

---

## AMENDED FILING EXPLANATION

---

Revision to General Expenses Due and Accrued



# ANNUAL STATEMENT

For the Year Ended December 31, 2017  
of the Condition and Affairs of the  
**SUPERIOR DENTAL CARE, INC.**

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

Organized under the Laws of OH  
Licensed as Business Type.....DENTAL SERVICE CORPORATION  
Incorporated/Organized..... November 30, 1984

Statutory Home Office  
Main Administrative Office  
Mail Address  
Primary Location of Books and Records  
Internet Web Site Address  
Statutory Statement Contact

State of Domicile or Port of Entry OH  
Is HMO Federally Qualified? Yes [ ] No [X]  
Commenced Business..... January 1, 1986

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

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

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

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

www.superiodental.com

BRIAN WISNIEWSKI  
(Name)  
BWISNIEWSKI@SUPERIORDENTAL.COM  
(E-Mail Address)

937-438-0283  
(Area Code) (Telephone Number) (Extension)  
937-438-1093  
(Fax Number)

Employer's ID Number..... 31-1119867

## OFFICERS

Name	Title	Name	Title
1. L DON SHUMAKER DDS	PRESIDENT	2. DOUGLAS R HOEFLING DDS	TREASURER
3. GLENN BOWER	SECRETARY	4. TRACI Y HARRELL	CEO

## OTHER

## DIRECTORS OR TRUSTEES

Dennis A Burns DDS L Don Shumaker DDS Thomas A Grabeman DDS Traci Y Harrell	Roger E Clark DDS James L Sims DDS Dale Anne Featheringham DDS	Douglas R Hoefling DDS Laura Pall DDS Glenn Bower	Richard W Portune DDS David W Menning DDS Brett S Pelok DDS
--	--	---	---

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

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

(Signature) L DON SHUMAKER DDS 1. (Printed Name) PRESIDENT (Title)	(Signature) DOUGLAS R HOEFLING DDS 2. (Printed Name) TREASURER (Title)	(Signature) GLENN BOWER 3. (Printed Name) SECRETARY (Title)
Subscribed and sworn to before me This _____ day of _____ 2018	a. Is this an original filing? b. If no 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes [X] No [ ] _____ _____ _____

**ASSETS**

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D).....	3,966,800		3,966,800	3,920,663
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 \$....486,926 encumbrances).....	721,613		721,613	697,668
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 (\$....5,447,971, Schedule E-Part 1), cash equivalents (\$.....0, Schedule E-Part 2) and short-term investments (\$.....0, Schedule DA).....	5,447,971		5,447,971	4,886,745
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).....	10,136,384	0	10,136,384	9,505,076
13. Title plants less \$.....0 charged off (for Title insurers only).....			0	
14. Investment income due and accrued.....	16,740		16,740	19,721
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	798,672		798,672	306,747
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.....	5,865		5,865	5,832
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0	
18.2 Net deferred tax asset.....			0	
19. Guaranty funds receivable or on deposit.....			0	
20. Electronic data processing equipment and software.....			0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0	
23. Receivables from parent, subsidiaries and affiliates.....	1,495,033	1,495,033	0	
24. Health care (\$.....0) and other amounts receivable.....			0	
25. Aggregate write-ins for other-than-invested assets.....	23,997	23,997	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	12,476,691	1,519,030	10,957,661	9,837,376
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0	
28. TOTAL (Lines 26 and 27).....	12,476,691	1,519,030	10,957,661	9,837,376

**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.....	23,997	23,997	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).....	23,997	23,997	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).....	1,815,737		1,815,737	1,896,997
2. Accrued medical incentive pool and bonus amounts.....			0	
3. Unpaid claims adjustment expenses.....	25,164		25,164	36,500
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.....	892,518		892,518	1,022,436
9. General expenses due or accrued.....	748,693		748,693	488,528
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)).....	631,470		631,470	390,800
10.2 Net deferred tax liability.....	35,580		35,580	43,350
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.....			0	
16. Derivatives.....	4,236		4,236	13,073
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.....	6,676		6,676	1,731
23. Aggregate write-ins for other liabilities (including \$.....0 current).....	0	0	0	0
24. Total liabilities (Lines 1 to 23).....	4,160,074	0	4,160,074	3,893,415
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	220,000	0
26. Common capital stock.....	XXX	XXX	500	500
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
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	6,577,087	5,943,461
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	6,797,587	5,943,961
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	10,957,661	9,837,376

