 - Contingencies

The company has no contingencies at December 31, 2014.

Note 15 - Leases

A. The company has no lessee leasing arrangements.

B. Lessor Leases - SDC leases space in its building to an unrelated party. Income recorded by SDC under this lease was \$29,340 for the year ended December 31, 2014.

Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2014 are as follows:		
	Year Ending December 31	Operating Leases
1.	2015	29,340
2.	2016	12,225
3.	2017	

NOTES TO FINANCIAL STATEMENTS

4.	2018	
5.	2019	
6.	Total	41,565

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

Not applicable.

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

Not applicable.

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

A. ASO Plans - not applicable

B. ASC Plans - not applicable

C. Medicare or Similarly Structured Cost Based Reimbursement Contract - not applicable

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

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premiums Written/Produced By
Superior Dental Care Alliance, Inc.	20-4819498	YES	HMO	C,CA,B,P,U	44,466,170
Total	XXX	XXX	XXX	XXX	44,466,170

Note 20 - Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Money Market Funds	1,044,404			1,044,404
Total	1,044,404			1,044,404

Liabilities at Fair Value	Level 1	Level 2	Level 3	Total
Total				

The company did not have any transfers between level 1 and 2 for the years ended December 31, 2014 and 2013.

(2) Fair Value Measurements in (Level 3) of the Fair Value Hierarchy - None

- (3) None
- (4) None
- (5) None

B. None

C. None

D. Not applicable

Note 21 - Other Items

A. Extraordinary Items

None

B. Trouble Debt Restructuring

None

C. Other Disclosures

Assets in the amount of \$125,000 were on deposit with authorized banks as required restricted assets in accordance with state regulation. The required amount for Ohio is \$75,000 and for Kentucky is \$50,000.

Management believes that all receivables are collectible and accordingly, no allowance for doubtful accounts is necessary.

D. Business Interruption Insurance Recoveries

None

E. State Transferable and Non-transferable Tax Credits

None

NOTES TO FINANCIAL STATEMENTS**F. Subprime Mortgage Related Risk Exposure**

None

G. Retained Assets

None

Note 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 Federal 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 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 \$175,000. This amount is reflected in special surplus. Reporting the ACA assessment as of December 31, 2014, would not have triggered an RBC action level.

	Current Year	Prior Year
A. ACA fee assessment payable for the upcoming year	175,000	88,000
B. ACA fee assessment paid	133,016	
C. Premium written subject to ACA 9010 assessment	44,466,170	43,075,290
D. Total adjusted capital before surplus adjustment	5,098,150	
E. Authorized control level before surplus adjustment	1,279,645	
F. Total adjusted capital after surplus adjustment	4,923,150	
G. Authorized control level after surplus adjustment	1,279,645	
H. Would reporting the ACA assessment as of December 31, 2014 have triggered an RBC action level (YES/NO)?	NO	

Note 23 - Reinsurance

Not applicable.

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable.

Note 25 - Change in Incurred Loss and Loss Adjustment Expenses

Reserves as of December 31, 2013 were \$2,461,146. As of December 31, 2014, \$2,398,894 has been paid for incurred claims attributable to events of prior years. Amounts incurred related to prior year vary from previously estimated liabilities as the claims are ultimately settled.

Note 26 - Intercompany Pooling Arrangements

None

Note 27 - Structured Settlements

None

Note 28 - Health Care Receivables

None

Note 29 - Participating Policies

None

Note 30 - Premium Deficiency Reserves

1. Liability carried for premium deficiency reserve:	\$0
2. Date of most recent evaluation of this liability:	December 31, 2014
3. Was anticipated investment income utilized in the calculation?	NO

A loss is recognized when it is probable that expected dental care costs and maintenance costs under existing group contracts will exceed anticipated future premiums on those contracts. The estimated future dental care costs and maintenance costs considered in determining whether a loss has been incurred include direct and allocable indirect costs. Contracts are grouped in a manner consistent with the company's method of establishing premium rates to determine whether a loss has been incurred. Management determined that no premium deficiency reserve was necessary at December 31, 2014.

Note 31 - Anticipated Salvage and Subrogation

None