

**QUARTERLY STATEMENT**

**OF THE**

**DELTA DENTAL**

**OF RHODE ISLAND**

**of PROVIDENCE**

**in the state of RHODE ISLAND**

**TO THE**

**Insurance Department**

**OF THE**

**STATE OF**

**STATE OF RHODE ISLAND**

**FOR THE QUARTER ENDED**

**September 30, 2020**

**HEALTH**

**2020**



55301202020100103

# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2020  
OF THE CONDITION AND AFFAIRS OF THE

## DELTA DENTAL OF RHODE ISLAND

NAIC Group Code 1571, 1571 NAIC Company Code 55301 Employer's ID Number 05-0296998  
(Current Period) (Prior Period)

Organized under the Laws of RHODE ISLAND State of Domicile or Port of Entry RI

Country of Domicile USA

Licensed as business type: Life, Accident and Health  Property/Casualty  Hospital, Medical & Dental Service or Indemnity   
Dental Service Corporation  Vision Service Corporation  Health Maintenance Organization   
Other  Is HMO Federally Qualified? Yes  No

Incorporated/Organized October 22, 1959 Commenced Business April 1, 1966

Statutory Home Office 10 CHARLES STREET, PROVIDENCE, RI US 02904  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10 CHARLES STREET  
(Street and Number)

PROVIDENCE, RI US 02904 401-752-6000  
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 10 CHARLES STREET, PROVIDENCE, RI US 02904  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10 CHARLES STREET PROVIDENCE, RI US 02904 401-752-6000  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.deltadentalri.com

Statutory Statement Contact GEORGE J. BEDARD 401-752-6000  
(Name) (Area Code) (Telephone Number) (Extension)  
gbedard@deltadentalri.com 401-752-6070  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title
1. JOSEPH R. PERRONI	PRESIDENT
2. MELISSA GENNARI	ASSISTANT SECRETARY
3. RICHARD A. FRITZ	TREASURER

### VICE-PRESIDENTS

Name	Title	Name	Title
RICHARD A. FRITZ	VP & CFO	THOMAS CHASE	VP - CHIEF OPERATING OFFICER
BLAINE CARROLL	VP - STRATEGIC INITIATIVES	WENDY DUNCAN	VP - CHIEF MARKETING OFFICER
JAMES KINNEY	VP - SALES		

### DIRECTORS OR TRUSTEES

JULIE G. DUFFY	THOMAS P. ENRIGHT	FRANCIS J. FLYNN	JONATHAN W. HALL
EDWARD O. HANDY III	PETER C. HAYES	JUNIOR JABBIE	COLIN P. KANE
LINDA R. McGOLDRICK	MARK A. PAULHUS	HEATHER A. PROVINO	JAMES V. ROSATI
JOHN T. RUGGEIRI	EDWIN J. SANTOS	MARK A. SHAW	

State of RHODE ISLAND

County of PROVIDENCE 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) <u>JOSEPH R. PERRONI</u> (Printed Name) 1. PRESIDENT (Title)	(Signature) <u>MELISSA GENNARI</u> (Printed Name) 2. ASSISTANT SECRETARY (Title)	(Signature) <u>RICHARD A. FRITZ</u> (Printed Name) 3. TREASURER (Title)
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Subscribed and sworn to before me this  
13th day of NOVEMBER, 2020

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

KRISTEN MEIZOSO  
My commission expires 8/1/24

## ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	63,376,422		63,376,422	65,502,110
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	82,726,336		82,726,336	77,382,895
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 7,211,395), cash equivalents (\$ 5,725,277), and short-term investments (\$ 0)	12,936,672		12,936,672	1,874,778
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	10,609,292		10,609,292	11,645,550
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	169,648,722		169,648,722	156,405,333
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	605,730		605,730	590,453
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	453,548	53,484	400,064	322,394
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	2,976,640	77,671	2,898,969	3,188,008
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	753,379	153,860	599,519	838,586
21. Furniture and equipment, including health care delivery assets (\$ 0)	300,129	300,129		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	5,195,145	4,689,475	505,670	599,818
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	1,315,990	1,315,527	463	463
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	181,249,283	6,590,146	174,659,137	161,945,055
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	181,249,283	6,590,146	174,659,137	161,945,055

DETAILS OF WRITE-IN LINES				
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 AND OTHER ACCTS. REC.	1,310,448	1,310,448		
2502. RETROSPECTIVE PREMIUM ADJUSTMENTS	5,079	5,079		
2503. NET STATE AND FEDERAL TAX ADVANCES	463		463	463
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,315,990	1,315,527	463	463

NONE

## LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	2,309,000		2,309,000	3,420,000
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	313,708		313,708	362,354
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	1,747,949		1,747,949	1,935,928
9. General expenses due or accrued	6,208,692		6,208,692	8,994,611
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
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	929,421		929,421	1,933,060
16. Derivatives				
17. Payable for securities				
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	1,327,139		1,327,139	648,247
23. Aggregate write-ins for other liabilities (including \$ 0 current)	613,866		613,866	610,666
24. Total liabilities (Lines 1 to 23)	13,449,775		13,449,775	17,904,866
25. Aggregate write-ins for special surplus funds	X X X	X X X		881,081
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X		
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X	74,333,252	68,137,825
31. Unassigned funds (surplus)	X X X	X X X	86,876,111	75,021,283
32. Less treasury stock, at cost:				
32.1 0 shares common (value included in Line 26 \$ 0)	X X X	X X X		
32.2 0 shares preferred (value included in Line 27 \$ 0)	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	161,209,363	144,040,189
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	174,659,138	161,945,055

DETAILS OF WRITE-IN LINES				
2301. ADVANCE DEPOSITS	613,866		613,866	610,666
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)	613,866		613,866	610,666
2501. RESTRICTED RESERVES ACA ASSESSMENT	X X X	X X X		881,081
2502. ....	X X X	X X X		
2503. ....	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		881,081
3001. RESERVES FROM WHOLLY OWNED SUBSIDIARIES	X X X	X X X	74,333,252	68,137,825
3002. ....	X X X	X X X		
3003. ....	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	74,333,252	68,137,825

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year	Prior Year Ended
	To Date		To Date	December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	2,278,150	2,859,653	3,801,057
2. Net premium income (including \$ 0 non-health premium income)	X X X	65,427,122	87,280,001	115,918,321
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	65,427,122	87,280,001	115,918,321
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits				
10. Other professional services		41,993,219	70,175,696	92,152,879
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)		41,993,219	70,175,696	92,152,879
<b>Less:</b>				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)		41,993,219	70,175,696	92,152,879
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 795,292 cost containment expenses		5,705,331	7,307,127	6,919,373
21. General administrative expenses		8,192,270	7,022,434	11,811,751
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)		55,890,820	84,505,257	110,884,003
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	9,536,302	2,774,744	5,034,318
25. Net investment income earned		1,971,828	1,298,613	1,936,053
26. Net realized capital gains (losses) less capital gains tax of \$ 0		(132,494)	51,411	42,951
27. Net investment gains (losses) (Lines 25 plus 26)		1,839,334	1,350,024	1,979,004
28. Net gain or (loss) from agents' or premium balances charged off [ (amount recovered \$ 0) (amount charged off \$ 0) ]				
29. Aggregate write-ins for other income or expenses			(17,701)	(2,853,858)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	11,375,636	4,107,067	4,159,464
31. Federal and foreign income taxes incurred	X X X			
32. Net income (loss) (Lines 30 minus 31)	X X X	11,375,636	4,107,067	4,159,464

DETAILS OF WRITE-IN LINES				
0601. ....	X X X			
0602. ....	X X X			
0603. ....	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X			
0701. ....	X X X			
0702. ....	X X X			
0703. ....	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
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. GAIN ON PURCHASE ON RHODE ISLAND TAX CREDITS			(17,701)	185,406
2902. EXCISE TAX				(39,264)
2903. DONATIONS TO THE COMPANY'S CHARITABLE FOUNDATIONS				(3,000,000)
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			(17,701)	(2,853,858)

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

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year	144,040,189	126,885,014	126,885,014
34. Net income or (loss) from Line 32	11,375,636	4,107,067	4,159,464
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	5,548,523	6,013,091	9,524,151
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	272,783	3,091,476	3,411,910
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	(27,768)	(12,410)	59,650
48. Net change in capital and surplus (Lines 34 to 47)	17,169,174	13,199,224	17,155,175
49. Capital and surplus end of reporting period (Line 33 plus 48)	161,209,363	140,084,238	144,040,189

<b>DETAILS OF WRITE-IN LINES</b>			
4701. INCLUSION OF BAD DEBT RESERVE IN THE NON-ADMITTED ASSETS	(27,768)	(12,410)	59,650
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)	(27,768)	(12,410)	59,650

**CASH FLOW**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	65,450,512	88,008,865	116,353,292
2. Net investment income	1,824,057	1,321,065	1,963,594
3. Miscellaneous income			185,406
4. Total (Lines 1 to 3)	67,274,569	89,329,930	118,502,292
5. Benefit and loss related payments	43,104,219	70,929,696	92,918,879
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	16,053,274	14,996,377	22,269,497
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		17,701	39,264
10. Total (Lines 5 through 9)	59,157,493	85,943,774	115,227,640
11. Net cash from operations (Line 4 minus Line 10)	8,117,076	3,386,156	3,274,652
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	15,021,520	13,550,384	16,522,431
12.2 Stocks	1,565,533	121,428	129,944
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets	2,781,842	3,181,426	3,181,426
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	19,368,895	16,853,238	19,833,801
13. Cost of investments acquired (long-term only):			
13.1 Bonds	13,426,698	16,374,299	21,893,426
13.2 Stocks	2,555,432	39,372	43,858
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	574,000	555,000	2,941,000
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	16,556,130	16,968,671	24,878,284
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	2,812,765	(115,433)	(5,044,483)
<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)	132,053	(1,812,995)	(1,540,607)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	132,053	(1,812,995)	(1,540,607)
<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)	11,061,894	1,457,728	(3,310,438)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	1,874,778	5,185,216	5,185,216
19.2 End of period (Line 18 plus Line 19.1)	12,936,672	6,642,944	1,874,778

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			

## EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	311,597					311,597				
2. First Quarter	329,234					329,234				
3. Second Quarter	159,737					159,737				
4. Third Quarter	159,776					159,776				
5. Current Year										
6. Current Year Member Months	2,278,150					2,278,150				
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Totals										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	65,450,512					65,450,512				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	65,427,122					65,427,122				
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	43,104,219					43,104,219				
18. Amount Incurred for Provision of Health Care Services	41,993,219					41,993,219				

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ 0





## UNDERWRITING AND INVESTMENT EXHIBIT

### ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	3,034,728	40,069,491	99,212	2,209,788	3,133,940	3,420,000
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)	3,034,728	40,069,491	99,212	2,209,788	3,133,940	3,420,000
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	3,034,728	40,069,491	99,212	2,209,788	3,133,940	3,420,000

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GOING CONCERN

#### (A) Basis of Presentation

The Quarterly Statement of Delta Dental of Rhode Island for the quarter ended September 30, 2020 has been completed in accordance with NAIC *Annual Statement Instructions* and the *Accounting Practices and Procedures* manual and are presented on the basis of accounting practices prescribed or permitted by the Rhode Island Department of Business Regulations. Management is not aware of any deviations from this NAIC guidance, as it relates to the 2020 and 2019 financial information contained in these statements.

## NOTES TO FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies and Going Concern

- A. Reconciliation of the Company's net inc. and capital & surplus between NAIC SAP and the state of Rhode Island is shown below.