**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. 2017 ACA Fee Assessment.....	XXX	XXX	220,000	
2502.....	XXX	XXX		
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	220,000	0
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

# SUPERIOR DENTAL CARE, INC.

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	2,140,360	2,097,209
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	49,851,522	48,037,792
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.....	0	0
7. Aggregate write-ins for other non-health revenues.....	XXX.....	0	0
8. Total revenues (Lines 2 to 7).....	XXX.....	49,851,522	48,037,792
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits.....	.....	.....	.....
10. Other professional services.....	.....	37,925,998	37,068,126
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	37,925,998	37,068,126
<b>Less:</b>			
17. Net reinsurance recoveries.....	.....	.....	.....
18. Total hospital and medical (Lines 16 minus 17).....	.....0	37,925,998	37,068,126
19. Non-health claims (net).....	.....	.....	.....
20. Claims adjustment expenses, including \$.....0 cost containment expenses.....	.....	752,412	741,142
21. General administrative expenses.....	.....	9,560,024	9,274,330
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	48,238,434	47,083,598
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	1,613,088	954,194
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	.....	273,457	265,936
26. Net realized capital gains or (losses) less capital gains tax of \$.....0.....	.....	.....	(46)
27. Net investment gains or (losses) (Lines 25 plus 26).....	.....0	273,457	265,890
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)].....	.....	.....	.....
29. Aggregate write-ins for other income or expenses.....	.....0	11	12
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.....	1,886,556	1,220,096
31. Federal and foreign income taxes incurred.....	XXX.....	631,470	390,800
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	1,255,086	829,296

### DETAILS OF WRITE-INS

0601.....	XXX.....	.....	.....
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.....	0	0
0701.....	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.....	.....	11	12
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	11	12

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

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	5,943,961	5,528,695
34. Net income or (loss) from Line 32.....	1,255,086	829,296
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.....	7,770	(20,100)
39. Change in nonadmitted assets.....	(418,067)	(401,016)
40. Change in unauthorized and certified reinsurance.....		
41. Change in treasury stock.....		
42. Change in surplus notes.....		
43. Cumulative effect of changes in accounting principles.....		
44. Capital changes:		
44.1 Paid in.....		
44.2 Transferred from surplus (Stock Dividend).....		
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in.....		
45.2 Transferred to capital (Stock Dividend).....		
45.3 Transferred from capital.....		
46. Dividends to stockholders.....		
47. Aggregate write-ins for gains or (losses) in surplus.....	8,837	7,086
48. Net change in capital and surplus (Lines 34 to 47).....	853,626	415,266
49. Capital and surplus end of reporting period (Line 33 plus 48).....	6,797,587	5,943,961

**DETAILS OF WRITE-INS**

4701. Fair Value of Interest Rate Swap Contract.....	8,837	7,086
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).....	8,837	7,086

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital and Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plans	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income.....	49,851,522			49,851,522						
2. Change in unearned premium reserves and reserve for rate credit.....	0									
3. Fee-for-service (net of \$.....0 medical expenses).....	0									XXX
4. Risk revenue.....	0									XXX
5. Aggregate write-ins for other health care related revenues.....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
7. Total revenues (Lines 1 to 6).....	49,851,522	0	0	49,851,522	0	0	0	0	0	0
8. Hospital/medical benefits.....	0									XXX
9. Other professional services.....	37,925,998				37,925,998					XXX
10. Outside referrals.....	0									XXX
11. Emergency room and out-of-area.....	0									XXX
12. Prescription drugs.....	0									XXX
13. Aggregate write-ins for other hospital and medical.....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts.....	0									XXX
15. Subtotal (Lines 8 to 14).....	37,925,998	0	0	37,925,998	0	0	0	0	0	XXX
16. Net reinsurance recoveries.....	0									XXX
17. Total hospital and medical (Lines 15 minus 16).....	37,925,998	0	0	37,925,998	0	0	0	0	0	XXX
18. Non-health claims (net).....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....0 cost containment expenses.....	752,412			752,412						
20. General administrative expenses.....	9,560,024			9,560,024						
21. Increase in reserves for accident and health contracts.....	0									XXX
22. Increase in reserve for life contracts.....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22).....	48,238,434	0	0	48,238,434	0	0	0	0	0	0
24. Net underwriting gain or (loss) (Line 7 minus Line 23).....	1,613,088	0	0	1,613,088	0	0	0	0	0	0

