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2021

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**ANNUAL STATEMENT**  
For the Year Ending **DECEMBER 31, 2021**  
OF THE CONDITION AND AFFAIRS OF THE  
**DELTA DENTAL PLAN OF OHIO, INC.**

|                                       |  |  |  |            |  |            |
|---------------------------------------|--|--|--|------------|--|------------|
| NAIC Group Code                       | 0477<br>(Current Period)   | 0477<br>(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 <input type="checkbox"/>                 | Property/Casualty <input type="checkbox"/>   | Hospital, Medical & Dental Service or Indemnity <input type="checkbox"/> |            |  |            |
|                                       | Dental Service Corporation <input type="checkbox"/>              | Vision Service Corporation <input type="checkbox"/>  | Health Maintenance Organization <input type="checkbox"/>                 |            |  |            |
|                                       | Other <input checked="" type="checkbox"/>                        | Is HMO Federally Qualified? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/> |  |            |  |            |
| Incorporated/Organized                | 03/06/1960   |  | Commenced Business   | 04/01/1964 |  |            |
| Statutory Home Office                 | 5600 Blazer Pkwy., Suite 150<br>(Street and Number)              |  | ,  |            | Dublin, OH, 43017<br>(City or Town, State, Country and Zip Code) |            |
| Main Administrative Office            | 4100 Okemos Road<br>(Street and Number)                          |  | Okemos, MI, 48864<br>(City or Town, State, Country and Zip Code)         |            |  |            |
| Mail Address                          | P.O. Box 30416<br>(Street and Number or P.O. Box)                |  | (517)349-6000<br>(Area Code) (Telephone Number)                          |            |  |            |
| Primary Location of Books and Records | 4100 Okemos Road<br>(Street and Number)                          |  | Lansing, MI, 48909-7916<br>(City or Town, State, Country and Zip Code)   |            |  |            |
|                                       | Okemos, MI, 48864<br>(City or Town, State, Country and Zip Code) |  | (517)349-6000<br>(Area Code) (Telephone Number)                          |            |  |            |
| Internet Website Address              | http://ddpoh.com/  |  |  |            |  |            |
| Statutory Statement Contact           | Glenn R. Simon, CPA, CGMA<br>(Name)                              |  | (517)347-5405<br>(Area Code)(Telephone Number)(Extension)                |            |  |            |
|                                       | gsimon@deltadentalmi.com<br>(E-Mail Address)                     |  | (517)381-5572<br>(Fax Number)  |            |  |            |

## OFFICERS

| Name                          | Title                      |
|-------------------------------|----------------------------|
| Goran Mike Jurkovic CPA, CGMA | President & CEO            |
| James Robert Stahl, DDS       | Chairperson                |
| Amy Lyn Basel, CPA, CGMA      | SVP, CFO, CRO, & Treasurer |
| Sue Ellen Jenkins             | SVP, CLO, CAO, & Secretary |

## OTHERS

Anthony Darrell Robinson, SVP & CMO  
Jeffery Walter Johnston, DDS, MS, SVP & CSO

## **DIRECTORS OR TRUSTEES**

Christopher Todd Fisher  
Frank Buzaki, Jr.  
Ann Marie Flermoel, DDS  
Timothy Eldon Moffit, DBA  
James Robert Stahl, DDS  
Michael Scott Stull  
Carole Simonetti Watkins  
Canisse Yvette Wright-Bear, DMD  
Poe Allison Timmons, CPA

State of Michigan  
County of Ingham ss

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

(Signature)  
Goran Mike Jurkovic, CPA, CGMA  
(Printed Name)  
1.  
President & CEO  
(Title)

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

---

(Signature)  
Sue Ellen Jenkins  
(Printed Name)  
3.  
SVP, CLO, CAO, & Assistant Secretary  
(Title)

Subscribed and sworn to before me this  
\_\_\_\_ day of \_\_\_\_\_, 2022

- 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[ ]

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(Notary Public Signature)

## ASSETS

|  | Current Year |                            |   | Prior Year                  |
|--|--------------|----------------------------|---|-----------------------------|
|  | 1<br>Assets  | 2<br>Nonadmitted<br>Assets | 3<br>Net Admitted<br>Assets<br>(Cols.1-2) | 4<br>Net Admitted<br>Assets |
| 1. Bonds (Schedule D) .....  | 102,853,232  |                            | 102,853,232                               | 85,741,638                  |
| 2. Stocks (Schedule D):  |              |                            |   |                             |
| 2.1 Preferred stocks .....   | 86,320       |                            | 86,320                                    | 88,800                      |
| 2.2 Common Stocks .....  | 214,391,915  |                            | 214,391,915                               | 196,116,007                 |
| 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<br>encumbrances) .....   |              |                            |   |                             |
| 4.2 Properties held for the production of income (less \$.....0<br>encumbrances) .....   |              |                            |   |                             |
| 4.3 Properties held for sale (less \$.....0 encumbrances) .....  |              |                            |   |                             |
| 5. Cash (\$.....952,451, Schedule E Part 1), cash equivalents<br>(\$.....4,972,844, Schedule E Part 2) and short-term investments<br>(\$.....0, Schedule DA) ..... | 5,925,295    |                            | 5,925,295                                 | (1,012,814)                 |
| 6. Contract loans (including \$.....0 premium notes) .....   |              |                            |   |                             |
| 7. Derivatives (Schedule DB) .....   |              |                            |   |                             |
| 8. Other invested assets (Schedule BA) .....   |              |                            |   |                             |
| 9. Receivables for securities .....  | 48,338       |                            | 48,338                                    |                             |
| 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) .....  | 323,305,100  |                            | 323,305,100                               | 280,933,631                 |
| 13. Title plants less \$.....0 charged off (for Title insurers only) .....   |              |                            |   |                             |
| 14. Investment income due and accrued .....  | 508,450      |                            | 508,450                                   | 513,353                     |
| 15. Premiums and considerations:   |              |                            |   |                             |
| 15.1 Uncollected premiums and agents' balances in the course of<br>collection .....  | 2,828,189    | 11,320                     | 2,816,869                                 | 2,268,239                   |
| 15.2 Deferred premiums, agents' balances and installments booked<br>but deferred and not yet due (Including \$.....0 earned but<br>unbilled premiums) .....        |              |                            |   |                             |
| 15.3 Accrued retrospective premiums (\$.....0) and contracts<br>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 .....   | 12,958,912   | 163                        | 12,958,749                                | 13,201,894                  |
| 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<br>(\$.....0) .....   |              |                            |   |                             |
| 22. Net adjustment in assets and liabilities due to foreign exchange rates .....   |              |                            |   |                             |
| 23. Receivables from parent, subsidiaries and affiliates .....   | 8,603        |                            | 8,603                                     | 2,454                       |
| 24. Health care (\$.....0) and other amounts receivable .....  |              |                            |   |                             |
| 25. Aggregate write-ins for other than invested assets .....   |              |                            |   |                             |
| 26. TOTAL assets excluding Separate Accounts, Segregated Accounts and<br>Protected Cell Accounts (Lines 12 to 25) .....  | 339,609,254  | 11,483                     | 339,597,771                               | 296,919,571                 |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell<br>Accounts .....   |              |                            |   |                             |
| 28. TOTAL (Lines 26 and 27) .....  | 339,609,254  | 11,483                     | 339,597,771                               | 296,919,571                 |
| <b>DETAILS OF WRITE-INS</b>  |              |                            |   |                             |
| 1101. ....   |              |                            |   |                             |
| 1102. ....   |              |                            |   |                             |
| 1103. ....   |              |                            |   |                             |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....  |              |                            |   |                             |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....   |              |                            |   |                             |
| 2501. ....   |              |                            |   |                             |
| 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) .....   |              |                            |   |                             |

## LIABILITIES, CAPITAL AND SURPLUS

|   | Current Year |                |             | Prior Year  |
|---|--------------|----------------|-------------|-------------|
|   | 1<br>Covered | 2<br>Uncovered | 3<br>Total  | 4<br>Total  |
| 1. Claims unpaid (less \$.....0 reinsurance ceded) .....  | 8,121,904    |                | 8,121,904   | 9,308,400   |
| 2. Accrued medical incentive pool and bonus amounts .....   |              |                |             |             |
| 3. Unpaid claims adjustment expenses .....  | 457,976      |                | 457,976     | 430,028     |
| 4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....            | 87,240       |                | 87,240      | 60,175      |
| 5. Aggregate life policy reserves .....   |              |                |             |             |
| 6. Property/casualty unearned premium reserves .....  |              |                |             |             |
| 7. Aggregate health claim reserves .....  |              |                |             |             |
| 8. Premiums received in advance .....   | 1,531,728    |                | 1,531,728   | 1,784,129   |
| 9. General expenses due or accrued .....  | 4,314,731    |                | 4,314,731   | 3,861,376   |
| 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 .....  | 3,523,231    |                | 3,523,231   | 2,944,921   |
| 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 .....  | 4,052,715    |                | 4,052,715   | 4,881,935   |
| 16. Derivatives .....   |              |                |             |             |
| 17. Payable for securities .....  | 1,829,896    |                | 1,829,896   | 905,471     |
| 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 .....  | 5,560,282    |                | 5,560,282   | 5,597,882   |
| 23. Aggregate write-ins for other liabilities (including \$.....600,093 current) .....  | 600,093      |                | 600,093     | 568,531     |
| 24. TOTAL Liabilities (Lines 1 to 23) .....   | 30,079,796   |                | 30,079,796  | 30,342,848  |
| 25. Aggregate write-ins for special surplus funds .....   | XXX          | XXX            |             |             |
| 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            | 299,805,371 | 256,864,119 |
| 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            | 309,517,975 | 266,576,723 |
| 34. TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....  | XXX          | XXX            | 339,597,771 | 296,919,571 |
| <b>DETAILS OF WRITE-INS</b>   |              |                |             |             |
| 2301. Uninsured claims admin expense reserve .....  | 600,093      |                | 600,093     | 568,531     |
| 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) .....  | 600,093      |                | 600,093     | 568,531     |
| 2501. .....   | XXX          | XXX            |             |             |
| 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            |             |             |
| 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<br>Uncovered | 2<br>Total  | 3<br>Total  |
|   | XXX            | 10,249,909  | 10,205,722  |
| 1. Member Months .....  | XXX            | 10,249,909  | 10,205,722  |
| 2. Net premium income (including \$.....0 non-health premium income) .....  | XXX            | 264,582,564 | 241,464,023 |
| 3. Change in unearned premium reserves and reserve for rate credits .....   | XXX            |             |             |
| 4. Fee-for-service (net of \$.....0 medical expenses) .....   | XXX            |             |             |
| 5. Risk revenue .....   | XXX            |             |             |
| 6. Aggregate write-ins for other health care related revenues .....   | XXX            |             |             |
| 7. Aggregate write-ins for other non-health revenues .....  | XXX            |             |             |
| 8. TOTAL Revenues (Lines 2 to 7) .....  | XXX            | 264,582,564 | 241,464,023 |
| <b>Hospital and Medical:</b>  |                |             |             |
| 9. Hospital/medical benefits .....  |                |             |             |
| 10. Other professional services .....   |                | 222,867,751 | 192,337,832 |
| 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) .....  |                | 222,867,751 | 192,337,832 |
| <b>Less:</b>  |                |             |             |
| 17. Net reinsurance recoveries .....  |                |             |             |
| 18. TOTAL Hospital and Medical (Lines 16 minus 17) .....  |                | 222,867,751 | 192,337,832 |
| 19. Non-health claims (net) .....   |                |             |             |
| 20. Claims adjustment expenses, including \$.....2,871,177 cost containment expenses .....  |                | 6,842,140   | 3,152,233   |
| 21. General administrative expenses .....   |                | 21,732,381  | 34,761,669  |
| 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) .....   |                | 251,442,272 | 230,251,734 |
| 24. Net underwriting gain or (loss) (Lines 8 minus 23) .....  | XXX            | 13,140,292  | 11,212,289  |
| 25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....  |                | 3,680,557   | 5,209,904   |
| 26. Net realized capital gains (losses) less capital gains tax of \$.....0 .....  |                | 22,823,666  | 10,315,597  |
| 27. Net investment gains (losses) (Lines 25 plus 26) .....  |                | 26,504,223  | 15,525,501  |
| 28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] ..... |                | 4,918       | 18,081      |
| 29. Aggregate write-ins for other income or expenses .....  |                | (2,999,871) | (6,992,469) |
| 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            | 36,649,562  | 19,763,402  |
| 31. Federal and foreign income taxes incurred .....   | XXX            |             |             |
| 32. Net income (loss) (Lines 30 minus 31) .....   | XXX            | 36,649,562  | 19,763,402  |
| <b>DETAILS OF WRITE-INS</b>   |                |             |             |
| 0601. Discount card revenue .....   | XXX            |             |             |
| 0602. .....   | XXX            |             |             |
| 0603. .....   | XXX            |             |             |
| 0698. Summary of remaining write-ins for Line 6 from overflow page .....  | XXX            |             |             |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....   | XXX            |             |             |
| 0701. .....   | XXX            |             |             |
| 0702. .....   | XXX            |             |             |
| 0703. .....   | XXX            |             |             |
| 0798. Summary of remaining write-ins for Line 7 from overflow page .....  | XXX            |             |             |
| 0799. TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....  | XXX            |             |             |
| 1401. .....   |                |             |             |
| 1402. .....   |                |             |             |
| 1403. .....   |                |             |             |
| 1498. Summary of remaining write-ins for Line 14 from overflow page .....   |                |             |             |
| 1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....  |                |             |             |
| 2901. Contribution to Delta Dental Fund .....   |                | (3,000,000) | (7,000,000) |
| 2902. Miscellaneous Income (Expense) .....  |                | 129         | 7,531       |
| 2903. .....   |                |             |             |
| 2998. Summary of remaining write-ins for Line 29 from overflow page .....   |                |             |             |
| 2999. TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....   |                | (2,999,871) | (6,992,469) |