#### NET INCOME

	SSAP #	F/S Page	F/S Line #	2020	2019
01. DELTA DENTAL OF RHODE ISLAND state basis (Page 4,	X X X	X X X	X X X	11,375,636	4,159,464
02. State Prescribed Practices that increase/(decrease) NAIC SAP:					
e.g. Depreciation of Fixed Assets					
Totals (Lines 01A0200 thru 01A0200)					
03. State Permitted Practices that increase/(decrease) NAIC SAP:					
e.g. Depreciation of Home Office Property					
Totals (Lines 01A0300 thru 01A0300)					
04. NAIC SAP (1 - 2 - 3 =	X X X	X X X	X X X	11,375,636	4,159,464

#### SURPLUS

	SSAP #	F/S Page	F/S Line #	2020	2019
05. Company state basis (Page 3, Line 33, Columns 3 & 4)	X X X	X X X	X X X	161,209,363	144,040,189
06. State Prescribed Practices that increase/(decrease) NAIC SAP:					
e.g., Goodwill, net, Fixed Assets, net					
Totals (Lines 01A0600 thru 01A0600)					
07. State Permitted Practices that increase/(decrease) NAIC SAP:					
e.g., Home Office Property					
Totals (Lines 01A0700 thru 01A0700)					
08. NAIC SAP (5 - 6 - 7 =	X X X	X X X	X X X	161,209,363	144,040,189

#### (B) Use of Estimates in the Preparation of the Financial Statements

The preparation of the 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### (C) Accounting Policy

##### Investment Income and Declines in Fair Value

The Company periodically reviews its bonds and common stocks to determine whether a decline in fair value below the amortized cost basis is other than temporary. The process for identifying declines in the fair value of investments that are other than temporary involves consideration of several factors. These factors include (1) the period in which there has been a significant decline in value; (2) an analysis of the liquidity, business prospects, and overall financial condition of the issuer; (3) the significance of the decline; and (4) our intent and ability to hold the investment for

## NOTES TO FINANCIAL STATEMENTS

a sufficient period for the value to recover. When our analysis of the above factors results in the conclusion that declines in fair values are other than temporary, the cost of the securities is written down to fair value and is reflected as a realized loss.

### **Bonds**

Bond investments are stated at amortized cost and consist of government agency securities as well as "Investment Grade" corporate notes with fixed rates and maturities. Interest income is accrued as earned. The Company has both the intent and ability to hold these securities until maturity and, accordingly, has categorized these investments as "held-to-maturity" securities. As a result, unrealized gains and losses are excluded from net income.

### **Common Stocks - - Investments in Subsidiaries**

The accompanying financial statements of Delta Dental of Rhode Island include the common stock investments of its wholly owned subsidiary, The Altus Group, Inc. Another subsidiary, Altus Realty, Inc. is a non-profit real estate holding company and is reported on Schedule BA. The values of these investments are reported using the equity method.

The income and expenses of Altus Realty Company and The Altus Group, Inc. are combined such that the net change for the period is included in "Net unrealized capital gains and losses" on line 36 in the Statement of Revenues and Expenses.

The Company contracts with an independent investment advisor to separately manage a portion of the Company's investment portfolio. As a result of this arrangement, common stocks of nonaffiliated companies were added to the Company's investment portfolio beginning in 2004. These common stocks, including investments in mutual funds, are valued at market as they are categorized as "available-for-sale" securities.

### **Claims and Claims Adjudication Expenses**

The estimated liability for claims incurred but unpaid is actuarially determined based on an analysis of historical claims experience, modified for changes in enrollment, inflation and benefit coverage. The estimated liability for accrued claims adjudication expense represents the anticipated cost of processing claims incurred but unpaid at the balance sheet date. The estimates for claims and claims adjudication expenses may be more or less than the amount ultimately paid. Such changes in estimates are reflected in current period operations.

Additionally, in accordance with NAIC guidelines, the following accounting policies are either utilized or are not applicable to the company.

1. Short term investments are stated at cost.
2. Bonds are stated at amortized value using the constant yield / scientific method.
3. Common stocks in our investment portfolio are stated at market value. In accordance with NAIC guidelines starting at December 31, 2017, money market mutual funds are now reported as Cash on Schedule E and the Balance Sheet per the NAIC guidance.
4. The company does not own preferred stocks; hence this accounting policy is not applicable.
5. The company does not have mortgage loans directly; hence this accounting policy is not applicable. One of the company's subsidiaries, Altus Realty, owns the building and originally had mortgage debt associated with the company office facility. This debt was paid off in 2014.
6. Loan-backed securities are stated at amortized value using the constant yield / scientific method.
7. Investments in subsidiaries, controlled and affiliated entities are reported using the equity method.
8. Investments in joint ventures, partnerships and limited liability companies are valued based on quarterly and annual reports supplied by the joint ventures.
9. The company does not own derivatives; hence this accounting policy is not applicable.
10. The company does utilize anticipated investment income as a factor in the premium deficiency calculation.

## NOTES TO FINANCIAL STATEMENTS

11. The company methodologies for estimating the liabilities for losses and loss/claim adjustment expenses are actuarially derived as described above.
12. The capitalization policy and the predefined thresholds did not change from the prior period.
13. The company does not use pharmaceutical rebate receivables; hence this accounting policy is not applicable.

### (D) Going Concern

There are no conditions or events that raise substantial doubt about the Company's ability to continue as a going concern.

### NOTE 2 - - ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

The financial statements included in this filing do not contain any items that resulted from corrections of errors. Beginning with the December 31, 2001 annual filing the Company implemented the Codification of the NAIC Accounting Practices and Procedures Manual. This included the adoption of the Statement on Statutory Accounting Principles (SSAP) # 47 "Uninsured Plans".

SSAP 47 requires the exclusion of uninsured plan business for both premiums earned and claims incurred in the Statement of Revenues and Expenses. The Company has identified its Administrative Service Business (ASC), where the account, not Delta Dental of Rhode Island, has assumed the overall risk for the claims incurred and removed these components from both premiums earned and claims incurred in these 2020 and 2019 financial statements and the associated supporting exhibits. The administrative expenses reimbursed from ASC business is reported in the Annual Statement as "reimbursements by uninsured accident and health plans" in the Underwriting and Investment Exhibit Part 3 - Analysis of Expenses.

### NOTE 3 - - BUSINESS COMBINATIONS AND GOODWILL

During 2020, the Company had no business combinations, direct purchases or mergers with other companies. The related disclosures, specifically including 3A, are all not applicable.

### NOTE 4 - - DISCONTINUED OPERATIONS

During 2020, the Company's financial results includes no gains or losses from discontinued operations. The related disclosures, specifically including 4A(1), 4A(3) and 4A(4), are all not applicable.

### NOTE 5 - - INVESTMENTS

The Company's bond, common stock investments and Schedule BA investments described in Note 1 represent all of the Company's statutory recorded investments as of September 30, 2020 and December 31, 2019.

Additionally, in accordance with NAIC guidelines, the following accounting policies are either utilized or are not applicable to the company. The related note disclosures, specifically including 5A(3) through 5A(8), 5B(1) through 5B(3), 5D(2) through 5D(4), 5E(3)a, 5E(3)b, 5E(5)a, 5E(7), 5F(2), 5F(3), 5F(5) through 5F(11), 5G(2), 5G(3), 5G(5) through 5G(10), 5H(2), 5H(3), 5H(5) through 5H(9), 5I(2), 5I(3), 5I(5) through 5I(8), 5L, 5M(1), 5M(2), 5N, 5O, 5P and 5Q, are all not applicable.

- A. Mortgage Loans, including Mezzanine Real Estate Loans – This is not applicable.
- B. Debt Restructuring – This is not applicable.

## NOTES TO FINANCIAL STATEMENTS

- C. Reverse Mortgages – This is not applicable.
- D. Loan Backed Securities – Stated at amortized cost.
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – This is not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – This is not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – This is not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale – This is not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – This is not applicable.
- J. Real Estate – One of the company’s subsidiaries, Altus Realty, owns the building that functions as corporate headquarters for the parent and all subsidiaries. Additionally in December 2018, a new subsidiary was incorporated and capitalized. This entity, First Circle Realty, purchased an adjacent office building to the company’s office facility.
- K. Low-Income Housing Tax Credits (LIHTC) – The Company does utilize state tax credits, which may include low-income housing tax credits. See footnote number 21, where accounting for tax credits is addressed.
- L. Restricted Assets - This is not applicable.
- M. Working Capital Finance Investments - This is not applicable.
- N. Offsetting and Netting of Assets and Liabilities - This is not applicable.
- O. 5\*GI Securities – This is not applicable.
- P. Short Sales – This is not applicable.
- Q. Prepayment Penalty and Acceleration Fees – This is not applicable.

### NOTE 6 - - JOINT VENTURES, PARTNERSHIPS and LIMITED LIABILITY COMPANIES

During 2020 and 2019, there has been income of \$609,000 and \$126,000 respectively from the company’s three joint ventures. The Company participates in three separate joint ventures with other Delta Dental Plans. These joint ventures started January 1, 2014, and Delta Dental of RI has taken a 2.53% risk share. One of these ventures, Tricare, experienced startup costs in the first year and more importantly network recruiting efforts had fallen short of what was assumed in the priced contractual premiums for the largest of these three programs. A projected loss over the full five year contract period for this venture had been recorded in the amount of approximately \$1,900,000 in 2014, which reflected the general partners most conservative assumptions. In 2020 and 2019, the loss reserve was reduced by \$132,000 and \$165,000. The Tricare program was in the run out stage in 2019 and early 2020, as the program ended in 2018. This final adjustment of \$132,000 was recorded in 2020 to eliminate the remaining program liability reserve as the run out period has now ended. The other two smaller joint ventures had reported the majority of the remaining gains of \$477,000 in 2020 and losses of \$39,000 in 2019 respectively.

In 2020 and 2019, there was an increase of approximately \$428,000 and \$1,479,000 in the value of the existing venture capital funds. In 2020, there was one sale of investment within the Venture Capital Funds. This resulted in a distribution of approximately \$463,000, which included realized gains of approximately \$247,000. In 2019, there were two sales of investments within the Venture Capital Funds. This resulted in distributions of approximately \$709,000, which included realized gains of approximately \$466,000. In 2020 and 2019, the company made additional contributions which increased its investments in the existing venture funds. These investments are reported on Schedule BA.

### NOTE 7 - - INVESTMENT INCOME

Interest income is accrued as earned. At September 30, 2020 and December 31, 2019, the Company had no income due or accrued that it considered a non-admitted asset, as collection on accrued interest is reasonably assured for all Company investments.

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## NOTES TO FINANCIAL STATEMENTS

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For the quarter ended September 30, 2020 and the year ended December 31, 2019, the Company performed GAAP analyses to determine whether declines in fair value below amortized cost were other than temporary impairment (“OTTI”) for the stock portfolio. Additionally, a statutory review of creditworthiness for the bond portfolio is performed.

The Company’s common stocks are recorded at fair market values. For stocks that meet the GAAP OTTI criteria, required OTTI adjustments result in a reduction of unrealized losses and an equivalent increase in realized losses as a result of writing down the original cost amount to the current market value for these specific common stocks where market value has fallen below cost by a defined percentage and time frame that meets the Company’s OTTI criteria. GAAP OTTI adjustments were not necessary for the three quarters ended September 30, 2020 and were recorded for the stock portfolio in the amount of \$25,000 for the year ended December 31, 2019.

In addition to this GAAP OTTI analysis, a separate statutory adjustment is required for bonds that fall to an NAIC #3 rating. These statutory analyses can result in a statutory temporarily impaired adjustment, however no adjustments were required for the three quarters ended September 30, 2020 and for the year ended December 31, 2019, which would have reduced bond investments and reserves.

### NOTE 8 - - DERIVATIVE INSTRUMENTS

As disclosed in Note 1 above, all investments consist of United States government and government agency securities, corporate notes with fixed rates and maturities, common stocks and two investments in wholly owned subsidiaries. During the three quarters ended September 30, 2020 and year ended December 31, 2019, the Company had not utilized any derivative financial instruments, therefore, the related disclosures, specifically 8A(8), and 8B(2) through 8B(4) are all not applicable.

### NOTE 9 - - INCOME TAXES

Delta Dental of Rhode Island is a not-for-profit corporation pursuant to Section 501(C)(4) of the Internal Revenue Code (IRC) and is exempt from federal income taxes under Section 501(a) of the IRC and, accordingly, no provision for income taxes has been made in the accompanying statutory financial statements. Altus Realty Company is also a not-for-profit real estate holding corporation under Section 501(C) (2) of the IRC, and as such has made no provision for income taxes. There will be a \$32,000 excise tax expense in 2020. A \$39,000 excise tax was expensed for the year ended December 31, 2019. In lieu of state income taxes, Delta Dental of Rhode Island pays a premium based tax to the State of Rhode Island.

