



54402201820100100

2018

Document Code: 201

ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2018
OF THE CONDITION AND AFFAIRS OF THE
DELTA DENTAL PLAN OF OHIO, INC.

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

OFFICERS

Name	Title
Laura Linda Czelada, CPA	President & CEO
Frank Buzaki, Jr.	Secretary
James Robert Stahl, DDS	Treasurer
Bruce Randall Smith	Chairperson
Ann Marie Flermoen, DDS	Vice Chairperson
Douglas Robert Anderson, DDS, MS, JD	Immediate Past Chairperson

OTHERS

Goran Mike Jurkovic, CPA, CGMA, COO
Amy Lyn Basel, CPA, CGMA, SVP, CFO & CRO
Sue Ellen Jenkins, VP & General Counsel #

DIRECTORS OR TRUSTEES

Douglas Robert Anderson, DDS, MS, JD
Frank Buzaki, Jr.
Ann Marie Flermoen, DDS
Timothy Eldon Moffit, DBA
Bruce Randall Smith
James Robert Stahl, DDS
Michael Scott Stull
Carole Simonetti Watkins
Canise Yvette Wright-Bean, DMD #
Poe A Timmons, CPA #
Christopher Todd Fisher #

State of Michigan
County of Eaton ss

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

(Signature)
Goran Mike Jurkovic, CPA, CGMA
(Printed Name)
1.
COO
>Title)

(Signature)
Amy Lyn Basel, CPA, CGMA
(Printed Name)
2.
SVP, CFO & CRO
>Title)

(Signature)
Sue Ellen Jenkins
(Printed Name)
3.
VP & General Counsel
>Title)

Subscribed and sworn to before me this
day of _____, 2019

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

Yes[X] No[]

(Notary Public Signature)

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	70,960,556		70,960,556	74,567,304
2. Stocks (Schedule D):				
2.1 Preferred stocks	78,400		78,400	85,640
2.2 Common Stocks	115,557,222		115,557,222	119,732,674
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....19,089,103, Schedule E Part 1), cash equivalents (\$.....5,044,842, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	24,133,945		24,133,945	9,506,287
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	250,000		250,000	641,926
9. Receivables for securities	104,173		104,173	
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	211,084,296		211,084,296	204,533,831
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	296,234		296,234	323,481
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	2,542,148	25,224	2,516,924	3,714,635
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	11,127,311	40,133	11,087,178	7,074,951
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$.....0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	8,214		8,214	9,179
24. Health care (\$.....0) and other amounts receivable				21,271
25. Aggregate write-ins for other than invested assets	3,500	3,500		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	225,061,703	68,857	224,992,846	215,677,348
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	225,061,703	68,857	224,992,846	215,677,348
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid expenses	3,500	3,500		
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,500	3,500		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	8,451,416		8,451,416	11,431,270
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	355,660		355,660	268,309
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	65,068		65,068	60,529
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	1,526,406		1,526,406	1,686,217
9. General expenses due or accrued	3,009,609		3,009,609	2,879,770
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	2,360,442		2,360,442	2,235,051
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	3,243,605		3,243,605	2,369,826
16. Derivatives				
17. Payable for securities				166,740
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	5,217,670		5,217,670	5,295,070
23. Aggregate write-ins for other liabilities (including \$.....470,119 current)	470,119		470,119	276,921
24. TOTAL Liabilities (Lines 1 to 23)	24,699,995		24,699,995	26,669,703
25. Aggregate write-ins for special surplus funds	XXX	XXX		2,294,019
26. Common capital stock	XXX	XXX		
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	9,712,604	9,712,604
29. Surplus notes	XXX	XXX		
30. Aggregate write-ins for other than special surplus funds	XXX	XXX		
31. Unassigned funds (surplus)	XXX	XXX	190,580,247	177,001,022
32. Less treasury stock, at cost:				
32.1 .....0 shares common (value included in Line 26 \$.....0)	XXX	XXX		
32.2 .....0 shares preferred (value included in Line 27 \$.....0)	XXX	XXX		
33. TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	200,292,851	189,007,645
34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	XXX	XXX	224,992,846	215,677,348
DETAILS OF WRITE-INS				
2301. Uninsured Claim Admin Expense Reserve		470,119		470,119
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	470,119		470,119	276,921
2501. 2018 ACA Fee	XXX	XXX		2,294,019
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		2,294,019
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
	XXX	10,606,656	10,850,291
1. Member Months	XXX	10,606,656	10,850,291
2. Net premium income (including \$.....0 non-health premium income)	XXX	256,091,915	257,878,741
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		13
7. Aggregate write-ins for other non-health revenues	XXX		
8. TOTAL Revenues (Lines 2 to 7)	XXX	256,091,915	257,878,754
Hospital and Medical:			
9. Hospital/medical benefits			
10. Other professional services		214,725,675	214,801,566
11. Outside referrals			
12. Emergency room and out-of-area			
13. Prescription drugs			
14. Aggregate write-ins for other hospital and medical			
15. Incentive pool, withhold adjustments and bonus amounts			
16. Subtotal (Lines 9 to 15)		214,725,675	214,801,566
Less:			
17. Net reinsurance recoveries			
18. TOTAL Hospital and Medical (Lines 16 minus 17)		214,725,675	214,801,566
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$.....728,168 cost containment expenses		1,111,054	1,354,082
21. General administrative expenses		25,567,252	21,050,780
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)		241,403,981	237,206,428
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	14,687,934	20,672,326
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		5,627,457	4,084,551
26. Net realized capital gains (losses) less capital gains tax of \$.....0		1,658,702	1,619,710
27. Net investment gains (losses) (Lines 25 plus 26)		7,286,159	5,704,261
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]		7,671	3,663
29. Aggregate write-ins for other income or expenses		(1,499,326)	(4,997,406)
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	20,482,438	21,382,844
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	20,482,438	21,382,844
DETAILS OF WRITE-INS			
0601. Discount card revenue	XXX		13
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	XXX		13
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	XXX		
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. Contribution to Delta Dental Fund		(1,500,000)	(5,000,000)
2902. Miscellaneous Income (Expense)		674	2,594
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		(1,499,326)	(4,997,406)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	189,007,645	158,259,173
34. Net income or (loss) from Line 32	20,482,438	21,382,844
35. Change in valuation basis of aggregate policy and claim reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	(9,261,359)	8,711,153
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	64,127	654,475
40. Change in unauthorized and certified reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital and surplus (Lines 34 to 47)	11,285,206	30,748,472
49. Capital and surplus end of reporting year (Line 33 plus 48)	200,292,851	189,007,645
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1 Current Year	2 Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	257,134,040	255,700,204
2.	Net investment income	5,855,334	4,134,264
3.	Miscellaneous income	674	2,594
4.	TOTAL (Lines 1 through 3)	262,990,048	259,837,062
5.	Benefit and loss related payments	217,705,529	213,188,054
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	29,515,263	20,035,628
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	TOTAL (Lines 5 through 9)	247,220,792	233,223,682
11.	Net cash from operations (Line 4 minus Line 10)	15,769,256	26,613,380
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	32,752,965	28,957,136
12.2	Stocks	18,093,673	15,107,477
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets	500,000	500,000
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	51,346,638	44,564,613
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	30,380,727	42,845,515
13.2	Stocks	20,479,757	21,955,058
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets	270,913	60,683
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	51,131,397	64,861,256
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	215,241	(20,296,643)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(1,356,839)	(4,837,478)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(1,356,839)	(4,837,478)
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)	14,627,658	1,479,259
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	9,506,287	8,027,028
19.2	End of year (Line 18 plus Line 19.1)	24,133,945	9,506,287