# STATEMENT OF REVENUE AND EXPENSES (Continued)

|  | 1<br>Current Year | 2<br>Prior Year |
|--|-------------------|-----------------|
| <b>CAPITAL &amp; SURPLUS ACCOUNT</b>   |                   |                 |
| 33. Capital and surplus prior reporting year .....                                     | 266,576,723       | 234,886,170     |
| 34. Net income or (loss) from Line 32 .....  | 36,649,562        | 19,763,402      |
| 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 | 6,294,412         | 11,929,684      |
| 37. Change in net unrealized foreign exchange capital gain or (loss) .....             |                   |                 |
| 38. Change in net deferred income tax .....  |                   |                 |
| 39. Change in nonadmitted assets .....   | (2,722)           | (2,533)         |
| 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) .....                           | 42,941,252        | 31,690,553      |
| 49. Capital and surplus end of reporting year (Line 33 plus 48) .....                  | 309,517,975       | 266,576,723     |
| <b>DETAILS OF WRITE-INS</b>  |                   |                 |
| 4701. ....   |                   |                 |
| 4702. ....   |                   |                 |
| 4703. ....   |                   |                 |
| 4798. Summary of remaining write-ins for Line 47 from overflow page .....              |                   |                 |
| 4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....                 |                   |                 |

**CASH FLOW**

|  |   | 1<br>Current Year | 2<br>Prior Year |
|--|---|-------------------|-----------------|
| <b>Cash from Operations</b>  |   |                   |                 |
| 1.   | Premiums collected net of reinsurance .....   | 263,806,038       | 241,162,713     |
| 2.   | Net investment income .....   | 6,992,975         | 6,447,691       |
| 3.   | Miscellaneous income .....  | 129               | 7,531           |
| 4.   | TOTAL (Lines 1 through 3) .....   | 270,799,142       | 247,617,935     |
| 5.   | Benefit and loss related payments .....   | 224,054,248       | 192,129,532     |
| 6.   | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                   |                   |                 |
| 7.   | Commissions, expenses paid and aggregate write-ins for deductions .....                                     | 31,686,726        | 39,877,220      |
| 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) .....   | 255,740,974       | 232,006,752     |
| 11.  | Net cash from operations (Line 4 minus Line 10) .....   | 15,058,168        | 15,611,183      |
| <b>Cash from Investments</b>   |   |                   |                 |
| 12.  | Proceeds from investments sold, matured or repaid:  |                   |                 |
| 12.1   | Bonds .....   | 82,673,745        | 99,271,523      |
| 12.2   | Stocks .....  | 78,926,463        | 81,672,978      |
| 12.3   | Mortgage loans .....  |                   |                 |
| 12.4   | Real estate .....   |                   |                 |
| 12.5   | Other invested assets .....   |                   |                 |
| 12.6   | Net gains or (losses) on cash, cash equivalents and short-term investments .....                            |                   |                 |
| 12.7   | Miscellaneous proceeds .....  | 876,087           |                 |
| 12.8   | TOTAL Investment proceeds (Lines 12.1 to 12.7) .....  | 162,476,295       | 180,944,501     |
| 13.  | Cost of investments acquired (long-term only):  |                   |                 |
| 13.1   | Bonds .....   | 102,064,847       | 87,277,045      |
| 13.2   | Stocks .....  | 69,109,816        | 109,163,285     |
| 13.3   | Mortgage loans .....  |                   |                 |
| 13.4   | Real estate .....   |                   |                 |
| 13.5   | Other invested assets .....   |                   |                 |
| 13.6   | Miscellaneous applications .....  |                   | 39,877          |
| 13.7   | TOTAL Investments acquired (Lines 13.1 to 13.6) .....   | 171,174,663       | 196,480,207     |
| 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) .....                                   | (8,698,368)       | (15,535,706)    |
| <b>Cash from Financing and Miscellaneous Sources</b>                       |   |                   |                 |
| 16.  | Cash provided (applied):  |                   |                 |
| 16.1   | Surplus notes, capital notes .....  |                   |                 |
| 16.2   | Capital and paid in surplus, less treasury stock .....  |                   |                 |
| 16.3   | Borrowed funds .....  |                   |                 |
| 16.4   | Net deposits on deposit-type contracts and other insurance liabilities .....                                |                   |                 |
| 16.5   | Dividends to stockholders .....   |                   |                 |
| 16.6   | Other cash provided (applied) .....   | 578,309           | (6,280,150)     |
| 17.  | Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) ..... | 578,309           | (6,280,150)     |
| <b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b> |   |                   |                 |
| 18.  | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....       | 6,938,109         | (6,204,673)     |
| 19.  | Cash, cash equivalents and short-term investments:  |                   |                 |
| 19.1   | Beginning of year .....   | (1,012,814)       | 5,191,859       |
| 19.2   | End of year (Line 18 plus Line 19.1) .....  | 5,925,295         | (1,012,814)     |

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

|         |       |       |       |
|---------|-------|-------|-------|
| 20.0001 | ..... | ..... | ..... |
|---------|-------|-------|-------|

## ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

|  | 1<br>Total  | 2<br>Comprehensive<br>(Hospital<br>&<br>Medical) | 3<br>Medicare<br>Supplement | 4<br>Dental<br>Only | 5<br>Vision<br>Only | 6<br>Federal<br>Employees<br>Health<br>Benefits Plan | 7   | 8   | 9           | 10  |
|--|-------------|--|-----------------------------|---------------------|---------------------|--|-----|-----|-------------|-----|
| 1. Net premium income .....  | 264,582,564 |  |                             | 264,582,564         |                     |  |     |     |             |     |
| 2. Change in unearned premium reserves and reserve for rate credit .....                     |             |  |                             |                     |                     |  |     |     |             |     |
| 3. Fee-for-service (net of \$.....0 medical expenses) .....                                  |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 4. Risk revenue .....  |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 5. Aggregate write-ins for other health care related revenues .....                          |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 6. Aggregate write-ins for other non-health care related revenues .....                      |             | XXX  | XXX                         | XXX                 | XXX                 | XXX  | XXX | XXX | XXX         |     |
| 7. TOTAL Revenues (Lines 1 to 6) .....   | 264,582,564 |  |                             | 264,582,564         |                     |  |     |     |             |     |
| 8. Hospital/medical benefits .....   |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 9. Other professional services .....   | 222,867,751 |  |                             | 222,867,751         |                     |  |     |     | XXX         |     |
| 10. Outside referrals .....  |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 11. Emergency room and out-of-area .....   |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 12. Prescription drugs .....   |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 13. Aggregate write-ins for other hospital and medical .....                                 |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 14. Incentive pool, withhold adjustments and bonus amounts .....                             |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 15. Subtotal (Lines 8 to 14) .....   | 222,867,751 |  |                             | 222,867,751         |                     |  |     |     | XXX         |     |
| 16. Net reinsurance recoveries .....   |             |  |                             |                     |                     |  |     |     | XXX         |     |
| 17. TOTAL Hospital and Medical (Lines 15 minus 16) .....                                     | 222,867,751 |  |                             | 222,867,751         |                     |  |     |     | XXX         |     |
| 18. Non-health claims (net) .....  |             | XXX  | XXX                         | XXX                 | XXX                 | XXX  | XXX | XXX | XXX         |     |
| 19. Claims adjustment expenses including \$.....2,871,177 cost<br>containment expenses ..... | 6,842,140   |  |                             | 6,174,590           |                     |  |     |     | 667,550     |     |
| 20. General administrative expenses .....  | 21,732,381  |  |                             | 19,612,073          |                     |  |     |     | 2,120,308   |     |
| 21. Increase in reserves for accident and health contracts .....                             |             | XXX  | XXX                         | XXX                 | XXX                 | XXX  | XXX | XXX | XXX         |     |
| 22. Increase in reserves for life contracts .....  |             |  |                             |                     |                     |  |     |     |             |     |
| 23. TOTAL Underwriting Deductions (Lines 17 to 22) .....                                     | 251,442,272 |  |                             | 248,654,414         |                     |  |     |     | 2,787,858   |     |
| 24. Net underwriting gain or (loss) (Line 7 minus Line 23) .....                             | 13,140,292  |  |                             | 15,928,150          |                     |  |     |     | (2,787,858) |     |
| <b>DETAILS OF WRITE-INS</b>  |             |  |                             |                     |                     |  |     |     |             |     |
| 0501. ....   |             |  |                             |                     |                     |  |     |     |             | XXX |
| 0502. ....   |             |  |                             |                     |                     |  |     |     |             | XXX |
| 0503. ....   |             |  |                             |                     |                     |  |     |     |             | XXX |
| 0598. Summary of remaining write-ins for Line 5 from overflow page .....                     |             |  |                             |                     |                     |  |     |     |             | XXX |
| 0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....                        |             |  |                             |                     |                     |  |     |     |             | XXX |
| 0601. ....   |             | XXX  | XXX                         | XXX                 | XXX                 | XXX  | XXX | XXX | XXX         |     |
| 0602. ....   |             | XXX  | XXX                         | XXX                 | XXX                 | XXX  | XXX | XXX | XXX         |     |
| 0603. ....   |             | XXX  | XXX                         | XXX                 | XXX                 | XXX  | XXX | XXX | XXX         |     |
| 0698. Summary of remaining write-ins for Line 6 from overflow page .....                     |             | XXX  | XXX                         | XXX                 | XXX                 | XXX  | XXX | XXX | XXX         |     |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....                        |             | XXX  | XXX                         | XXX                 | XXX                 | XXX  | XXX | XXX | XXX         |     |
| 1301. ....   |             |  |                             |                     |                     |  |     |     |             | XXX |
| 1302. ....   |             |  |                             |                     |                     |  |     |     |             | XXX |
| 1303. ....   |             |  |                             |                     |                     |  |     |     |             | XXX |
| 1398. Summary of remaining write-ins for Line 13 from overflow page .....                    |             |  |                             |                     |                     |  |     |     |             | XXX |
| 1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....                       |             |  |                             |                     |                     |  |     |     |             | XXX |