The Company’s other wholly owned subsidiary, The Altus Group, Inc., and its subsidiaries are for profit corporations. The Altus Group, Inc., including its subsidiaries Altus Dental, Inc., Altus Systems, Inc., Altus Dental Insurance Company, Inc., Altus Ventures, Inc., First Circle, Inc. and First Circle Realty, Inc. file consolidated federal and state tax returns. For the three quarters ended September 30, 2020 and the year ended December 31, 2019, the tax provision of the Altus Group was \$1,557,000 and \$1,174,000.

As the company is a nonprofit entity, the NAIC required tables or disclosures, specifically including 9A1, 9A2, 9A3, 9A4, 9C and 9I, are all not applicable to the Company.

### NOTE 10 - - INFORMATION CONCERNING PARENT, SUBSIDIARIES, AFFILIATES AND OTHER RELATED PARTIES

A. In December of 2018, a new entity within the Altus Group, First Circle Realty, Inc. was formed to purchase the land and building at 10 Orms Street in Providence. The purchase was capitalized with \$6,500,000 and recorded as an intercompany transfer from the ultimate parent Company, Delta Dental of Rhode Island.

## NOTES TO FINANCIAL STATEMENTS

Previously, in the fourth quarter of 2016, a new entity within the Altus Group, First Circle, Inc. was also established and was capitalized with \$10,000,000 in the first quarter of 2017. In March of 2019, additional capital in the amount of \$5,000,000 was transferred to this company. These amounts were recorded as intercompany transfers, as these capitalizations were from the ultimate parent Company, Delta Dental of Rhode Island. First Circle, Inc., a for-profit subsidiary, remains in the development stage. The Company is a services company that connects consumers with dentists for services not payable by insurance, and assists dental offices in promoting and increasing the efficiency of their offerings of such services through its proprietary Chewsi technological, transactional, payment processing and marketing services platform.

B. See section A above.

C. See section A above.

D. At September 30, 2020 and December 31, 2019, the Company has intercompany payables with/to the Altus Group, Inc. and other affiliates. Some of these balances resulted from the fact that Altus Dental Insurance Company previously maintained a sweep banking arrangement for the Altus Group and its subsidiaries. The remainder of these balances are related to allocated expenses.

Management's cash flow projections for The Altus Group, Inc. and its subsidiaries are made based on a number of factors, which affect the changes in the intercompany balances over the period of time being analyzed. The most significant factors include: the relative and absolute growth in enrollment levels for Altus Dental Insurance Company, Inc.; the amount and rate of increase in operating and administrative expenses; the level of success Altus Dental, Inc. experiences in developing and maintaining its dental network; and the level of resources required by Altus Dental, Inc. for recruitment and marketing functions. Management's current cash flow projections for the dental operations of The Altus Group, Inc. and its subsidiaries projects profitability going forward and that the intercompany advances will be reduced gradually over time.

See Schedule Y of the 2019 Annual Statement – Part 2 – Summary of Insurers Transactions with any Affiliate

### DELTA DENTAL OF RHODE ISLAND INTERCOMPANY BALANCES SEPTEMBER 30, 2020

#### Assets (Page 2)

Line #	Account #	Description	Amount
23	1214-0000-002	A/R from Altus Dental, Inc.	\$4,278,758.73
	1214-0000-005	A/R from Altus Dental Insurance Co., Inc.	* 505,670.55
	1214-0000-006	A/R from Altus Realty Company Inc.	121,273.24
	1214-0000-008	A/R from Altus Ventures, Inc.	0.00
	1214-0000-010	A/R from First Circle Realty, Inc.	289,442.94
		<b>Total</b>	<b><u>\$5,195,145.46</u></b>

\* Settled within 90 days

#### Liabilities (Page 3)

Line #	Account #	Description	Amount
15	1214-0000-001	A/P to Altus System, Inc.	\$654,789.69
	1214-0000-009	A/P to First Circle, Inc.	274,630.94
		<b>Total</b>	<b><u>\$929,420.63</u></b>



## NOTES TO FINANCIAL STATEMENTS

E. The requirements of section E specify that the company is required to disclose guarantees and undertakings in accordance with SSAP #5. Per this NAIC guidance, this information is disclosed in Note #14.

F. Delta Dental of RI (DDRI) and Altus Dental Insurance Company are allocated expenses from Altus Systems, Inc., a subsidiary within the Altus Group. Altus Systems (AS) is the company that employs the operations staff necessary to administer the dental business of both DDRI and Altus Dental Insurance Company. As a for-profit company, AS “sells” its dental related services to its sister and ultimate parent company at a 2% markup over its costs (to satisfy IRS requirements); therefore AS generates net income on its dental operations. The allocations from Altus Systems are based on the Company’s member enrollment levels as a percentage of total consolidated dental member enrollment.

The Parent Company’s one dental insurance subsidiary, Altus Dental Insurance Company, is allocated expenses from three affiliated Companies, the ultimate Parent, Delta Dental of RI and two sister companies (Altus Systems, Inc. and Altus Dental, Inc.) within the Altus Group. The allocations from Delta and Altus Systems are based on the Company’s member enrollment levels as a percentage of total consolidated dental member enrollment. Expenses from Altus Dental are based on the number of subscribers under contract by the Company. The main allocated expenses from each source are as follows:

- Expenses are allocated from Delta Dental (DDRI), for costs associated with a portion of consolidated expenses incurred by DDRI that should be spread between the two insurance companies. The main costs in this category would be rent, depreciation and payroll and fringes benefit costs for the various departments that service both insurance Companies, such as Underwriting and Finance.
- Altus Systems (AS) is the company that employs the operations staff necessary to administer the dental business of both DDRI and this Company, such as claims processing and customer service.
- Altus Dental incurs costs related to: (1) advertising, (2) recruiting and servicing the provider network, and (3) sales and marketing activities. These costs are then allocated to Altus Dental Insurance Company based on the volume of subscriber dental contracts.

Altus Realty Company, a wholly owned subsidiary of the Company, is a non-profit real estate holding company that holds title to and manages the building at 10 Charles Street in Providence, RI. The Company (Delta Dental of Rhode Island) presently rents approximately one half of the existing space within this building. For the three quarters ended September 30, 2020 and the year ended December 31, 2019, this entity reported total revenues of \$1,561,000 and \$2,042,000 and net income of \$587,000 and \$455,000.

The Altus Group, Inc. is a wholly owned subsidiary of the Company and was established as a for-profit entity in 1999 for the purpose of expanding the Company’s offering of prepaid dental care coverage. For the three quarters ended September 30, 2020 and the year ended December 31, 2019, after elimination of intercompany transactions, The Altus Group, Inc., generated gains of \$4,964,000 and \$4,832,000.

G. The nature of Delta Dental of Rhode Island’s relationship with all subsidiaries is disclosed in Footnote #1 under the Common Stock – Investments in Subsidiaries section.

H. The consolidated holding company maintains no upstream intermediate entities. This type of structured entity is not applicable to the corporate structure of Delta Dental of Rhode Island and all subsidiaries.

I. Section #1– name and percentage ownership of each SCA entity – like G (above), the nature of Delta Dental of Rhode Island’s relationship with all subsidiaries is disclosed in Footnote #1 under the Common Stock – Investments in Subsidiaries section.

- Section #2 – The Altus Group has filed a Sub 2 filing with the SVU. This entity reported a value of \$62,969,980 using the equity method as of December 31, 2019.
- Section #3 – The information required for this section for the Altus Group is disclosed in more detail in Footnote #6 of the Audited Statutory Financial

## NOTES TO FINANCIAL STATEMENTS

Statements of Delta Dental of Rhode Island for the year ended December 31, 2019.

- Section #4 – material effects of possible conversions, exercises or contingent issuances is not applicable.
- Section #5 – changes in valuation methods and the reason for any recorded adjustments that must be disclosed is not applicable.

J. SCA impairment is not applicable to Delta Dental of Rhode Island and its subsidiaries as all are healthy and profitable. Additionally, when valuing these subsidiaries for Statutory purposes, the GAAP book values of the entities are reduced for any non-admitted assets under the statutory guidance.

K. Foreign Insurance Subsidiaries are not applicable to the operations of Delta Dental of Rhode Island and subsidiaries.

L. Investments in a downstream noninsurance holding Company are not applicable to the operations of Delta Dental of Rhode Island and subsidiaries.

## NOTES TO FINANCIAL STATEMENTS

### 10. Information Concerning Parent, Subsidiaries, Affiliates and Other M. All SCA Investments

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8A Entities	X X X			
b. SSAP No. 97 8b(ii) Entities				
01. The Altus Group, Inc.	100.000%	67,938,268	67,938,268	
Total SSAP No. 97 8b(ii) Entities	X X X	67,938,268	67,938,268	
c. SSAP No. 97 8b(iii) Entities				
Total SSAP No. 97 8b(iii) Entities	X X X			
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 97 8b(iv) Entities	X X X			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c)	X X X	67,938,268	67,938,268	
f. Aggregate Total (a + e)	X X X	67,938,268	67,938,268	

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y / N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y / N	Code **
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8A Entities	X X X	X X X		X X X	X X X	X X X
b. SSAP No. 97 8b(ii) Entities						
01. The Altus Group, Inc.	S2	8/31/2020	62,969,980	N	N	M
Total SSAP No. 97 8b(ii) Entities	X X X	X X X	62,969,980	X X X	X X X	X X X
c. SSAP No. 97 8b(iii) Entities						
Total SSAP No. 97 8b(iii) Entities	X X X	X X X		X X X	X X X	X X X
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	X X X	X X X		X X X	X X X	X X X
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c)	X X X	X X X	62,969,980	X X X	X X X	X X X
f. Aggregate Total (a + e)	X X X	X X X	62,969,980	X X X	X X X	X X X

\* S1 - Sub-1, S2 - Sub 2 or RDF - Resubmission of Disallowed Filing

\*\* I - Immaterial or M - Material

N. The NAIC guidance per this section relates to disclosing Insurance SCA investments where the statutory equity reflects a departure from the NAIC permitted or prescribed statutory accounting practices and procedures. This departure from NAIC entity valuation methodology is

## NOTES TO FINANCIAL STATEMENTS

not applicable to the corporate structure of Delta Dental of Rhode Island and its subsidiaries, therefore the table disclosing an NAIC departure is not applicable.

### N. Investment in Insurance SCAs

(2) The monetary effect on net income and surplus as a result of using an accounting practice that differed from NAIC and Procedures (NAIC SAP), the amount of the investment in the insurance SCA per audited statutory equity a insurance SCA had completed statutory financial statements in accordance with the AP&P Manual.

SCA Entity (Investments in Insurance SCA Entities)	Monetary Effect on NAIC SAP		Amount of Investment	
	Net Income Increase (Decrease)	Surplus Increase (Decrease)	Per Audited Statutory Equity	If the Insurance SCA Had Completed Statutory Financial Statements *

\* Per AP&P Manual (without permitted or prescribed practices)

O. The company maintains an SCA investment disclosed above, there are no losses incurred that would exceed its investment reported value. No disclosure is needed.

### O. SCA Loss Tracking

1	2	3	4	5	5
SCA Entity	Reporting Entity's Share of SCA Net Income (Loss)	Accumulated Share of SCA Net Income (Losses)	Reporting Entity's Share of SCA's Equity, Including Negative Equity	Guaranteed Obligation/ Commitment for Financial Support (Yes / No)	SCA Reported Value

## NOTE 11 - - DEBT

During the three quarters ended September 30, 2020 and the year ended December 31, 2019 the Company had no outstanding capital notes or any debt arrangements. The related note disclosures, specifically including 11B(2) through 11B(4), are all not applicable.

## NOTE 12 - - RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

### A. Defined Contribution Retirement Plan

The Company maintains a noncontributory, defined contribution retirement plan. The plan covers all full time employees who are 21 years of age and have completed three months of service to the Company.

Employees qualify for benefits upon normal retirement at age 65, or early retirement, which is met upon reaching age 60 and completion of five years of service. Vesting of contributions (made on behalf of each employee) begins at 20% after two years of service and increases 20% annually until full vesting occurs after six years of service. The Company's contributions to this plan, representing its full funding requirements were \$1,649,000 and \$1,049,000 for the three quarters ended September 30, 2020 and the year ended December 31, 2019.