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

20.0001			
---------	--	--	--

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	256,091,915			256,091,915						
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$.....0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6)	256,091,915			256,091,915						
8. Hospital/medical benefits										X X X
9. Other professional services	214,725,675			214,725,675						X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area										X X X
12. Prescription drugs										X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	214,725,675			214,725,675						X X X
16. Net reinsurance recoveries										X X X
17. TOTAL Hospital and Medical (Lines 15 minus 16)	214,725,675			214,725,675						X X X
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$.....728,168 cost containment expenses	1,111,054			1,038,777						72,277
20. General administrative expenses	25,567,252			23,904,042						1,663,210
21. Increase in reserves for accident and health contracts										X X X
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	241,403,981			239,668,494						1,735,487
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	14,687,934			16,423,421						(1,735,487)

DETAILS OF WRITE-INS

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....
3. Dental only	256,091,915	.....	.....	256,091,915
4. Vision only .....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	.....	.....	.....	.....
8. Other health .....	.....	.....	.....	.....
9. Health subtotal (Lines 1 through 8)	256,091,915	.....	.....	256,091,915
10. Life .....	.....	.....	.....	.....
11. Property/casualty .....	.....	.....	.....	.....
12. TOTALS (Lines 9 to 11)	256,091,915	.....	.....	256,091,915

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	217,705,530			217,705,530						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	217,705,530			217,705,530						
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	8,451,416			8,451,416						
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	8,451,416			8,451,416						
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	11,431,270			11,431,270						
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	11,431,270			11,431,270						
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	214,725,676			214,725,676						
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	214,725,676			214,725,676						
13. Incurred medical incentive pools and bonuses										

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	2,701,824	.....	.....	2,701,824	.....	.....	.....	.....	.....	.....
1.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1.4 Net	2,701,824	.....	.....	2,701,824	.....	.....	.....	.....	.....	.....
2. Incurred but Unreported:										
2.1 Direct	5,749,592	.....	.....	5,749,592	.....	.....	.....	.....	.....	.....
2.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2.4 Net	5,749,592	.....	.....	5,749,592	.....	.....	.....	.....	.....	.....
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3.4 Net .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4. TOTALS										
4.1 Direct	8,451,416	.....	.....	8,451,416	.....	.....	.....	.....	.....	.....
4.2 Reinsurance assumed .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.3 Reinsurance ceded .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
4.4 Net	8,451,416	.....	.....	8,451,416	.....	.....	.....	.....	.....	.....

UNDERWRITING AND INVESTMENT EXHIBIT

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

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical) .....	.....	.....	.....	.....	.....	.....
2. Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3. Dental only	10,569,464	207,136,066	102,300	8,349,115	10,671,764	11,431,270
4. Vision only .....	.....	.....	.....	.....	.....	.....
5. Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6. Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7. Title XIX - Medicaid .....	.....	.....	.....	.....	.....	.....
8. Other health .....	.....	.....	.....	.....	.....	.....
9. Health subtotal (Lines 1 to 8)	10,569,464	207,136,066	102,300	8,349,115	10,671,764	11,431,270
10. Healthcare receivables (a) .....	.....	.....	.....	.....	.....	.....
11. Other non-health .....	.....	.....	.....	.....	.....	.....
12. Medical incentive pool and bonus amounts .....	.....	.....	.....	.....	.....	.....
13. TOTALS (Lines 9 - 10 + 11 + 12)	10,569,464	207,136,066	102,300	8,349,115	10,671,764	11,431,270

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	5,997	6,093	6,093	6,093	6,093
2. 2014	152,079	157,791	157,811	157,811	157,811
3. 2015	XXX	161,110	170,468	170,482	170,482
4. 2016	XXX	XXX	173,002	181,699	181,724
5. 2017	XXX	XXX	XXX	204,477	215,021
6. 2018	XXX	XXX	XXX	XXX	207,136

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	(206)	(206)	(206)	(206)	(206)
2. 2014	158,590	157,811	157,811	157,811	157,811
3. 2015	XXX	171,045	170,482	170,482	170,482
4. 2016	XXX	XXX	182,807	181,724	181,724
5. 2017	XXX	XXX	XXX	215,883	215,123
6. 2018	XXX	XXX	XXX	XXX	215,485

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2014	186,973	157,811	2,511	1.591	160,322	85.746			160,322	85.746
2. 2015	201,563	170,482	1,152	0.676	171,634	85.152			171,634	85.152
3. 2016	215,688	181,724	1,502	0.827	183,226	84.950			183,226	84.950
4. 2017	257,879	215,021	1,318	0.613	216,339	83.892	102	4	216,445	83.933
5. 2018	256,092	207,136	974	0.470	208,110	81.264	8,349	352	216,811	84.661

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

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

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

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

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

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

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

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	5,997	6,093	6,093	6,093	6,093
2. 2014	152,079	157,791	157,811	157,811	157,811
3. 2015	XXX	161,110	170,468	170,482	170,482
4. 2016	XXX	XXX	173,002	181,699	181,724
5. 2017	XXX	XXX	XXX	204,477	215,021
6. 2018	XXX	XXX	XXX	XXX	207,136

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2014	2 2015	3 2016	4 2017	5 2018
1. Prior	(206)	(206)	(206)	(206)	(206)
2. 2014	158,590	157,811	157,811	157,811	157,811
3. 2015	XXX	171,045	170,482	170,482	170,482
4. 2016	XXX	XXX	182,807	181,724	181,724
5. 2017	XXX	XXX	XXX	215,883	215,123
6. 2018	XXX	XXX	XXX	XXX	215,485

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

Years in Which Premiums were Earned and Claims were Incurred	1	2	3	4	5	6	7	8	9	10
	Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1. 2014	186,973	157,811	2,511	1.591	160,322	85.746			160,322	85.746
2. 2015	201,563	170,482	1,152	0.676	171,634	85.152			171,634	85.152
3. 2016	215,688	181,724	1,502	0.827	183,226	84.950			183,226	84.950
4. 2017	257,879	215,021	1,318	0.613	216,339	83.892	102	4	216,445	83.933
5. 2018	256,092	207,136	974	0.470	208,110	81.264	8,349	352	216,811	84.661

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

UNDERWRITING AND INVESTMENT EXHIBIT

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

	1 Total	2 Compre- hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	65,068			65,068					
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves									
6. TOTALS (Gross)	65,068			65,068					
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	65,068			65,068					
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)									

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building)			135,470		135,470
2. Salaries, wages and other benefits	207,421	169,228	14,148,509	154,447	14,679,605
3. Commissions (less \$.....0 ceded plus \$.....0 assumed)			6,068,108		6,068,108
4. Legal fees and expenses			119		119
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	134,918	24,575	572,351		731,844
7. Traveling expenses	45,745	104,652	846,514	702	997,613
8. Marketing and advertising	392	143	1,529,699	355	1,530,589
9. Postage, express and telephone	9,826	428,868	379,243	417	818,354
10. Printing and office supplies		41,607	116,690	159	158,456
11. Occupancy, depreciation and amortization			466,761	1,753	468,514
12. Equipment	29,355	110,009	589,837	6,600	735,801
13. Cost or depreciation of EDP equipment and software	248,400	653,731	2,772,345	18,275	3,692,751
14. Outsourced services including EDP, claims, and other services	598,962	1,689,918	6,582,044		8,870,924
15. Boards, bureaus and association fees	20,197	9,295	608,343		637,835
16. Insurance, except on real estate			262,553		262,553
17. Collection and bank service charges		6,979	335,295		342,274
18. Group service and administration fees					
19. Reimbursements by uninsured plans	(612,194)	(2,981,975)	(16,154,011)		(19,748,180)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses			466,761	885	467,646
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			2,379,491		2,379,491
23.3 Regulatory authority licenses and fees	259	29,819	2,512,816		2,542,894
23.4 Payroll taxes		89,614	904,349	8,588	1,002,551
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere					
25. Aggregate write-ins for expenses	44,887	6,423	43,965		95,275
26. TOTAL Expenses Incurred (Lines 1 to 25)	728,168	382,886	25,567,252	192,181	(a) 26,870,487
27. Less expenses unpaid December 31, current year	232,958	122,702	3,009,609		3,365,269
28. Add expenses unpaid December 31, prior year	64,931	203,378	2,879,770		3,148,079
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	560,141	463,562	25,437,413	192,181	26,653,297
DETAILS OF WRITE-INS					
2501. Miscellaneous Expense	44,887	6,423	43,965		95,275
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	44,887	6,423	43,965		95,275