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 1 - PREMIUMS

| Line of Business                                | 1<br>Direct<br>Business | 2<br>Reinsurance<br>Assumed | 3<br>Reinsurance<br>Ceded | 4<br>Net Premium<br>Income<br>(Columns<br>1 + 2 - 3) |
|---|-------------------------|-----------------------------|---------------------------|--|
| 1. Comprehensive (hospital and medical) .....   | .....                   | .....                       | .....                     | .....  |
| 2. Medicare Supplement .....                    | .....                   | .....                       | .....                     | .....  |
| 3. Dental only .....                            | 264,582,564             | .....                       | .....                     | 264,582,564  |
| 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) .....    | 264,582,564             | .....                       | .....                     | 264,582,564  |
| 10. Life .....                                  | .....                   | .....                       | .....                     | .....  |
| 11. Property/casualty .....                     | .....                   | .....                       | .....                     | .....  |
| 12. TOTALS (Lines 9 to 11) .....                | 264,582,564             | .....                       | .....                     | 264,582,564  |

# UNDERWRITING AND INVESTMENT EXHIBIT

## PART 2 - CLAIMS INCURRED DURING THE YEAR

|  | 1<br>Total  | 2<br>Comprehensive<br>(Hospital<br>& Medical) | 3<br>Medicare<br>Supplement | 4<br>Dental<br>Only | 5<br>Vision<br>Only | 6<br>Federal<br>Employees<br>Health<br>Benefits Plan | 7<br>Title<br>XVIII<br>Medicare | 8<br>Title<br>XIX<br>Medicaid | 9<br>Other<br>Health | 10<br>Other<br>Non-Health |
|--|-------------|---|-----------------------------|---------------------|---------------------|--|---------------------------------|-------------------------------|----------------------|---------------------------|
| 1. Payments during the year:   |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 1.1 Direct .....   | 224,054,247 |   |                             | 224,054,247         |                     |  |                                 |                               |                      |                           |
| 1.2 Reinsurance assumed .....  |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 1.3 Reinsurance ceded .....  |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 1.4 Net .....  | 224,054,247 |   |                             | 224,054,247         |                     |  |                                 |                               |                      |                           |
| 2. Paid medical incentive pools and bonuses .....                      |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 3. Claim liability December 31, current year from Part 2A:             |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 3.1 Direct .....   | 8,121,904   |   |                             | 8,121,904           |                     |  |                                 |                               |                      |                           |
| 3.2 Reinsurance assumed .....  |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 3.3 Reinsurance ceded .....  |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 3.4 Net .....  | 8,121,904   |   |                             | 8,121,904           |                     |  |                                 |                               |                      |                           |
| 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 .....   | 9,308,400   |   |                             | 9,308,400           |                     |  |                                 |                               |                      |                           |
| 8.2 Reinsurance assumed .....  |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 8.3 Reinsurance ceded .....  |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 8.4 Net .....  | 9,308,400   |   |                             | 9,308,400           |                     |  |                                 |                               |                      |                           |
| 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 .....  | 222,867,751 |   |                             | 222,867,751         |                     |  |                                 |                               |                      |                           |
| 12.2 Reinsurance assumed .....   |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 12.3 Reinsurance ceded .....   |             |   |                             |                     |                     |  |                                 |                               |                      |                           |
| 12.4 Net .....   | 222,867,751 |   |                             | 222,867,751         |                     |  |                                 |                               |                      |                           |
| 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<br>Total | 2<br>Compre-<br>hensive<br>(Hospital<br>& Medical) | 3<br>Medicare<br>Supplement | 4<br>Dental<br>Only | 5<br>Vision<br>Only | 6<br>Federal<br>Employees<br>Health<br>Benefits Plan | 7<br>Title<br>XVIII<br>Medicare | 8<br>Title<br>XIX<br>Medicaid | 9<br>Other<br>Health | 10<br>Other<br>Non-Health |
|---|------------|--|-----------------------------|---------------------|---------------------|--|---------------------------------|-------------------------------|----------------------|---------------------------|
| 1. Reported in Process of Adjustment:                 |            |  |                             |                     |                     |  |                                 |                               |                      |                           |
| 1.1 Direct .....                                      | 1,582,936  | .....  | .....                       | 1,582,936           | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 1.2 Reinsurance assumed .....                         | .....      | .....  | .....                       | .....               | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 1.3 Reinsurance ceded .....                           | .....      | .....  | .....                       | .....               | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 1.4 Net .....   | 1,582,936  | .....  | .....                       | 1,582,936           | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 2. Incurred but Unreported:                           |            |  |                             |                     |                     |  |                                 |                               |                      |                           |
| 2.1 Direct .....                                      | 6,538,968  | .....  | .....                       | 6,538,968           | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 2.2 Reinsurance assumed .....                         | .....      | .....  | .....                       | .....               | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 2.3 Reinsurance ceded .....                           | .....      | .....  | .....                       | .....               | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 2.4 Net .....   | 6,538,968  | .....  | .....                       | 6,538,968           | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 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 .....                                      | 8,121,904  | .....  | .....                       | 8,121,904           | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 4.2 Reinsurance assumed .....                         | .....      | .....  | .....                       | .....               | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 4.3 Reinsurance ceded .....                           | .....      | .....  | .....                       | .....               | .....               | .....  | .....                           | .....                         | .....                | .....                     |
| 4.4 Net .....   | 8,121,904  | .....  | .....                       | 8,121,904           | .....               | .....  | .....                           | .....                         | .....                | .....                     |

## UNDERWRITING AND INVESTMENT EXHIBIT

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

| Line<br>of<br>Business                             | Claims<br>Paid During the Year                                      |  | Claim Reserve and Claim<br>Liability December 31<br>of Current Year |  | 5         | 6         |
|--|---|--|---|--|-----------|-----------|
|  | 1<br>On<br>Claims Incurred<br>Prior to January 1<br>of Current Year | 2<br>On<br>Claims Incurred<br>During the<br>Year | 3   | 4<br>On<br>Claims Incurred<br>During the<br>Year |           |           |
| 1. Comprehensive (hospital and medical) .....      | .....   | .....  | .....   | .....  | .....     | .....     |
| 2. Medicare Supplement .....                       | 7,587,274   | 216,466,973                                      | 256,000   | 7,865,904  | 7,843,274 | 9,308,400 |
| 3. Dental only .....                               | .....   | .....  | .....   | .....  | .....     | .....     |
| 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) .....            | 7,587,274   | 216,466,973                                      | 256,000   | 7,865,904  | 7,843,274 | 9,308,400 |
| 10. Healthcare receivables (a) .....               | .....   | .....  | .....   | .....  | .....     | .....     |
| 11. Other non-health .....                         | .....   | .....  | .....   | .....  | .....     | .....     |
| 12. Medical incentive pool and bonus amounts ..... | .....   | .....  | .....   | .....  | .....     | .....     |
| 13. TOTALS (Lines 9 - 10 + 11 + 12) .....          | 7,587,274   | 216,466,973                                      | 256,000   | 7,865,904  | 7,843,274 | 9,308,400 |

(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<br>Were Incurred | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       | 1<br>2017                   | 2<br>2018 | 3<br>2019 | 4<br>2020 | 5<br>2021 |
| 1. Prior .....                        | 8,711                       | 8,736     | 8,736     | 8,736     | 8,736     |
| 2. 2017 .....                         | 204,477                     | 215,021   | 215,123   | 215,123   | 215,123   |
| 3. 2018 .....                         | XXX                         | 207,136   | 214,274   | 214,429   | 214,429   |
| 4. 2019 .....                         | XXX                         | XXX       | 219,141   | 227,434   | 227,599   |
| 5. 2020 .....                         | XXX                         | XXX       | XXX       | 183,681   | 191,103   |
| 6. 2021 .....                         | XXX                         | XXX       | XXX       | XXX       | 216,467   |

## Section B - Incurred Health Claims

| Year in Which Losses<br>Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool<br>and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|---|-----------|-----------|-----------|-----------|
|                                       | 1<br>2017   | 2<br>2018 | 3<br>2019 | 4<br>2020 | 5<br>2021 |
| 1. Prior .....                        | 2,225   | 2,225     | 8,736     | 8,736     | 8,736     |
| 2. 2017 .....                         | 215,883   | 215,123   | 215,123   | 215,123   | 215,123   |
| 3. 2018 .....                         | XXX   | 215,485   | 214,249   | 214,429   | 214,429   |
| 4. 2019 .....                         | XXX   | XXX       | 228,086   | 227,599   | 227,599   |
| 5. 2020 .....                         | XXX   | XXX       | XXX       | 192,825   | 191,359   |
| 6. 2021 .....                         | XXX   | XXX       | XXX       | XXX       | 224,333   |

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

| Years in Which<br>Premiums were<br>Earned and Claims<br>were Incurred | 1                  | 2                  | 3  | 4                     | 5  | 6                     | 7                | 8                                       | 9  | 10                    |
|---|--------------------|--------------------|--|-----------------------|--|-----------------------|------------------|---|--|-----------------------|
|   | Premiums<br>Earned | Claims<br>Payments | Claim<br>Adjustment<br>Expense<br>Payments | (Col. 3/2)<br>Percent | Claim and<br>Claim Adjustment<br>Expense<br>Payments<br>(Col. 2 + 3) | (Col. 5/1)<br>Percent | Claims<br>Unpaid | Unpaid Claims<br>Adjustment<br>Expenses | Total Claims<br>and Claims<br>Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | (Col. 9/1)<br>Percent |
| 1. 2017 .....   | 257,879            | 215,123            | 1,318                                      | 0.613                 | 216,441  | 83.931                |                  |   | 216,441  | 83.931                |
| 2. 2018 .....   | 256,092            | 214,429            | 1,030                                      | 0.480                 | 215,459  | 84.133                |                  |   | 215,459  | 84.133                |
| 3. 2019 .....   | 268,414            | 227,599            | 1,770                                      | 0.778                 | 229,369  | 85.453                |                  |   | 229,369  | 85.453                |
| 4. 2020 .....   | 241,464            | 191,103            | 3,165                                      | 1.656                 | 194,268  | 80.454                | 256              | 14                                      | 194,538  | 80.566                |
| 5. 2021 .....   | 264,583            | 216,467            | 6,583                                      | 3.041                 | 223,050  | 84.302                | 7,866            | 444                                     | 231,360  | 87.443                |

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<br>Were Incurred | Cumulative Net Amounts Paid |           |           |           |           |
|---------------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
|                                       | 1<br>2017                   | 2<br>2018 | 3<br>2019 | 4<br>2020 | 5<br>2021 |
| 1. Prior .....                        | 8,711                       | 8,736     | 8,736     | 8,736     | 8,736     |
| 2. 2017 .....                         | 204,477                     | 215,021   | 215,123   | 215,123   | 215,123   |
| 3. 2018 .....                         | XXX                         | 207,136   | 214,274   | 214,429   | 214,429   |
| 4. 2019 .....                         | XXX                         | XXX       | 219,141   | 227,434   | 227,599   |
| 5. 2020 .....                         | XXX                         | XXX       | XXX       | 183,681   | 191,103   |
| 6. 2021 .....                         | XXX                         | XXX       | XXX       | XXX       | 216,467   |

