



ANNUAL STATEMENT

For the Year Ended December 31, 2016  
of the Condition and Affairs of the

Dental Care Plus, Inc.

NAIC Group Code..... 0, 0 (Current Period) (Prior Period)	NAIC Company Code..... 96265	Employer's ID Number..... 31-1185262
Organized under the Laws of OH	State of Domicile or Port of Entry OH	Country of Domicile US
Licensed as Business Type.....Health Maintenance Organization	Is HMO Federally Qualified? Yes [ ] No [X]	
Incorporated/Organized..... January 6, 1986	Commenced Business..... March 1, 1988	
Statutory Home Office	100 Crowne Point Place..... Cincinnati ..... OH ..... 45241 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	100 Crowne Point Place..... Cincinnati ..... OH ..... 45241 (Street and Number) (City or Town, State, Country and Zip Code)	513-554-1100 (Area Code) (Telephone Number)
Mail Address	100 Crowne Point Place..... Cincinnati ..... OH ..... 45241 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	100 Crowne Point Place..... Cincinnati ..... OH ..... 45241 (Street and Number) (City or Town, State, Country and Zip Code)	513-554-1100 (Area Code) (Telephone Number)
Internet Web Site Address	www2.Dentalcareplus.com	
Statutory Statement Contact	Robert Carr Hodgkins Jr. (Name) rhodgkins@dentalcareplus.com (E-Mail Address)	513-554-1100 (Area Code) (Telephone Number) (Extension) 513-554-3187 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. Anthony A. Cook	President & CEO	2. Robert Carr Hodgkins Jr.	Vice President & CFO
3. David A. Kreyling D.M.D.	Secretary	4. Michael J. Carl D.D.S.	Treasurer

OTHER

Timothy P. Berghoff F.S.A., M.A.A.A	Consulting Actuary
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DIRECTORS OR TRUSTEES

Mark E. Bronson D.D.S.	Molly Meakin Rogers C.P.A.	Robert E. Hamilton D.D.S.	James T. Foley
Ronald L. Poulos D.D.S.	Stephen T. Schuler D.M.D.	Donald J. Peak C.P.A.	Jack M. Cook M.H.A.
David A. Kreyling D.M.D.	Fred H. Peck D.D.S.	Michael J. Carl D.D.S.	James E. Kroeger M.B.A., C.P.A
Anthony A. Cook M.B.A, M.S.			

State of..... Ohio  
County of..... Hamilton

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

(Signature) Anthony A. Cook	(Signature) Robert Carr Hodgkins Jr.	(Signature) David A. Kreyling D.M.D.
1. (Printed Name) President & CEO	2. (Printed Name) Vice President & CFO	3. (Printed Name) Secretary
(Title)	(Title)	(Title)
Subscribed and sworn to before me This _____ day of _____ 2017	a. Is this an original filing? b. If no	Yes [X] No [ ] 1. State the amendment number 2. Date filed 3. Number of pages attached

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	9,453,173		9,453,173	7,744,026
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			0	
2.2 Common stocks.....			0	
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			0	
3.2 Other than first liens.....			0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			0	
5. Cash (\$.....8,609,219, Schedule E-Part 1), cash equivalents (\$.....222,577, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	8,831,796		8,831,796	8,593,805
6. Contract loans (including \$.....0 premium notes).....			0	
7. Derivatives (Schedule DB).....			0	
8. Other invested assets (Schedule BA).....			0	
9. Receivables for securities.....			0	
10. Securities lending reinvested collateral assets (Schedule DL).....			0	
11. Aggregate write-ins for invested assets.....	0	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	18,284,969	0	18,284,969	16,337,831
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	64,389		64,389	59,330
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	955,696		955,696	705,616
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			0	
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....			0	
16.2 Funds held by or deposited with reinsured companies.....			0	
16.3 Other amounts receivable under reinsurance contracts.....			0	
17. Amounts receivable relating to uninsured plans.....			0	
18.1 Current federal and foreign income tax recoverable and interest thereon.....	58,740		58,740	66,128
18.2 Net deferred tax asset.....	202,815	36,910	165,905	76,009
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....	567,424	424,192	143,232	104,706
21. Furniture and equipment, including health care delivery assets (\$.....0).....	6,528	6,528	0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....			0	
24. Health care (\$....467) and other amounts receivable.....	467		467	782
25. Aggregate write-ins for other-than-invested assets.....	44,011	44,011	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	20,185,039	511,641	19,673,398	17,350,402
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	20,185,039	511,641	19,673,398	17,350,402
DETAILS OF WRITE-INS				
1101. ....			0	
1102. ....			0	
1103. ....			0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0
2501. Prepaid Expenses.....	44,011	44,011	0	
2502. ....			0	
2503. ....			0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	44,011	44,011	0	0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded).....	.....3,679,613	.....	.....3,679,613	.....3,202,486
2. Accrued medical incentive pool and bonus amounts.....	.....	.....	.....0	.....
3. Unpaid claims adjustment expenses.....	.....63,938	.....	.....63,938	.....50,860
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	.....	.....	.....0	.....
5. Aggregate life policy reserves.....	.....	.....	.....0	.....
6. Property/casualty unearned premium reserves.....	.....	.....	.....0	.....
7. Aggregate health claim reserves.....	.....	.....	.....0	.....
8. Premiums received in advance.....	.....1,267,830	.....	.....1,267,830	.....1,675,893
9. General expenses due or accrued.....	.....1,782,674	.....	.....1,782,674	.....1,590,412
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....19,089 on realized capital gains (losses)).....	.....	.....	.....0	.....
10.2 Net deferred tax liability.....	.....	.....	.....0	.....
11. Ceded reinsurance premiums payable.....	.....	.....	.....0	.....
12. Amounts withheld or retained for the account of others.....	.....	.....	.....0	.....
13. Remittances and items not allocated.....	.....	.....	.....0	.....
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....	.....	.....	.....0	.....
15. Amounts due to parent, subsidiaries and affiliates.....	.....316,457	.....	.....316,457	.....274,832
16. Derivatives.....	.....	.....	.....0	.....
17. Payable for securities.....	.....	.....	.....0	.....
18. Payable for securities lending.....	.....	.....	.....0	.....
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....	.....	.....	.....0	.....
20. Reinsurance in unauthorized and certified (\$.....0) companies.....	.....	.....	.....0	.....
21. Net adjustments in assets and liabilities due to foreign exchange rates.....	.....	.....	.....0	.....
22. Liability for amounts held under uninsured plans.....	.....291,729	.....	.....291,729	.....102,113
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	.....0	.....0	.....0	.....0
24. Total liabilities (Lines 1 to 23).....	.....7,402,242	.....0	.....7,402,242	.....6,896,596
25. Aggregate write-ins for special surplus funds.....	.....XXX	.....XXX	.....183,287	.....790,302
26. Common capital stock.....	.....XXX	.....XXX	.....1,365,663	.....1,365,663
27. Preferred capital stock.....	.....XXX	.....XXX	.....	.....
28. Gross paid in and contributed surplus.....	.....XXX	.....XXX	.....2,273,089	.....1,773,089
29. Surplus notes.....	.....XXX	.....XXX	.....	.....
30. Aggregate write-ins for other-than-special surplus funds.....	.....XXX	.....XXX	.....0	.....0
31. Unassigned funds (surplus).....	.....XXX	.....XXX	.....8,449,117	.....6,524,752
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	.....XXX	.....XXX	.....	.....
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	.....XXX	.....XXX	.....	.....
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	.....XXX	.....XXX	.....12,271,156	.....10,453,806
34. Total liabilities, capital and surplus (Lines 24 and 33).....	.....XXX	.....XXX	.....19,673,398	.....17,350,402