### B. Deferred Compensation Plans

Effective January 1, 1997, the Company established a 401(k) plan. Plan entry of employer contributions are the same as the defined contribution retirement plan described above. The Company's contribution to the plan is matching the first 1% of base compensation and 50% of additional contributions up to 6% of the base compensation that is contributed by each employee. Employer contributions vest 100% after two years of service. The Company's contributions to this plan were \$282,000 and \$272,000 for the three quarters ended September 30, 2020 and the year ended December 31, 2019.

## NOTES TO FINANCIAL STATEMENTS

In 2004, the Company established 457(b) Plan for providing deferred compensation for a select group of management. The Company had no contributions to this plan for the three quarters ended September 30, 2020 and had \$19,000 for the year ended December 31, 2019.

In 2009, the Company established 457(f) Plan for providing deferred compensation for a select group of management. The Company had no expenses for the three quarters ended September 30, 2020 and the year ended December 31, 2019.

### C. Postretirement Benefit Plans

The Company provides postretirement medical and dental benefits covering certain members of the board of directors who had served three full terms (9 years) as of April 1994. The Company accounts for postretirement benefits under the provisions of Statement of Statutory Accounting Principles (SSAP) No. 89, Accounting for Pensions, A Replacement of SSAP No. 8. Actuary valuations were used to measure plan assets and obligations as of December 31, 2019 and 2018.

		2019	2018
Accumulated post-retirement benefit obligation	\$	320,000	520,000
Fair value of plan assets		—	—
Funded status	\$	320,000	520,000
Accrued post-retirement benefit cost recognized in accounts			
payable and accrued expenses	\$	320,000	520,000
Net periodic (benefit) cost		(200,000)	(268,000)
Net benefits paid		68,000	74,000

The trend assumptions used in determining the accumulated postretirement benefit obligation were 3.75% for medical benefits and 3% for dental benefits. Trend assumptions have a significant effect on the amounts reported.

No amounts are recognized in reserves which have not yet been recognized as components of net periodic benefit cost as of September 30, 2020 and December 31, 2019, respectively. Net periodic benefit cost includes the transitional liability and net actuarial loss.

### NOTE 13 - - CAPITAL AND SURPLUS, SHAREHOLDERS DIVIDENDS' RESTRICTIONS AND QUASI-REORGANIZATIONS

Delta Dental of Rhode Island is a not-for-profit corporation; accordingly the Company has no shares of stock outstanding. The Company has no dividend restrictions, and has not been involved in any quasi-reorganization.

Note the following disclosures related to the company's capital and surplus are addressed below or are not applicable. Other than ACA restrictions, the related note disclosures, specifically including 13(11) and 13(12), are all not applicable.

1. Shares issued – Not applicable.
2. Dividend rate – Not applicable.
3. Dividend restrictions – Not applicable.
4. Dividends paid – Not applicable.
5. Profits that may be paid as dividends – Not applicable.
6. Restrictions placed on unassigned funds – A total of \$881,081 of reserves were restricted at December 31, 2019 for the estimated twelve months of the 2020 ACA assessment, based on the actual 2019 premiums in the December 31, 2019 filing. This amount was expensed in the first quarter of 2020. The final actual amount from the IRS was paid in September 2020 in the amount of \$886,969, based upon their final calculation. The company recorded \$881,081 as restricted reserves in the December 31, 2019 filing, based on actual 2019 premiums. No reserves were

## NOTES TO FINANCIAL STATEMENTS

restricted for the twelve months of the 2018 estimated premiums for a 2019 ACA assessment in the December 31, 2018 filing, due to a one year moratorium. In January 2018, the Government funding bill was passed, which included a resolution providing an additional one-year moratorium on the ACA fee for the 2019 calendar year, which would have been payable in September 2019.

7. Total amount of advances to surplus – Not applicable.
8. Amount of stock held by reporting entity for special purposes – Not applicable.
9. Changes in the balances of special surplus funds from the prior year – Not applicable.
10. Portion of unassigned funds represented or reduced by unrealized gains and losses is not necessary for the three quarters ending September 30, 2020 and was a \$25,000 loss for the year ending December 31, 2019 as discussed in note 7.
11. Surplus notes – Not applicable.
12. Impact of the restatement in a quasi-reorganization – Not applicable.
13. Effective date of quasi-reorganization – Not applicable.

### NOTE 14 - - LIABILITIES, CONTINGENCIES AND ASSESSMENTS

The Company has entered into employment contracts with certain key employees. These employment contracts vary in length. At December 31, 2019 the Company's total commitment under these employment contracts approximated \$1,923,000.

There are no contingent liabilities arising from litigation, which would be considered material in relation to the Company's financial position. Accordingly, the Company has committed no reserves to cover any contingent liabilities.

On February 6, 2017, Delta Dental of Rhode Island received notice from the Massachusetts Department of Revenue alleging that it failed to file certain Preferred Provider Organization ("PPO") excise tax returns. Delta Dental of Rhode Island is one of several Delta Dental Plans Association member companies that received this notice, which alleges that excise taxes are due retroactively from the year ending December 31, 2006. Delta Dental of Rhode Island and the other Delta Dental Plans strongly disagree with this interpretation of the premium tax regulations by the Massachusetts Department of Revenue. Delta Dental of Rhode Island is aggressively contesting this assessment.

The Company, along with the Delta Dental Plans Association (DDPA), DeltaUSA, and the other independent DDPA member companies, is defending a collection of lawsuits that have been filed and consolidated in the district court of northern Illinois. The plaintiffs, representing purported classes of dental providers, allege that various Association member company licensing standards violate federal antitrust laws. The Company believes the claims are meritless and intends to vigorously defend this case. 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.

The Company has issued an unlimited parental guaranty, dated September 15, 2000, on behalf of Altus Dental Insurance Company, Inc., a subsidiary of The Altus Group Inc. The guaranty states that any and all claims and obligations of Altus Dental Insurance Company, Inc. to its subscribers and policyholders will be funded and satisfied by the Company in the event of any inability of Altus Dental Insurance Company, Inc. to satisfy such claims and obligations.

This guaranty became effective in September 2002 as Altus Dental Insurance Company, Inc. began underwriting dental insurance in Massachusetts at that time.

The following which are applicable to the company are described below.

- A. Contingent commitments – Not applicable
- B. Assessments – Not applicable
- C. Gain contingencies – Not applicable
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits – Not applicable

## NOTES TO FINANCIAL STATEMENTS

- E. Joint and several liabilities – Not applicable
- F. All other contingencies – DDRI had contract commitments with certain key employees in the amount of \$1,923,000 at December 31, 2019.

### NOTES TO FINANCIAL STATEMENTS

**14. Contingencies**

A. 01. (1) Total Contingent Liabilities: \$ 1,923,000

1	2	3	4	5
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted. (a)	Current status of payment or performance risk of guarantee. (a) Also provide additional discussion as warranted
<b>Total</b>		XXX		XXX

(a) Pursuant to the terms of the guarantee, the Company would be required to perform in the event of default by the Company, but would also be permitted to take control of the real estate.

03.

- a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees. (Should equal total of Column 4 for 2 above.) \$
- b. Current Liability Recognized in F/S:
  - 1. Noncontingent Liabilities \$
  - 2. Contingent Liabilities \$
- c. Ultimate Financial Statement Impact if action under the guarantee is required.
  - 1. Investments in SCA \$
  - 2. Joint Venture \$
  - 3. Dividends to Stockholders (capital contribution) \$
  - 4. Expense \$
  - 5. Other \$
  - 6. Total (Should equal 3a.) \$

**Assessments**

02.

- a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end \$
- b. Decreases current year:
 

- c. Increases current year:
 

- d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current quarter-end \$

D. Claims related extra contractual obligations and bad faith losses stemming from lawsuits

Claims related ECO and bad faith losses paid during the \$   
 Number of claims where amounts were paid to settle claims related extra contractual obligations claims resulting from lawsuits during the reporting period: (a) 0-25 claims (b) 26-50 claims (c) 5 (d) 101-500 claims (e) More than 500 claims  
 Answer (A, B, C, D, or E): \_\_\_\_\_  
 Indicate whether claim count information is disclosed (f) per claim or (g) per claimant  
 Answer (F or G): \_\_\_\_\_

**NOTE 15 - - LEASES**

The Company maintains a lease obligation for all its office space through its subsidiary Altus Realty Company. The lease is maintained at market rates. In January 2018, the company completed a long term lease renewal obligation with Altus Realty Company, commencing on March 1, 2018 and extending the terms of the lease until March 31, 2021, with an option to

## NOTES TO FINANCIAL STATEMENTS

renew for an additional three years. The new base rent amount is approximately \$887,000 annually, and the rental space occupied increased with this lease renewal.

## NOTES TO FINANCIAL STATEMENTS

### 15. Leases

#### A.

#### 02.

- a. At January 1, 2020, the minimum aggregate rental commitments are as follows: (Dollars in thousands)

	Operating Leases
Year Ending December 31	
2021 (year ending December 31)	\$ 222,000
2022 (year ending December 31)	\$
2023 (year ending December 31)	\$
2024 (year ending December 31)	\$
2025 (year ending December 31)	\$
Total (aggregate total of all future years)	\$ 222,000

#### B.

#### 01.

- c. Lessor Leases

Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2020 are as follows: Operating Leases

Year Ending December 31	
2021 (year ending December 31)	\$
2022 (year ending December 31)	\$
2023 (year ending December 31)	\$
2024 (year ending December 31)	\$
2025 (year ending December 31)	\$
Total (aggregate total of all future years)	\$

#### 02. Leveraged Leases

- b. The Company's investment in leveraged leases relates to equipment...

September 30, 2020 were as shown below: (In thousands (years as seen in Notes text))

			2020	2019
1. Income from leveraged leases before income tax including	\$			
2. Less current income tax	\$			
3. Net income from leverage leases	\$			

- c. The components of the investment in leveraged leases at

September 30, 2020 and Dec. 31, 2019 were as shown below: (years as seen in Notes text)

			2020	2019
1. Lease contracts receivable (net principal & interest non-rec	\$			
2. Estimated residual value of leased assets	\$			
3. Unearned and deferred income	\$			
4. Investment in leveraged leases	\$			
5. Deferred income taxes related to leveraged leases	\$			
6. Net investment in leveraged leases	\$			

### NOTE 16 - - INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Company maintains no financial instruments with off-balance sheet risk or any financial instruments with concentrations of credit risk. The related note disclosures, specifically including 16(1), are all not applicable.

### NOTE 17 - - SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

The Company has no transactions relating to transfers of receivables reported as sales, transfer and servicing of financial assets or wash sales. The related note disclosures, specifically including 17C(2), are all not applicable.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 18 - - GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

The Company's policy regarding underwriting and pricing for uninsured or partially insured accident and health plans has been to determine that the administrative premium charged to each account covers all incremental costs (directly associated with servicing the specific account) plus a share of fixed and variable operating expenses to be incurred by the Company during the contract period.

As discussed in Note 1 and 2, for the December 31, 2001 annual filing the Company implemented the Statement on Statutory Accounting Principles (SSAP) # 47 "Uninsured Plans". The Company's financial operations for the three quarters ended September 30, 2020 and the year ended December 31, 2019 exclude approximately \$55,284,000 and \$94,757,000 of revenues from such plans and there are no significant gains or losses related to such transactions.

## NOTES TO FINANCIAL STATEMENTS

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

A. ASO Plans		<u>ASO</u>	<u>Uninsured Portion</u>	<u>Total</u>
The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2020: (years as seen in Notes text)		<u>Uninsured</u>	<u>of Partially Insured</u>	<u>ASO</u>
		<u>Plans</u>	<u>Plans</u>	
a.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses			
b.	Total net other income or expenses (including interest paid to or received)			
c.	Net gain or (loss) from operations (a + b)			
d.	Total claim payment volume			
B. ASC Plans		<u>ASC</u>	<u>Uninsured Portion</u>	<u>Total</u>
The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2020: (years as seen in Notes text)		<u>Uninsured</u>	<u>of Partially Insured</u>	<u>ASC</u>
		<u>Plans</u>	<u>Plans</u>	
a.	Gross reimbursement for medical cost incurred	\$ 50,798,639		\$ 50,798,639
b.	Gross administrative fees accrued	\$ 4,485,281		\$ 4,485,281
c.	Other income or expenses (including interest paid to or received from plans)			
d.	Gross expenses incurred (claims and administrative)	\$ 55,283,920		\$ 55,283,920
e.	Total net gain or loss from operations (a + b + c - d)			

### NOTE 19 - - DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS

The Company maintains no relationships with managing general agents or third party administrators. The Company does utilize in-house sales efforts, as well as independent brokers to market its products. Premiums earned are reported gross of brokers' commissions of approximately \$1,623,000 and \$2,346,000 for the three quarters ended September 30, 2020 and year ended December 31, 2019. The related note disclosures are all not applicable.