**Section B - Incurred Health Claims**

| Year in Which Losses<br>Were Incurred | Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool<br>and Bonuses Outstanding at End of Year |           |           |           |           |
|---------------------------------------|---|-----------|-----------|-----------|-----------|
|                                       | 1<br>2017   | 2<br>2018 | 3<br>2019 | 4<br>2020 | 5<br>2021 |
| 1. Prior .....                        | 2,225   | 2,225     | 8,736     | 8,736     | 8,736     |
| 2. 2017 .....                         | 215,883   | 215,123   | 215,123   | 215,123   | 215,123   |
| 3. 2018 .....                         | XXX   | 215,485   | 214,249   | 214,429   | 214,429   |
| 4. 2019 .....                         | XXX   | XXX       | 228,086   | 227,599   | 227,599   |
| 5. 2020 .....                         | XXX   | XXX       | XXX       | 192,825   | 191,359   |
| 6. 2021 .....                         | XXX   | XXX       | XXX       | XXX       | 224,333   |

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

| Years in Which<br>Premiums were<br>Earned and Claims<br>were Incurred | 1                  | 2                  | 3  | 4                     | 5  | 6                     | 7                | 8                                       | 9  | 10                    |
|---|--------------------|--------------------|--|-----------------------|--|-----------------------|------------------|---|--|-----------------------|
|   | Premiums<br>Earned | Claims<br>Payments | Claim<br>Adjustment<br>Expense<br>Payments | (Col. 3/2)<br>Percent | Claim and<br>Claim Adjustment<br>Expense<br>Payments<br>(Col. 2 + 3) | (Col. 5/1)<br>Percent | Claims<br>Unpaid | Unpaid Claims<br>Adjustment<br>Expenses | Total Claims<br>and Claims<br>Adjustment<br>Expense Incurred<br>(Col. 5 + 7 + 8) | (Col. 9/1)<br>Percent |
| 1. 2017 .....   | 257,879            | 215,123            | 1,318                                      | 0.613                 | 216,441  | 83.931                |                  |   | 216,441  | 83.931                |
| 2. 2018 .....   | 256,092            | 214,429            | 1,030                                      | 0.480                 | 215,459  | 84.133                |                  |   | 215,459  | 84.133                |
| 3. 2019 .....   | 268,414            | 227,599            | 1,770                                      | 0.778                 | 229,369  | 85.453                |                  |   | 229,369  | 85.453                |
| 4. 2020 .....   | 241,464            | 191,103            | 3,165                                      | 1.656                 | 194,268  | 80.454                | 256              | 14                                      | 194,538  | 80.566                |
| 5. 2021 .....   | 264,583            | 216,467            | 6,583                                      | 3.041                 | 223,050  | 84.302                | 7,866            | 444                                     | 231,360  | 87.443                |

|  |      |
|--|------|
| 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<br>Total | 2<br>Compre-<br>hensive<br>(Hospital &<br>Medical) | 3<br>Medicare<br>Supplement | 4<br>Dental<br>Only | 5<br>Vision<br>Only | 6<br>Federal<br>Employees<br>Health<br>Benefits Plan | 7<br>Title<br>XVIII<br>Medicare | 8<br>Title<br>XIX<br>Medicaid | 9<br>Other |
|---|------------|--|-----------------------------|---------------------|---------------------|--|---------------------------------|-------------------------------|------------|
| 1. Unearned premium reserves .....  | 87,240     |  |                             | 87,240              |                     |  |                                 |                               |            |
| 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) .....   | 87,240     |  |                             | 87,240              |                     |  |                                 |                               |            |
| 7. Reinsurance ceded .....  |            |  |                             |                     |                     |  |                                 |                               |            |
| 8. TOTALS (Net) (Page 3, Line 4) .....  | 87,240     |  |                             | 87,240              |                     |  |                                 |                               |            |
| 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) .....   |            |  |                             |                     |                     |  |                                 |                               |            |
| <b>DETAILS OF WRITE-INS</b>   |            |  |                             |                     |                     |  |                                 |                               |            |
| 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<br>General<br>Administrative<br>Expenses | 4<br>Investment<br>Expenses | 5<br>Total     |
|--|--------------------------------------|--|--|-----------------------------|----------------|
|  | 1<br>Cost<br>Containment<br>Expenses | 2<br>Other Claim<br>Adjustment<br>Expenses |  |                             |                |
| 1. Rent (\$.....0 for occupancy of own building)                     |                                      |  | 232,172                                    |                             | 232,172        |
| 2. Salaries, wages and other benefits                                | 3,262,389                            | 5,323,144                                  | 15,335,001                                 | 437,957                     | 24,358,491     |
| 3. Commissions (less \$.....0 ceded plus \$.....0 assumed)           |                                      |  | 6,778,386                                  |                             | 6,778,386      |
| 4. Legal fees and expenses   |                                      |  | 4,099                                      |                             | 4,099          |
| 5. Certifications and accreditation fees                             |                                      |  |  |                             |                |
| 6. Auditing, actuarial and other consulting services                 | 161,307                              | 6,221                                      | 373,054                                    |                             | 540,582        |
| 7. Traveling expenses  | 2,087                                | 2,832                                      | 222,781                                    | 1,992                       | 229,692        |
| 8. Marketing and advertising   |                                      | 70   | 724,628                                    | 1,007                       | 725,705        |
| 9. Postage, express and telephone                                    | 14,952                               | 320,237                                    | 125,210                                    | 1,183                       | 461,582        |
| 10. Printing and office supplies                                     |                                      | 25,990                                     | 48,277                                     | 451                         | 74,718         |
| 11. Occupancy, depreciation and amortization                         |                                      |  | 226,245                                    | 4,971                       | 231,216        |
| 12. Equipment  | 11,982                               | 46,963                                     | 162,056                                    | 18,714                      | 239,715        |
| 13. Cost or depreciation of EDP equipment and software               | 353,463                              | 572,165                                    | 1,996,232                                  | 51,821                      | 2,973,681      |
| 14. Outsourced services including EDP, claims, and other services    | 1,295,404                            | 2,455,804                                  | 4,241,673                                  |                             | 7,992,881      |
| 15. Boards, bureaus and association fees                             | 4,415                                | 961  | 719,012                                    |                             | 724,388        |
| 16. Insurance, except on real estate                                 |                                      |  | 2,788                                      |                             | 2,788          |
| 17. Collection and bank service charges                              |                                      | 9,949                                      | 489,339                                    |                             | 499,288        |
| 18. Group service and administration fees                            |                                      |  |  |                             |                |
| 19. Reimbursements by uninsured plans                                | (2,784,650)                          | (4,889,079)                                | (13,583,138)                               |                             | (21,256,867)   |
| 20. Reimbursements from fiscal intermediaries                        |                                      |  |  |                             |                |
| 21. Real estate expenses   |                                      |  | 241,384                                    | 2,507                       | 243,891        |
| 22. Real estate taxes  |                                      |  |  |                             |                |
| 23. Taxes, licenses and fees:  |                                      |  |  |                             |                |
| 23.1 State and local insurance taxes                                 |                                      |  |  |                             |                |
| 23.2 State premium taxes   |                                      |  | 2,560,188                                  |                             | 2,560,188      |
| 23.3 Regulatory authority licenses and fees                          | 8,835                                | 16,905                                     | 101,222                                    |                             | 126,962        |
| 23.4 Payroll taxes   | 44,896                               | 60,642                                     | 627,598                                    | 24,352                      | 757,488        |
| 23.5 Other (excluding federal income and real estate taxes)          |                                      |  |  |                             |                |
| 24. Investment expenses not included elsewhere                       |                                      |  |  |                             |                |
| 25. Aggregate write-ins for expenses                                 | 496,097                              | 18,159                                     | 104,174                                    |                             | 618,430        |
| 26. TOTAL Expenses Incurred (Lines 1 to 25)                          | 2,871,177                            | 3,970,963                                  | 21,732,381                                 | 544,955                     | (a) 29,119,476 |
| 27. Less expenses unpaid December 31, current year                   | 192,181                              | 265,795                                    | 4,314,731                                  |                             | 4,772,707      |
| 28. Add expenses unpaid December 31, prior year                      | 258,017                              | 172,011                                    | 3,861,379                                  |                             | 4,291,407      |
| 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) | 2,937,013                            | 3,877,179                                  | 21,279,029                                 | 544,955                     | 28,638,176     |

**DETAILS OF WRITE-INS**

|   |         |        |         |  |         |
|---|---------|--------|---------|--|---------|
| 2501. Miscellaneous Expense   | 55      | 346    | 55,027  |  | 55,428  |
| 2502. Contribution & Community Affairs                              |         |        | 8,013   |  | 8,013   |
| 2503. Extraordinary Non-Operating Expense                           | 496,042 | 17,813 | 41,134  |  | 554,989 |
| 2598. Summary of remaining write-ins for Line 25 from overflow page |         |        |         |  |         |
| 2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)    | 496,097 | 18,159 | 104,174 |  | 618,430 |

(a) Includes management fees of \$.....38,241,368 to affiliates and \$.....0 to non-affiliates.

## EXHIBIT OF NET INVESTMENT INCOME

|   |           | 1<br>Collected<br>During Year | 2<br>Earned<br>During Year |
|---|-----------|-------------------------------|----------------------------|
| 1. U.S. Government bonds .....  | (a) ..... | (558,082)                     | (560,417)                  |
| 1.1 Bonds exempt from U.S. tax .....  | (a) ..... |                               |                            |
| 1.2 Other bonds (unaffiliated) .....  | (a) ..... | 1,666,279                     | 1,660,767                  |
| 1.3 Bonds of affiliates .....   | (a) ..... |                               |                            |
| 2.1 Preferred stocks (unaffiliated) .....                                     | (b) ..... | 4,960                         | 4,960                      |
| 2.11 Preferred stocks of affiliates .....                                     | (b) ..... |                               |                            |
| 2.2 Common stocks (unaffiliated) .....  |           | 3,097,998                     | 3,121,854                  |
| 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) ..... | 770                           | (1,652)                    |
| 7. Derivative instruments .....   | (f) ..... |                               |                            |
| 8. Other invested assets .....  |           |                               |                            |
| 9. Aggregate write-ins for investment income .....                            |           |                               |                            |
| 10. TOTAL gross investment income .....                                       |           | 4,211,925                     | 4,225,512                  |
| 11. Investment expenses .....   | (g) ..... | 544,955                       |                            |
| 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 .....           |           |                               |                            |
| 16. TOTAL Deductions (Lines 11 through 15) .....                              |           |                               | 544,955                    |
| 17. Net Investment income (Line 10 minus Line 16) .....                       |           |                               | 3,680,557                  |

## 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. ....  |  |  |  |
| 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) .....    |  |  |  |