#### DETAILS OF WRITE-INS

**SUPERIOR DENTAL CARE, INC.**  
**UNDERWRITING AND INVESTMENT EXHIBIT**

**PART 3 - ANALYSIS OF EXPENSES**

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....		24,515	213,322		237,837
2. Salaries, wages and other benefits.....		502,162	3,556,463		4,058,625
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....			2,805,481		2,805,481
4. Legal fees and expenses.....		8,758	76,214		84,972
5. Certifications and accreditation fees.....					0
6. Auditing, actuarial and other consulting services.....		23,302	202,772		226,074
7. Traveling expenses.....		17,352	150,993		168,345
8. Marketing and advertising.....			383,393		383,393
9. Postage, express and telephone.....		19,570	170,290		189,860
10. Printing and office supplies.....		33,172	234,935		268,107
11. Occupancy, depreciation and amortization.....		9,793	85,222		95,015
12. Equipment.....		12,420	73,593		86,013
13. Cost or depreciation of EDP equipment and software.....		12,364	87,563		99,927
14. Outsourced services including EDP, claims, and other services.....		59,179	382,260		441,439
15. Boards, bureaus and association fees.....			43,779		43,779
16. Insurance, except on real estate.....			68,407		68,407
17. Collection and bank service charges.....			74,118		74,118
18. Group service and administration fees.....					0
19. Reimbursements by uninsured plans.....			(29,999)		(29,999)
20. Reimbursements from fiscal intermediaries.....					0
21. Real estate expenses.....			45,039		45,039
22. Real estate taxes.....			39,500		39,500
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....					0
23.2 State premium taxes.....			612,490		612,490
23.3 Regulatory authority licenses and fees.....			25,000		25,000
23.4 Payroll taxes.....		29,825	211,229		241,054
23.5 Other (excluding federal income and real estate taxes).....			47,960		47,960
24. Investment expenses not included elsewhere.....					0
25. Aggregate write-ins for expenses.....	0	0	0	0	0
26. Total expenses incurred (Lines 1 to 25).....	0	752,412	9,560,024	0	(a).....10,312,436
27. Less expenses unpaid December 31, current year.....		25,164	748,693		773,857
28. Add expenses unpaid December 31, prior year.....		36,500	488,528		525,028
29. Amounts receivable relating to uninsured plans, prior year.....			5,832		5,832
30. Amounts receivable relating to uninsured plans, current year.....			5,865		5,865
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	0	763,748	9,299,892	0	10,063,640

**DETAILS OF WRITE-INS**

2501.....					0
2502.....					0
2503.....					0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0	0	0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	0	0	0	0	0

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

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

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

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

	SSAP #	F/S Page	F/S Line #	2017	2016
<b>NET INCOME</b>					
(1) SUPERIOR DENTAL CARE, INC. state basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 1,255,086	\$ 829,296
(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)	XXX	XXX	XXX	\$ 1,255,086	\$ 829,296
<b>SURPLUS</b>					
(5) SUPERIOR DENTAL CARE, INC. state basis (Page 3, line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 6,797,587	\$ 5,943,961
(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)	XXX	XXX	XXX	\$ 6,797,587	\$ 5,943,961

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

The preparation of financial statements in conforming with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**C. Accounting Policy**

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

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

Each year the SDC Board of Directors evaluates the performance of the dental HIC, capital and surplus requirements prescribed by the Ohio Department of Insurance, factors impacting financial strength, funding needed to support strategic objectives for the coming years and any other factors deemed relevant to the Board and determines the level of return of provider withhold. Once authorized by the Board, such amounts are recorded as additional healthcare services expense for the period authorized and shown as additional claims payment liability until paid. The determination was made to return 20% of the withheld reserve and payment was made on or before February 28, 2018.

In addition, the company uses the following accounting policies:

1. Short term investments are stated at amortized cost.
2. Bonds are stated at amortized cost using the interest method
3. Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the company has an interest of 20% or more are carried on the equity basis. The company did not have any investments in common stocks at December 31, 2017 and 2016.
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, 2017 and 2016.
5. Mortgage loans on real estate are stated at the aggregate carrying value less accrued interest.
6. The company did not have any investments in loan-backed securities at December 31, 2017 and 2016.
7. The company does not have any Goodwill.
8. The company does not have any minor ownership interest in any joint ventures.
9. All derivatives are stated at fair value.
10. The company does anticipate investment income as a factor of premium deficiency calculation, in accordance with SSAP No 54, Individual and Group Accident and Health contracts.