### NOTE 20 - - FAIR VALUE MEASUREMENTS

The use of different assumptions or valuation methodologies may have a material impact on the estimated fair value amounts.

The Company's valuation techniques are based on observable and unobservable pricing inputs. Observable inputs reflect market data obtained from independent sources based on trades of securities while unobservable inputs reflect the Company's market assumptions. These inputs comprise of the following fair value hierarchy:

Level 1 – Observable inputs in the form of quoted prices for identical instruments in active markets.



## NOTES TO FINANCIAL STATEMENTS

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be derived from observable market data for substantially the full term of the assets or liabilities.

Level 3 – One or more unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using internal models, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following table provides information about the Company's financial assets and liabilities measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
<b>September 30, 2020</b>				
Assets at fair value:				
Cash	\$ 7,211,395			7,211,395
Cash Equivalents - MMMF	5,725,277			5,725,277
Common Stock	14,788,068			14,788,068
Investment in Affiliates		67,938,268		67,938,268
Investment in Debt Securities		66,094,406		66,094,406
Investment in Venture Funds			6,203,359	6,203,359
Investment in Altus Realty		3,800,882		3,800,882
<b>December 31, 2019</b>				
Assets at fair value:				
Cash	\$ 246,713			246,713
Cash Equivalents - MMMF	1,628,065			1,628,065
Common Stock	14,412,914			14,412,914
Investment in Affiliates		62,969,980		62,969,980
Investment in Debt Securities		66,750,016		66,750,016
Investment in Venture Funds			5,775,486	5,775,486
Investment in Altus Realty		3,220,648		3,220,648

The Company's Investments in Venture Funds are the only financial instruments that are measured at fair value that are deemed to be a Level 3 price at September 30, 2020 and December 31, 2019.

The book values and estimated fair values of the Company's financial instruments are as follows:

	September 30, 2020		December 31, 2019	
	Book value	Estimated fair value	Book value	Estimated fair value
Assets:				
Cash	\$ 7,211,395	7,211,395	\$ 246,713	246,713
Cash Equivalents - MMMF	5,725,277	5,725,277	1,628,065	1,628,065
Common Stock	14,788,068	14,788,068	14,412,914	14,412,914
Investment in Affiliates	67,938,268	67,938,268	62,969,980	62,969,980
Investment in Debt Services	63,376,422	66,094,406	65,502,110	66,750,016
Investment in Venture Funds	6,203,359	6,203,359	5,775,486	5,775,486
Investment in Altus Realty	3,800,882	3,800,882	3,220,648	3,220,648

Cash and Cash Equivalents – The carrying value of cash and cash equivalents are presented at cost, which approximates fair value.

Investments in Debt Securities – Investments are reported at amortized cost. The Company obtains fair value measurements from independent pricing sources, which base their fair value measurements upon observable inputs such as reported trades of comparable securities, broker quotes, the U.S. Treasury yield curve, benchmark interest rates, credit information, and the securities' terms and conditions. These prices are deemed to be Level 2.

Investments in Common Stock and Affiliates – Investments in affiliates is valued on the statutory equity basis. The fair value of common stock is based on quoted market prices provided by an independent pricing service to determine fair value.

## NOTES TO FINANCIAL STATEMENTS

Investments in Venture Funds – The carrying value of Investments in Venture Capital Funds are presented at cost, adjusted for reported realized and unrealized gains and losses, less reported syndication and management fees, which approximates fair value.

### NOTES TO FINANCIAL STATEMENTS

**20. Fair Value Measurements**

A.

1. Fair Value Measurements at Reporting Date

(1) Description for each class of asset or liability	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(6) Net Asset Value	(7) Total
<b>a. Assets at fair Value</b>					
01. Cash	\$ 7,211,395				7,211,395
02. Cash Equivalents	\$ 5,725,277				5,725,277
03. Common Stocks	\$ 14,788,068				14,788,068
04. Investments in Affiliates		67,938,268			67,938,268
05. Investments in Debt Services		66,094,406			66,094,406
06. Investments in Venture Funds			6,203,359		6,203,359
07. Investments in Altus Realty		3,800,882			3,800,882
<b>Total assets at fair value</b>	<b>\$ 27,724,740</b>	<b>137,833,556</b>	<b>6,203,359</b>		<b>171,761,655</b>
<b>b. Liabilities at fair value</b>					
<b>Total liabilities at fair value</b>	<b>\$</b>				

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

(1) Description	(2) Beginning Balance at 01/01/2020	(3) Transfers in Level 3	(4) Transfers out of Level 3	(5) Total gains and (losses) included in Net Income	(6) Total gains and (losses) included in Surplus	(7) Purchases	(8) Issuances	(9) Sales	(10) Settlements	(11) Ending Balance for Current Quarter End
<b>a. Assets</b>										
01. Investments in Venture Funds	\$ 5,775,486			402,596		300,000		(274,723)		6,203,359
<b>Total</b>	<b>\$ 5,775,486</b>			<b>402,596</b>		<b>300,000</b>		<b>(274,723)</b>		<b>6,203,359</b>

(1) Description	(2) Beginning Balance at 01/01/2020	(3) Transfers in Level 3	(4) Transfers out of Level 3	(5) Total gains and (losses) included in Net Income	(6) Total gains and (losses) included in Surplus	(7) Purchases	(8) Issuances	(9) Sales	(10) Settlements	(11) Ending Balance for Current Quarter End
<b>b. Liability</b>										
<b>Total</b>	<b>\$</b>									

(1) Type of Financial Instrument	(2) Aggregate Fair Value	(3) Admitted Assets	(4) (Level 1)	(5) (Level 2)	(6) (Level 3)	(7) Not Practicable (Carrying Value)
<b>Total</b>	<b>\$</b>					

(1) Type or Class of Financial Instrument	(2) Carrying Value	(3) Effective Interest Rate	(4) Maturity Date	(5) Explanation
<b>Total</b>	<b>\$</b>			

**NOTE 21 - - OTHER ITEMS**

The Company has no extraordinary items, troubled debt restructuring or other required disclosures of unusual items. Additionally, the Company has no additional disclosure requirements regarding Retirement Plans, Deferred Compensation and Postretirement Benefits other than the disclosures made in Note 12 above.

The company has negotiated an agreement to purchase state tax credits that will be utilized in 2020 and has purchased state tax credits that were delivered in July 2020 and utilized in the filing of the 2019 return. The Company entered into agreements to purchase state tax credits that were utilized in 2018, and had carryforwards from these purchases that were used in 2019 and beyond; hence the Company maintains tax credits as net assets at September 30, 2020 and December 31, 2019. The Company estimates the utilization of 2020 tax credits by projecting future premium levels taking into account policy growth and applicable rate changes. Gains will be recognized in the fourth quarter of 2020 for statutory purposes for the tax credits utilized in 2020. Gains were recognized in the fourth quarter of 2019 for statutory purposes for the tax credits utilized in 2019.

**NOTES TO FINANCIAL STATEMENTS**

Other than the purchase of RI state tax credits, the remaining areas below are not applicable to the company.

- A. Unusual or infrequent items – Not applicable
- B. Troubled debt restructuring debtors – Not applicable
- C. Other disclosures and unusual items – Not applicable
- D. Business interruption insurance recoveries – Not applicable
- E. State transferable and non-transferable tax credits – We do have commitments for 2020 tax credits at the present time, but will fund them before the end of the year, when the certificates become available. The other invested assets total of \$12,358,097 and \$10,609,292 listed on the September 30, 2020 and the December 31, 2019 Balance Sheets are made up of state tax credits, the equity method valuation of Altus Realty and investments in joint ventures.
- F. Subprime-mortgage-related risk exposure – Not applicable
- G. Retained assets – Not applicable
- H. Insurance-Linked securities (ILS) Contracts – Not applicable
- I. Amount that could be realized on life insurance – Not applicable

**NOTES TO FINANCIAL STATEMENTS**

**21. Other Items**

**E. State Transferable Tax Credits**

Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
01. State of Rhode Island Tax Credits Purchased - 2019	RI	605,051	48,640
Total	X X X	605,051	48,640

**E.4 State Tax Credits Admitted and Nonadmitted**

	Total Admitted	Total Non-Admitted
a. Transferable		
b. Non-transferable		

**F. Subprime Mortgage Related Risk Exposure**

**2. Direct exposure through investments in subprime mortgage loans.**

	1	2	3	4	5
	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Value of Land and Buildings	Other Than Temporary Impairment Losses Recognized	Default Rate
a. Mortgages in the process of foreclosure					
b. Mortgages in good standing					
c. Mortgages with restructure terms					
d. Total					

**3. Direct exposure through other investments.**

	1	2	3	4
	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities				
b. Commercial mortgage-backed securities				
c. Collateralized debt obligations				
d. Structured securities				
e. Equity investment in SCAs *				
f. Other assets				
g. Total				

\*ABC Company's subsidiary XYZ Company has investments in subprime mortgages. These investments comprise \_\_\_\_\_% of the companies invested assets.

## NOTES TO FINANCIAL STATEMENTS

4. Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

	1	2	3	4
	Losses Paid in the Current Year	Losses Incurred in the Current Year	Case Reserves at End of Current Period	BNR Reserves at End of Current Period
a. Mortgage Guaranty Coverage				
b. Financial Guaranty Coverage				
c. Other Lines (specify):				
d. Total				

G. Retained Assets

	In Force			
	As of End of Current Year		As of End of Prior Year	
	Number	Balance	Number	Balance
a. Up to and including 12 Months				
b. 13 to 24 Months				
c. 25 to 37 Months				
d. 37 to 48 Months				
e. 49 to 60 Months				
f. Over 60 Months				
g. Total				

	Individual		Group	
	Number	Balance/ Amount	Number	Balance/ Amount
a. Number/Balance of Retained Asset Accounts at the Beginning of the Year				
b. Number/Balance of Retained Asset Accounts Issued/Added During the Year				
c. Investment Earnings Credited to Retained Asset Accounts During the Year	X X X		X X X	
d. Fees and Other Charges Assessed to Retained Asset Accounts During the Year	X X X		X X X	
e. Number/Amount of Retained Asset Accounts Transferred to State Unclaimed Property funds During the Year				
f. Number/Amount of Retained Asset Accounts Closed/Withdrawn During the Year				
g. Number/Balance of Retained Asset Accounts at the End				

### NOTE 22 - - EVENTS SUBSEQUENT

The Company has two events subsequent to September 30, 2020 that would warrant disclosure in these statutory 2020 financial statements and are listed below.

In December 2019, a novel strain of coronavirus (SARS-CoV-2), which causes COVID-19, was reported to have surfaced in China. In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic, and the U.S. economy began to experience pronounced effects. On March 16, 2020, in response to the COVID-19 outbreak the American Dental Association recommended dental providers nationwide postpone elective surgeries and remain open only for emergency dental procedures through April 30, 2020. On March 29, 2020, the Governor of the State of Rhode Island issued a “Stay Home” order, requiring that all employees who can work from home do so and also the closure of all non-essential businesses and operations through at least May 8, 2020. The extent of the impact of these events and the broader COVID-19 outbreak on our operational and financial performance continues to depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees and vendors, and performance of our investment portfolio, all of which remain uncertain and unpredictable. Our investment portfolio which is comprised of bond and equity securities is subject to credit risks related to the underlying issuers of such securities as well as broader interest rate and market risks. At this point, the extent to which COVID-19 may impact our financial condition or results of operations remains uncertain.

On March 30, 2020, in response to the COVID-19 pandemic, the Company implemented an emergency interest-free Advance Claims Payment Program (“ACPP”) that was available to its

## NOTES TO FINANCIAL STATEMENTS

participating dentists across the State of Rhode Island. The program was designed to provide over \$4 million of financial relief to dentists impacted by economic disruptions related to COVID-19. As of April 30, 2020, the Company has committed to funding advance claims payments to its participating dentists totaling \$1,083,080.

Given the additional procedures dentists are now required to follow it is Management's belief that claim volumes were lower than what was forecasted. As a result, the Company instituted a premium credit for its fully insured accounts, equal to 30% of premiums for the months of June, July and August.

In accordance with SSAP 35R, the twelve month estimated 2020 ACA assessment in the amount of \$881,081 was expensed in the first quarter of 2020. The actual amount paid was \$886,969. The company recorded \$881,081 as restricted reserves in the December 31, 2019 filing, based on actual 2019 premiums. Additionally, no amount had been recorded as restricted reserves at December 31, 2018 due to a one year moratorium. This resulted in no payment for the 2018 statutory premiums, which would have been utilized in the 2019 ACA assessment and would have been due September 30, 2019.

## NOTES TO FINANCIAL STATEMENTS

### 22. Events Subsequent

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance p subject to Section 9010 of the Federal Affordable Care Act ( )	YES	
B. ACA fee assessment payable for the upcoming year	\$ 886,969	
C. ACA fee assessment paid	\$ 886,969	
D. Premium written subject to ACA 9010 assessment	\$ 65,427,122	115,918,312
E. Total Adjusted Capital before surplus adjustment (Five-Year	\$ 144,040,189	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 143,153,220	
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	\$ 14,153,433	
H. Would reporting the ACA assessment as of Dec. 31, 2020 have triggered an RBC action level (YES/NO)?	NO	

### NOTE 23 - - REINSURANCE

The Company utilizes no reinsurance arrangements in its underwriting of dental premiums to companies headquartered in the State of Rhode Island. The related note disclosures, specifically including 23B, 23C, 23D(1)a, and 23D(2)a, are all not applicable.

### NOTE 24 - - RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

The Company estimates accrued retrospective premium adjustments for each contractual group by projecting incurred losses based on group claims paid data. This data is updated and analyzed monthly and accrued retrospective premium adjustments are recorded monthly to earned premiums. The amount of net annual premiums written by the Company that are subject to retrospective rating or are contingent premiums (based on actual claims incurred) approximates \$2,491,000 and \$2,482,000 at September 30, 2020 and December 31, 2019. The related note disclosures, specifically including 24D and 24E, are all not applicable.

### NOTE 25 - - CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

Loss reserves as of December 31, 2019 were \$3,420,000. As of September 30, 2020, \$3,034,728 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$99,212 as a result of re-estimation of

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## NOTES TO FINANCIAL STATEMENTS

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unpaid claims and claim adjustment expenses principally on dental line of insurance. Therefore, there has been a \$286,060 favorable prior-year development since December 31, 2019 to September 30, 2020. The 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. Included in this decrease, the Company experienced no unfavorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

### NOTE 26 - - INTERCOMPANY POOLING ARRANGEMENTS

The Company utilizes no intercompany pooling arrangements in its dental premium underwriting.

### NOTE 27 - - STRUCTURED SETTLEMENTS

As documented in the NAIC Annual Statement filing instructions for 2020 and 2019, this footnote is not applicable to health insurance insurers.

### NOTE 28- - HEALTH CARE RECEIVABLES

The Company has no receivables that would be considered Health Care Receivables under SSAP #84. Accordingly, pharmacy rebates and risk sharing receivables are not currently applicable to the Company's operations.

The company does not have any risk sharing receivables. The related note disclosures are all not applicable.

### NOTE 29 - - PARTICIPATING POLICIES

The Company does not underwrite any business that would result in group accident or health participating policies. Accordingly, policy dividends are not applicable to the Company's operations.

### NOTE 30 - - PREMIUM DEFICIENCY RESERVES

The Company does not maintain any amount of premium deficiency reserves. The related note disclosures are all not applicable.

### NOTE 31 - - ANTICIPATED SALVAGE AND SUBROGATION

The Company's liability for unpaid claims is actuarially determined based on an analysis of historical claims experience, modified for changes in enrollment, inflation and benefit coverage. This liability reflects no reductions for salvage and subrogation recoveries, which are recorded in the year of receipt.

# GENERAL INTERROGATORIES

## PART 1 – COMMON INTERROGATORIES

### GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [ ] No [ X ]

1.2 If yes, has the report been filed with the domiciliary state? Yes [ ] 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? Yes [ ] No [ X ]

2.2 If yes, date of change: \_\_\_\_\_

3.1 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? Yes [ X ] No [ ]

If yes, complete Schedule Y, Parts 1 and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [ ] No [ X ]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.  
 .....  
 .....  
 .....

3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes [ ] No [ X ]

3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group. \_\_\_\_\_

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [ X ]

If yes, complete and file the merger history data file with the NAIC.

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [ ] No [ ] N/A [ X ]  
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. \_\_\_\_\_ 12/31/2017

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. \_\_\_\_\_ 12/31/2017

6.3 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). \_\_\_\_\_ 11/13/2018

6.4 By what department or departments?  
 INSURANCE DIVISION, DEPARTMENT OF BUSINESS REGULATION, STATE OF RHODE ISLAND .....

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ X ] No [ ] N/A [ ]

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [ X ] No [ ] N/A [ ]

## GENERAL INTERROGATORIES

7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [ X ]

7.2 If yes, give full information

.....

.....

.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [ X ]

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

.....

.....

.....

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [ ] No [ X ]

8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

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

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

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

(c) Compliance with applicable governmental laws, rules, and regulations;

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

(e) Accountability for adherence to the code. Yes [ X ] No [ ]

9.11 If the response to 9.1 is No, please explain:

.....

.....

.....

9.2 Has the code of ethics for senior managers been amended? Yes [ ] No [ X ]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

.....

.....

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [ X ]

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

.....

.....

## FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [ X ] No [ ]

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



## GENERAL INTERROGATORIES

### INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [ ] No [ X ]

11.2 If yes, give full and complete information relating thereto:  
 .....  
 .....  
 .....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ \_\_\_\_\_

13. Amount of real estate and mortgages held in short-term investments: \$ \_\_\_\_\_

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [ X ] No [ ]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ _____	\$ _____
14.22 Preferred Stock .....	\$ _____	\$ _____
14.23 Common Stock .....	\$ 62,982,813	\$ 67,938,268
14.24 Short-Term Investments .....	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate .....	\$ _____	\$ _____
14.26 All Other .....	\$ 9,031,563	\$ 8,996,027
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ 72,014,376	\$ 76,934,295
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above .....	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [ ] No [ X ]

15.2 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.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2	\$ _____
16.3 Total payable for securities lending reported on the liability page	\$ _____

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [ X ] No [ ]

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

1 Name of Custodian(s)	2 Custodian Address
CITIZENS BANK .....	ONE CITIZENS PLAZA, PROVIDENCE, RI 02903 .....
.....	.....

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

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

## GENERAL INTERROGATORIES

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes [ ] No [ X ]

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

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

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

1 Name of Firm or Individual	2 Affiliation
RICHARD A. FRITZ	I
GEORGE J. BEDARD	I

17.5097 For those firms/individuals listed in the table for Question 17.5, 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 ]

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, the total assets under management aggregate to more than 50% of the reporting entity's invested assets?

Yes [ ] No [ X ]

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

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

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

Yes [ X ] No [ ]

18.2 If no, list exceptions:

.....  
 .....  
 .....

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

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

Has the reporting entity self-designated 5GI securities?

Yes [ ] No [ X ]

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

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a 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 ]

21. 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.

## GENERAL INTERROGATORIES

- 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]

## GENERAL INTERROGATORIES

### PART 2 - HEALTH

- |     |   |   |
|-----|---|---|
| 1.  | Operating Percentages:  |   |
| 1.1 | A&H loss percent .....  | <u>65.40</u> %  |
| 1.2 | A&H cost containment percent .....  | <u>1.22</u> %   |
| 1.3 | A&H expense percent excluding cost containment expenses .....   | <u>20.03</u> %  |
| 2.1 | Do you act as a custodian for health savings accounts?  | Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] |
| 2.2 | If yes, please provide the amount of custodial funds held as of the reporting date.   | \$ _____  |
| 2.3 | Do you act as an administrator for health savings accounts?   | Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] |
| 2.4 | If yes, please provide the balance of the funds administered as of the reporting date.  | \$ _____  |
| 3.  | Is the reporting entity licensed or chartered, registered, qualified, eligible, or writing business in at least two states?                                 | Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] |
| 3.1 | If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of the reporting entity? | Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] |



## SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

### Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
		Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property / Casualty Premiums	Total Columns 2 Through 7
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	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	L	65,427,122					65,427,122	
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	X X X							
59. Subtotal		X X X	65,427,122					65,427,122	
60. Reporting entity contributions for Employee Benefit Plans		X X X							
61. Totals (Direct Business)		X X X	65,427,122					65,427,122	
<b>DETAILS OF WRITE-INS</b>									
58001.		X X X							
58002.		X X X							
58003.		X X X							
58998. Summary of remaining write-ins for Line 58		X X X							
58999. Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)		X X X							

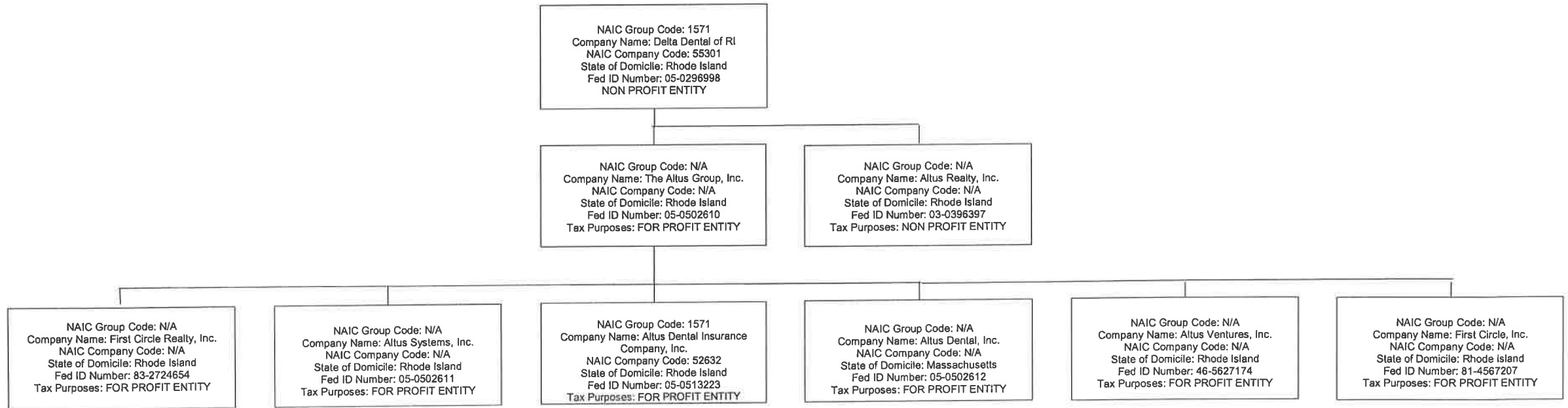
NONE

(a) Active Status Counts

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG	1
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state	_____
R - Registered - Non-domiciled RRGs	_____
Q - Qualified - Qualified or accredited reinsurer	_____
N - None of the above - Not allowed to write business in the state	56

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

**PART 1 - ORGANIZATIONAL CHART**



## SCHEDULE Y

### PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
		00000	03-0396397				ALTUS REALTY COMPANY, INC.	RI	DS	DELTA DENTAL OF RHODE ISLAND	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	N	
		00000	05-0502610				THE ALTUS GROUP, INC.	RI	DS	DELTA DENTAL OF RHODE ISLAND	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	Y	
		00000	05-0502611				ALTUS SYSTEMS, INC.	RI	DS	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	N	
		00000	05-0502612				ALTUS DENTAL, INC.	MA	DS	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	N	
1571	ALTUS DENTAL INSURANCE COMPANY, INC.	52632	05-0513223				ALTUS DENTAL INSURANCE COMPANY, INC.	RI	IA	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	N	
		00000	46-5627174				ALTUS VENTURES, INC	RI	DS	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	N	
1571	DELTA DENTAL OF RHODE ISLAND	55301	05-0526998				DELTA DENTAL OF RHODE ISLAND	RI	RE	DELTA DENTAL OF RHODE ISLAND	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	N	
		00000	81-4567207				FIRST CIRCLE, INC.	RI	DS	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	N	
		00000	83-2724654				FIRST CIRCLE REALTY, INC.	RI	DS	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.000	DELTA DENTAL OF RI	N	

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Asterik	Explanation
	<h1>NONE</h1>



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

**Explanation:**

Question 1: THE COMPANY DOES NOT TRANSACT THIS TYPE OF BUSINESS.