(a) Includes \$.....192,380 accrual of discount less \$.....3,461,015 amortization of premium and less \$.....229,093 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<br>Realized Gain<br>(Loss) on Sales<br>or Maturity | 2<br>Other Realized<br>Adjustments | 3<br>Total Realized<br>Capital Gain<br>(Loss)<br>(Columns 1 + 2) | 4<br>Change in<br>Unrealized Capital<br>Gain (Loss) | 5<br>Change in<br>Unrealized Foreign<br>Exchange Capital<br>Gain (Loss) |
|--|--|------------------------------------|--|---|---|
| 1. U.S. Government bonds .....                             | 207,705  |                                    | 207,705  | 18,123  |   |
| 1.1 Bonds exempt from U.S. tax .....                       |  |                                    |  |   |   |
| 1.2 Other bonds (unaffiliated) .....                       | 1,071,808  |                                    | 1,071,808  | (273,414)   |   |
| 1.3 Bonds of affiliates .....                              |  |                                    |  |   |   |
| 2.1 Preferred stocks (unaffiliated) .....                  |  |                                    |  | (2,480)   |   |
| 2.11 Preferred stocks of affiliates .....                  |  |                                    |  |   |   |
| 2.2 Common stocks (unaffiliated) .....                     | 21,544,153   |                                    | 21,544,153   | 6,748,438   |   |
| 2.21 Common stocks of affiliates .....                     |  |                                    |  | (196,255)   |   |
| 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) .....                     | 22,823,666   |                                    | 22,823,666   | 6,294,412   |   |

## 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<br>Current Year Total<br>Nonadmitted Assets | 2<br>Prior Year Total<br>Nonadmitted Assets | 3<br>Change in Total<br>Nonadmitted Assets<br>(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) .....   | .....   | .....                                       | .....   |
| 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) .....  | .....   | .....                                       | .....   |
| 13. Title plants (for Title insurers only) .....   | .....   | .....                                       | .....   |
| 14. Investment income due and accrued .....  | .....   | .....                                       | .....   |
| 15. Premiums and considerations:   |   |   |   |
| 15.1 Uncollected premiums and agents' balances in the course of collection .....                                     | .....   | 11,320                                      | ..... 8,761   |
| 15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....                  | .....   | .....                                       | ..... (2,559)   |
| 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 .....   | .....   | 163   | ..... (163)   |
| 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 .....   | .....   | .....                                       | .....   |
| 26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) ..... | .....   | 11,483                                      | ..... 8,761   |
| 27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....                                    | .....   | .....                                       | ..... (2,722)   |
| 28. TOTAL (Lines 26 and 27) .....  | .....   | 11,483                                      | ..... 8,761   |
| <b>DETAILS OF WRITE-INS</b>  |   |   |   |
| 1101. .....  | .....   | .....                                       | .....   |
| 1102. .....  | .....   | .....                                       | .....   |
| 1103. .....  | .....   | .....                                       | .....   |
| 1198. Summary of remaining write-ins for Line 11 from overflow page .....  | .....   | .....                                       | .....   |
| 1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....   | .....   | .....                                       | .....   |
| 2501. Prepaid expenses .....   | .....   | .....                                       | .....   |
| 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) .....   | .....   | .....                                       | .....   |

## EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

| Source of Enrollment   | Total Members at End of |                       |                        |                       |                      | 6<br>Current Year<br>Member<br>Months |
|--|-------------------------|-----------------------|------------------------|-----------------------|----------------------|---------------------------------------|
|  | 1<br>Prior<br>Year      | 2<br>First<br>Quarter | 3<br>Second<br>Quarter | 4<br>Third<br>Quarter | 5<br>Current<br>Year |                                       |
| 1. Health Maintenance Organizations .....                                |                         |                       |                        |                       |                      |                                       |
| 2. Provider Service Organizations .....                                  |                         |                       |                        |                       |                      |                                       |
| 3. Preferred Provider Organizations .....                                | 841,568                 | 857,371               | 853,274                | 853,430               | 854,269              | 10,249,909                            |
| 4. Point of Service .....  |                         |                       |                        |                       |                      |                                       |
| 5. Indemnity Only .....  |                         |                       |                        |                       |                      |                                       |
| 6. Aggregate write-ins for other lines of business .....                 |                         |                       |                        |                       |                      |                                       |
| 7. TOTAL .....   | 841,568                 | 857,371               | 853,274                | 853,430               | 854,269              | 10,249,909                            |
| <b>DETAILS OF WRITE-INS</b>  |                         |                       |                        |                       |                      |                                       |
| 0601. ....   |                         |                       |                        |                       |                      |                                       |
| 0602. ....   |                         |                       |                        |                       |                      |                                       |
| 0603. ....   |                         |                       |                        |                       |                      |                                       |
| 0698. Summary of remaining write-ins for Line 6 from overflow page ..... |                         |                       |                        |                       |                      |                                       |
| 0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....    |                         |                       |                        |                       |                      |                                       |

# Notes to Financial Statements

## 1. Summary of Significant Accounting Policies

### A. Accounting Practices

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

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

| Description                       | SSAP# | F/S Page | F/S Line # | 12/31/2021     | 12/31/2020     |
|-----------------------------------|-------|----------|------------|----------------|----------------|
| Net Income, OH                    |       |          |            | \$ 36,649,562  | \$ 19,763,402  |
| Effect of OH prescribed practices |       |          |            |                |                |
| Effect of OH permitted practices  |       |          |            |                |                |
| Net Income, NAIC SAP              |       |          |            | \$ 36,649,562  | \$ 19,763,402  |
| Description                       | SSAP# | F/S Page | F/S Line # | 12/31/2021     | 12/31/2020     |
| Statutory Surplus, OH             |       |          |            | \$ 309,517,975 | \$ 266,576,723 |
| Effect of OH prescribed practices |       |          |            |                |                |
| Effect of OH permitted practices  |       |          |            |                |                |
| Policy Surplus, NAIC SAP          |       |          |            | \$ 309,517,975 | \$ 266,576,723 |

### 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.
- (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, 2021 and 2020.
- (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 affiliates 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, 2021 and 2020.
- (9) No derivatives are held as of December 31, 2021 and 2020.
- (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

Not applicable.

## 2. Accounting Changes and Corrections of Errors

The Company had no accounting changes or correction of errors during fiscal years 2021 and 2020

# 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 2021 and 2020.

### **4. Discontinued Operations**

The Company had no discontinued operations during the fiscal years ending December 31, 2021 and 2020.

### **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. Not applicable.
- 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)

(2) - (3) & (4) – Not applicable

|  | 1   | 2   | 3                               | 4   | 5  | 6  | 7   |
|--|---|---|---------------------------------|---|--|--|---|
| Restricted Asset Category  | Total Gross (Admitted & Nonadmitted) Restricted from Current Year | Total Gross (Admitted & Nonadmitted) Restricted from Prior Year | Increase/(Decrease) (1 minus 2) | Total Current Year Nonadmitted Restricted | Total Current Year Admitted Restricted (1 minus 4) | Gross (Admitted & Nonadmitted) Restricted to Total Asset (a) | Admitted Restricted to Total Admitted Asset (b) |
| a. Subject to contractual obligation for which liability is not shown              |   |   |                                 |   |  |  |   |
| b. Collateral held under security lending agreements                               |   |   |                                 |   |  |  |   |
| c. Subject to repurchase agreements  |   |   |                                 |   |  |  |   |
| d. Subject to 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   | 168,858   | 169,811   | (953)                           |   | 168,858  | 0.05%  | 0.05%   |
| 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   | 168,858   | 169,811   | (953)                           | -   | 168,858  | 0.05%  | 0.05%   |

- M. Not applicable.
- N. Not applicable.
- O. Not applicable.
- P. Not applicable.
- Q. Prepayment Penalty and Acceleration Fees.

#### General Account

(1) Number of CUSIPS -  
 (2) Aggregate Amount of Investment Income \$ -

- R. Not applicable

### **6. Joint Ventures, Partnerships and Limited Liability Companies**

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceeds 10% of its admitted assets.
- B. Not applicable.

# **Notes to Financial Statements**

## **7. Investment Income**

No due and accrued income was excluded from surplus in 2021 and 2020.

## **8. Derivative Instruments**

The Company held no derivative instruments in 2021 and 2020.

## **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. 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 2021 and 2020 was \$36,901,471 and \$36,369,263 respectively.
- C. Not applicable.
- D. At December 31, 2021, the Company recorded an amount due to DDPMI of \$3,846,679. At December 31, 2020, the Company recorded an amount due to DDPMI of \$4,707,648. The December payments were paid based on an estimated calculation. The terms of the agreement require outstanding amounts to be settled monthly.
- E. 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.
- F. No guarantees or undertakings took place during fiscal years 2021 and 2020.
- 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.
- L-O. Not applicable.

### Renaissance Holding Company (Renaissance Holding)

- A. The Company owns 563 shares of common stock of Renaissance Holding, which represents 4.2% ownership of Renaissance Holding as of December 31, 2021 and 2020. 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. There were no material transactions between the companies in 2021 and 2020.
- C. Not applicable.
- D. At December 31, 2021 and 2020, the Company reported no amounts due from or to Renaissance Holding.
- E. No management agreement or service contract existed between the Company and Renaissance Holding in 2021 and 2020.
- F. No guarantees or undertakings took place during fiscal years 2021 and 2020.
- G&H The Company owns 4.2% of the outstanding Renaissance Holding common stock as of December 31, 2021 and 2020. 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, 2021 and 2020, respectively.
- I. The book value of the Renaissance Holding stock represents 1.8% and 2.0% of the Company's admitted assets at 2021 and 2020, 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 Non Admitted) 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                               | 4.20%                       | \$ 6,119,787  | \$ 6,119,787    | \$ -               |
| The 4100 Group, Inc                                       | 25%                         | \$ 38,598,598 | \$ 38,598,598   | \$ -               |
|   |                             | \$ -          | \$ -            | \$ -               |
| Total SSAP No.97 8b(ii) Entities                          | XXX                         | \$ 44,718,385 | \$ 44,718,385   | \$ -               |
| 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                         | \$ -          | \$ -            | \$ -               |

## (2) NAIC Filing Information

| SCA Entity<br>(Should be the same as shown in M(1) above) | Type of<br>NAIC<br>Filing* | Date of<br>Filing to<br>the NAIC | NAIC<br>Valuation<br>Amount | NAIC<br>Respon-<br>sive<br>Received<br>Y/N | NAIC<br>Disallowed<br>Entries<br>Valuation<br>Method,<br>Resubmis-<br>sion Required<br>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                         | 7/9/2021                         | \$ 6,017,786                | Y  | No   | I       |
| The 4100 Group, Inc                                       | S2                         | 7/9/2021                         | \$38,896,853                | Y  | No   | I       |
|   |                            |                                  | \$ -                        |  |  |         |
| Total SSAP No.97 8b(ii) Entities                          | XXX                        | XXX                              | \$44,914,639                | 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

## N-O. Not applicable.

The 4100 Group, Inc. (4100 Group)

- A. The Company owns 1,500 shares of common stock of 4100 Group, which represents 25% ownership of 4100 Group as of December 31, 2021 and 2020. 4100 Group is a for-profit holding company domiciled in the state of Michigan. The Company and 4100 Group belong to the same holding company system.
- B. There were no material transactions between the companies in 2021 and 2020.
- C. Not applicable.
- D. At December 31, 2021 and 2020, the Company reported no amounts due from or to 4100 Group.

## **Notes to Financial Statements**

E. No management agreement or service contract existed between the Company and 4100 Group in 2021 and 2020.

F. No guarantees or undertakings took place during fiscal years 2021 and 2020.

G&H The Company owns 25% of the outstanding 4100 Group common stock as of December 31, 2021 and 2020. 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, 2021.

I. (1) The book value of the 4100 Group stock represents 11.4% and 13.1% of the Company's admitted assets at 2021 and 2020, respectively.

(2) There is no available quoted market price.

(3) 4100 Group reported the following statement values at December 31, 2021 and 2020:

|                        | 2021           | 2020           |
|------------------------|----------------|----------------|
| <b>Admitted Assets</b> | \$ 163,417,245 | \$ 167,999,233 |
| <b>Liabilities</b>     | \$ 5,637,796   | \$ 3,411,983   |
| <b>Net Gain (Loss)</b> | \$ (1,796,861) | \$ 6,965,134   |

(4) Not applicable

(5) Not applicable

J. The Company did not recognize any impairment write down for its investment in 4100 Group for the statement period.

K. Not applicable.

L. The 4100 Group is a downstream holding company. The value of 4100 Group 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 4100 Group. The values of these subsidiaries in determining 4100 Group's statutory equity value were also adjusted to a statutory equity basis.

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

- See Renaissance Holding Above

(2) NAIC Filing Information

- See Renaissance Holding Above

N-O. Not applicable.

### Delta Dental Fund, Inc. (DDF)

A. The Company and DDF are related companies belonging to the same holding company system.

B. The Company contributed \$3,000,000 and \$7,000,000 to DDF in 2021 and 2020, respectively.

C. Not applicable.

D. At December 31, 2021 and 2020, the Company reported no amounts due from or to DDF.

E. No management agreement or service contract existed between the Company and DDF in 2021 and 2020.

F. No guarantees or undertakings took place during fiscal years 2021 and 2020.

G. The Company and DDF are members of the same holding company system.

H. The Company owns no stock in DDF.

I&J. The Company holds no investments in any subsidiary or controlled affiliates that exceed 10% of admitted assets.

K. The Company has no investments in a foreign insurance subsidiary.

L-O. Not applicable

### 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. There were no material transactions between the Company and RHSC in 2021 and 2020.

C. Not applicable.

D. At December 31, 2021 and 2020, the Company reported no amounts due from or to RHSC.

## **Notes to Financial Statements**

E. No management agreement or service contracts exist between RHSC and the Company.

F. No guarantees or undertakings took place during fiscal years 2021 and 2020.

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

I&J. The Company holds no investments in any subsidiary or controlled affiliates that exceed 10% of admitted assets.

K. The Company has no investments in a foreign insurance subsidiary.

L-O. Not applicable.

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

A. The Company and Renaissance America are related companies belong to the same holding company system. Renaissance America provides certain administrative services to the Company

B. Monthly a management fee, based on a management agreement, was calculated and paid to Renaissance America. The management fee for fiscal years 2021 and 2020 was \$811,227 and \$682,922 respectively.

C. Not applicable.

D. At December 31, 2021, an amount of \$68,454 was reported as due to Renaissance America. At December 31, 2020, the Company reported \$56,671 due to Renaissance America. The terms of the agreement require outstanding amounts to be settled monthly.

E. 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.

F. No guarantees or undertakings took place during fiscal year 2021 and 2020.

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-O. Not applicable.

### Red Cedar Investment Management, LLC (RCIM)

A. RCIM is a Michigan limited liability company that is a related party with the Company.

B. RCIM provides investment management services to the Company. In 2021 and 2020, the Company paid RCIM \$528,670 and \$394,425 for these services.

C. Not applicable.

D. The Company reported amounts of \$137,548 and \$117,554 due to RCIM at December 31, 2021 and 2020, respectively.

E. RCIM provides investment management services to the Company.

F. No guarantees or undertakings took place during fiscal years 2021 and 2020.

G. The Company and RCIM are members of the same holding company system.

H. The Company has no investment in RCIM.

I-O. Not Applicable.

## **11. Debt**

The Company carried no debt on its books at December 31, 2021 and 2020.

## **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**

A. The Company is a non-profit organization and has no stock outstanding.

B. There is no preferred stock outstanding.

C. No dividends exist.

## **Notes to Financial Statements**

- D. No dividends exist.
- E. No dividends exist.
- F. There were no restrictions placed on the surplus, including for whom the surplus is being held.
- G. There are no advances to surplus.
- H. No stock, including stock of affiliated companies, is held for special purposes.
- I. There are no changes in balances of special surplus funds from the prior year.
- J. The portion of unassigned funds (surplus) represented by accumulated unrealized gains (losses) at December 31, 2021 and 2020 was \$41,554,724 and \$35,260,312, respectively.
- K. The Company has issued no surplus debentures or similar obligations.
- L. There are no restatements due to prior quasi-reorganizations.
- M. There have been no quasi-reorganizations in the prior 10 years.

### **14. Liabilities, Contingencies and Assessments**

A-E.

None.

F. All Other Contingencies

The Company, along with the Delta Dental Plan Association (DDPA), Delta USA and other independent DDPA member companies, is defending a collection of lawsuits that have been filed in district courts across the country and consolidated into one case in the United States District Court for the Northern District of Illinois. The plaintiffs -- a collection of different dental providers and the American Dental Association -- allege that Delta Dental Plan Association's licensing standards violate federal antitrust laws. The Company denies these allegations and is vigorously defending the case with the assistance of established antitrust defense counsel with the Faegre Drinker law firm. The case is in the early stages of discovery. At this point it is too early in the proceedings to determine the outcome of the matter or the range or amount of any potential loss.

### **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 December 31, 2026. Rental expense is paid directly by Delta Dental Plan of Michigan.
2. At December 31, 2021, the minimum aggregate rental commitments are as follows:

| <b>Year Ending December 31,</b> | <b>Operating Leases</b> |
|---------------------------------|-------------------------|
| 2022                            | \$ 177,404              |
| 2023                            | \$ 158,978              |
| 2024                            | \$ 162,593              |
| 2025                            | \$ 135,301              |
| 2026                            | \$ 138,206              |
| Thereafter                      | \$ -                    |
| <b>Total</b>                    | <b>772,482</b>          |

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

B. Not applicable

### **16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk**

The Company held no financial instruments with off-balance sheet risk or financial instruments with concentrations of credit risk in 2021 and 2020.

### **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.

## Notes to Financial Statements

### B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2021 and 2020:

2021

|   | ASC Uninsured Plans | Uninsured Portion of Partially Insured Plans | Total ASC      |
|---|---------------------|--|----------------|
| a. Gross reimbursement for medical cost incurred                                | \$ 370,192,160      | \$ -   | \$ 370,192,160 |
| b. Gross administrative fees accrued  | \$ 21,256,867       | \$ -   | \$ 21,256,867  |
| c. Other income or expenses (including interest paid to or received from plans) | \$ -                | \$ -   | \$ -           |
| d. Gross expenses incurred (claims and administrative)                          | \$ 394,236,884      | \$ -   | \$ 394,236,884 |
| e. Total gain (loss) from operations  | \$ (2,787,857)      | \$ -   | \$ (2,787,857) |

2020

|   | ASC Uninsured Plans | Uninsured Portion of Partially Insured Plans | Total ASC      |
|---|---------------------|--|----------------|
| a. Gross reimbursement for medical cost incurred                                | \$ 321,662,416      | \$ -   | \$ 321,662,416 |
| b. Gross administrative fees accrued  | \$ 19,892,184       | \$ -   | \$ 19,892,184  |
| c. Other income or expenses (including interest paid to or received from plans) | \$ -                | \$ -   | \$ -           |
| d. Gross expenses incurred (claims and administrative)                          | \$ 349,994,074      | \$ -   | \$ 349,994,074 |
| e. Total gain (loss) from operations  | \$ (8,439,474)      | \$ -   | \$ (8,439,474) |

A. The Company wrote no Medicare business in 2021 and 2020.

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

2021:

| Name and Address of Managing General Agent or Third Party Administrator | FEIN Number | Exclusive Contract | Types of Business Written | Type of Authority Granted | Total Direct Premium Written |
|---|-------------|--------------------|---------------------------|---------------------------|------------------------------|
| Delta Dental Plan of MI<br>Okemos, MI 48864                             | 38-1791480  | yes                | Dental                    | C,CA,B,P,U                | \$ 264,582,564               |

# Notes to Financial Statements

## 2020:

| Name and Address of<br>Managing General<br>Agent or Third Party<br>Party Administrator | FEIN<br>Number | Exclusive<br>Contract | Types of<br>Business<br>Written | Type of<br>Authority<br>Granted | Total Direct<br>Premium<br>Written |
|--|----------------|-----------------------|---------------------------------|---------------------------------|------------------------------------|
| Delta Dental Plan of MI<br>4100 Okemos Rd.<br>Okemos, MI 48864                         | 38-1791480     | yes                   | Dental                          | C,CA,B,P,U                      | \$ 241,464,023                     |

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

## 20. Fair Value Measurements

### A.

#### 1. Fair Value Measurements at Reporting Date

| Description                             | (Level 1)             | (Level 2)   | (Level 3)   | Total                 | Net<br>Asset<br>Values<br>(NAV)<br>Included<br>in Level<br>2 |
|---|-----------------------|-------------|-------------|-----------------------|--|
| <b>a. Assets at fair value</b>          |                       |             |             |                       |  |
| <b>Perpetual Preferred Stock</b>        |                       |             |             |                       |  |
| Industrial & Misc                       | \$ 86,320             | \$ -        | \$ -        | \$ 86,320             |  |
| Parent, Subs, and Affiliate             | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| <b>Total Perpetual Preferred Stocks</b> | <b>\$ 86,320</b>      | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 86,320</b>      | <b>\$ -</b>  |
| <b>Bonds</b>                            |                       |             |             |                       |  |
| U.S Governments                         | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| Industrial & Misc                       | \$ 17,320,263         | \$ -        | \$ -        | \$ 17,320,263         | \$ -   |
| Hybrid Securities                       | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| Parent, Subs, and Affiliate             | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| <b>Total Bonds</b>                      | <b>\$ 17,320,263</b>  | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 17,320,263</b>  | <b>\$ -</b>  |
| <b>Common Stock</b>                     |                       |             |             |                       |  |
| Industrial & Misc                       | \$ 169,673,529        | \$ -        | \$ -        | \$ 169,673,529        | \$ -   |
| Parent, Subs, and Affiliate             | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| <b>Total Common Stocks</b>              | <b>\$ 169,673,529</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 169,673,529</b> | <b>\$ -</b>  |
| <b>Derivative assets</b>                |                       |             |             |                       |  |
| Interest rate Contracts                 | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| Foreign exchange contracts              | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| Credit contracts                        | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| Commodity futures contracts             | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| Commodity forward contracts             | \$ -                  | \$ -        | \$ -        | \$ -                  | \$ -   |
| <b>Total Derivatives</b>                | <b>\$ -</b>           | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>           | <b>\$ -</b>  |
| <b>Separate account assets</b>          |                       |             |             |                       |  |
| <b>Total assets at fair value</b>       | <b>\$ 187,080,112</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 187,080,112</b> | <b>\$ -</b>  |
| <b>b. Liabilities at fair value</b>     |                       |             |             |                       |  |
| <b>Derivative liabilities</b>           |                       |             |             |                       |  |
| <b>Total liabilities at fair value</b>  | <b>\$ -</b>           | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>           | <b>\$ -</b>  |

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

B. None.

## Notes to Financial Statements

### C. Financial Instruments

| Type of Financial Instrument | Aggregate Fair Value | Admitted Assets | (Level 1)     | (Level 2)     | (Level 3) | Net Asset Value (NAV) | Net Practicable (Carrying Value) |
|------------------------------|----------------------|-----------------|---------------|---------------|-----------|-----------------------|----------------------------------|
| Bonds                        | \$104,090,010        | \$102,853,232   | \$ 17,320,263 | \$ 86,769,747 | \$ -      | \$ -                  | \$ -                             |
| Common Stock                 | \$169,673,529        | \$169,673,529   | \$169,673,529 | \$ -          | \$ -      | \$ -                  | \$ -                             |
| Perpetual Preferred Stock    | \$ 86,320            | \$ 86,320       | \$ 86,320     | \$ -          | \$ -      | \$ -                  | \$ -                             |
| Mortgage Loans               | 0                    | 0               | 0             | 0             | 0         | 0                     | 0                                |

D. None.

E. 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. Subprime-Mortgage-Related Risk Exposure

1. The Company considers a number of factors when determining exposure to subprime mortgages and the risk that this presents to the portfolio. For classification purposes, the Company evaluates the percentage of loans by current balance with a credit score of 700 or lower. In addition, the Company considers loans with characteristics that might elevate the risk including low or limited documentation loans, investor loans, high LTV loans, NonQM loans, and those with other similar characteristics. The Company does not currently hold any bonds that have experienced principal loss due to default on the underlying loans.

The Company employs a number of strategies to mitigate risk exposure to subprime mortgages. First, the current holdings only have exposure to loans that are considered “legacy”. This means that they have been outstanding since before the financial crisis of 2007-2008. Therefore, the borrowers have a long history of over 10 years of making their mortgage payments. Second, the credit enhancement of the securities is high and growing. In all cases, the credit enhancement of the current holdings is multiples of any delinquent loans in the pools. This indicates an ability to withstand a significant increase in stress on the underlying loans and still pay off with zero losses.

2. None.

3.

|   | Actual Cost | Book/Adjusted Carrying Value (excluding interest) | Fair Value | OTTI Recognized |
|---|-------------|---|------------|-----------------|
| a. Residential mortgage-backed securities | \$ 166,468  | \$ 167,521  | \$ 168,887 | \$ -            |
| b. Commercial mortgage-backed securities  | -           | -   | -          | -               |
| c. Collateralized debt obligations        | -           | -   | -          | -               |
| d. Structured securities                  | -           | -   | -          | -               |
| e. Equity investments in SCA's            | -           | -   | -          | -               |
| f. Other assets                           | -           | -   | -          | -               |
| g. Total                                  | \$ 166,468  | \$ 167,521  | \$ 168,887 | \$ -            |

G. Not applicable.

H. Not applicable.

I. Not applicable

### 22. Events Subsequent

#### Type I – Recognized Subsequent Events

None.

#### Type II – Nonrecognized Subsequent Events

None.

### 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.

## **Notes to Financial Statements**

- C. The amount of net premiums written by the Company at December 31, 2021 and 2020 subject to retrospectively rating features were \$0 and \$0, respectively. These amounts represented 0.00% and 0.00% of total net premiums written by the Company in 2021 and 2020, respectively.
- D. Not applicable.
- E. Not applicable.

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

- A. Reserves as of December 31, 2020 were \$9,738,428. As of December 31, 2021, \$7,818,027 had been paid for incurred claims and claim adjustment expense attributable to insured events of prior years. Remaining reserves for prior years are now \$270,435 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$1,649,966 favorable prior-year loss development since December 31, 2020 to December 31, 2021. 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 2021 and 2020.

### **27. Structured Settlement**

Not applicable.

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

The Company reported no pharmaceutical rebate receivables or risk sharing receivables in 2021 and 2020.

### **29. Participating Policies**

The Company did not have participating contracts in 2021 and 2020.

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

|  |   |
|--|---|
| Liability carried for premium deficiency reserves              | \$ 0  |
| Date of the most recent evaluation of this liability           | 12/31/2021  |
| Was anticipated investment income utilized in the calculation? | Yes      No <input checked="" type="checkbox"/> X |

### **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, 2 and 3.

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<br>Name of Entity | 2<br>NAIC Company Code | 3<br>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?

6.2 If yes, give full information:

Yes[ ] No[X]

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).

0.000%

| 1<br>Nationality | 2<br>Type of Entity |
|------------------|---------------------|
| .....            | .....               |

8.1 Is the company a subsidiary of a depository institution holding company (DIHC), or a DIHC itself, regulated by the Federal Reserve Board?

8.2 If response to 8.1 is yes, please identify the name of the DIHC.

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.

Yes[ ] No[X]

Yes[ ] No[X]

| 1<br>Affiliate Name | 2<br>Location (City, State) | 3<br>FRB       | 4<br>OCC       | 5<br>FDIC      | 6<br>SEC       |
|---------------------|-----------------------------|----------------|----------------|----------------|----------------|
| .....               | .....                       | ..... No ..... | ..... No ..... | ..... No ..... | ..... No ..... |

8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity such company?

8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule?

Yes[ ] No[X]

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

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

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

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?

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?

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

Yes[ ] No[X]

Yes[ ] No[X]

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

**GENERAL INTERROGATORIES (Continued)**

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?

Kevin Sule, ASA, MAAA 4100 Okemos Rd, Okemos, Michigan 48864 -employee

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

Yes[ ] No[X]

\$..... 0

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

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

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

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

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

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

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

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

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

Yes[X] No[ ]

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

Yes[ ] No[X]

14.2 Has the code of ethics for senior managers been amended?

Yes[ ] No[X]

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

Yes[ ] No[X]

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

Yes[ ] No[X]

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

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

Yes[ ] No[X]

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

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

Yes[X] No[ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[ ]

**FINANCIAL**

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

Yes[ ] No[X]

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

20.11 To directors or other officers

\$..... 0

20.12 To stockholders not officers

\$..... 0

20.13 Trustees, supreme or grand (Fraternal only)

\$..... 0

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

20.21 To directors or other officers

\$..... 0

20.22 To stockholders not officers

\$..... 0

20.23 Trustees, supreme or grand (Fraternal only)

\$..... 0

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

Yes[ ] No[X]

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

21.21 Rented from others

\$..... 0

21.22 Borrowed from others

\$..... 0

21.23 Leased from others

\$..... 0

21.24 Other

\$..... 0

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

Yes[ ] No[X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

\$..... 0

22.22 Amount paid as expenses

\$..... 0

22.23 Other amounts paid

\$..... 0

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

Yes[ ] No[X]

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

\$..... 0

24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days?

Yes[ ] No[X]

24.2 If the response to 24.1 is yes, identify the third-party that pays the agents and whether they are a related party.

## GENERAL INTERROGATORIES (Continued)

| 1<br>Name of Third-Party | 2<br>Is the Third-Party Agent<br>a Related Party (Yes/No) |
|--------------------------|---|
| .....                    | ???   |

## INVESTMENT

25.01 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 25.03) Yes[X] No[ ]

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

25.03 For securities 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)

25.04 For the reporting entity's securities lending program, report amount of collateral for conforming programs as outlined in the Risk-Based Capital Instructions. \$..... 0

25.05 For the reporting entity's securities lending program, report amount of collateral for other programs. \$..... 0

25.06 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes[ ] No[ ] N/A[X]

25.07 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]

25.08 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[ ] No[ ] N/A[X]

25.09 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

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

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

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

26.1 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 24.1 and 25.03). Yes[X] No[ ]

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

26.21 Subject to repurchase agreements \$..... 0

26.22 Subject to reverse repurchase agreements \$..... 0

26.23 Subject to dollar repurchase agreements \$..... 0

26.24 Subject to reverse dollar repurchase agreements \$..... 0

26.25 Placed under option agreements \$..... 0

26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$..... 0

26.27 FHLB Capital Stock \$..... 0

26.28 On deposit with states \$..... 168,858

26.29 On deposit with other regulatory bodies \$..... 0

26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$..... 0

26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$..... 0

26.32 Other \$..... 0

26.3 For category (26.26) provide the following:

| 1<br>Nature of Restriction | 2<br>Description | 3<br>Amount |
|----------------------------|------------------|-------------|
| .....                      | .....            | .....       |

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

27.2 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.

LINES 27.3 through 27.5: FOR LIFE/FRATERNAL REPORTING ENTITIES ONLY:

27.3 Does the reporting entity utilize derivatives to hedge variable annuity guarantees subject to fluctuations as a result of interest rate sensitivity? Yes[ ] No[X]

27.4 If the response to 27.3 is yes, does the reporting entity utilize:

27.41 Special Accounting Provision of SSAP No. 108 Yes[ ] No[X]

27.42 Permitted Accounting Practice Yes[ ] No[X]

27.43 Other Accounting Guidance Yes[ ] No[X]

27.5 By responding yes to 26.41 regarding utilizing the special accounting provisions of SSAP No. 108, does the reporting entity at tests to the following: Yes[ ] No[X]

- The reporting entity has obtained explicit approval from the domiciliary state.
- Hedging strategy subject to the special accounting provisions is consistent with the requirements of VM-21.
- Actuarial certification has been obtained which indicates that the hedging strategy is incorporated with in the establishment of VM-21 reserves and provides the impact of the hedging strategy within the Actuarial Guideline Conditional Tail Expectation Amount.
- Financial Officer Certification has been obtained which indicates that the hedging strategy meets the definition of a Clearly Defined Hedging Strategy within VM-21 and that the Clearly Defined Hedging Strategy is the hedging strategy being used by the company in its actual day-to-day risk mitigation efforts

28.1 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]

28.2 If yes, state the amount thereof at December 31 of the current year. \$..... 0

29. 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[ ]

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

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

29.02 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<br>Name(s) | 2<br>Location(s) | 3<br>Complete Explanation(s) |
|--------------|------------------|------------------------------|
| .....        | .....            | .....                        |

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year? Yes[ ] No[X]

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

## GENERAL INTERROGATORIES (Continued)

| 1<br>Old Custodian | 2<br>New Custodian | 3<br>Date of Change | 4<br>Reason |
|--------------------|--------------------|---------------------|-------------|
| .....              | .....              | .....               | .....       |

29.05 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<br>Name of Firm or Individual            | 2<br>Affiliation |
|--|------------------|
| Amy L. Basel .....                         | A .....          |
| Goran M. Jurkovic .....                    | A .....          |
| Red Cedar Investment Management, LLC ..... | A .....          |

29.0597 For those firms/individuals listed in the table for Question 29.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes[ ] No[X]

29.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 29.05, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes[ ] No[X]

29.06 For those firms or individuals listed in the table for 29.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

30.1 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]

30.2 If yes, complete the following schedule:

| 1<br>CUSIP #        | 2<br>Name of Mutual Fund | 3<br>Book/Adjusted<br>Carrying Value |
|---------------------|--------------------------|--------------------------------------|
| 30.2999 Total ..... | .....                    | .....                                |

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

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

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

| 1                             | 2                 | 3   |
|-------------------------------|-------------------|---|
| Statement<br>(Admitted) Value | Fair<br>Value     | Excess of<br>Statement over<br>Fair Value (-),<br>or Fair Value over<br>Statement (+) |
| 31.1 Bonds .....              | 102,853,232 ..... | 104,090,010 .....   |
| 31.2 Preferred stocks .....   | 86,320 .....      | 86,320 .....  |
| 31.3 Totals .....             | 102,939,552 ..... | 104,176,330 .....   |
|                               |                   | 1,236,778 .....   |

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

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

32.1 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]

32.2 If the answer to 32.1 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]

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

33.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[X] No[ ]

33.2 If no, list exceptions:

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

- 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.
- Issuer or obligor is current on all contracted interest and principal payments.
- 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]

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

**GENERAL INTERROGATORIES (Continued)**

- 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]

36. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria?