**NOTES TO FINANCIAL STATEMENTS**

11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amounts, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.

12. The company has not modified its capitalization policy from the prior period.

13. The company does not have pharmaceutical rebate receivables.

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

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

**Note 3 - Business Combinations and Goodwill**

Not applicable.

**Note 4 - Discontinued Operations**

Not applicable. The company had no discontinued operations.

**Note 5 - Investments**

A. SDC had no investments in mortgage loans.

B. SDC had no investments in restructured debt.

C. SDC had no investments in reverse mortgages.

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

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

**F. Real Estate**

Superior Dental Care, Inc. owns land and two office buildings. This property is classified as Property Occupied by the Company and is reported net of encumbrances of \$486,926 at December 31, 2017.

G. SDC had no investments in low-income housing tax credits.

**H. Restricted Assets****(1) Restricted Assets (Including Pledged)**

Restricted Asset Category	1 Total Gross Restricted from Current Year	2 Total Gross Restricted from Prior Year	3 Increase (Decrease) (1 minus 2)	4 Total Current Year Nonadmitted Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	7 Additional Restricted to Total Admitted Assets (b)
a. Subject to contractual obligation for which liability is not shown							
b. Collateral held under security lending arrangements							
c. Subject to repurchase agreements							
d. Subject to reverse repurchase agreements							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reverse repurchase agreements							
g. Placed under option contracts							
h. Letter stock or securities restricted as to sale – excluding FHLB capital stock							
i. FHLB capital stock							
j. On deposit with states	125,000	125,000			125,000	1.143	1.2712.271
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
<b>o. Total Restricted Assets</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>	<b>\$</b>	<b>\$ 125,000</b>	<b>\$ 125,000</b>	<b>1.143</b>	

(a) Column 1 divided by Asset Page, Column 1, Line 28

(b) Column 5 divided by Asset Page, Column 1, Line 28

I. SDC had no working-capital finance investments.

**NOTES TO FINANCIAL STATEMENTS**

J. Offsetting of Assets and Liabilities - Not applicable.

K. SDC had no investments in structured notes.

L. SDC had no investments in 5\* Securities.

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

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

**Note 7 - Investment Income**

SDC did not have any excluded (non-admitted) investment income due and accrued as of December 31, 2017.

**Note 8 - Derivative Instruments**

The Company entered into an interest swap agreement with an original notional amount of \$616,250 at December 31, 2013. The agreement is used to manage the Company's interest rate risk. The swap agreement effectively changes the interest rate related to the Company's mortgage note with a commercial bank from a variable rate based on the 30-day LIBOR rate plus 2.35% to a fixed rate of approximately 4.10% for the 7-year period through December 31, 2020. The notional amount decreases \$2,862 per month in direct correlation to the principal reduction of the mortgage.

The fair value of the agreement at December 31, 2017 was a liability of \$4,236 and at December 31, 2016 was a liability of \$13,073.

**Note 9 - Income Taxes**

## A. Deferred Tax Assets/(Liabilities)

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

	2017			2016			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Gross deferred tax assets									
b. Statutory valuation allowance adjustment									
c. Adjusted gross deferred tax assets (1a-1b)									
d. Deferred tax assets nonadmitted									
e. Subtotal net admitted deferred tax asset (1c-1d)									
f. Deferred tax liabilities	35,580		35,580	43,350		43,350	(7,770)		(7,770)
g. Net admitted deferred tax assets/(net deferred tax liability) (1e-1f)	(35,580)		(35,580)	(43,350)		(43,350)	7,770		7,770

## 2. Admission Calculation Components

	2017			2016			Change		
	1 Ordinary	2 Capital	3 (Col 1+2) Total	4 Ordinary	5 Capital	6 (Col 4+5) Total	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
a. Federal income taxes paid in prior years recoverable through loss carrybacks									
b. Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from 2(a) above) after application of the threshold limitation. (The lesser of 2(b)1 and 2(b)2 below:									
Adjusted gross deferred tax assets expected to be realized following the balance sheet date									
Adjusted gross deferred tax assets allowed per limitation threshold									
c. Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from 2(a) and 2(b) above) offset by gross deferred tax liabilities									