DETAILS OF WRITE-INS

2301. ....	.....	.....	.....0	.....
2302. ....	.....	.....	.....0	.....
2303. ....	.....	.....	.....0	.....
2398. Summary of remaining write-ins for Line 23 from overflow page.....	.....0	.....0	.....0	.....0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	.....0	.....0	.....0	.....0
2501. Gain on sale of building.....	.....XXX	.....XXX	.....183,287	.....213,835
2502. Reclassification of surplus for Federal Premium Tax - SSAP 35R.....	.....XXX	.....XXX	.....	.....576,467
2503. ....	.....XXX	.....XXX	.....	.....
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....XXX	.....XXX	.....0	.....0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	.....XXX	.....XXX	.....183,287	.....790,302
3001. ....	.....XXX	.....XXX	.....	.....
3002. ....	.....XXX	.....XXX	.....	.....
3003. ....	.....XXX	.....XXX	.....	.....
3098. Summary of remaining write-ins for Line 30 from overflow page.....	.....XXX	.....XXX	.....0	.....0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	.....XXX	.....XXX	.....0	.....0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	4,097,617	3,845,189
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	75,884,819	68,775,888
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....		
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....		
5. Risk revenue.....	XXX.....		
6. Aggregate write-ins for other health care related revenues.....	XXX.....	2,561,735	2,550,720
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	78,446,554	71,326,608
Hospital and Medical:			
9. Hospital/medical benefits.....			
10. Other professional services.....		55,372,747	51,727,676
11. Outside referrals.....			
12. Emergency room and out-of-area.....			
13. Prescription drugs.....			
14. Aggregate write-ins for other hospital and medical.....0		0	0
15. Incentive pool, withhold adjustments and bonus amounts.....			
16. Subtotal (Lines 9 to 15).....0		55,372,747	51,727,676
Less:			
17. Net reinsurance recoveries.....			
18. Total hospital and medical (Lines 16 minus 17).....0		55,372,747	51,727,676
19. Non-health claims (net).....			
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....		2,166,924	1,774,638
21. General administrative expenses.....		18,393,314	16,573,518
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22).....0		75,932,985	70,075,832
24. Net underwriting gain or (loss) (Lines 8 minus 23).....XXX.....		2,513,569	1,250,776
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....		220,229	200,417
26. Net realized capital gains or (losses) less capital gains tax of \$....8,462.....		66,616	17,277
27. Net investment gains or (losses) (Lines 25 plus 26).....0		286,845	217,694
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....		(99,085)	(72,481)
29. Aggregate write-ins for other income or expenses.....0		0	0
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.....	2,701,329	1,395,989
31. Federal and foreign income taxes incurred.....	XXX.....	1,047,433	685,733
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	1,653,896	710,256
DETAILS OF WRITE-INS			
0601. Self Insured.....	XXX.....	2,561,735	2,550,720
0602. ....	XXX.....		
0603. ....	XXX.....		
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX.....	2,561,735	2,550,720
0701. Other income.....	XXX.....		
0702. ....	XXX.....		
0703. ....	XXX.....		
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX.....	0	0
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page.....0		0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....0		0	0
2901. Other income.....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page.....0		0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....0		0	0

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	10,453,806	9,689,180
34. Net income or (loss) from Line 32.....	1,653,896	710,256
35. Change in valuation basis of aggregate policy and claim reserves.....		
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$.....0.....		
37. Change in net unrealized foreign exchange capital gain or (loss).....		
38. Change in net deferred income tax.....	88,193	28,270
39. Change in nonadmitted assets.....	(424,738)	26,100
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.....	500,000	
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....	30,548	30,548
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	(30,548)	(30,548)
48. Net change in capital and surplus (Lines 34 to 47).....	1,817,351	764,626
49. Capital and surplus end of reporting period (Line 33 plus 48).....	12,271,157	10,453,806

DETAILS OF WRITE-INS		
4701. Amortization of special surplus from gain on sale-leaseback.....	(30,548)	(30,548)
4702. ....		
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page.....	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	(30,548)	(30,548)

CASH FLOW

	1 Current Year	2 Prior Year
CASH FROM OPERATIONS		
1. Premiums collected net of reinsurance.....	75,226,676	69,525,489
2. Net investment income.....	220,385	204,339
3. Miscellaneous income.....	2,561,735	2,550,720
4. Total (Lines 1 through 3).....	78,008,796	72,280,548
5. Benefit and loss related payments.....	54,895,305	51,473,408
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions.....	20,264,367	18,319,619
8. Dividends paid to policyholders.....		
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses).....	1,048,507	560,992
10. Total (Lines 5 through 9).....	76,208,179	70,354,019
11. Net cash from operations (Line 4 minus Line 10).....	1,800,618	1,926,529
CASH FROM INVESTMENTS		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds.....	2,426,354	3,183,053
12.2 Stocks.....		
12.3 Mortgage loans.....		
12.4 Real estate.....		
12.5 Other invested assets.....		
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments.....		
12.7 Miscellaneous proceeds.....		74,696
12.8 Total investment proceeds (Lines 12.1 to 12.7).....	2,426,354	3,257,749
13. Cost of investments acquired (long-term only):		
13.1 Bonds.....	4,065,636	3,528,394
13.2 Stocks.....		
13.3 Mortgage loans.....		
13.4 Real estate.....		
13.5 Other invested assets.....		
13.6 Miscellaneous applications.....		
13.7 Total investments acquired (Lines 13.1 to 13.6).....	4,065,636	3,528,394
14. Net increase (decrease) in contract loans and premium notes.....		
15. Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(1,639,282)	(270,645)
CASH FROM FINANCING AND MISCELLANEOUS SOURCES		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes.....		
16.2 Capital and paid in surplus, less treasury stock.....	500,000	
16.3 Borrowed funds.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5 Dividends to stockholders.....		
16.6 Other cash provided (applied).....	(423,345)	(360,001)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	76,655	(360,001)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	237,991	1,295,883
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	8,593,806	7,297,922
19.2 End of year (Line 18 plus Line 19.1).....	8,831,797	8,593,806
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001 .....	.....	.....



UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....				.....0
2.	Medicare supplement.....				.....0
3.	Dental only.....	.....75,884,819			.....75,884,819
4.	Vision only.....				.....0
5.	Federal employees health benefits plan.....				.....0
6.	Title XVIII - Medicare.....				.....0
7.	Title XIX - Medicaid.....				.....0
8.	Other health.....				.....0
9.	Health subtotal (Lines 1 through 8).....	.....75,884,819	.....0	.....0	.....75,884,819
10.	Life.....				.....0
11.	Property/casualty.....				.....0
12.	Totals (Lines 9 to 11).....	.....75,884,819	.....0	.....0	.....75,884,819



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	54,895,620			54,895,620						
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	54,895,620	0	0	54,895,620	0	0	0	0	0	0
2. Paid medical incentive pools and bonuses.....	0									
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	3,679,613			3,679,613						
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	3,679,613	0	0	3,679,613	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	0									
6. Net healthcare receivables (a).....	0									
7. Amounts recoverable from reinsurers December 31, current year.....	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	3,202,486			3,202,486						
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	0									
8.4 Net.....	3,202,486	0	0	3,202,486	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	0									
11. Amounts recoverable from reinsurers December 31, prior year.....	0									
12. Incurred benefits:										
12.1 Direct.....	55,372,747	0	0	55,372,747	0	0	0	0	0	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
12.4 Net.....	55,372,747	0	0	55,372,747	0	0	0	0	0	0
13. Incurred medical incentive pools and bonuses.....	0	0	0	0	0	0	0	0	0	0

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	0									
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	0									
1.4 Net.....	0	0	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct.....	3,679,613			3,679,613						
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	0									
2.4 Net.....	3,679,613	0	0	3,679,613	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	3,679,613	0	0	3,679,613	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	0	0	0	0	0	0	0	0	0	0
4.4 Net.....	3,679,613	0	0	3,679,613	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid December 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....					0	
2. Medicare supplement.....					0	
3. Dental only.....	3,173,655	51,721,962	1,528	3,678,085	3,175,183	3,202,486
4. Vision only.....					0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....					0	
9. Health subtotal (Lines 1 to 8).....	3,173,655	51,721,962	1,528	3,678,085	3,175,183	3,202,486
10. Healthcare receivables (a).....					0	
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....					0	
13. Totals (Lines 9 - 10 + 11 + 12).....	3,173,655	51,721,962	1,528	3,678,085	3,175,183	3,202,486

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	2,655	2,656	2,652	2,651	2,803
2. 2012.....	40,774	42,772	42,773	42,773	42,773
3. 2013.....	XXX	43,637	45,927	45,930	45,931
4. 2014.....	XXX	XXX	45,592	48,612	48,620
5. 2015.....	XXX	XXX	XXX	48,439	51,603
6. 2016.....	XXX	XXX	XXX	XXX	51,722

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	2,655	2,656	2,652	2,651	2,803
2. 2012.....	42,863	42,775	42,773	42,773	42,773
3. 2013.....	XXX	45,816	45,929	45,930	45,931
4. 2014.....	XXX	XXX	48,541	48,615	48,620
5. 2015.....	XXX	XXX	XXX	51,638	51,605
6. 2016.....	XXX	XXX	XXX	XXX	55,400

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

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expense	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2012.....	55,123	42,597	1,231	2.9	43,828	79.5			43,828	79.5
2. 2013.....	59,828	46,078	1,185	2.6	47,263	79.0			47,263	79.0
3. 2014.....	63,432	48,794	1,460	3.0	50,254	79.2			50,254	79.2
4. 2015.....	67,239	51,802	1,775	3.4	53,577	79.7	2		53,579	79.7
5. 2016.....	76,292,882	51,904	2,167	4.2	54,071	0.1	3,678	64	57,813	0.1

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	2,655	2,656	2,652	2,651	2,803
2. 2012.....	40,774	42,772	42,773	42,773	42,773
3. 2013.....	XXX	43,637	45,927	45,930	45,931
4. 2014.....	XXX	XXX	45,592	48,612	48,620
5. 2015.....	XXX	XXX	XXX	48,439	51,603
6. 2016.....	XXX	XXX	XXX	XXX	51,722

SECTION B - INCURRED HEALTH CLAIMS - DENTAL ONLY

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	2,655	2,656	2,652	2,651	2,803
2. 2012.....	42,863	42,775	42,773	42,773	42,773
3. 2013.....	XXX	45,816	45,929	45,930	45,931
4. 2014.....	XXX	XXX	48,541	48,615	48,620
5. 2015.....	XXX	XXX	XXX	51,638	51,605
6. 2016.....	XXX	XXX	XXX	XXX	55,400

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - DENTAL ONLY

Years in Which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claim Payments	3  Claim Adjustment Expense Payments	4  Percent (Col. 3/2)	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  Percent (Col. 5/1)	7  Claims Unpaid	8  Unpaid Claim Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  Percent (Col. 9/1)
1. 2012.....	55,123	42,597	1,231	2.9	43,828	79.5			43,828	79.5
2. 2013.....	59,828	46,078	1,185	2.6	47,263	79.0			47,263	79.0
3. 2014.....	63,432	48,794	1,460	3.0	50,254	79.2			50,254	79.2
4. 2015.....	67,239	51,802	1,775	3.4	53,577	79.7	2		53,579	79.7
5. 2016.....	76,292,882	51,904	2,167	4.2	54,071	0.1	3,678	64	57,813	0.1

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims**  
**NONE**

**Underwriting and Investment Ex. - Pt. 2D - Aggregate Reserve for A&H Contracts Only**  
**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).....	.....	.....	.....330,288	.....	.....330,288
2. Salaries, wages and other benefits.....	.....	.....	.....	.....	.....0
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....	.....	.....	.....4,575,113	.....	.....4,575,113
4. Legal fees and expenses.....	.....	.....	.....65,319	.....	.....65,319
5. Certifications and accreditation fees.....	.....	.....	.....	.....	.....0
6. Auditing, actuarial and other consulting services.....	.....	.....	.....	.....	.....0
7. Traveling expenses.....	.....	.....	.....	.....	.....0
8. Marketing and advertising.....	.....	.....	.....	.....	.....0
9. Postage, express and telephone.....	.....	.....	.....171,821	.....	.....171,821
10. Printing and office supplies.....	.....	.....	.....	.....	.....0
11. Occupancy, depreciation and amortization.....	.....	.....	.....	.....	.....0
12. Equipment.....	.....	.....	.....1,221	.....	.....1,221
13. Cost or depreciation of EDP equipment and software.....	.....	.....	.....117,809	.....	.....117,809
14. Outsourced services including EDP, claims, and other services.....	.....	.....111,278	.....231,137	.....	.....342,415
15. Boards, bureaus and association fees.....	.....	.....	.....	.....	.....0
16. Insurance, except on real estate.....	.....	.....	.....	.....	.....0
17. Collection and bank service charges.....	.....	.....	.....265,515	.....	.....265,515
18. Group service and administration fees.....	.....	.....2,055,646	.....11,208,667	.....	.....13,264,313
19. Reimbursements by uninsured plans.....	.....	.....	.....(1,225,335)	.....	.....(1,225,335)
20. Reimbursements from fiscal intermediaries.....	.....	.....	.....	.....	.....0
21. Real estate expenses.....	.....	.....	.....	.....	.....0
22. Real estate taxes.....	.....	.....	.....	.....	.....0
23. Taxes, licenses and fees:	.....	.....	.....	.....	.....
23.1 State and local insurance taxes.....	.....	.....	.....143	.....	.....143
23.2 State premium taxes.....	.....	.....	.....735,592	.....	.....735,592
23.3 Regulatory authority licenses and fees.....	.....	.....	.....143,677	.....	.....143,677
23.4 Payroll taxes.....	.....	.....	.....	.....	.....0
23.5 Other (excluding federal income and real estate taxes).....	.....	.....	.....	.....	.....0
24. Investment expenses not included elsewhere.....	.....	.....	.....	.....	.....0
25. Aggregate write-ins for expenses.....	.....0	.....0	.....1,772,348	.....0	.....1,772,348
26. Total expenses incurred (Lines 1 to 25).....	.....0	.....2,166,924	.....18,393,315	.....0	(a).....20,560,239
27. Less expenses unpaid December 31, current year.....	.....	.....63,938	.....1,782,674	.....	.....1,846,612
28. Add expenses unpaid December 31, prior year.....	.....	.....50,860	.....1,590,412	.....	.....1,641,272
29. Amounts receivable relating to uninsured plans, prior year.....	.....	.....	.....	.....	.....0
30. Amounts receivable relating to uninsured plans, current year.....	.....	.....	.....	.....	.....0
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	.....0	.....2,153,846	.....18,201,053	.....0	.....20,354,899

DETAILS OF WRITE-INS

2501. Interest expense.....	.....	.....	.....23,683	.....	.....23,683
2502. Network Access Fees.....	.....	.....	.....873,829	.....	.....873,829
2503. Operating Lease.....	.....	.....	.....312,668	.....	.....312,668
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....562,168	.....0	.....562,168
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	.....0	.....0	.....1,772,348	.....0	.....1,772,348

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



EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds.....	(a).....12,055	.....12,123
1.1	Bonds exempt from U.S. tax.....	(a).....	.....
1.2	Other bonds (unaffiliated).....	(a).....	.....
1.3	Bonds of affiliates.....	(a).....173,191	.....208,000
2.1	Preferred stocks (unaffiliated).....	(b).....	.....
2.11	Preferred stocks of affiliates.....	(b).....	.....
2.2	Common stocks (unaffiliated).....	.....	.....
2.21	Common stocks of affiliates.....	.....	.....
3.	Mortgage loans.....	(c).....	.....
4.	Real estate.....	(d).....	.....
5.	Contract loans.....	.....	.....
6.	Cash, cash equivalents and short-term investments.....	(e).....106	.....106
7.	Derivative instruments.....	(f).....	.....
8.	Other invested assets.....	.....	.....
9.	Aggregate write-ins for investment income.....	.....0	.....0
10.	Total gross investment income.....	.....185,352	.....220,229
11.	Investment expenses.....	.....	(g).....
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).....0
15.	Aggregate write-ins for deductions from investment income.....	.....	.....0
16.	Total deductions (Lines 11 through 15).....	.....	.....0
17.	Net investment income (Line 10 minus Line 16).....	.....	.....220,229

DETAILS OF WRITE-INS

0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599.	Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....4,486 accrual of discount less \$.....9,701 amortization of premium and less \$.....17,675 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. government bonds.....	.....	.....0	.....	.....
1.1	Bonds exempt from U.S. tax.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated).....	.....75,080	.....75,080	.....	.....
1.3	Bonds of affiliates.....	.....	.....0	.....	.....
2.1	Preferred stocks (unaffiliated).....	.....	.....0	.....	.....
2.11	Preferred stocks of affiliates.....	.....	.....0	.....	.....
2.2	Common stocks (unaffiliated).....	.....	.....0	.....	.....
2.21	Common stocks of affiliates.....	.....	.....0	.....	.....
3.	Mortgage loans.....	.....	.....0	.....	.....
4.	Real estate.....	.....	.....0	.....	.....
5.	Contract loans.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments.....	.....	.....0	.....	.....
7.	Derivative instruments.....	.....	.....0	.....	.....
8.	Other invested assets.....	.....	.....0	.....	.....
9.	Aggregate write-ins for capital gains (losses).....	.....0	.....0	.....0	.....0
10.	Total capital gains (losses).....	.....75,080	.....0	.....75,080	.....0

DETAILS OF WRITE-INS

0901.	.....	.....	.....0	.....	.....
0902.	.....	.....	.....0	.....	.....
0903.	.....	.....	.....0	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page...	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....0	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....			0
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....			0
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....			0
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....	36,910	38,613	1,703
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....	424,192		(424,192)
21. Furniture and equipment, including health care delivery assets.....	6,528	550	(5,978)
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....			0
25. Aggregate write-ins for other-than-invested assets.....	44,011	47,740	3,729
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	511,641	86,903	(424,738)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	511,641	86,903	(424,738)

DETAILS OF WRITE-INS

1101. ....			0
1102. ....			0
1103. ....			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaid Expenses.....	44,011	47,740	3,729
2502. ....			0
2503. ....			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	44,011	47,740	3,729

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.....	251,484	257,468	257,468	258,713	258,621	3,094,569
2. Provider service organizations.....						
3. Preferred provider organizations.....	69,785	81,621	79,662	79,030	79,498	951,577
4. Point of service.....						
5. Indemnity only.....	4,704	4,546	4,512	4,134	3,950	51,471
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	325,973	343,635	341,642	341,877	342,069	4,097,617

DETAILS OF WRITE-INS

0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

**NOTES TO FINANCIAL STATEMENTS**

**Note 1 - Summary of Significant Accounting Policies**

**A. Accounting Practices**

The financial statements of Dental Care Plus Inc., (the “Company”) are presented on the basis of accounting practices prescribed or permitted by the Ohio Department of Insurance (the "State or ODI"). The Company is a wholly owned subsidiary of DCP Holding Company (the "Parent or DCPH").

The Company recognizes only statutory accounting practices prescribed or permitted by the State of Ohio for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures Manual*, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Company did not have any Ohio prescribed practices that would have a reconciling difference between NAIC SAP and the state.

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:

	Ohio	2016	2015
<b>NET INCOME</b>			
(1) State basis (Page 4, Line 32, Columns 2 & 3)		\$ 1,653,896	\$ 710,256
(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)		\$ 1,653,896	\$ 710,256
<b>SURPLUS</b>			
(5) State basis (Page 3, Line 33, Columns 3 & 4)		\$12,271,157	\$ 10,453,806
(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)		\$12,271,157	\$ 10,453,806

**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 and reinsurance 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.

The amount of dividends to be paid to policyholders is determined annually by the Company’s Board of Directors. The aggregate amount of policyholders’ dividends is related to actual interest and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company. There were no dividends declared or paid in 2016 and 2015.

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 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, 2016 and 2015.
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, 2016 and 2015.  
  
Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest. The Company did not have any investments in mortgage loans on real estate at December 31, 2016 and 2015.
5. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities, except for interest only securities or securities where the yield had become negative, that are valued using the prospective method. The Company did not have any investments in loan-backed securities at December 31, 2015 and 2013.

NOTES TO FINANCIAL STATEMENTS

6. The Company does not have any Goodwill.
7. The Company does not have any minor ownership interests any joint ventures.
8. All derivatives would be stated at fair value. The Company did not have any derivatives at December 31, 2016.
9. The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with SSAP No. 54, Individual and Group Accident and Health Contracts.
10. Unpaid losses and loss adjustment expenses include an amount determined from 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 liabilities are continually reviewed and any adjustments are reflected in the period determined.
11. The Company has not modified its capitalization policy from the prior period.

**Note 2 - Accounting Changes and Corrections of Errors**

Not applicable. DCP had no accounting changes or corrections of errors to report.

**Note 3 - Business Combinations and Goodwill**

Not applicable.

**Note 4 - Discontinued Operations**

Not applicable.

**Note 5 - Investments**

Not applicable. The Company did not have any investments in mortgage loans, debt restructuring, reverse mortgages, loan backed securities, or repurchase agreements for the years ended December 31, 2016 and 2015.

**Note 6 - Joint Ventures, Partnerships and Limited Liability Companies**

Not Applicable. The Company has no Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets as of December 31, 2016 and 2015.

**Note 7 - Investment Income**

Not applicable. The Company did not have any excluded (nonadmitted) investment income due and accrued as of December 31, 2016 and 2015.

**Note 8 - Derivative Instruments**

Not applicable. There were no derivative instruments at December 31, 2016 and December 31, 2015.

**Note 9 - Income Taxes**

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

	Description	2016			2015			Change		
		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
1a.	Gross Deferred Tax Assets	396,628	-	396,628	425,866	-	425,866	(29,238)	-	(29,238)
1b.	Statutory Valuation Allowance	-	-	-	-	-	-	-	-	-
1c.	Adjusted Gross Deferred Tax Assets	396,628	-	396,628	425,866	-	425,866	(29,238)	-	(29,238)
1d.	Deferred Tax Assets Nonadmitted	36,910	-	36,910	38,613	-	38,613	(1,703)	-	(1,703)
1e.	Subtotal Net Admitted Deferred Tax Asset	359,718	-	359,718	387,252	-	387,252	(27,534)	-	(27,534)
1f.	Deferred Tax Liabilities	193,813	-	193,813	311,244	-	311,244	(117,431)	-	(117,431)
1g.	Net Admitted Deferred Tax Asset (Net Deferred Tax Liability)	165,905	-	165,905	76,008	-	76,008	89,897	-	89,897

NOTES TO FINANCIAL STATEMENTS

	2016			2015			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks	356,150	-	356,150	383,685	-	383,685	(27,535)	-	(27,535)
To Be Realized (Excluding The Amount Of Deferred Tax Assets From Above) After Application Of The Threshold Limitation (The Lesser of i. and ii. Below)	1,703	-	1,703	1,703	-	1,703	-	-	-
Adjusted Gross Deferred Tax Assets Expected to be Realized Following The Balance Sheet Date	1,703	-	1,703	1,703	-	1,703	-	-	-
Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	413,155		413,155	1,549,765		1,549,765			
Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From (a) And (b) Above) Offset By Gross Deferred Tax Liabilities	1,864	-	1,864	1,864	-	1,864	-	-	-
Deferred Tax Assets Admitted As The Result Of Application Of SSAP No. 101	359,717	-	359,171	387,252	-	387,252	(27,535)	-	(28,081)
Total Admitted Adjusted Gross Deferred Tax Assets	359,717	-	359,717	387,252	-	387,252			
Deferred Tax Liability	193,813	-	193,813	311,244	-	311,244	(117,431)	-	(117,431)
Net Admitted Deferred Tax Assets	165,904	-	165,904	76,008	-	76,008	89,896	-	89,896
Nonadmitted Deferred Tax Assets	36,910	-	36,910	38,613	-	38,613	(1,703)	-	(1,703)