Yes[ ] No[X]

37. By rolling/renewing short-term or cash equivalent investments with continued reporting on Schedule DA Part 1 or Schedule E Part 2 (identified through a code (%)) in those investment schedules), the reporting entity is certifying to the following:

- a. The investment is a liquid asset that can be terminated by the reporting entity on the current maturity date.
- b. If the investment is with a nonrelated party or nonaffiliate then it reflects an arms-length transaction with renewal completed at the discretion of all involved parties.
- c. If the investment is with a related party or affiliate then the reporting entity has complete robust reunderwriting of the transaction for which documentation is available for regulator review.
- d. Short-term and cash equivalent investments that have been renewed/rolled from the prior period that do not meet the criteria in 37.a-37.c are reported as long-term investments.

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria?

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

**OTHER**

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

\$..... 749,738

38.2 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<br>Name                            | 2<br>Amount Paid |
|--------------------------------------|------------------|
| Delta Dental Plans Association ..... | 714,838          |

39.1 Amount of payments for legal expenses, if any?

\$..... 0

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

| 1<br>Name | 2<br>Amount Paid |
|-----------|------------------|
| .....     | .....            |

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

\$..... 0

40.2 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<br>Name | 2<br>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:   |                |   |
| 1.61 TOTAL Premium earned   | \$ .....       | 0 |
| 1.62 TOTAL Incurred claims  | \$ .....       | 0 |
| 1.63 Number of covered lives  | \$ .....       | 0 |
| All years prior to most current three years:  |                |   |
| 1.64 TOTAL Premium earned   | \$ .....       | 0 |
| 1.65 TOTAL Incurred claims  | \$ .....       | 0 |
| 1.66 Number of covered lives  | \$ .....       | 0 |
| 1.7 Group policies - Most current three years:  |                |   |
| 1.71 TOTAL Premium earned   | \$ .....       | 0 |
| 1.72 TOTAL Incurred claims  | \$ .....       | 0 |
| 1.73 Number of covered lives  | \$ .....       | 0 |
| All years prior to most current three years:  |                |   |
| 1.74 TOTAL Premium earned   | \$ .....       | 0 |
| 1.75 TOTAL Incurred claims  | \$ .....       | 0 |
| 1.76 Number of covered lives  | \$ .....       | 0 |

## 2. Health Test

|                                     | 1<br>Current Year | 2<br>Prior Year |
|-------------------------------------|-------------------|-----------------|
| 2.1 Premium Numerator .....         | 264,582,564       | 241,464,023     |
| 2.2 Premium Denominator .....       | 264,582,564       | 241,464,023     |
| 2.3 Premium Ratio (2.1 / 2.2) ..... | 100.000           | 100.000         |
| 2.4 Reserve Numerator .....         | 8,209,144         | 9,368,575       |
| 2.5 Reserve Denominator .....       | 8,209,144         | 9,368,575       |
| 2.6 Reserve Ratio (2.4 / 2.5) ..... | 100.000           | 100.000         |

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

Yes [ ] No [X]

3.2 If yes, give particulars:

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

Yes [X] No [ ]

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

Yes [ ] 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 | ..... | 8,004 |
| 8.2 Number of providers at end of reporting year   | ..... | 7,937 |

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 | ..... | 142,840,813 |
| 9.22 Business with rate guarantees over 36 months       | ..... | 32,596,375  |

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

Yes [ ] No [X]

10.2 If yes:

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

11.1 Is the reporting entity organized as:

|   |                |
|---|----------------|
| 11.12 A Medical Group/Staff Model,                  | Yes [ ] No [X] |
| 11.13 An Individual Practice Association (IPA), or, | Yes [ ] No [X] |
| 11.14 A Mixed Model (combination of above)?         | Yes [ ] No [X] |

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

Yes [X] No [ ]

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

State of Ohio

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 (\$30,079,796) = \$33,087,776 less liabilities (30,079,796) = \$3,007,980

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

| 1<br>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<br>Company Name | 2<br>NAIC<br>Company<br>Code | 3<br>Domiciliary<br>Jurisdiction | 4<br>Reserve<br>Credit | Assets Supporting Reserve Credit |                          |            |
|-------------------|------------------------------|----------------------------------|------------------------|----------------------------------|--------------------------|------------|
|                   |                              |                                  |                        | 5<br>Letters<br>of Credit        | 6<br>Trust<br>Agreements | 7<br>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<br>2021   | 2<br>2020   | 3<br>2019   | 4<br>2018   | 5<br>2017   |
|--|-------------|-------------|-------------|-------------|-------------|
| <b>BALANCE SHEET (Pages 2 and 3)</b>   |             |             |             |             |             |
| 1. TOTAL Admitted Assets (Page 2, Line 28)   | 339,597,771 | 296,919,571 | 263,675,184 | 224,992,846 | 215,677,348 |
| 2. TOTAL Liabilities (Page 3, Line 24)   | 30,079,796  | 30,342,848  | 28,789,014  | 24,699,995  | 26,669,703  |
| 3. Statutory minimum capital and surplus requirement   | 3,007,980   | 3,034,285   | 2,878,901   | 2,469,999   | 2,666,970   |
| 4. TOTAL Capital and Surplus (Page 3, Line 33)   | 309,517,975 | 266,576,723 | 234,886,170 | 200,292,851 | 189,007,645 |
| <b>INCOME STATEMENT (Page 4)</b>   |             |             |             |             |             |
| 5. TOTAL Revenues (Line 8)   | 264,582,564 | 241,464,023 | 268,413,987 | 256,091,915 | 257,878,754 |
| 6. TOTAL Medical and Hospital Expenses (Line 18)   | 222,867,751 | 192,337,832 | 227,029,491 | 214,725,675 | 214,801,566 |
| 7. Claims adjustment expenses (Line 20)  | 6,842,140   | 3,152,233   | 1,682,612   | 1,111,054   | 1,354,082   |
| 8. TOTAL Administrative Expenses (Line 21)   | 21,732,381  | 34,761,669  | 27,700,151  | 25,567,252  | 21,050,780  |
| 9. Net underwriting gain (loss) (Line 24)  | 13,140,292  | 11,212,289  | 12,001,733  | 14,687,934  | 20,672,326  |
| 10. Net investment gain (loss) (Line 27)   | 26,504,223  | 15,525,501  | 6,923,497   | 7,286,159   | 5,704,261   |
| 11. TOTAL Other Income (Lines 28 plus 29)  | (2,994,953) | (6,974,388) | (1,949,627) | (1,491,655) | (4,993,743) |
| 12. Net income or (loss) (Line 32)   | 36,649,562  | 19,763,402  | 16,975,603  | 20,482,438  | 21,382,844  |
| <b>Cash Flow (Page 6)</b>  |             |             |             |             |             |
| 13. Net cash from operations (Line 11)   | 15,058,168  | 15,611,183  | 20,456,804  | 15,769,256  | 26,613,380  |
| <b>RISK-BASED CAPITAL ANALYSIS</b>   |             |             |             |             |             |
| 14. TOTAL Adjusted Capital   | 309,517,975 | 266,576,723 | 234,886,170 | 200,292,851 | 189,007,645 |
| 15. Authorized control level risk-based capital  | 25,610,814  | 22,804,835  | 18,674,702  | 14,811,129  | 14,463,016  |
| <b>ENROLLMENT (Exhibit 1)</b>  |             |             |             |             |             |
| 16. TOTAL Members at End of Period (Column 5, Line 7)  | 854,269     | 841,568     | 928,017     | 875,760     | 910,504     |
| 17. TOTAL Members Months (Column 6, Line 7)  | 10,249,909  | 10,205,722  | 11,049,714  | 10,606,656  | 10,850,291  |
| <b>OPERATING PERCENTAGE (Page 4)</b>   |             |             |             |             |             |
| (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0  |             |             |             |             |             |
| 18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)                                  | 100.0       | 100.0       | 100.0       | 100.0       | 100.0       |
| 19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)                       | 84.2        | 79.7        | 84.6        | 83.8        | 83.3        |
| 20. Cost containment expenses  | 1.1         | 0.8         | 0.5         | 0.3         | 0.1         |
| 21. Other claims adjustment expenses   | 1.5         | 0.5         | 0.1         | 0.1         | 0.4         |
| 22. TOTAL Underwriting Deductions (Line 23)  | 95.0        | 95.4        | 95.5        | 94.3        | 92.0        |
| 23. TOTAL Underwriting Gain (Loss) (Line 24)   | 5.0         | 4.6         | 4.5         | 5.7         | 8.0         |
| <b>UNPAID CLAIMS ANALYSIS</b>  |             |             |             |             |             |
| (U&I Exhibit, Part 2B)   |             |             |             |             |             |
| 24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)                                      | 7,843,274   | 8,613,315   | 7,395,184   | 10,671,764  | 8,735,977   |
| 25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]                          | 9,308,400   | 9,100,100   | 8,451,416   | 11,431,270  | 9,817,758   |
| <b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>  |             |             |             |             |             |
| 26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)   |             |             |             |             |             |
| 27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)                                |             |             |             |             |             |
| 28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)                                   | 44,718,385  | 44,914,639  | 41,624,340  | 21,598,600  | 20,584,256  |
| 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     |
| 32. TOTAL of Above Lines 26 to 31  | 44,718,385  | 44,914,639  | 41,624,340  | 21,848,600  | 21,334,256  |
| 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<br>Active Status<br>(a) | Direct Business Only                  |                              |                            |                        |   |  |  |                                      |                   | 10<br>Deposit -<br>Type Contracts |
|--|---------------------------|---------------------------------------|------------------------------|----------------------------|------------------------|---|--|--|--------------------------------------|-------------------|-----------------------------------|
|  |                           | 2<br>Accident<br>& Health<br>Premiums | 3<br>Medicare<br>Title XVIII | 4<br>Medicaid<br>Title XIX | 5<br>CHIP<br>Title XXI | 6<br>Federal<br>Employees<br>Health Benefits<br>Plan Premiums | 7<br>Life & Annuity<br>Premiums &<br>Other<br>Considerations | 8<br>Property/<br>Casualty<br>Premiums | 9<br>Total<br>Columns<br>2 Through 8 |                   |                                   |
| 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 .....                   | 264,582,564                           |                              |                            |                        |   |  |  |                                      | 264,582,564 ..... |                                   |
| 37. Oklahoma (OK) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 38. Oregon (OR) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 39. Pennsylvania (PA) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 40. Rhode Island (RI) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 41. South Carolina (SC) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 42. South Dakota (SD) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 43. Tennessee (TN) .....   | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 44. Texas (TX) .....   | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 45. Utah (UT) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 46. Vermont (VT) .....   | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 47. Virginia (VA) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 48. Washington (WA) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 49. West Virginia (WV) .....   | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 50. Wisconsin (WI) .....   | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 51. Wyoming (WY) .....   | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 52. American Samoa (AS) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 53. Guam (GU) .....  | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 54. Puerto Rico (PR) .....   | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 55. U.S. Virgin Islands (VI) .....                                     | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 56. Northern Mariana Islands (MP) .....                                | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 57. Canada (CAN) .....   | N .....                   |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 58. Aggregate other alien (OT) .....                                   | XXX .....                 |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 59. Subtotal .....   | XXX .....                 | 264,582,564                           |                              |                            |                        |   |  |  |                                      | 264,582,564 ..... |                                   |
| 60. Reporting entity contributions<br>for Employee Benefit Plans ..... | XXX .....                 |                                       |                              |                            |                        |   |  |  |                                      |                   |                                   |
| 61. TOTAL (Direct Business) .....                                      | XXX .....                 | 264,582,564                           |                              |                            |                        |   |  |  |                                      | 264,582,564 ..... |                                   |

**DETAILS OF WRITE-INS**

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

(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

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R - Registered - Non-domiciled RRGs

Q - Qualified - Qualified or accredited reinsurer

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(b) 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

04