**NOTES TO FINANCIAL STATEMENTS**

d. Deferred tax assets admitted as the result of application of SSAP 101. Total (2(a)+2(b)+2(c))									
---	--	--	--	--	--	--	--	--	--

## 3. Other Admissibility Criteria

		2017	2016
a. Ratio percentage used to determine recovery period and threshold limitation amount	453.200	411.300	
b. Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in 2(b)2 above	6,797,587	5,943,961	

## 4. Impact of Tax Planning Strategies

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

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

## B. Current and Deferred Income Taxes

## 1. Current Income Tax

	1 2017	2 2016	3 (Col 1-2) Change
a. Federal	631,470	390,800	240,670
b. Foreign			
c. Subtotal	631,470	390,800	240,670
d. Federal income tax on net capital gains			
e. Utilization of capital loss carry-forwards			
f. Other			
g. Federal and Foreign income taxes incurred	631,470	390,800	240,670

## 2. Deferred Tax Assets

	1 2017	2	3 (Col 1-2) Change
a. Ordinary:			
1. Discounting of unpaid losses			
2. Unearned premium reserve			
3. Policyholder reserves			
4. Investments			
5. Deferred acquisition costs			
6. Policyholder dividends accrual			
7. Fixed assets			
8. Compensation and benefits accrual			
9. Pension accrual			
10. Receivables - nonadmitted			
11. Net operating loss carry-forward			
12. Tax credit carry-forward			
13. Other (including items <5% of total ordinary tax assets)			
99. Subtotal			
b. Statutory valuation allowance adjustment			
c. Nonadmitted			
d. Admitted ordinary deferred tax assets (2a99-2b-2c)			
e. Capital:			
1. Investments			

**NOTES TO FINANCIAL STATEMENTS**

	1 2017	2 2016	3 (Col 1-2) Change
2. Net capital loss carry-forward			
3. Real estate			
4. Other (including items <5% of total capital tax assets)			
99. Subtotal			
f. Statutory valuation allowance adjustment			
g. Nonadmitted			
h. Admitted capital deferred tax assets (2e99-2f-2g)			
i. Admitted deferred tax assets (2d+2h)			

## 3. Deferred Tax Liabilities

	1 2017	2 2016	3 (Col 1-2) Change
a. Ordinary:			
1. Investments			
2. Fixed assets			
3. Deferred and uncollected premium			
4. Policyholder reserves			
5. Other (including items <5% of total ordinary tax assets)	35,580	43,350	(7,770)
99. Subtotal	35,580	43,350	(7,770)
b. Capital:			
1. Investments			
2. Real estate			
3. Other (including items <5% of total capital tax assets)			
99. Subtotal			
c. Deferred tax liabilities (3a99+3b99)	35,580	43,350	(7,770)
4. Net Deferred Tax Assets (2i – 3c)	(35,580)	(43,350)	7,770

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

## D. Consolidated Federal Income Tax Return

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

## E. Federal or Foreign Federal Income Tax Loss Contingencies

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

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

A, B, C. Superior Dental Care, Inc is a wholly owned subsidiary of Superior Dental Care Alliance, Inc. (parent). SDC did not declare or pay any dividends to parent in 2017 or 2016.

D. At December 31, 2017, the Company reported \$1,495,033 as amounts due from Parent and Affiliates.

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

F. SDC has a management services agreement with parent whereby parent incurs the majority of general and administrative expenses, including payroll, and charges SDC a management fee. The management fee is determined by a fixed per member per month charge, rather than a pass-through of actual expenses incurred by parent. SDC paid management fees to parent of \$6,637,545 in 2017 and \$6,537,934 in 2016.

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

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

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

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

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

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

M. Not applicable. SDC has no SCA investments.

N. Not applicable. SDC has no investments in Insurance SCAs.

**NOTES TO FINANCIAL STATEMENTS****Note 11 - Debt**

A. SDC does not have any debt outstanding at December 31, 2017.

SDC does not have any reverse repurchase agreements.

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

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

All employees are employed by Superior Dental Care Alliance, Inc. and therefore the retirement plans are the responsibility of the Holding Company.