(a) Includes management fees of \$.....33,483,505 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	252,559	254,034
1.1 Bonds exempt from U.S. tax	(a)		
1.2 Other bonds (unaffiliated)	(a)	2,058,255	2,047,111
1.3 Bonds of affiliates	(a)		
2.1 Preferred stocks (unaffiliated)	(b)	4,960	3,844
2.11 Preferred stocks of affiliates	(b)		
2.2 Common stocks (unaffiliated) .....	.....	3,297,183	3,278,191
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)	66,432	66,432
7. Derivative instruments	(f)		
8. Other invested assets .....	.....	157,778	157,778
9. Aggregate write-ins for investment income .....	.....	
10. TOTAL gross investment income	5,837,167	5,807,390	
11. Investment expenses	(g)	192,181	
12. Investment taxes, licenses and fees, excluding federal income taxes	(g)		
13. Interest expense	(h)		
14. Depreciation on real estate and other invested assets	(i)		
15. Aggregate write-ins for deductions from investment income .....	.....		(12,248)
16. TOTAL Deductions (Lines 11 through 15) .....	.....	179,933	
17. Net Investment income (Line 10 minus Line 16) .....	.....	5,627,457	

DETAILS OF WRITE-INS

0901. ....	.....	
0902. ....	.....	
0903. ....	.....	
0998. Summary of remaining write-ins for Line 9 from overflow page .....	.....	
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	
1501. Miscellaneous expenses .....	.....		(12,248)
1502. ....	.....	
1503. ....	.....	
1598. Summary of remaining write-ins for Line 15 from overflow page .....	.....	
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....		(12,248)

(a) Includes \$.....116,778 accrual of discount less \$.....317,408 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(116,476)	.....	(116,476)	.....
1.1 Bonds exempt from U.S. tax .....	.....	.....	.....	.....
1.2 Other bonds (unaffiliated)	50,944	.....	50,944	(970,682)	
1.3 Bonds of affiliates .....	.....	.....	.....
2.1 Preferred stocks (unaffiliated) .....	.....	.....	.....	(7,240)	
2.11 Preferred stocks of affiliates .....	.....	.....	.....	.....
2.2 Common stocks (unaffiliated)	1,724,234	.....	1,724,234	(9,297,771)	
2.21 Common stocks of affiliates .....	.....	.....	.....	1,014,334	
3. Mortgage loans .....	.....	.....	.....	.....
4. Real estate .....	.....	.....	.....	.....
5. Contract loans .....	.....	.....	.....	.....
6. Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....
7. Derivative instruments .....	.....	.....	.....	.....
8. Other invested assets .....	.....	.....	.....	.....
9. Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....
10. TOTAL Capital gains (losses)	1,658,702	.....	1,658,702	(9,261,359)	

DETAILS OF WRITE-INS

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

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....	.....	.....	.....
2. Stocks (Schedule D):			
2.1 Preferred stocks .....	.....	.....	.....
2.2 Common stocks .....	.....	.....	.....
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....	.....	.....	.....
3.2 Other than first liens .....	.....	.....	.....
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....	.....	.....	.....
4.2 Properties held for the production of income .....	.....	.....	.....
4.3 Properties held for sale .....	.....	.....	.....
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....	.....	.....	.....
6. Contract loans .....	.....	.....	.....
7. Derivatives (Schedule DB) .....	.....	.....	.....
8. Other invested assets (Schedule BA) .....	.....	108,074	108,074
9. Receivables for securities .....	.....	.....	.....
10. Securities lending reinvested collateral assets (Schedule DL) .....	.....	.....	.....
11. Aggregate write-ins for invested assets .....	.....	.....	.....
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	.....	108,074	108,074
13. Title plants (for Title insurers only) .....	.....	.....	.....
14. Invested income due and accrued .....	.....	.....	.....
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	25,224	24,910	(314)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....	.....	.....	.....
15.3 Accrued retrospective premiums and contracts subject to redetermination .....	.....	.....	.....
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....	.....	.....	.....
16.2 Funds held by or deposited with reinsured companies .....	.....	.....	.....
16.3 Other amounts receivable under reinsurance contracts .....	.....	.....	.....
17. Amounts receivable relating to uninsured plans	40,133	.....	(40,133)
18.1 Current federal and foreign income tax recoverable and interest thereon .....	.....	.....	.....
18.2 Net deferred tax asset .....	.....	.....	.....
19. Guaranty funds receivable or on deposit .....	.....	.....	.....
20. Electronic data processing equipment and software .....	.....	.....	.....
21. Furniture and equipment, including health care delivery assets .....	.....	.....	.....
22. Net adjustment in assets and liabilities due to foreign exchange rates .....	.....	.....	.....
23. Receivables from parent, subsidiaries and affiliates .....	.....	.....	.....
24. Health care and other amounts receivable .....	.....	.....	.....
25. Aggregate write-ins for other than invested assets	3,500	.....	(3,500)
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	68,857	132,984	64,127
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....	.....	.....	.....
28. TOTAL (Lines 26 and 27)	68,857	132,984	64,127
DETAILS OF WRITE-INS			
1101. .....	.....	.....	.....
1102. .....	.....	.....	.....
1103. .....	.....	.....	.....
1198. Summary of remaining write-ins for Line 11 from overflow page .....	.....	.....	.....
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....	.....	.....	.....
2501. Prepaid expenses	3,500	.....	(3,500)
2502. .....	.....	.....	.....
2503. .....	.....	.....	.....
2598. Summary of remaining write-ins for Line 25 from overflow page .....	.....	.....	.....
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	3,500	.....	(3,500)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations	910,504	890,092	886,200	879,778	875,760	10,606,656
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. TOTAL	910,504	890,092	886,200	879,778	875,760	10,606,656
DETAILS OF WRITE-INS						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

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

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

Description	SSAP #	F/S Page	F/S Line #	12/31/2018	12/31/2017
Net Income, OH				\$ 20,482,438	\$ 21,382,844
Effect of OH prescribed practices				-	-
Effect of OH permitted practices				-	-
Net income, NAIC SAP				\$ 20,482,438	\$ 21,382,844

Description	SSAP #	F/S Page	F/S Line #	12/31/2018	12/31/2017
Statutory Surplus, OH				\$ 200,292,851	\$ 189,007,645
Effect of OH prescribed practices				-	-
Effect of OH permitted practices				-	-
Policyholders Surplus, NAIC SAP				\$ 200,292,851	\$ 189,007,645

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

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

C. Accounting Policy

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

In addition, the company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost using the interest method. SVO-Identified securities are stated at fair value beginning December 31, 2017.
- (3) Common stocks are recorded at market value except investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the statutory equity basis.
- (4) Preferred stocks are stated in accordance with the guidance provided in SSAP No. 32.
- (5) No mortgage loans on real estate are held as of December 31, 2018 and 2017.
- (6) Loan backed securities are stated at amortized cost. The retrospective adjustment method is used to value MBS's and the scientific interest method is used to value CMO's.
- (7) The Company carries its investment in a non insurance affiliate at the audited GAAP equity basis adjusted to a statutory equity basis.
- (8) The Company has no ownership interests in joint ventures, partnerships or limited liability companies as of December 31, 2018 and 2017.
- (9) No derivatives are held as of December 31, 2018 and 2017.
- (10) Not applicable.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) Not applicable

D. Going Concern

The Company does not have substantial doubt on its ability to continue as a going concern

2. Accounting Changes and Corrections of Errors

The Company had no accounting changes or correction of errors during fiscal years 2018 and 2017

Notes to Financial Statements

3. Business Combinations and Goodwill

The Company had no goodwill on its books and no business combinations occurred during fiscal years 2018 and 2017.