	2016	2015		
Ratio percentage used to determine recovery period and threshold limitation amounts	583%	532%		
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)ii above	12,580,293	10,634,521		
Impact of tax planning strategies on adjusted gross DTAs and net admitted DTAs:				
Description	2016			
	Ordinary	Capital	Total	
Adjusted gross DTAs - Amount	-	-	-	
Adjusted gross DTAs - Percentage	0%	0%	0%	
Net admitted DTAs - Amount	-	-	-	
Net admitted DTAs - Percentage	0%	0%	0%	

The Company does not use reinsurance based tax planning strategies.

B. Unrecognized Deferred Tax Liabilities- There are no temporary differences for deferred tax liabilities that are not recognized at December 31, 2016 and 2015.

C. Current Tax and Change in Deferred Tax- Current income taxes incurred consisted of the following major components at December 31, 2016 and 2015 are as follows:

Description	2016	2015
Current income tax expense	1,036,311	675,247
Tax on capital gains/(losses)	8,462	8,901
Prior year underaccrual/(overaccrual)	11,122	10,486
Federal income taxes incurred	1,055,895	694,633

NOTES TO FINANCIAL STATEMENTS

The tax effects of temporary differences that give rise to significant portions of the deferred taxes at December 31, 2016 and 2015 are as follows:

		December 31,	December 31,		
DTAs Resulting from Book/Tax Differences In		2016	2015		Change
Ordinary:					
Unearned premiums		86,212	113,961		(27,749)
Net Operating Loss		-	-		-
Unpaid losses and LAE		9,037	9,177		(140)
Accrued commission		238,723	227,407		11,316
Accrued Professional Fees		-	-		-
Basis difference in fixed assets		-	-		-
Deferred intercompany loss on building		33,091	34,023		(932)
Basis difference on fixed assets		-	-		-
Allowance for doubtful accounts		13,971	5,003		8,968
Prepaid insurance		4,800	7,667		(2,867)
Capitalized legal fees		10,793	11,564		(771)
Investment impairment		-	17,065		(17,065)
Gross ordinary DTAs		396,628	425,866		(29,240)
Statutory valuation adjustment adjustment - ordinary		-	-		-
Nonadmitted ordinary DTAs		(36,910)	(38,613)		1,703
Admitted ordinary DTAs		359,718	387,252		(27,537)
Capital:					
Unrealized loss		-	-		-
Gross capital DTAs		-	-		-
Statutory valuation adjustment adjustment - capital		-	-		-
Nonadmitted capital DTAs		-	-		-
Admitted capital DTAs		-	-		-
Admitted DTAs		359,718	387,252		(27,537)
		December 31,	December 31,		
DTLs Resulting from Book/Tax Differences In		2016	2015		Change
Ordinary:					
Basis difference in fixed assets		(170,013)	(287,444)		117,431
Deferred intercompany gain on land		(23,800)	(23,800)		-
Ordinary DTLs		(193,813)	(311,244)		117,431
Capital:					
Unrealized gain		-	-		-
Capital DTLs		-	-		-
DTLs		(193,813)	(311,244)		117,431
Net admitted deferred tax asset (liability)		165,905	76,008		89,897

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

		December 31,	December 31,		
Description		2016	2015		Change
Total deferred tax assets		396,628	425,866		(29,238)
Total deferred tax liabilities		(193,813)	(311,244)		117,431
Net deferred tax asset		202,815	114,622		88,193
Tax effect of unrealized (gains)/losses					-
Change in net deferred income tax (charge)/benefit					88,193

**NOTES TO FINANCIAL STATEMENTS**

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

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

Description	Amount	Tax Effect	Effective Tax Rate
Income (loss) before taxes	2,719,143	924,509	34.0%
Nondeductible Federal Premium Tax	558,826	190,001	7.0%
Permanent Provision to Return Adjustment	(5,347)	(1,818)	-0.1%
Change in nonadmitted assets	(426,441)	(144,990)	-5.3%
Other	-	-	0.0%
	2,846,181	967,702	35.00%
			59
Federal income taxes incurred			1,047,433
Tax on capital gains/(losses)			8,462
Change in net deferred income taxes			(88,193)
Total statutory income taxes			967,702

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

At December 31, 2016, the Company had no operating loss, capital loss or AMT carry forwards to utilize in future years.

The following is income tax incurred for 2014, 2015 and 2016 that is available for recoupment in the event of future net losses:

Year	Ordinary	Capital	Total
2014		9,540	9,540
2015	669,304	25,965	695,269
2016	1,036,311	8,462	1,044,773
Total	1,705,615	43,967	1,749,582

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

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

The Company files its income tax return on a consolidated basis with its parent company, DCP Holding Company, and the two other wholly owned subsidiaries of its parent company, Insurance Associates Plus, Inc. and Adenta, Inc. The Company’s federal income tax expense and liability are calculated on a separate company basis. In keeping with the Company’s income tax allocation arrangement, the Company has a net federal income tax receivable at December 31, 2016 and 2015, of approximately \$59,000 and \$65,000, respectively, which includes \$464,000 related to federal tax payments made on behalf of DCP Holding Company, Insurance Associates Plus, Inc. and Adenta for the 2016 tax year. The Company’s policy is to settle this inter-company receivable within 30 days of the filing of its consolidated income tax return.

**G. Accounting for tax contingencies**

For the years ended December 31, 2016 and 2015, the Company did not have tax contingencies under the principles of SSAP No. 5, Liabilities, Contingencies and Impairments of Assets. This is subject to change but it is not expected to significantly increase in the 12 month period following the balance sheet date. The Company is primarily subject to U.S. federal and various U.S. state and local tax authorities. Tax years subsequent to 2012 remain open to examination by the Internal Revenue Service and 2011 remains open to state and local tax authorities. As of December 31, 2016, there are no U.S. federal or state returns under examination.

**Note 10 - Information Concerning Parent, Subsidiaries and Affiliates**

B. & C. The Company did not declare or pay any common stock dividends to the Parent in 2016 and 2015. There were no cash investments received from the Parent in 2016 and 2015.

In December 2012, the Company entered into a sale-leaseback agreement of its real estate interest to the Parent with a fair market value purchase price of \$2,200,000. The Company paid its outstanding encumbrance of \$1,310,000 related to the real estate property and also recorded a gain on the sale of the asset of \$305,478, which is included in special surplus.



**NOTES TO FINANCIAL STATEMENTS**

The amount included in special surplus related to the sale-leaseback agreement was \$183,287 and \$213,835 at December 31, 2016 and 2015, respectively.

- D. At December 31, 2016, the Company reported \$276,009 as amounts due to DCPH. The terms of the settlement require that these amounts be settled within 30 days.
- E. The Company has a Management Services Agreement with DCPH to provide general administrative services to the Company. DCPH collected monthly management fees from the Company based on an apportionment of the DCPH costs incurred by the Company. The Company paid management fees to DCPH of \$13,251,235 and \$12,037,764 in 2016 and 2015, respectively.
- F. The Company pays Insurance Associates Plus, Inc. (“IAP”), an insurance agency that is an affiliate of the Company, commissions on collected premiums from employee groups serviced by IAP. The Company paid commissions to IAP totaling \$166,417 and \$82,512 in 2016 and 2015, respectively.

All outstanding shares of the Company are owned by the Parent.

- G. Not applicable. The Company does not own shares of the stock of Parent.
- H. Not applicable. The Company does not own any interest or investment, whose carrying value is equal to or exceeds 10% of the admitted assets of the Company.
- I. Not applicable. The Company does not invest in an affiliated company during the statement period.
- K. Not applicable. The Company does not invest in a foreign insurance company.
- L. Not applicable. The Company does not have any downstream non insurance holding company.

**Note 11 - Debt**

The Company does not have an outstanding encumbrance for the years ended December 31, 2016 and 2015.

The Company does not have any reverse repurchase agreements.

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

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

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

- 1. The Company has 1,500 common shares authorized, 166 shares issued and shares outstanding as of December 31, 2016 and 2015.
- 2. The Company has no preferred stock outstanding.
- 3. Dividends paid by the Company to its shareholders cannot, without prior approval of the Department, exceed in any one year the lesser of (i) 10% of net worth (as of the preceding December 31), or (ii) net income for the prior year, and only if net worth exceeds \$250,000 and only out of positive capital and surplus.
- 4. The Company did not declare or pay any dividends in 2016 and 2015.
- 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 stockholders.
- 6. There were no restrictions placed on the Company’s surplus, including for whom the surplus is being held.
- 7. Not applicable the Company is not a mutual reciprocal.
- 8. Not applicable there are not any stocks of affiliated companies held for any special purpose.
- 9. In accordance with SSAP 22 par. 10, the Company recorded \$305,478 in special surplus as a result of the gain on the sale-leaseback for the real-estate that the Company previously owned. This amount will be amortized to unassigned surplus in conjunction with the rental agreement.
- 10. At December 31, 2016, there is no change in surplus due to a reversal of unrealized gains or losses.
- 11. The Company does not have any surplus debenture or similar obligations.

NOTES TO FINANCIAL STATEMENTS

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

**Note 14 - Contingencies**

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

**Note 15 - Leases**

The Company leases certain equipment and office space under non-cancelable operating leases. Rent expense under all operating leases was approximately \$665,312 and \$603,888 for the years ended December 31, 2016 and 2015, respectively.

At December 31, 2015, future approximate minimum annual lease payments under non-cancelable operating and office space lease are as reported

Years Ending December 31		
2017		714,409
2018		722,784
2019		599,518
2020 and thereafter		896,567
Total		2,933,278

In 2015, the Company entered into a sale-leaseback transaction with a leasing company. The Company sold certain fixed assets totaling \$346,823. There was no gain or loss on either sale. The Company did not retain the benefits and risk to the property sold and the risk of ownership was transferred to the leasing company. The Company entered into a four year non-cancelable operating leasing agreements with the leasing company in 2015. The minimum lease payments are included in the minimum annual lease payments schedule.

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

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

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

Not applicable.

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

A. ASO Plans - Not Applicable

B. ASC Plans

The gain from operations from Administrative Service Contract (ASC) uninsured plans was as follows during 2016:

a. Gross reimbursement for medical cost incurred		\$ 27,676,070
b. Gross administrative fees accrued		\$ 1,207,125
c. Other income or expenses		\$ (4,460,611)
d. Gross expenses incurred (claims and administrative)		\$ 25,114,335
e. Total net gain or loss from operations		\$ (691,751)

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

NOTES TO FINANCIAL STATEMENTS

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

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Type of Business Written	Type of Authority Granted	Total Premiums Written/Produced By
DCP Holding Company (Parent)	20-1291244	Yes	PPO, HMO, IND	C, CA, R, B, P, U	\$72,678,231
100 Crowne Point Place					
Cincinnati, OH 45241					
MYIHR	45-2721020	No	PPO	C, CA, P	\$3,206,588
525 South Main Street					
Suite 8					
Akron, OH 44311					

Note 20- Fair Value Measurements

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

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

NOTES TO FINANCIAL STATEMENTS

The following table presents the aggregate fair value for all financial instruments and the level within the fair value hierarchy in which the fair value measurements in their entirety fall on the statements of admitted assets, liabilities, and capital and surplus as of December 31, 2016 and 2015:

	December 31, 2016				December 31, 2015		
			Total				Total
	Level 1	Level 2	Balance		Level 1	Level 2	Balance
Assets:							
Cash							
Federally-Insured certificates of deposits		\$ 75,000	\$ 75,000			\$ 75,000	\$ 75,000
Bonds							
Federally-Insured certificates of deposits		\$ 1,095,074	\$ 1,095,074				
Investment grade corporate bonds		\$ 6,564,872	\$ 6,564,872				
U.S. Government Securities	\$ 1,774,601		\$ 1,774,601				
Short-term investments - Money Market Funds	\$ 222,577		\$ 222,577		\$ -		
Total Assets	\$ 1,997,178	\$ 7,734,946	\$ 9,732,124		\$ -	\$ 75,000	\$ 75,000

The Company measures fair value using the following valuation methodologies. The Company uses quoted market prices in active markets to determine the fair value of exchange-traded money market securities; such items are classified as Level 1 of the fair-value hierarchy. The Company obtains and reviews the pricing service’s valuation methodologies and validates these prices using various inputs including quotes from other independent regulatory sources. When deemed necessary, the Company validates prices by replicating a sample using a discounted cash flow model and observable inputs. Such items are classified as Level 2 of the fair-value hierarchy. The Company obtains a price from an independent vendor to determine the fair value of the interest rate swap. The independent vendor uses a discounted cash flow method whereby the significant observable inputs include the replacement interest rates of similar swap instruments in the market and swap curves; such items are classified as Level 2 of the fair value hierarchy. The Company did not have any transfers between Level 1 and 2 for the years ended December 31, 2016 and 2015. The Company did not have any Level 3 financial instruments at December 31, 2016 and 2015.

Note 21 - Other Items

- A.

Extraordinary Items

NONE - Not applicable
- B.

Troubled Debt Restructuring: Debtors

NONE - Not applicable
- C.

Other Disclosures and Unusual Items

NONE - Not applicable
- D.

Business Interruption Insurance Recoveries

NONE - Not Applicable
- E.

State Transferable and Non-transferable Tax Credits

NONE - Not applicable
- F.

Subprime-Mortgage-Related Risk Exposure

NONE - Not Applicable
- G.

Retained Assets

NONE - Not Applicable

**NOTES TO FINANCIAL STATEMENTS**

**Note 22 - Events Subsequent**

In accordance with the provisions of the Affordable Care Act of 2010, effective January 1, 2015, the federal government imposed an annual assessment on all U.S. health insurers of approximately \$13.9 billion in 2016. This annual assessment will increase each year and is expected to be \$16.0 billion in 2019. This annual assessment is allocated to individual health insurers based on the ratio of the insurer’s net premiums written during the preceding calendar year to the total health insurance premiums for any U.S. risk premium written for that same year. The first \$25 million of a health insurer’s net premium written is exempt from the federal premium tax assessment. The net premium written by a health insurer from \$25 million to \$50 million is subject to 50% of the federal premium tax rate. Accordingly, in January of 2015, the Company established a liability for the federal premium tax of approximately \$580,000 that was payable to the United States Treasury in September 2016, along with an offsetting asset that was be amortized during 2016.

**Note 23 - Reinsurance**

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?
- Yes ( )      No (X )

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

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?
- Yes ( )      No (X)
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?
- Yes ( )      No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.      not applicable
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?
- Yes ( )      No (X )

B. Uncollectible receivables- Not applicable.

C. Commutation of Ceded Reinsurance- Not applicable.

NOTES TO FINANCIAL STATEMENTS

**Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination**

Not applicable.

**Note 25 - Change in Incurred Losses and Loss Adjustment Expenses**

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

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

**Note 26 - Intercompany Pooling Arrangements**

Not Applicable.

**Note 27 - Structured Settlements**

Not Applicable.

**Note 28 - Health Care Receivables**

Not applicable.

**Note 29 - Participating Policies**

Not applicable.

**Note 30 - Premium Deficiency Reserves**

The Company reviews contracts with employers groups to determine the adequacy of premiums earned, and to be earned, relative to the total expected claims and claims adjustment expenses for the contracts. As of December 31, 2016 and 2015, the Company determined these contracts did not warrant the establishment of a premium deficiency reserve.

**Note 31 - Anticipated Salvage and Subrogation**

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
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 [ ]

1.3

State regulating?

Ohio

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [ ]No [X]

2.2

If yes, date of change:

3.1

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

12/31/2012

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.

12/31/2012

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/10/2014

3.4

By what department or departments?  
Ohio Department of Insurance

3.5

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

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

3.6

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

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

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [ ]No [X]

4.12

renewals?

Yes [X]No [ ]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [ ]No [X]

4.22

renewals?

Yes [ ]No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [ ]No [X]

5.2

If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2 NAIC Company Code	3 State of Domicile
Name of Entity		

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [ ]No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [ ]No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, 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 with 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 the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
DELOITTE & TOUCHE LLP, 250 EAST FIFTH STREET, SUITE 1900, CINCINNATI, OHIO 45202

10.1

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

Yes [ ]No [X]

10.2

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

10.3

Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ]No [X]

10.4

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

10.5

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

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

10.6

If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
TIMOTHY P. BERGHOFF, MAAA, 8216 MILLVIEW DRIVE, CINCINNATI, OH 45249
- 12.1

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

Yes [ ☐ ] No [ ☒ ]

12.11

Name of real estate holding company

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$0
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ☐ ] No [ ☒ ]

13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ☐ ] No [ ☒ ]

13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ☐ ] No [ ☐ ] N/A [ ☒ ]

14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ ☒ ] 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 [ ☒ ]

14.21

If the response to 14.2 is yes, provide information related to amendment(s).

14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ☐ ] No [ ☒ ]

14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [ ☐ ] No [ ☒ ]

15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes [ ☒ ] 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 [ ☒ ] 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 [ ☒ ] No [ ☐ ]

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [ ☐ ] No [ ☒ ]

20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11

To directors or other officers

\$0

20.12

To stockholders not officers

\$0

20.13

Trustees, supreme or grand (Fraternal only)

\$0

20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21

To directors or other officers

\$0

20.22

To stockholders not officers

\$0

20.23

Trustees, supreme or grand (Fraternal only)

\$0

21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes [ ☐ ] No [ ☒ ]

21.2

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

21.21

Rented from others

\$

21.22

Borrowed from others

\$

21.23

Leased from others

\$

21.24

Other

\$

22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [ ☐ ] No [ ☒ ]

22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$

22.22

Amount paid as expenses

\$

22.23

Other amounts paid

\$

23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [ ☐ ] No [ ☒ ]

23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$0

27.1



GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01

Were all of 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 ☒ No ☐

24.02

If no, give full and complete information, relating thereto:

24.03

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

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

Yes ☐ No ☐ N/A ☒

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$

24.06

If answer to 24.04 is no, report amount of collateral for other programs

\$

24.07

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

Yes ☐ No ☐ N/A ☒

24.08

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

Yes ☐ No ☐ N/A ☒

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 ☒

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 current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)

Yes ☒ No ☐

25.2

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

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$1,862,379

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 ☒

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes ☐ No ☐ N/A ☒

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐ No ☒

27.2

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

\$

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes ☒ No ☐

28.01

For all 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
Key Bank (Indiana and Ohio)	5181 Natorp Blvd, Suite 510, Mason, OH 45040
Fifth Third Securities, Inc	38 Fountain Sq. Plaza, Cincinnati, OH 45263
UBS Financial Securities	8044 Montgomery Rd, Cincinnati, OH 45236
U.S. Bank Institutional Trust & Custody (Georgia)	225 Water Street, Suite 700, Jacksonville, FL 32202
Farmer's Bank (Kentucky)	#1 Farmer's Bank Plaza, Frankfort, KY 40601
Wells Fargo (Virginia)	1021 E. Cary Street, Richmond VA 23219

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 ☒

28.04

If yes, give full and complete information relating thereto:

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

28.05

Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1	2
Name of Firm or Individual	Affiliation

28.0597

For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [ ] No [ ]

28.0598

For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [ ] No [ ]

28.06

For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed

29.1

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

Yes [ ] No [ X ]

29.2

If yes, complete the following schedule:

1	2	3
CUSIP	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999	TOTAL	

29.3

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	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	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	9,675,750	9,657,124	(18,626)
30.2	Preferred Stocks	0	0	0
30.3	Totals	9,675,750	9,657,124	(18,626)

30.4

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

Cusip trading price at end of period

31.1

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

Yes [ X ] No [ ]

31.2

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

Yes [ X ] No [ ]

31.3

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

32.1

Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis 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?

\$31,866

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	2
Name	Amount Paid
A.M. Best Company, Inc.	\$22,100
National Assn. of Dental Plans	9,766

34.1

Amount of payments for legal expenses, if any?

\$0

34.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
	\$

35.1

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

\$18,077

35.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
ILLINOIS DEPARTMENT OF INSURANCE	\$5,000

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES**

VIRGINIA DEPARTMENT OF HEALTH	5,000
-------------------------------	-------

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1

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

Yes [ ☐ ]

No [ ☒ X ]

1.2

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

\$

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

\$

75,884,819

\$

68,775,888

2.2

Premium Denominator

\$

75,884,819

\$

68,775,888

2.3

Premium Ratio (2.1/2.2)

\$

100.000

\$

100.000

2.4

Reserve Numerator

\$

3,679,613

\$

3,202,486

2.5

Reserve Denominator

\$

3,679,613

\$

3,202,486

2.6

Reserve Ratio (2.4/2.5)

\$

100.000

\$

100.000

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 [ ☒ X ]

No [ ☐ ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ ☐ ]

No [ ☒ X ]

5.2

If no, explain:  
Dental HMO, Indemnity and PPO are not required to have a stop loss coverage

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

0

5.32

Medical Only

\$

0

5.33

Medicare Supplement

\$

0

5.34

Dental and Vision

\$

0

5.35

Other Limited Benefit Plan

\$

0

5.36

Other

\$

0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

Provider agreements call for providers to only collect deductibles and coinsurance even if the Company becomes insolvent In addition, providers are obligated to continue with all current patients treatments to completion.

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

51,347

8.2

Number of providers at end of reporting year

58,915

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 with rate guarantees between 15-36 months

\$

12,522,291

9.22

Business with rate guarantees over 36 months

\$

0

10.1

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

Yes [ X ]    No [   ]

10.2

If yes:

10.21

Maximum amount payable bonuses

\$

0

10.22

Amount actually paid for year bonuses

\$

0

10.23

Maximum amount payable withholds

\$

0

10.24

Amount actually paid for year withholds

\$

0

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 [ X ]    No [   ]

11.14

A Mixed Model (combination of above)?

Yes [   ]    No [ X ]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [ X ]    No [   ]

11.3

If yes, show the name of the state requiring such minimum capital and surplus.  
OH

11.4

If yes, show the amount required.

\$

2,500,000

11.5

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

Yes [ X ]    No [   ]

11.6

If the amount is calculated, show the calculation

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

1 Name of Service Area
Georgia - All Counties
Illinois - All Counties
Indiana - All Counties
Kentucky - All Counties
Ohio - All Counties
Pennsylvania - All Counties
Tennessee - All Counties
Virginia - All Counties

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

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, 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
	0		\$	\$	\$	\$

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

\$

0

15.3

Number of Covered Lives

0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

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 2016	2 2015	3 2014	4 2013	5 2012
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28).....	19,673,398	17,350,402	15,908,620	14,139,988	12,382,728
2. Total liabilities (Page 3, Line 24).....	7,402,242	6,896,596	6,219,440	5,579,546	4,986,577
3. Statutory minimum capital and surplus requirement.....	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
4. Total capital and surplus (Page 3, Line 33).....	12,271,156	10,453,806	9,689,179	8,560,441	7,396,151
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	78,446,554	71,326,608	67,023,467	62,556,314	57,509,737
6. Total medical and hospital expenses (Line 18).....	55,372,747	51,727,676	48,652,366	45,724,217	42,767,503
7. Claims adjustment expenses (Line 20).....	2,166,924	1,774,638	1,460,488	1,185,134	1,230,795
8. Total administrative expenses (Line 21).....	18,393,314	16,573,518	15,324,293	13,998,816	11,882,796
9. Net underwriting gain (loss) (Line 24).....	2,513,569	1,250,776	1,586,320	1,648,147	1,628,643
10. Net investment gain (loss) (Line 27).....	286,845	217,694	215,276	153,808	238,000
11. Total other income (Lines 28 plus 29).....	(99,085)	(72,481)	(37,225)	(19,190)	(72,993)
12. Net income or (loss) (Line 32).....	1,653,896	710,256	1,156,469	1,191,105	1,107,830
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	1,800,618	1,926,529	1,227,099	1,578,971	42,079
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	12,271,156	10,453,806	9,689,179	8,560,441	7,396,151
15. Authorized control level risk-based capital.....	2,105,944	1,963,700	1,764,372	1,689,945	1,591,297
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	342,069	325,973	306,998	291,965	276,293
17. Total member months (Column 6, Line 7).....	4,097,617	3,845,189	3,648,224	3,459,203	3,286,556
<b>Operating Percentage (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0</b>					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19). .....	73.0	75.2	75.4	75.9	77.3
20. Cost containment expenses.....					0.1
21. Other claims adjustment expenses.....	2.9	2.6	2.3	2.0	2.1
22. Total underwriting deductions (Line 23).....	100.1	101.9	101.4	101.1	101.0
23. Total underwriting gain (loss) (Line 24).....	3.3	1.8	2.5	2.7	2.9
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13 Col. 5).....	3,175,183	3,038,244	2,293,324	2,001,603	2,654,534
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)] .....	3,202,486	2,948,681	2,179,640	2,090,647	2,750,409
<b>Investments in Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

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

Yes [   ]    No [   ]

If no, please explain:

\_\_\_\_\_

\_\_\_\_\_

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....AL	N.....							.....0	
2.	Alaska.....AK	N.....							.....0	
3.	Arizona.....AZ	N.....							.....0	
4.	Arkansas.....AR	N.....							.....0	
5.	California.....CA	N.....							.....0	
6.	Colorado.....CO	N.....							.....0	
7.	Connecticut.....CT	N.....							.....0	
8.	Delaware.....DE	N.....							.....0	
9.	District of Columbia.....DC	N.....							.....0	
10.	Florida.....FL	N.....							.....0	
11.	Georgia.....GA	L.....	1,719,055						1,719,055	
12.	Hawaii.....HI	N.....							.....0	
13.	Idaho.....ID	N.....							.....0	
14.	Illinois.....IL	L.....							.....0	
15.	Indiana.....IN	L.....	812,503						812,503	
16.	Iowa.....IA	N.....							.....0	
17.	Kansas.....KS	N.....							.....0	
18.	Kentucky.....KY	L.....	11,222,749						11,222,749	
19.	Louisiana.....LA	N.....							.....0	
20.	Maine.....ME	N.....							.....0	
21.	Maryland.....MD	N.....							.....0	
22.	Massachusetts.....MA	N.....							.....0	
23.	Michigan.....MI	N.....							.....0	
24.	Minnesota.....MN	N.....							.....0	
25.	Mississippi.....MS	N.....							.....0	
26.	Missouri.....MO	N.....							.....0	
27.	Montana.....MT	N.....							.....0	
28.	Nebraska.....NE	N.....							.....0	
29.	Nevada.....NV	N.....							.....0	
30.	New Hampshire.....NH	N.....							.....0	
31.	New Jersey.....NJ	N.....							.....0	
32.	New Mexico.....NM	N.....							.....0	
33.	New York.....NY	N.....							.....0	
34.	North Carolina.....NC	N.....							.....0	
35.	North Dakota.....ND	N.....							.....0	
36.	Ohio.....OH	L.....	61,561,947						61,561,947	
37.	Oklahoma.....OK	N.....							.....0	
38.	Oregon.....OR	N.....							.....0	
39.	Pennsylvania.....PA	L.....	322,049						322,049	
40.	Rhode Island.....RI	N.....							.....0	
41.	South Carolina.....SC	N.....							.....0	
42.	South Dakota.....SD	N.....							.....0	
43.	Tennessee.....TN	L.....	246,516						246,516	
44.	Texas.....TX	N.....							.....0	
45.	Utah.....UT	N.....							.....0	
46.	Vermont.....VT	N.....							.....0	
47.	Virginia.....VA	L.....							.....0	
48.	Washington.....WA	N.....							.....0	
49.	West Virginia.....WV	N.....							.....0	
50.	Wisconsin.....WI	N.....							.....0	
51.	Wyoming.....WY	N.....							.....0	
52.	American Samoa.....AS	N.....							.....0	
53.	Guam.....GU	N.....							.....0	
54.	Puerto Rico.....PR	N.....							.....0	
55.	U.S. Virgin Islands.....VI	N.....							.....0	
56.	Northern Mariana Islands.....MP	N.....							.....0	
57.	Canada.....CAN	N.....							.....0	
58.	Aggregate Other alien.....OT	XXX.....	0	0	0	0	0	0	0	0
59.	Subtotal.....	XXX.....	75,884,819	0	0	0	0	0	75,884,819	0
60.	Reporting entity contributions for Employee Benefit Plans.....	XXX.....							0	
61.	Total (Direct Business).....	(a).....8	75,884,819	0	0	0	0	0	75,884,819	0

DETAILS OF WRITE-INS

58001.....								.....0	
58002.....								.....0	
58003.....								.....0	
58998. Summary of remaining write-ins for line 58.....		.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Total (Lines 58001 through 58003 + 58998).....		.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

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

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

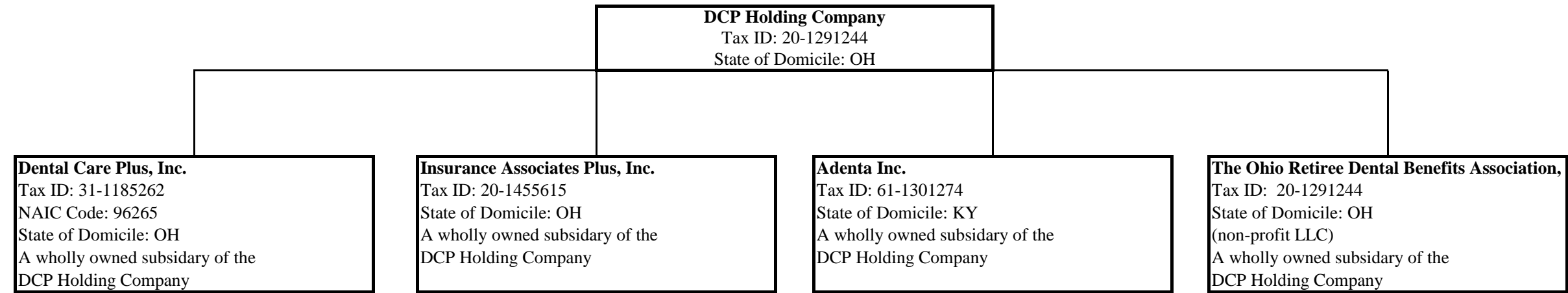
Dental Care Plus, Inc. allocates it premium revenue based on the situs or location of its employer group customers.

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



SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



2016 ALPHABETICAL INDEX  
HEALTH ANNUAL STATEMENT BLANK

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