A. Defined Benefit Plan - not applicable

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

C. Fair Value of Plan Assets - not applicable

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

E. Defined Contribution Plans - not applicable

F. Multiemployer Plans - not applicable

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

H. Postemployment Benefits and Compensated Absences - not applicable

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

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

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

2. SDC has no preferred stock outstanding.

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

4. The company did not declare or pay any dividends in 2017.

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

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

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

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

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

10. At December 31, 2017, the company has no portion of unassigned funds represented or reduced by cumulative unrealized gains and losses.

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

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

**Note 14 – Liabilities, Contingencies and Assessments**

The company has no contingencies at December 31, 2017.

**Note 15 - Leases**

A. The company has no lessee leasing arrangements.

B. Lessor Leases - SDC leases space in its building to an unrelated party. Income recorded by SDC under this lease was \$29,340 for the year ended December 31, 2017.

Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2017 are as follows:		
	Year Ending December 31	Operating Leases
1.	2018	29,340
2.	2019	12,225
3.	2020	
4.	2021	
5.	2022	
6.	Total	41,565

**NOTES TO FINANCIAL STATEMENTS****Note 16 - Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk.**

1. The table below summarizes the face amount of the Company's financial instruments with off-balance sheet risk:

	Assets		Liabilities	
	2017	2016	2017	2016
a. Swaps	\$	\$	\$ 4,236	\$ 13,073
b. Futures				
c. Options				
d. Total	\$	\$	\$ 4,236	\$ 13,073

The Company entered into an interest swap agreement with an original notional amount of \$616,250 at December 31, 2013. The agreement is used to manage the Company's interest rate risk. The swap agreement effectively changes the interest rate related to the Company's mortgage note with a commercial bank from a variable rate based on the 30-day LIBOR rate plus 2.35% to a fixed rate of approximately 4.10% for the 7-year period through December 31, 2020. The notional amount decreases \$2,862 per month in direct correlation to the principal reduction of the mortgage.

The fair value of the agreement at December 31, 2017 was a liability of \$4,236 and at December 31, 2016 was a liability of \$13,073.

**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**

- (1) SDC has one Uninsured Plan for which it provides limited administrative services.
- (2) Total administrative fees recorded for the period ended December 31, 2017 were \$29,999.
- (3) The impact of providing these services on General Administrative expenses is nominal; therefore, no calculation is performed for the Net Gain or Loss from ASO Operations.
- (4) No claims are processed or paid for this ASO plan.

**B. ASC Plans - not applicable****C. Medicare or Similarly Structured Cost Based Reimbursement Contract - not applicable****Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Name and Address of Managing General Agent or Third Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premiums Written/Produced By
Superior Dental Care Alliance, Inc.	20-4819498	YES	HMO	C,CA,B,P,U	49,851,522
Total	XXX	XXX	XXX	XXX	49,851,522

**Note 20 - Fair Value Measurements****A.****(1) Fair Value Measurements at Reporting Date**

Assets at Fair Value	Level 1	Level 2	Level 3	Total
Money Market Funds	111,507			111,507
Total	111,507			111,507

Liabilities at Fair Value	Level 1	Level 2	Level 3	Total
Interest Rate Swap	4,236			4,236
Total	4,236			4,236

The company did not have any transfers between level 1 and 2 for the years ended December 31, 2017 and 2016.

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

**B. None****C. None****D. Not applicable****Note 21 - Other Items****A. Extraordinary Items**

None

**B. Trouble Debt Restructuring**

None

**NOTES TO FINANCIAL STATEMENTS****C. Other Disclosures**

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

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

**D. Business Interruption Insurance Recoveries**

None

**E. State Transferable and Non-Transferable Tax Credits**

None

**F. Subprime Mortgage Related Risk Exposure**

None

**G. Retained Assets**

None

**Note 22 - Events Subsequent****Type II - Nonrecognized Subsequent Events**

On January 1, 2015, the company became subject to an annual fee under section 9010 of the Federal Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premium written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2018 to be \$220,000. Reporting the ACA assessment as of December 31, 2017, would not have triggered an RBC action level.

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?

		Yes [ X ]	No [ ]
B.	ACA fee assessment payable for the upcoming year	\$ 220,000	\$
C.	ACA fee assessment paid	\$	\$ 193,165
D.	Premium written subject to ACA 9010 assessment	\$ 49,851,522	\$ 48,037,792
E.	Total adjusted capital before surplus adjustment (Five-Year Historical Line 14)	\$ 6,797,587	
F.	Total adjusted capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 6,577,587	
G.	Authorized control level (Five-Year Historical Line 15)	\$ 1,499,915	

**Note 23 - Reinsurance**

Not applicable.