4. Discontinued Operations

The Company had no discontinued operations during the fiscal years ending December 31, 2018 and 2017.

5. Investments

- A. The Company owned no mortgage loans.
- B. The Company had no investments in restructured debt.
- C. The Company had no investments in reverse mortgages.
- D. The Company had no investments in loan backed securities that are recorded at other-than-temporarily impaired values.
- E. The Company had no repurchase agreements or securities lending agreements.
- F. The Company does not have investments in real estate.
- G. The Company has no investments in low-income housing tax credits (LIHTC).
- H. Not applicable.
- I. Not applicable.
- J. The Company owned no real estate.
- K. The Company has no investments in low-income housing tax credits (LIHTC).
- L. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	1 Total Gross (Admitted & Nonadmitted) Restricted from Current Year	2 Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	3 Increase/ (Decrease) (1 minus 2)	4 Total Current Year Nonadmitte d Restricted	5 Total Current Year Admitted Restricted (1 minus 4)	6 Gross (Admitted & Nonadmitted) Restricted to Total Asset (a)	7 Admitted Restricted to Total Admitted Asset (b)
a. Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%
b. Collateral held under security lending agreements							
c. Subject to repurchase agreements							
d. Subject to reserve repurchase agreement							
e. Subject to dollar repurchase agreements							
f. Subject to dollar reserve 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 state	150,056	150,190	(134)		150,056	0.067%	0.067%
k. On deposit with other regulatory bodies							
l. Pledged as collateral to FHLB (including assets backing funding agreements)							
m. Pledged as collateral not captured in other categories							
n. Other restricted assets							
o. Total Restricted Assets	\$ 150,056	\$ 150,190	\$ (134)	\$ -	\$ 150,056	0.07%	0.07%

(2) - (3) & (4) - Not applicable

- M. Not applicable.
- N. Not applicable.
- O. Not applicable.
- P. Not applicable.

Notes to Financial Statements

- Q. Not applicable.
- R. Not applicable.

6. Joint Ventures, Partnerships and Limited Liability Companies

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

7. Investment Income

No due and accrued income was excluded from surplus in 2018 and 2017.

8. Derivative Instruments

The Company held no derivative instruments in 2018 and 2017.

9. Income Taxes

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

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

Delta Dental Plan of Michigan (DDPMI)

- A. In 1982, DDPMI assumed the responsibility for the general management and supervision of the operations of the Company. On January 1, 1999, the agreement was amended to reflect that DDPMI is the sole member of the Company.
- B&C. Monthly a management fee, based on a management agreement, was calculated and paid to DDPMI. The fee is based on a percentage of the number of paid claims, not to exceed actual costs. The management fee for fiscal years 2018 and 2017 was \$32,862,881 and \$29,724,843 respectively.
- D. At December 31, 2018, the Company recorded an amount due to DDPMI of \$3,206,383. At December 31, 2017, the Company recorded an amount due to DDPMI of \$2,348,468. The terms of the agreement require outstanding amounts to be settled monthly.
- E. No guarantees or undertakings took place during fiscal years 2018 and 2017.
- F. DDPMI provides general management and supervision of the operations of the Company. In addition, per the management agreement, DDPMI makes the rental payments for the office facilities, which the Company occupies.
- G. DDPMI is the sole corporate member of the Company.
- H. The Company has no investment in DDPMI.
- I&J. The Company has no investments in an SCA entity that exceed 10% of admitted assets.
- K. The Company has no investments in a foreign insurance subsidiary.

Renaissance Holding Company (Renaissance Holding)

- A. The Company owns 563 and 563 shares of common stock of Renaissance Holding, which represents 4.2% ownership of Renaissance Holding as of December 31, 2018 and 2017, respectively. Renaissance Holding is a for-profit holding company domiciled in the state of Michigan. The Company and Renaissance Holding belong to the same holding company system.
- B&C. The Company purchased an additional 63 shares of RHC stock for \$630,000 in 2017.
- D. At December 31, 2018 and 2017, the Company reported no amounts due from or to Renaissance Holding.
- E. No guarantees or undertakings took place during fiscal years 2018 and 2017.
- F. No management agreement or service contract existed between the Company and Renaissance Holding in 2018 and 2017.
- G&H. The Company owns 4.2% of the outstanding Renaissance Holding common stock as of December 31, 2018 and 2017, respectively. Companies belonging to the same holding company system as Delta Dental Plan of Ohio own the remaining 95.8% of outstanding common stock as of December 31, 2018 and 2017, respectively.
- I. The book value of the Renaissance Holding stock represents 2.0% and 2.2% of the Company's admitted assets at 2018 and 2017, respectively.
- J. The Company did not recognize any impairment write down for its investment in Renaissance Holding for the statement period.
- K. Not Applicable.
- L. Renaissance Holding is a downstream holding company. The value of Renaissance Holding is based on the audited GAAP basis adjusted to a statutory equity basis. The adjustment to statutory basis included a "look through" to the subsidiaries held by Renaissance Holding. The values of these subsidiaries in determining Renaissance Holding's statutory equity value were also adjusted to a statutory equity basis.

Notes to Financial Statements

M. (1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. No. 97 8a Entities				
Total SSAP No.97 8a Entities	XXX	\$ -	\$ -	\$ -
b. No. 97 8b(ii) Entities				
Renaissance Holding Company	4.2%	\$ 4,491,569	\$ 4,491,569	
GLM Holding Company	25%	\$ 17,107,031	\$ 17,107,031	
Total SSAP No.97 8b(ii) Entities	XXX	\$ 21,598,600	\$ 21,598,600	\$ -
c. No. 97 8b(iii) Entities				
Total SSAP No.97 8b(iii) Entities	XXX	\$ -	\$ -	\$ -
d. No. 97 8b(iv) Entities				
Total SSAP No.97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -
Total SSAP No.97 8b Entities (except 8bi entries) (b+c+d)	XXX	\$ -	\$ -	\$ -
Total SSAP No.97 8b(iv) Entities	XXX	\$ -	\$ -	\$ -

N. (2) NAIC Filing Information

SCA Entity (Should be the same as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code **
a. No. 97 8a Entities			\$ -			
			-			
			-			
			-			
Total SSAP No.97 8a Entities	XXX	XXX	\$ -	XXX	XXX	XXX
b. No. 97 8b(ii) Entities						
Renaissance Holding Company	S2	9/11/2018	\$ 4,654,525	Y	No	I
GLM Holding Company	S2	9/11/2018	15,929,731	Y	No	I
			-			
			-			
Total SSAP No.97 8b(ii) Entities	XXX	XXX	\$ 20,584,256	XXX	XXX	XXX
c. No. 97 8b(iii) Entities			\$ -			
			-			
			-			
			-			
Total SSAP No.97 8b(iii) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
d. No. 97 8b(iv) Entities			\$ -			
			-			
			-			
			-			
Total SSAP No.97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX
Total SSAP No.97 8b Entities (except 8bi entries) (b+c+d)	XXX	XXX	\$ -	XXX	XXX	XXX
Total SSAP No.97 8b(iv) Entities	XXX	XXX	\$ -	XXX	XXX	XXX

* SI – Sub – 1, S2 – Sub-2 or RDF – Resubmission of Disallowed Filing

** I – Immaterial or M – Material

O. Not Applicable

Notes to Financial Statements

GLM Holding Company (GLM Holding)

- A. The Company owns 1,500 shares of common stock of GLM Holding, which represents 25% ownership of GLM Holding as of December 31, 2018 and 2017. GLM Holding is a for-profit holding company domiciled in the state of Michigan. The Company and GLM Holding belong to the same holding company system.
- B&C. There were no material transactions between the companies in 2018 and 2017.
- D. At December 31, 2018 and 2017, the Company reported no amounts due from or to GLM Holding.
- E. No guarantees or undertakings took place during fiscal years 2018 and 2017.
- F. No management agreement or service contract existed between the Company and GLM Holding in 2018 and 2017.
- G&H The Company owns 25% of the outstanding GLM Holding common stock as of December 31, 2018 and 2017. A company belonging to the same holding company system as Delta Dental Plan of Ohio owns the remaining 75% of outstanding common stock as of December 31, 2018.
- I. The book value of the Renaissance Holding stock represents 7.6% and 7.4% of the Company's admitted assets at 2018 and 2017, respectively
- J. The Company did not recognize any impairment write down for its investment in GLM Holding for the statement period.
- K. Not Applicable.
- L. GLM Holding is a downstream holding company. The value of GLM Holding is based on the audited GAAP basis adjusted to a statutory equity basis. The adjustment to statutory basis included a "look through" to the subsidiaries held by GLM Holding. The values of these subsidiaries in determining GLM Holding's statutory equity value were also adjusted to a statutory equity basis.
- M. (1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)
 - See Renaissance Holding Above

(2) NAIC Filing Information



- See Renaissance Holding Above

N. Not applicable.

O. Not applicable

Delta Dental of North Carolina (DDNC)

- A. The Company and DDNC are related companies belonging to the same holding company system.
- B&C. During 2010, DDNC issued a surplus note to the Company in the amount of \$3,750,000 which accrues interest at a rate of 4% per annum. Any repayment of the surplus note, including interest, is subject to approval by the North Carolina Department of Insurance. A portion of the surplus note, \$1,250,000, was repaid in 2012, leaving a remaining balance of \$2,500,000. In 2015, an additional portion of the surplus note was repaid, \$750,000 leaving a remaining balance of \$1,750,000. Interest of \$150,000 was also paid in 2015. In 2016, an additional portion of the surplus note was repaid, \$500,000 leaving a remaining balance of \$1,250,000. Interest of \$118,333 was also paid in 2016. In 2017, an additional portion of the surplus note was repaid, \$500,000 leaving a remaining balance of \$750,000. Interest of \$136,667 was also paid in 2017. In 2018, an additional portion of the surplus note was repaid, \$500,000 leaving a remaining balance of \$250,000. Interest of \$157,778 was also paid in 2018.
- D. At December 31, 2018 and 2017, the Company reported no amounts due from or to DDNC.
- E. No guarantees or undertakings took place during fiscal years 2018 and 2017.
- F. No management agreement or service contracts exist between DDNC and the Company.

Renaissance Health Service Corporation (RHSC)

- A. RHSC is the holding company of Delta Dental Plan of Ohio. RHSC is a Michigan non-profit corporation.

B&C. There were no material transactions between the Company and RHSC in 2018 and 2017.

- D. At December 31, 2018 and 2017, the Company reported no amounts due from or to RHSC.
- E. No guarantees or undertakings took place during fiscal years 2018 and 2017.
- F. No management agreement or service contracts exist between RHSC and the Company.

G&H. RHSC is the holding company of Delta Dental Plan of Ohio. There is no stock ownership between the two companies.

Notes to Financial Statements

Renaissance Life & Health Insurance Company of America (Renaissance America)

- A. The Company and Renaissance America are related companies belonging to the same holding company system. Renaissance America provides certain administrative services to the Company
- B&C. Monthly a management fee, based on a management agreement, was calculated and paid to Renaissance America. The management fee for fiscal years 2018 and 2017 was \$518,660 and \$450,407 respectively.
- D. At December 31, 2018, an amount of \$36,391 was reported as due to Renaissance America. At December 31, 2017, the Company reported \$21,358 due to Renaissance America. The terms of the agreement require outstanding amounts to be settled monthly.
- E. No guarantees or undertakings took place during fiscal year 2018 and 2017.
- F. The Company and Renaissance America entered into an Administrative Services Agreement whereby Renaissance America may provide certain services to the Company and the Company may provide certain services to Renaissance America. Fees payable by either party for services performed on its behalf are based on cost. The term of the settlement require the amounts owed under the agreement are to be settled within 30 days.
- G. The Company and Renaissance America are member entities of the same holding company system.
- H. The Company had no investment in Renaissance America.
- I. Not Applicable.
- J. Not Applicable.
- K. Not Applicable.
- L. Not Applicable.

11. Debt

The Company carried no debt on its books at December 31, 2018 and 2017.

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

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

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

- (1) The Company is a non-profit organization and has no stock outstanding.
- (2) There is no preferred stock outstanding.
- (3) No dividends exist.
- (4) No dividends exist.
- (5) No dividends exist.
- (6) There were no restrictions placed on the surplus, including for whom the surplus is being held.
- (7) There are no advances to surplus.
- (8) No stock, including stock of affiliated companies, is held for special purposes.
- (9) There are no changes in balances of special surplus funds from the prior year.
- (10) The portion of unassigned funds (surplus) represented by accumulated unrealized (loss) gains at December 31, 2018 and 2017 was \$5,775,540 and \$15,036,900, respectively.
- (11) The Company has issued no surplus debentures or similar obligations.
- (12) There are no restatements due to prior quasi-reorganizations.
- (13) There have been no quasi-reorganizations in the prior 10 years.

14. Liabilities, Contingencies and Assessments

The Company had no contingencies to report.

15. Leases

- A. Lessee Operating Lease
 - 1. Under their management agreement with Delta Dental Plan of Michigan, the Company leases office space under various non-cancelable operating lease agreements that expire through April 30, 2022. Rental expense is paid directly by Delta Dental Plan of Michigan.

Notes to Financial Statements

2. At December 31, 2018, the minimum aggregate rental commitments are as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2019	135,202
2020	94,970
2021	64,765
2022	22,041
2023	-
Total of all future years	\$ 316,978

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

B. Not applicable

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

The Company held no financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk in 2018 and 2017.

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

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

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

A. ASO Plans

The Company has no Administrative Service Only (ASO) business.

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2018 and 2017:

2018

	<u>ASC Uninsured Plans</u>	<u>Uninsured Portion of Partially Insured Plans</u>	<u>Total ASC</u>
a. Gross reimbursement for medical cost incurred	\$ 329,046,260	\$ -	\$ 329,046,260
b. Gross administrative fees accrued	19,748,180	-	19,748,180
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>350,529,927</u>	<u>-</u>	<u>350,529,927</u>
e. Total gain (loss) from operations	<u>\$ (1,735,487)</u>	<u>\$ -</u>	<u>\$ (1,735,487)</u>

Notes to Financial Statements

2017

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 275,279,757	\$ -	\$ 275,279,757
b. Gross administrative fees accrued	17,216,051	-	17,216,051
c. Other income or expenses (including interest paid to or received from plans)	-	-	-
d. Gross expenses incurred (claims and administrative)	<u>292,087,605</u>	<u>-</u>	<u>292,087,605</u>
e. Total gain (loss) from operations	<u><u>\$ 408,203</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 408,203</u></u>

A. The Company wrote no Medicare business in 2018 and 2017.

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

2018:

Name and Address of Managing General Agent or Third Party Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premium Written
Delta Dental Plan of MI Okemos, MI 48864	38-1791480	yes	Dental	C,CA,B,P,U	\$ 256,091,915

2017:

Name and Address of Managing General Agent or Third Party Party Administrator	FEIN Number	Exclusive Contract	Types of Business Written	Type of Authority Granted	Total Direct Premium Written
Delta Dental Plan of MI 4100 Okemos Rd. Okemos, MI 48864	38-1791480	yes	Dental	C,CA,B,P,U	\$ 257,878,741

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

Notes to Financial Statements

20. Fair Value Measurements

A.

1. Fair Value Measurements at Reporting Date

Description	(Level 1)	(Level 2)	(Level 3)	Total	Net Asset Values (NAV) Included in Level 2
a. Assets at fair value					
Perpetual Preferred stock					
Industrial & Misc	\$78,400	\$0	\$0	\$78,400	
Parent, Subs, and Affiliate	0	0	0	\$0	\$0
Total Perpetual Preferred Stock	\$78,400	\$0	\$0	\$78,400	\$0
Bonds					
U.S. Governments	\$0	\$10,102,247	\$0	\$10,102,247	\$0
Industrial & Misc	28,932,064	31,122,822	0	60,054,886	0
Hybrid Securities	0	0	0	0	0
Parent, Subs, and Affiliate	0	0	0	0	0
Total Bonds	\$28,932,064	\$41,225,069	\$0	\$70,157,133	\$0
Common stock					
Industrial & Misc	\$93,958,621	\$0	\$0	\$93,958,621	\$0
Parent, Subs, and Affiliate	0	0	0	0	0
Total Common Stocks	\$93,958,621	\$0	\$0	\$93,958,621	\$0
Derivative assets					
Interest rate contracts	\$0	\$0	\$0	\$0	\$0
Foreign exchange contracts	0	0	0	0	0
Credit contracts	0	0	0	0	0
Commodity futures contracts	0	0	0	0	0
Commodity forward contracts	0	0	0	0	0
Total Derivatives	\$0	\$0	\$0	\$0	\$0
Separate account assets					
Total assets at fair value	\$122,969,085	\$41,225,069	\$0	\$164,194,154	\$0
b. Liabilities at fair value					
Derivative liabilities					
Total liabilities at fair value	\$0	\$0	\$0	\$0	\$0

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

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

21. Other Items

- A. The Company had no extraordinary items.
- B. The Company had no troubled debt restructuring.
- C. The Company had no unusual items to disclose.
- D. Not applicable.
- E. The Company has no state tax credits.
- F. The Company owns several mortgage pools in the investment portfolio, all of which are backed by federal agencies. The federal agency-backed mortgage pools do not have sub-prime mortgage exposure. The Company does not own any mortgage pools that are not backed by federal agencies, so there is no sub-prime exposure in the portfolios.
- G. Not applicable.
- H. Not applicable.

Notes to Financial Statements

22. Events Subsequent

Type II – Nonrecognized Subsequent Events

On January 1, 2019, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premium written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2018, the Company has written health insurance business subject to the ACA assessment, expects to conduct health insurance business in 2019. For 2019, there was a moratorium issued by the IRS and no fee will be assessed in 2019 for the 2018 data year.

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Act (YES/NO)?	Yes	Yes
B. ACA fees assessment payable for the upcoming year	\$ -	\$ 2,294,019
C. ACA fee assessment paid	2,417,464	-
D. Premium written subject to ACA 9010 assessment	- \$	257,878,741
E. Total Adjusted Capital before surplus adjustment	200,292,851 \$	189,007,645
F. Total Adjusted Capital after surplus adjustment	200,292,851 \$	186,713,626
G. Authorized Control Level after surplus adjustment	\$ 14,811,129	
H. Would reporting the ACA assessment as of December 31, 2018, have triggered and RBC action level (YES/NO)?	No	No

23. Reinsurance

The Company has no ceded reinsurance agreements.

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

- A,B The Company estimates accrued retrospective premium adjustments for a portion of its group dental insurance business through a claims paid development method and aggregate reserve factors based on premium and prior experience.
- C. The amount of net premiums written by the Company at December 31, 2018 and 2017 subject to retrospectively rating features were \$1.1 million and \$1 million, respectively. These amounts represented .43% and .40% of total net premiums written by the Company in 2018 and 2017, respectively.
- D. Not applicable.
- E. Not applicable.

25. Change in Incurred Claims and Claim Adjustment Expenses

- A. Reserves as of December 31, 2017 were \$11,699,579. As of December 31, 2018, \$10,619,164 has been paid for incurred claims and claim adjustment expense attributable to insured events of prior years. Remaining reserves for prior years are now \$106,605 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$973,810 favorable prior-year loss development since December 31, 2017 to December 31, 2018. This decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased as additional information becomes known regarding individual claims. The business to which this relates does not include retrospectively rated policies, therefore there was no return premium accrued as a result of the prior year effects.
- B. Not applicable.

26. Intercompany Pooling Arrangements

The Company had no intercompany pooling arrangements in 2018 and 2017.

27. Structured Settlement

Not applicable.

28. Health Care Receivables

The Company reported no pharmaceutical rebate receivables or risk sharing receivables in 2018 and 2017.

29. Participating Policies

The Company did not have participating contracts in 2018 and 2017.

30. Premium Deficiency Reserves

Notes to Financial Statements

There were no Premium Deficiency Reserves reported by the Company in 2018 and 2017.

31. Anticipated Salvage and Subrogation

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
 If yes, complete Schedule Y, Parts 1, 1A and 2.

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?

1.3 State Regulating?

1.4 Is the reporting entity publicly traded or a member of a publicly traded group?

1.5 If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

Yes[X] No[]

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?

2.2 If yes, date of change:

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

Yes[] No[X]

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

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.

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).

3.4 By what department or departments?
 State of Ohio Department of Insurance

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

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

Yes[] No[] N/A[X]
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?
 4.12 renewals?

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?
 4.22 renewals?

Yes[] No[X]
Yes[] No[X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?
 If yes, complete and file the merger history data file with the NAIC.

Yes[] No[X]

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

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

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

Yes[] No[X]

6.2 If yes, give full information:

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

Yes[] No[X]

7.2 If yes,

7.21 State the percentage of foreign control
 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

Yes[] No[X]

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

8.4 If response to 8.3 is yes, please provide 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
.....	No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 Plante & Moran, PLLC 1111 Michigan Avenue, East Lansing, Michigan 48823

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

Yes[] No[X]

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

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

Yes[] No[X]

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

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

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
 Toby L. Hall, ASA, MAAA 4100 Okemos Rd, Okemos, Michigan 48864 -employee

GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?
 12.11 Name of real estate holding company
 12.12 Number of parcels involved
 12.13 Total book/adjusted carrying value
 12.2 If yes, provide explanation

Yes [] No [X] \$ 0

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?
 13.3 Have there been any changes made to any of the trust indentures during the year?
 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

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

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

Yes [X] No []

14.11 If the response to 14.1 is no, please explain:
 14.2 Has the code of ethics for senior managers been amended?
 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?
 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

Yes [] No [X]
 Yes [] No [X]

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

Yes [] No [X]

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 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 subordinate committee thereof?
 17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?
 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [X] No []
 Yes [X] No []
 Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?
 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
 20.11 To directors or other officers
 20.12 To stockholders not officers
 20.13 Trustees, supreme or grand (Fraternal only)

Yes [] No [X]

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
 20.21 To directors or other officers
 20.22 To stockholders not officers
 20.23 Trustees, supreme or grand (Fraternal only)

Yes [X] No []

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

Yes [] No [X]

Yes [] No [X]

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

Yes [] No [X]

Yes [] No [X]

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?
 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

Yes [X] No []

Yes [] No [X]

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)
 24.02 If no, give full and complete information, relating thereto
 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?
 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.
 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?
 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
 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?
 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

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

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

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

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

GENERAL INTERROGATORIES (Continued)

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0

24.103 Total payable for securities lending reported on the liability page. \$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes[X] No[]

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

25.21 Subject to repurchase agreements	\$ 0
25.22 Subject to reverse repurchase agreements	\$ 0
25.23 Subject to dollar repurchase agreements	\$ 0
25.24 Subject to reverse dollar repurchase agreements	\$ 0
25.25 Placed under option agreements	\$ 0
25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ 0
25.27 FHLB Capital Stock	\$ 0
25.28 On deposit with states	\$ 150,056
25.29 On deposit with other regulatory bodies	\$ 0
25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ 0
25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ 0
25.32 Other	\$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]

If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]

\$ 0

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 I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Bank of America	135. LaSalle St., Chicago, IL 60603

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]

28.04 If yes, give full and complete information relating thereto:

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

28.05 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 Name of Firm or Individual	2 Affiliation
McDonnell Investment Management	U
Laura L. Czelada	A
Goran M. Jukovic	A
Red Cedar Investment Management, LLC	A

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[X] 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[X]

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.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
166176	McDonnell Investment Management	n/a	SEC	NO
170939	Red Cedar Investment Management, LLC	n/a	SEC	NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	70,960,556	70,157,133	(803,423)
30.2 Preferred stocks			
30.3 Totals	70,960,556	70,157,133	(803,423)

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

The brokers relay the fair market values from IDS, a pricing service.

Yes [] No [X]

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

Yes [] No [X]

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

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

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes [X] No []

32.2 If no, list exceptions:

33. By self-designation 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5GI securities?

Yes [] No [X]

34. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as an NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities?

Yes [] No [X]

OTHER

35.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 662,822

35.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Delta Dental Plans Association	634,322

36.1 Amount of payments for legal expenses, if any?

\$..... 0

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

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....

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

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [] No [X]	0
1.2 If yes, indicate premium earned on U.S. business only:	\$	0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$	0
1.31 Reason for excluding:	\$	0
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$	0
1.5 Indicate total incurred claims on all Medicare Supplement insurance.	\$	0
1.6 Individual policies - Most current three years:	\$	0
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:	\$	0
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:	\$	0
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:	\$	0
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	256,091,915	257,878,741
2.2 Premium Denominator	256,091,915	257,878,741
2.3 Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4 Reserve Numerator	8,516,484	11,491,799
2.5 Reserve Denominator	8,516,484	11,491,799
2.6 Reserve Ratio (2.4 / 2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [X] No []

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

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

5.1 Does the reporting entity have stop-loss reinsurance?

Yes [] No [X]

5.2 If no, explain:

Not necessary, dental policies contain annual maximum benefit.

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical	\$	0
5.32 Medical Only	\$	0
5.33 Medicare Supplement	\$	0
5.34 Dental & Vision	\$	0
5.35 Other Limited Benefit Plan	\$	0
5.36 Other	\$	0

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

The Company has both hold harmless provisions and provisions requiring the providers to continue rendering services.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year	.....	7,562
8.2 Number of providers at end of reporting year	.....	7,806

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes [X] No []

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months	.....	122,737,468
9.22 Business with rate guarantees over 36 months	.....	10,681,654

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

Yes [] No [X]

10.2 If yes:

10.21 Maximum amount payable bonuses	\$	0
10.22 Amount actually paid for year bonuses	\$	0
10.23 Maximum amount payable withholds	\$	0
10.24 Amount actually paid for year withholds	\$	0

11.1 Is the reporting entity organized as:

Yes [] No [X]

11.12 A Medical Group/Staff Model,

Yes [] No [X]

11.13 An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14 A Mixed Model (combination of above)?

Yes [X] No []

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

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

State of Ohio

Yes [X] No []

11.4 If yes, show the amount required.

Yes [] No [X]

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

Yes [] No [X]

11.6 If the amount is calculated, show the calculation.

Required admitted assets = (110% of liabilities (\$24,699,994) = \$27,169,993 less liabilities (24,699,994) = \$2,469,999

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

1 Name of Service Area
State of Ohio

13.1 Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0 |

13.3 Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ 0 |

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

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

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

GENERAL INTERROGATORIES (Continued)

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

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

15.1 Direct Premium Written
15.2 Total incurred claims
15.2 Number of covered lives

\$.....0
\$.....0
.....0

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

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states?

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity?

Yes[] No[X]

Yes[] No[X]

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	224,992,846	215,677,348	182,499,260	158,923,575	137,854,263
2. TOTAL Liabilities (Page 3, Line 24)	24,699,995	26,669,703	24,240,087	24,002,746	20,128,153
3. Statutory minimum capital and surplus requirement	2,469,999	2,666,970	2,424,008	2,400,274	2,012,815
4. TOTAL Capital and Surplus (Page 3, Line 33)	200,292,851	189,007,645	158,259,173	134,920,829	117,726,110
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	256,091,915	257,878,754	215,688,247	201,562,614	186,973,375
6. TOTAL Medical and Hospital Expenses (Line 18)	214,725,675	214,801,566	182,242,147	170,266,345	158,384,496
7. Claims adjustment expenses (Line 20)	1,111,054	1,354,082	1,579,871	1,118,814	2,553,562
8. TOTAL Administrative Expenses (Line 21)	25,567,252	21,050,780	16,134,365	13,849,755	12,080,983
9. Net underwriting gain (loss) (Line 24)	14,687,934	20,672,326	15,731,864	16,327,700	13,954,334
10. Net investment gain (loss) (Line 27)	7,286,159	5,704,261	4,322,065	3,269,121	7,516,369
11. TOTAL Other Income (Lines 28 plus 29)	(1,491,655)	(4,993,743)	10,903	(1,003,150)	(3,728,266)
12. Net income or (loss) (Line 32)	20,482,438	21,382,844	20,064,832	18,593,671	17,742,437
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	15,769,256	26,613,380	20,304,845	26,739,035	16,637,400
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	200,292,851	189,007,645	158,259,173	134,920,829	117,726,110
15. Authorized control level risk-based capital	14,811,129	14,463,016	12,474,383	11,232,322	9,275,541
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	875,760	910,504	713,611	678,239	633,919
17. TOTAL Members Months (Column 6, Line 7)	10,606,656	10,850,291	8,542,425	8,052,726	7,518,657
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	83.8	83.3	84.5	84.5	84.7
20. Cost containment expenses	0.3	0.1	0.0	0.2	0.0
21. Other claims adjustment expenses	0.1	0.4	0.7	0.4	1.4
22. TOTAL Underwriting Deductions (Line 23)	94.3	92.0	92.7	91.9	92.5
23. TOTAL Underwriting Gain (Loss) (Line 24)	5.7	8.0	7.3	8.1	7.5
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	10,671,764	8,735,977	9,390,886	5,827,274	6,131,392
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	11,431,270	9,817,758	9,954,986	6,606,600	6,337,100
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)	21,598,600	20,584,256	19,552,083	19,295,452	4,369,910
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated	250,000	750,000	1,250,000	1,750,000	2,500,000
32. TOTAL of Above Lines 26 to 31	21,848,600	21,334,256	20,802,083	21,045,452	6,869,910
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

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

If no, please explain:

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

State, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit - Type Contracts
1. Alabama (AL)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
2. Alaska (AK)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
3. Arizona (AZ)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
4. Arkansas (AR)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
5. California (CA)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
6. Colorado (CO)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
7. Connecticut (CT)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
8. Delaware (DE)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
9. District of Columbia (DC)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
10. Florida (FL)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
11. Georgia (GA)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
12. Hawaii (HI)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
13. Idaho (ID)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
14. Illinois (IL)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
15. Indiana (IN)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
16. Iowa (IA)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
17. Kansas (KS)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
18. Kentucky (KY)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
19. Louisiana (LA)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
20. Maine (ME)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
21. Maryland (MD)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
22. Massachusetts (MA)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
23. Michigan (MI)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
24. Minnesota (MN)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
25. Mississippi (MS)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
26. Missouri (MO)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
27. Montana (MT)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
28. Nebraska (NE)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
29. Nevada (NV)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
30. New Hampshire (NH)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
31. New Jersey (NJ)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
32. New Mexico (NM)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
33. New York (NY)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
34. North Carolina (NC)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
35. North Dakota (ND)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
36. Ohio (OH)	L .. 256,091,915	.....	.....	.....	.....	.....	.....	256,091,915	.....
37. Oklahoma (OK)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
38. Oregon (OR)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
39. Pennsylvania (PA)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
40. Rhode Island (RI)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
41. South Carolina (SC)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
42. South Dakota (SD)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
43. Tennessee (TN)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
44. Texas (TX)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
45. Utah (UT)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
46. Vermont (VT)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
47. Virginia (VA)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
48. Washington (WA)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
49. West Virginia (WV)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
50. Wisconsin (WI)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
51. Wyoming (WY)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
52. American Samoa (AS)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
53. Guam (GU)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
54. Puerto Rico (PR)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
55. U.S. Virgin Islands (VI)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
56. Northern Mariana Islands (MP)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
57. Canada (CAN)	N .....	.....	.....	.....	.....	.....	.....	.....	.....
58. Aggregate other alien (OT)	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
59. Subtotal	X X X .. 256,091,915	.....	.....	.....	.....	.....	.....	256,091,915	.....
60. Reporting entity contributions for Employee Benefit Plans	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
61. TOTAL (Direct Business)	X X X .. 256,091,915	.....	.....	.....	.....	.....	.....	256,091,915	.....

DETAILS OF WRITE-INS

58001	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
58002	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
58003	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X .....	.....	.....	.....	.....	.....	.....	.....	.....

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
 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

1

R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

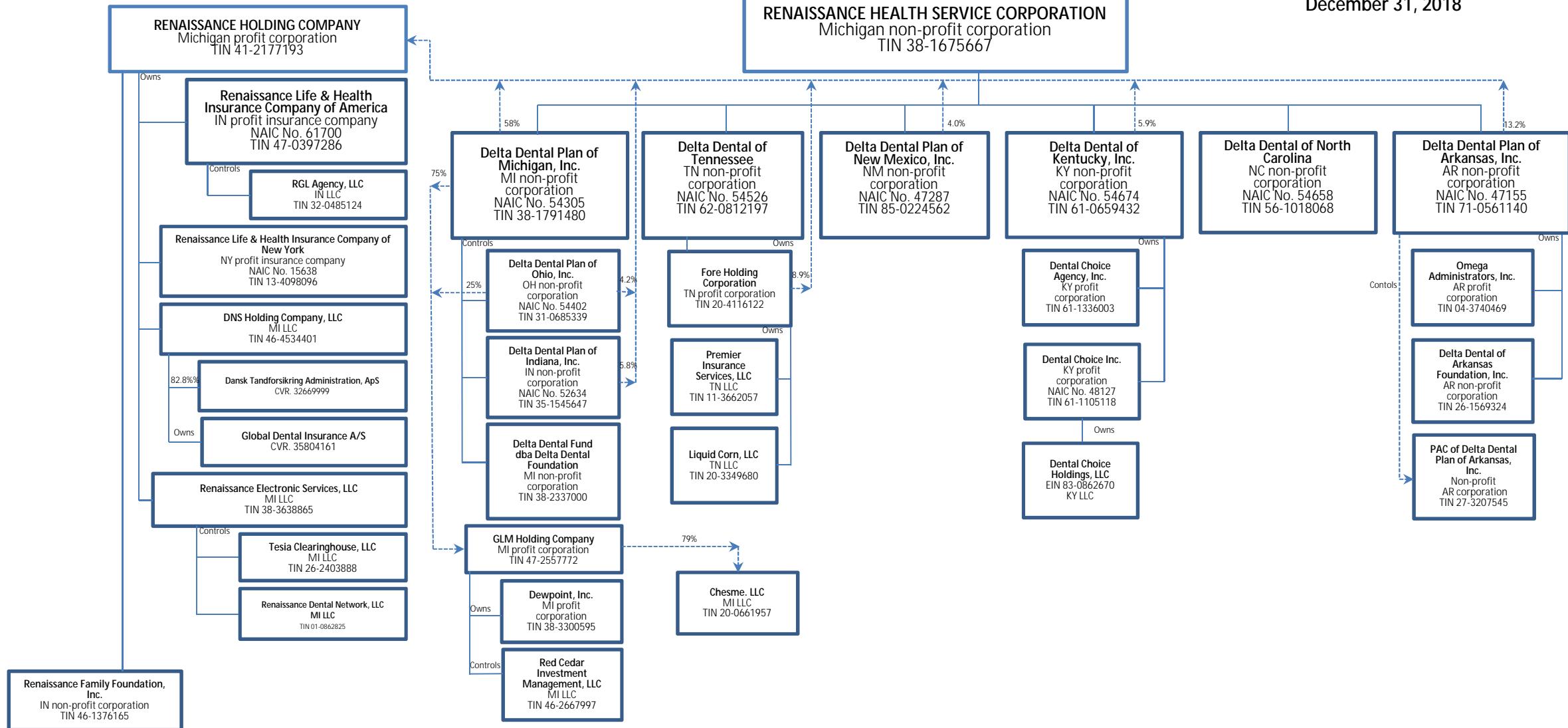
56

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

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



INDEX TO HEALTH ANNUAL STATEMENT

Analysis of Operations By Lines of Business	7
Assets	2
Cash Flow	6
Exhibit 1 - Enrollment By Product Type for Health Business Only	17
Exhibit 2 - Accident and Health Premiums Due and Unpaid	18
Exhibit 3 - Health Care Receivables	19
Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued	20
Exhibit 4 - Claims Unpaid and Incentive Pool, Withhold and Bonus	21
Exhibit 5 - Amounts Due From Parent, Subsidiaries and Affiliates	22
Exhibit 6 - Amounts Due To Parent, Subsidiaries and Affiliates	23
Exhibit 7 - Part 1 - Summary of Transactions With Providers	24
Exhibit 7 - Part 2 - Summary of Transactions With Intermediaries	24
Exhibit 8 - Furniture, Equipment and Supplies Owned	25
Exhibit of Capital Gains (Losses)	15
Exhibit of Net Investment Income	15
Exhibit of Nonadmitted Assets	16
Exhibit of Premiums, Enrollment and Utilization (State Page)	30
Five-Year Historical Data	29
General Interrogatories	27
Jurat Page	1
Liabilities, Capital and Surplus	3
Notes To Financial Statements	26
Overflow Page For Write-ins	44
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI10
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E19
Schedule DB - Part A - Verification Between Years	SI11
Schedule DB - Part B - Section 1	E20
Schedule DB - Part B - Section 2	E21
Schedule DB - Part B - Verification Between Years	SI11
Schedule DB - Part C - Section 1	SI12
Schedule DB - Part C - Section 2	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23

INDEX TO HEALTH ANNUAL STATEMENT

Schedule DB - Verification	SI14
Schedule DL - Part 1	E24
Schedule DL - Part 2	E25
Schedule E - Part 1 - Cash	E26
Schedule E - Part 2 - Cash Equivalents	E27
Schedule E - Part 2 - Verification Between Years	SI15
Schedule E - Part 3 - Special Deposits	E28
Schedule S - Part 1 - Section 2	31
Schedule S - Part 2	32
Schedule S - Part 3 - Section 2	33
Schedule S - Part 4	34
Schedule S - Part 5	35
Schedule S - Part 6	36
Schedule S - Part 7	37
Schedule T - Part 2 - Interstate Compact	39
Schedule T - Premiums and Other Considerations	38
Schedule Y - Part 1 - Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule Y - Part 1A - Detail of Insurance Holding Company System	41
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	42
Statement of Revenue and Expenses	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	43
Underwriting and Investment Exhibit - Part 1	8
Underwriting and Investment Exhibit - Part 2	9
Underwriting and Investment Exhibit - Part 2A	10
Underwriting and Investment Exhibit - Part 2B	11
Underwriting and Investment Exhibit - Part 2C	12
Underwriting and Investment Exhibit - Part 2D	13
Underwriting and Investment Exhibit - Part 3	14