**Bar Code:**



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**OVERFLOW PAGE FOR WRITE-INS**

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**SCHEDULE A - VERIFICATION****Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

**NONE****SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commercial fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

**NONE****SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	11,645,550	9,773,756
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	274,000	
2.2 Additional investment made after acquisition	300,000	2,941,000
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	924,654	2,112,220
6. Total gain (loss) on disposals	246,930	
7. Deduct amounts received on disposals	2,781,842	3,181,426
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	10,609,292	11,645,550
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	10,609,292	11,645,550

**SCHEDULE D - VERIFICATION****Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	142,885,004	125,454,029
2. Cost of bonds and stocks acquired	15,982,130	21,937,284
3. Accrual of discount	26,167	45,256
4. Unrealized valuation increase (decrease)	4,567,489	12,583,098
5. Total gain (loss) on disposals	(404,459)	67,752
6. Deduct consideration for bonds and stocks disposed of	16,587,053	16,652,375
7. Deduct amortization of premium	391,551	527,235
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		24,801
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	25,035	1,996
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9 + 10)	146,102,762	142,885,004
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	146,102,762	142,885,004

## SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. NAIC 1 (a)	56,115,907	9,195,160	4,917,598	(116,227)	55,626,436	56,115,907	60,277,242	56,571,598
2. NAIC 2 (a)	5,735,099		2,616,520	(19,399)	8,665,906	5,735,099	3,099,180	8,930,512
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	61,851,006	9,195,160	7,534,118	(135,626)	64,292,342	61,851,006	63,376,422	65,502,110
<b>PREFERRED STOCK</b>								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	61,851,006	9,195,160	7,534,118	(135,626)	64,292,342	61,851,006	63,376,422	65,502,110

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

### SCHEDULE DA - PART 1

#### Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999		<b>NONE</b>			

### SCHEDULE DA - VERIFICATION

#### Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		1,495,095
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		1,495,095
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

## SCHEDULE DB - PART A - VERIFICATION

### Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 10, prior year)		
2.	Cost Paid/(Consideration Received) on additions		
3.	Unrealized Valuation increase/(decrease)		
4.	SSAP No. 108 adjustments		
5.	Total gain (loss) on termination recognized		
6.	Considerations received/(paid) on terminations		
7.	Amortization		
8.	Adjustment to the Book/Adjusted Carrying Value of hedged item	<b>NONE</b>	
9.	Total foreign exchange change in Book/Adjusted Carrying Value		
10.	Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 + 5 - 6 + 7 + 8 + 9)		
11.	Deduct nonadmitted assets		
12.	Statement value at end of current period (Line 10 minus Line 11)		

## SCHEDULE DB - PART B - VERIFICATION

### Future Contracts

1.	Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)		
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)		
3.1	Add:		
	Change in variation margin on open contracts - Highly Effective Hedges		
3.11	Section 1, Column 15, current year to date minus		
3.12	Section 1, Column 15, prior year		
	Change in variation margin on open contracts - All Other		
3.13	Section 1, Column 18, current year to date minus		
3.14	Section 1, Column 18, prior year		
3.2	Add:		
	Change in adjustment to basis of hedged item		
3.21	Section 1, Column 17, current year to date minus		
3.22	Section 1, Column 17, prior year		
	Change in amount recognized		
3.23	Section 1, Column 19, current year to date minus		
3.24	Section 1, Column 19, prior year		
3.25	SSAP No. 108 adjustments		
3.3	Subtotal (Line 3.1 minus Line 3.2)	<b>NONE</b>	
4.1	Cumulative variation margin on terminated contracts during the year		
4.2	Less:		
4.21	Amount used to adjust basis of hedged item		
4.22	Amount recognized		
4.23	SSAP No. 108 adjustments		
4.3	Subtotal (Line 4.1 minus Line 4.2)		
5.	Dispositions gains (losses) on contracts terminated in prior year:		
5.1	Total gain (loss) recognized for terminations in prior year		
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year		
6.	Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)		
7.	Deduct total nonadmitted amounts		
8.	Statement value at end of current period (Line 6 minus Line 7)		

## SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replicated (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
1	2	3	4	5	6	7	8	Derivative Instrument(s) Open			Cash Instrument(s) Held				
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	9	10	11	12	13	14	15	16
								Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
<b>NONE</b>															
999999999	Totals					XXX	XXX	XXX			XXX	XXX	XXX		

505





## SCHEDULE DB VERIFICATION

### Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

Book/Adjusted Carrying Value Check

1. Part A, Section 1, Column 14 .....		
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance .....		
3. Total (Line 1 plus Line 2) .....		
4. Part D, Section 1, Column 5 .....		
5. Part D, Section 1, Column 6 .....		
6. Total (Line 3 minus Line 4 minus Line 5) .....		

NONE

Fair Value Check

7. Part A, Section 1, Column 16 .....		
8. Part B, Section 1, Column 13 .....		
9. Total (Line 7 plus Line 8) .....		
10. Part D, Section 1, Column 8 .....		
11. Part D, Section 1, Column 9 .....		
12. Total (Line 9 minus Line 10 minus Line 11) .....		

Potential Exposure Check

13. Part A, Section 1, Column 21 .....		
14. Part B, Section 1, Column 20 .....		
15. Part D, Section 1, Column 11 .....		
16. Total (Line 13 plus Line 14 minus Line 15) .....		

**SCHEDULE E PART 2 - VERIFICATION**

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,628,065	1,638,915
2. Cost of cash equivalents acquired	19,247,852	25,717,042
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	15,150,640	25,727,892
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	5,725,277	1,628,065
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	5,725,277	1,628,065

### SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
<b>NONE</b>								
0399999 Totals								

E01

### SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvement and Changes Encumbranc	8 Book/Adjuste Carrying Valu Less Encumbranc Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjuste Carrying Valu Less Encumbranc on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbranc	20 Taxes, Repairs and Expenses Incurred
	2 City	3 Stat						9 Current Year' Depreciation	10 Current Year' Other Than Temporary Impairment Recognized	11 Current Year' Change in Encumbranc	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
<b>NONE</b>																			
0399999 Totals																			



## SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Designation and Administrative Symbol	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
<b>NONE</b>												
5099999 Totals												XXX

E03

### SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
000000-00-0	POINT JUDITH CAPITAL PARTN	PROVIDENCE	RI	POINT JUDITH CAPITAL PART	05/31/2013	08/31/2020	246,930							94,175	94,175				
2599999 Other - Joint Venture/Partnership Interests - Unaffiliated							246,930							94,175	94,175				
000000-00-0	PURCHASE OF RHODE ISLAND	PROVIDENCE	RI	ROBERTS CARROLL, FELD	12/31/2018	08/31/2020	382,056							382,056	382,056				
000000-00-0	PURCHASE OF RHODE ISLAND	PROVIDENCE	RI	ROBERTS CARROLL, FELD	12/31/2019	08/31/2020	2,008,207							2,008,207	1,936,310				
000000-00-0	PURCHASE OF RHODE ISLAND	PROVIDENCE	RI	ROBERTS CARROLL, FELD	12/31/2019	08/31/2020	259,153							259,153					
4299999 Non-Guaranteed State Low Income Housing Tax Credit - Affiliated							2,649,416							2,649,416	2,318,366				
4899999 Total Unaffiliated							246,930							94,175	94,175				
4999999 Total Affiliated							2,649,416							2,649,416	2,318,366				
5099999 Totals							2,896,346							2,743,591	2,412,541				

E03.1

### SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol
230563-CU-0	CUMBERLAND CNTY N J IMPT AUTH		07/02/2020	Citizens		315,056	310,000.00		1FE
73358W-UE-2	PORT AUTH N Y & N J		07/02/2020	Citizens		164,999	150,000.00	1,186	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations				X X X	480,055	460,000.00	1,186	X X X
02665W-DL-2	AMERICAN HONDA FINANCE CORP		08/28/2020	Citizens		557,634	550,000.00	847	1FE
02665W-DN-8	AMERICAN HONDA FINANCE CORP		09/22/2020	Citizens		250,835	250,000.00	83	1FE
06051G-FZ-7	BANK OF AMERICA CORP		07/17/2020	Citizens		513,240	500,000.00	3,129	1FE
06367W-B8-5	BANK OF MONTREAL	C	09/22/2020	Citizens		261,675	250,000.00	1,863	1FE
064159-VL-7	BANK OF NOVA SCOTIA	C	09/22/2020	Citizens		715,177	700,000.00	1,892	1FE
20030N-CS-8	COMCAST CORP		07/17/2020	Citizens		460,985	400,000.00	4,049	1FE
263534-CN-7	E I DU PONT DE NEMOURS AND CO		07/01/2020	Citizens		207,252	200,000.00	482	1FE
459200-AM-3	INTERNATIONAL BUSINESS MACHINES CORP		09/14/2020	Citizens		328,385	250,000.00	6,514	1FE
46124H-AB-2	INTUIT INC		07/13/2020	Citizens		251,695	250,000.00	106	1FE
491674-BK-2	KENTUCKY UTILITIES CO		07/07/2020	Citizens		275,028	250,000.00	2,246	1FE
582839-AH-9	MEAD JOHNSON NUTRITION CO		09/14/2020	Citizens		290,593	250,000.00	3,409	1FE
744448-CL-3	PUBLIC SERVICE COMPANY OF COLORADO		07/10/2020	Citizens		327,354	300,000.00	1,426	1FE
751212-AC-5	RALPH LAUREN CORP		09/22/2020	Citizens		284,408	250,000.00	182	1FE
755111-BX-8	RAYTHEON CO		07/01/2020	Citizens		259,283	250,000.00	365	1FE
773903-AG-4	ROCKWELL AUTOMATION INC		07/14/2020	Citizens		270,923	250,000.00	2,695	1FE
872540-AR-0	TJX COMPANIES INC		09/14/2020	Citizens		838,388	750,000.00	9,649	1FE
867914-BS-1	TRUIST FINANCIAL CORP		08/18/2020	Citizens		285,973	250,000.00	2,972	1FE
911312-BX-3	UNITED PARCEL SERVICE INC		07/24/2020	Citizens		514,671	450,000.00	5,666	1FE
90320W-AD-5	UPMC		08/28/2020	Citizens		603,949	550,000.00	6,655	1FE
918204-BA-5	VF CORP		09/14/2020	Citizens		959,532	900,000.00	7,820	1FE
95001D-6W-5	WELLS FARGO & CO		07/10/2020	Citizens		258,125	250,000.00	1,285	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	8,715,105	8,050,000.00	63,335	X X X
8399997	Subtotal - Bonds - Part 3				X X X	9,195,160	8,510,000	64,521	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	9,195,160	8,510,000.00	64,521	X X X
023135-10-6	AMAZON COM ORD		07/22/2020	Citizens	35,000	108,152			1FE
594918-10-4	MICROSOFT ORD		07/22/2020	Citizens	500,000	104,918			1FE
92826C-83-9	VISA CL A ORD		07/22/2020	Citizens	500,000	98,457			1FE
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) Publicly Traded				X X X	311,527	X X X		X X X

E04

### SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol
9799997	Subtotal - Common Stock - Part 3				XXX	311,527	XXX		XXX
9799998	Summary Item from Part 5 for Common Stocks				XXX	XXX	XXX	XXX	XXX
9799999	Total - Common Stock				XXX	311,527	XXX		XXX
9899999	Total - Preferred and Common Stock				XXX	311,527	XXX		XXX
9999999	Totals				XXX	9,506,687	XXX	64,521	XXX

E04.1



### SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	For eign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/ Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractua Maturity Date	NAIC Designation and Administrative Symbol
878181-JT-4	TEANECK TWP N J BRD ED		07/01/2020	Maturity @ 100.00		340,000	340,000.00	346,647	340,531		(531)		(531)		340,000				11,900	07/01/2020	1FE
2499999	Subtotal - Bonds - U.S. Political Subdivisions of States, Territories and Possessions				X X X	340,000	340,000.00	346,647	340,531		(531)		(531)		340,000				11,900	X X X	X X X
31371M-GB-7 31417Y-VX-2	FN 255894 - RMBS FN MA0629 - RMBS		09/01/2020 09/01/2020	Paydown Paydown		1,174 2,151	1,173.98 2,150.69	1,152 2,228	1,155 2,158		19 (7)		19 (7)		1,174 2,151				39 18	10/01/2025 01/01/2021	1FE 1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment Non-Guaranteed Obligati				X X X	3,325	3,324.67	3,380	3,313		12		12		3,325				57	X X X	X X X
018490-AN-2 03523T-BP-2 06048W-B8-2 172967-FF-3 20030N-BD-2 278642-AC-7 38150A-DK-8 40428H-PV-8 44987C-AG-3 617446-7P-8	ALLERGAN INC ANHEUSER-BUSCH INBEV WORLDWIDE I BANK OF AMERICA CORP CITIGROUP INC COMCAST CORP EBAY INC GOLDMAN SACHS GROUP INC HSBC USA INC ING BANK NV MORGAN STANLEY		09/15/2020 08/12/2020 08/23/2020 08/09/2020 09/10/2020 07/22/2020 09/16/2020 08/07/2020 08/17/2020 07/24/2020	Maturity @ 100.00 Call @ 104.26 Call @ 100.00 Maturity @ 100.00 Call @ 100.00 Call @ 100.00 Call @ 100.00 Maturity @ 100.00 Maturity @ 100.00 Maturity @ 100.00		1,500,000 331,544 500,000 600,000 525,035 800,000 225,000 500,000 300,000 1,200,000	1,500,000.00 318,000.00 500,000.00 600,000.00 500,000.00 800,000.00 225,000.00 500,000.00 300,000.00 1,200,000.00	1,508,498 313,971 500,000 675,401 497,000 823,879 225,000 508,985 305,106 1,349,237	1,501,038 316,062 500,000 609,465 499,012 802,518 225,000 501,333 301,134 1,217,616		(1,038) 457  (9,465) 262 (2,518)		(1,038) 457  (9,465) 262 (2,518)	1,500,000 316,519 500,000 600,000 499,274 800,000 225,000 500,000 300,000 1,200,000		15,025   726	15,025   726	50,625 8,546 12,000 32,250 18,012 20,078 5,625 13,750 8,100 66,000	09/15/2020 07/15/2022 08/23/2024 08/09/2020 07/15/2022 10/15/2020 09/16/2024 08/07/2020 08/17/2020 07/24/2020	2FE 2FE 1FE 1FE 1FE 2FE 1FE 1FE 1FE 1FE	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	6,481,579	6,443,000.00	6,707,077	6,473,178		(32,385)		(32,385)		6,440,793		15,751	15,751	234,986	X X X	X X X
40428H-PB-2	HSBC USA INC		09/27/2020	Maturity @ 100.00		750,000	750,000.00	833,820	760,587		(10,587)		(10,587)		750,000				37,500	09/27/2020	2FE
4899999	Subtotal - Bonds - Hybrid Securities				X X X	750,000	750,000.00	833,820	760,587		(10,587)		(10,587)		750,000				37,500	X X X	X X X
8099999	Subtotal - Bonds - SVO Identified Funds				X X X															X X X	X X X
8299999	Subtotal - Bonds - Unaffiliated Bank Loans				X X X															X X X	X X X
8399997	Subtotal - Bonds - Part 4				X X X	7,574,904	7,536,325	7,890,924	7,577,609		(43,491)		(43,491)		7,534,118		15,751	15,751	284,443	X X X	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total - Bonds				X X X	7,574,904	7,536,324.67	7,890,924	7,577,609		(43,491)		(43,491)		7,534,118		15,751	15,751	284,443	X X X	X X X
02209S-10-3	ALTRIA GROUP ORD		07/22/2020	Citizens		1,640.00	67,438	84,227	81,852	2,375			2,375		84,227		(16,789)	(16,789)	4,133		1FE

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### SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractua Maturity Date	22 NAIC Designation and Administrative Symbol
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
025816-10-9	AMERICAN EXPRESS ORD		07/22/2020	Citizens	130.00	12,517		11,247	16,184	(4,936)			(4,936)		11,247		1,269	1,269	168		1FE
037833-10-0	APPLE ORD		08/31/2020	Citizens				(1,350,112)		1,350,112			1,350,112								1FE
G16249-10-7	BROOKFIELD PROPERTY PARTNERS UNT	C	07/01/2020	Citizens		135		135	135					135					135		1FE
24906P-10-9	DENTSPLY SIRONA ORD		07/22/2020	Citizens	620.00	27,368		32,610	35,086	(2,475)			(2,475)	32,610		(5,242)	(5,242)	186		1FE	
337932-10-7	FIRSTENERGY ORD		07/22/2020	Citizens	1,570.00	44,134		49,304	76,302	(26,998)			(26,998)	49,304		(5,170)	(5,170)	1,225		1FE	
40412C-10-1	HCA HEALTHCARE ORD		07/22/2020	Citizens	580.00	70,140		48,844	85,730	(36,886)			(36,886)	48,844		21,297	21,297	249		1FE	
744320-10-2	PRUDENTIAL FINANCIAL ORD		07/22/2020	Citizens	740.00	48,005		57,418	69,368	(11,950)			(11,950)	57,418		(9,412)	(9,412)	1,628		1FE	
949746-10-1	WELLS FARGO ORD		07/22/2020	Citizens	1,480.00	38,452		52,422	79,624	(27,202)			(27,202)	52,422		(13,970)	(13,970)	1,510		1FE	
9099999	Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) Publicly Traded				X X X	308,189		336,207	(905,831)	1,242,040			1,242,040	336,207		(28,017)	(28,017)	9,234	X X X	X X X	
9799997	Subtotal - Common Stock - Part 4				X X X	308,189	X X X	336,207	(905,831)	1,242,040			1,242,040	336,207		(28,017)	(28,017)	9,234	X X X	X X X	
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total - Common Stocks				X X X	308,189	X X X	336,207	(905,831)	1,242,040			1,242,040	336,207		(28,017)	(28,017)	9,234	X X X	X X X	
9899999	Total - Preferred and Common Stocks				X X X	308,189	X X X	336,207	(905,831)	1,242,040			1,242,040	336,207		(28,017)	(28,017)	9,234	X X X	X X X	
9999999	Totals					7,883,093	X X X	8,227,131	6,671,778	1,242,040	(43,491)		1,198,549	7,870,325		(12,266)	(12,266)	293,677	X X X	X X X	

E05.1

### SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Undiscounted Premium (Received) Paid	Current Year Initial Cost of Undiscounted Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization)/ Accretion	Adjustment to Carrying Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (b)	
<b>NONE</b>																							
175999999 Total						XXX	XXX	XXX	XXX					XXX								XXX	XXX

E06

(a)

Code	Description of Hedged Risk(s)
<b>NONE</b>	

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
<b>NONE</b>	

### SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

1 Ticker Symbol	2 Number of Contracts	3 Notional Amount	4 Description	5 Description of Item(s) Hedged, Used for Income Generation or Replicated	6 Schedule/ Exhibit Identifier	7 Type(s) of Risk(s) (a)	8 Date of Maturity or Expiration	9 Exchange	10 Trade Date	11 Transaction Price	12 Reporting Date Price	13 Fair Value	14 Book/ Adjusted Carrying Value	Highly Effective Hedges			18 Cumulative Variation Margin for All Other Hedges	19 Change in Variation Margin Gain (Loss) Recognized in Current Year	20 Potential Exposure	21 Hedge Effectiveness at Inception and at Quarter-end (b)	22 Value of One (1) Point
														15 Cumulative Variation Margin	16 Deferred Variation Margin	17 Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item					
1759999999 Total						X X X	X X X	X X X	X X X	X X X	X X X								X X X	X X X	

NONE

Broker Name	Beginning Cash Balance	Cumulative Cash Change	Ending Cash Balance
<div style="font-size: 4em; font-weight: bold;">NONE</div>			
Total Net Cash Deposits			

E07

(a)

Code	Description of Hedged Risk(s)
<div style="font-size: 4em; font-weight: bold;">NONE</div>	

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
<div style="font-size: 4em; font-weight: bold;">NONE</div>	

## SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1 Description of Exchange, Counterparty or Central Clearinghouse	2 Master Agreement (Y or N)	3 Credit Support Annex (Y or N)	4 Fair Value of Acceptable Collateral	Book/Adjusted Carrying Value			Fair Value			11 Potential Exposure	12 Off-Balance Sheet Exposure
				5 Contracts With Book/ Adjusted Carrying Value >0	6 Contracts With Book/ Adjusted Carrying Value <0	7 Exposure net of Collateral	8 Contracts With Fair Value >0	9 Contracts With Fair Value <0	10 Exposure Net of Collateral		
NONE											
099999999 Gross Totals											
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64											

E08

## SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book / Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)	
			<b>NONE</b>						
019999999 Total Collateral Pledged by Reporting Entity								X X X	X X X

E09

Collateral Pledged to Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book / Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)
			<b>NONE</b>					
029999999 Total Collateral Pledged to Reporting Entity						X X X	X X X	X X X

## SCHEDULE DB - PART E

Derivatives Hedging Variable Annuity Guarantees as of Current Statement Date  
 This schedule is specific for the derivatives and the hedging programs captured in SSAP No. 108

CDHS		Hedged Item								Hedging Instruments								
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Identifier	Description	Prior Fair Value in Full Contract Cash Flows Attributed to Interest Rate	Ending Fair Value in Full Contract Cash Flows Attributed to Interest Rates	Fair Value Gains (Loss) in Full Contract Cash Flows Attributed to Interest Rates (4-3)	Fair Value Gain (Loss) in Hedged Item Attributed to Hedged Risk	Current Year Increase (Decrease) in VM-21 Liability	Current Year Increase (Decrease) in VM-21 Liability Attributed to Interest Rates	Change in the Hedged Item Attributed to Hedged Risk Percentage (6/5)	Current Year Increase (Decrease) in VM-21 Liability Attributed to Hedged Risk (8*9)	Prior Deferred Balance	Current Year Fair Value Fluctuation of the Hedge Instruments	Current Year Natural Offset to VM-21 Liability	Hedging Instruments' Current Fair Value Fluctuation Not Attributed to Hedged Risk	Hedge Gain (Loss) in Current Year Deferred Adjustment [12-(13+14)]	Current Year Prescribed Deferred Amortization	Current Year Additional Deferred Amortization	Current Year Total Deferred Amortization (16+17)	Ending Deferred Balance (11+15+18)
<b>NONE</b>																		
<b>Total</b>									XXX									

E10

## SCHEDULE DL - PART 1

### SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date  
 (Securities lending collateral assets reported in aggregate on Line 10 of the Assets page  
 and not included on Schedules A, B, BA, D DB and E)

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation and Administrative Symbol	Fair Value	Book / Adjusted Carrying Value	Maturity Dates
NONE						
999999 Totals						X X X

General Interrogatories:

1. Total activity for the year to date                      Fair Value \$                      0                      Book/Adjusted Carrying Value \$                      0

2. Average balance for the year to date                      Fair Value \$                      0                      Book/Adjusted Carrying Value \$                      0

3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:

NAIC 1 \$                      0; NAIC 2 \$                      0; NAIC 3 \$                      0; NAIC 4 \$                      0; NAIC 5 \$                      0; NAIC 6 \$                      0.



## SCHEDULE DL - PART 2

### SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

(Securities lending collateral assets included on Schedule A, B, BA, D, DB and E  
and not reported in aggregate on Line 10 of the Assets page)

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Designation and Administrative Symbol	Fair Value	Book / Adjusted Carrying Value	Maturity Dates
NONE						
999999 Totals						XXX

General Interrogatories:

1. Total activity for the year to date	Fair Value \$	0		Book/Adjusted Carrying Value \$	0
2. Average balance for the year to date	Fair Value \$	0		Book/Adjusted Carrying Value \$	0



### SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
990220-47-7	RBS CITIZENS NA CASH SWEEP		09/30/2020	0.100		5,725,277		10,836
8699999	All Other Money Market Mutual Funds					5,725,277		10,836
8899999	Total Cash Equivalents					5,725,277		10,836