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

Not applicable.

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

Reserves as of December 31, 2016 were \$1,896,997. As of December 31, 2017, \$1,873,229 has been paid for incurred claims attributable to events of prior years. Amounts incurred related to prior year vary from previously estimated liabilities as the claims are ultimately settled.

**Note 26 - Intercompany Pooling Arrangements**

None

**Note 27 - Structured Settlements**

None

**Note 28 - Health Care Receivables**

None

**Note 29 - Participating Policies**

None

**Note 30 - Premium Deficiency Reserves**

1. Liability carried for premium deficiency reserve:	\$0
2. Date of most recent evaluation of this liability:	December 31, 2017

---

**NOTES TO FINANCIAL STATEMENTS**

---

3. Was anticipated investment income utilized in the calculation? NO

A loss is recognized when it is probable that expected dental care costs and maintenance costs under existing group contracts will exceed anticipated future premiums on those contracts. The estimated future dental care costs and maintenance costs considered in determining whether a loss has been incurred include direct and allocable indirect costs. Contracts are grouped in a manner consistent with the company's method of establishing premium rates to determine whether a loss has been incurred. Management determined that no premium deficiency reserve was necessary at December 31, 2017.

**Note 31 - Anticipated Salvage and Subrogation**

None

**FIVE-YEAR HISTORICAL DATA**

	1 2017	2 2016	3 2015	4 2014	5 2013
<b>Balance Sheet Items (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28).....	10,957,661	9,837,376	9,344,085	9,414,619	8,762,408
2. Total liabilities (Page 3, Line 24).....	4,160,074	3,893,415	3,815,390	4,316,469	4,327,959
3. Statutory minimum capital and surplus requirement.....	250,000	250,000	250,000	250,000	250,000
4. Total capital and surplus (Page 3, Line 33).....	6,797,587	5,943,961	5,528,695	5,098,150	4,434,449
<b>Income Statement Items (Page 4)</b>					
5. Total revenues (Line 8).....	49,851,522	48,037,792	46,621,810	44,466,170	43,075,290
6. Total medical and hospital expenses (Line 18).....	37,925,998	37,068,126	36,229,737	34,251,576	33,783,512
7. Claims adjustment expenses (Line 20).....	752,412	741,142	710,119	650,174	631,312
8. Total administrative expenses (Line 21).....	9,560,024	9,274,330	9,163,942	8,518,537	7,649,368
9. Net underwriting gain (loss) (Line 24).....	1,613,088	954,194	518,012	1,045,883	1,011,098
10. Net investment gain (loss) (Line 27).....	273,457	265,890	243,708	206,374	144,258
11. Total other income (Lines 28 plus 29).....	11	12	2,410	3,397	104
12. Net income or (loss) (Line 32).....	1,255,086	829,296	502,330	829,804	756,110
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11).....	1,102,697	971,942	(49,325)	1,506,979	1,455,602
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital.....	6,797,587	5,943,961	5,528,695	5,098,150	4,434,449
15. Authorized control level risk-based capital.....	1,499,915	1,445,263	1,401,554	1,279,645	1,228,246
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7).....	182,475	176,495	173,548	169,993	168,053
17. Total member months (Column 6, Line 7).....	2,140,360	2,097,209	2,071,653	2,008,777	1,986,087
<b>Operating Percentage (Page 4)</b> (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	76.1	77.2	77.7	77.0	78.4
20. Cost containment expenses.....					
21. Other claims adjustment expenses.....	1.5	1.5	1.5	1.5	1.5
22. Total underwriting deductions (Line 23).....	96.8	98.0	98.9	97.6	97.7
23. Total underwriting gain (loss) (Line 24).....	3.2	2.0	1.1	2.4	2.3
<b>Unpaid Claims Analysis (U&amp;I Exhibit, Part 2B)</b>					
24. Total claims incurred for prior years (Line 13, Col. 5).....	1,873,229	1,912,121	2,226,339	2,398,894	1,792,105
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	1,896,997	1,930,470	2,225,420	2,461,146	1,998,717
<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: