

ANNUAL STATEMENT

OF THE

ALTUS DENTAL

INSURANCE COMPANY, INC.

of **PROVIDENCE**

in the state of **RHODE ISLAND**

TO THE

Insurance Department

OF THE

STATE OF RHODE ISLAND

FOR THE YEAR ENDED

December 31, 2015

HEALTH

2015



52632201520100100

ANNUAL STATEMENT

For the Year Ended December 31, 2015
OF THE CONDITION AND AFFAIRS OF THE

ALTUS DENTAL INSURANCE CO., INC.

NAIC Group Code 1571 1571 NAIC Company Code 52632 Employer's ID Number 05-0513223
(Current Period) (Prior Period)

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

Country of Domicile UNITED STATES OF AMERICA

Licensed as business type: **Life, Accident & 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 August 1, 2000 Commenced Business September 1, 2001

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 877-223-0577
(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 877-223-0577
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.altusdental.com

Statutory Statement Contact GEORGE J. BEDARD 877-223-0577
(Name) (Area Code) (Telephone Number) (Extension)
gbedard@altusdental.com 401-457-7260
(E-Mail Address) (Fax Number)

OFFICERS

	Name	Title
1.	<u>JOSEPH A. NAGLE</u>	<u>PRESIDENT</u>
2.	<u>KERRIE BENNETT</u>	<u>SECRETARY</u>
3.	<u>RICHARD A. FRITZ</u>	<u>TREASURER</u>

VICE-PRESIDENTS

Name	Title	Name	Title
<u>RICHARD A. FRITZ</u>	<u>VP - FINANCE</u>	<u>KERRIE BENNETT</u>	<u>VP - MARKETING & COMMUNICATIONS</u>
<u>JOSEPH PERRONI</u>	<u>VP - SALES</u>	<u>THOMAS CHASE</u>	<u>VP - CHIEF INFORMATION OFFICER</u>
<u>BLAINE CARROLL</u>	<u>VP - STRATEGIC INITIATIVES</u>		

DIRECTORS OR TRUSTEES

<u>FRED K. BUTLER</u>	<u>JULIE G. DUFFY</u>	<u>FRANCIS J. FLYNN</u>	<u>WILLIAM G. FOULKES #</u>
<u>ALMON C. HALL</u>	<u>EDWARD O. HANDY III</u>	<u>STEVEN J. ISSA</u>	<u>JOSEPH J. MARCAURELE</u>
<u>LINDA R. McGOLDRICK</u>	<u>JAMES F. McMANUS, DDS</u>	<u>WILLIAM A. MEKRUT</u>	<u>CYNTHIA S. REED</u>
<u>JOHN T RUGGEIRI</u>	<u>EDWIN J. SANTOS</u>	<u>VANESSA TOLEDO-VICKERS</u>	

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.

<u>(Signature)</u> <u>JOSEPH A. NAGLE</u>	<u>(Signature)</u> <u>KERRIE BENNETT</u>	<u>(Signature)</u> <u>RICHARD A. FRITZ</u>
<u>(Printed Name)</u> 1.	<u>(Printed Name)</u> 2.	<u>(Printed Name)</u> 3.
<u>PRESIDENT</u>	<u>SECRETARY</u>	<u>TREASURER</u>
<u>(Title)</u>	<u>(Title)</u>	<u>(Title)</u>

Subscribed and sworn to (or affirmed) before me this on this
29th day of FEBRUARY, 2016, by

PAMELA B. BUTERA
My commission expires 8/24/18

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

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D)	23,423,675		23,423,675	19,207,052
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	118,949		118,949	39,916
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ 858,373, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	858,373		858,373	1,625,785
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	1,215,365		1,215,365	1,371,327
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	25,616,362		25,616,362	22,244,080
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	278,034		278,034	245,785
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	500,503	42,086	458,417	651,039
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	828,400	65,622	762,778	526,876
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	182,587		182,587	137,742
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$ 0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets				
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	27,405,886	107,708	27,298,178	23,805,522
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	27,405,886	107,708	27,298,178	23,805,522

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

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	1,507,790		1,507,790	1,285,330
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	87,312		87,312	73,138
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Services Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	828,432		828,432	682,195
9. General expenses due or accrued	2,655,246		2,655,246	1,658,795
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	1,363,113		1,363,113	1,535,771
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				
23. Aggregate write-ins for other liabilities (including \$ 0 current)	456,000		456,000	423,300
24. Total liabilities (Lines 1 to 23)	6,897,893		6,897,893	5,658,529
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	3,000,000	3,000,000
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	3,319,861	3,319,861
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	787,479	872,005
31. Unassigned funds (surplus)	X X X	X X X	13,292,945	10,955,127
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	20,400,285	18,146,993
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	27,298,178	23,805,522

DETAILS OF WRITE-IN LINES				
2301. ADVANCE DEPOSITS	456,000		456,000	423,300
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)	456,000		456,000	423,300
2501.	X X X	X X X		
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		
3001. RESTRICTED RESERVES ACA ASSESSMENT	X X X	X X X	787,479	872,005
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	787,479	872,005

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	1,649,333	1,571,674
2. Net premium income (including \$ 0 non-health premium income)	X X X	50,760,595	48,880,597
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	50,760,595	48,880,597
Hospital and Medical:			
9. Hospital/medical benefits			
10. Other professional services		38,138,160	36,193,536
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)		38,138,160	36,193,536
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		38,138,160	36,193,536
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 493,418 cost containment expenses		2,493,636	2,173,412
21. General administrative expenses		6,659,557	6,236,836
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)		47,291,353	44,603,784
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	3,469,242	4,276,813
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		460,262	444,386
26. Net realized capital gains (losses) less capital gains tax of \$ 0		7,292	10,650
27. Net investment gains (losses) (Lines 25 plus 26)		467,554	455,036
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		88,109	111,327
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	4,024,905	4,843,176
31. Federal and foreign income taxes incurred	X X X	1,816,458	1,607,452
32. Net income (loss) (Lines 30 minus 31)	X X X	2,208,447	3,235,724

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 OF MASSACHUSETTS TAX CREDITS		88,109	111,327
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		88,109	111,327

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2
	Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year	18,146,993	14,906,185
34. Net income or (loss) from Line 32	2,208,447	3,235,724
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	
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax	44,845	5,084
39. Change in nonadmitted assets	(56,449)	(34,304)
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	56,449	34,304
48. Net change in capital and surplus (Lines 34 to 47)	2,253,292	3,240,808
49. Capital and surplus end of reporting year (Line 33 plus 48)	20,400,285	18,146,993

DETAILS OF WRITE-IN LINES		
4701. INCLUSION OF BAD DEBT RESERVE IN THE NON ADMITTED ASSET	56,449	34,304
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)	56,449	34,304

CASH FLOW

	1	2
Cash from Operations	Current Year	Prior Year
1. Premiums collected net of reinsurance	50,863,552	48,459,835
2. Net investment income	435,305	473,165
3. Miscellaneous income		
4. Total (Lines 1 through 3)	51,298,857	48,933,000
5. Benefit and loss related payments	37,915,700	36,488,626
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	8,142,568	8,354,497
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	1,816,458	1,607,452
10. Total (Lines 5 through 9)	47,874,726	46,450,575
11. Net cash from operations (Line 4 minus Line 10)	3,424,131	2,482,425
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	6,467,716	2,297,370
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	1,114,477	1,015,432
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)	7,582,193	3,312,802
13. Cost of investments acquired (long-term only):		
13.1 Bonds	11,230,376	1,366,103
13.2 Stocks	79,033	39,916
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	870,406	1,260,000
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	12,179,815	2,666,019
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(4,597,622)	646,783
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	406,079	(4,099,882)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	406,079	(4,099,882)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(767,412)	(970,674)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	1,625,785	2,596,459
19.2 End of year (Line 18 plus Line 19.1)	858,373	1,625,785

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

20.0001		
20.0002		
20.0003		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	50,760,595			50,760,595						
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$ 0 medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues										XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. Total revenues (Lines 1 to 6)	50,760,595			50,760,595						
8. Hospital/medical benefits										XXX
9. Other professional services	38,138,160			38,138,160						XXX
10. Outside referrals										XXX
11. Emergency room and out-of-area										XXX
12. Prescription drugs										XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments and bonus amounts										XXX
15. Subtotal (Lines 8 to 14)	38,138,160			38,138,160						XXX
16. Net reinsurance recoveries										XXX
17. Total hospital and medical (Lines 15 minus 16)	38,138,160			38,138,160						XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 493,418 cost containment expenses	2,493,636			2,352,848					140,788	
20. General administrative expenses	6,659,557			6,216,839					442,718	
21. Increase in reserves for accident and health contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22)	47,291,353			46,707,847					583,506	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	3,469,242			4,052,748					(583,506)	

DETAILS OF WRITE-IN LINES										
0501.										XXX
0502.										XXX
0503.										XXX
0598. Summary of remaining write-ins for Line 05 from overflow page										XXX
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)										XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 06 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)										XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 – PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only	50,760,595			50,760,595
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII – Medicare				
7. Title XIX – Medicaid				
8. Other health				
9. Health subtotal (Lines 1 through 8)	50,760,595			50,760,595
10. Life				
11. Property/casualty				
12. Totals (Lines 9 to 11)	50,760,595			50,760,595

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 – CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	37,915,700			37,915,700						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	37,915,700			37,915,700						
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,507,790			1,507,790						
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	1,507,790			1,507,790						
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	1,285,330			1,285,330						
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	1,285,330			1,285,330						
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	38,138,160			38,138,160						
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	38,138,160			38,138,160						
13. Incurred medical incentive pools and bonuses										

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A – CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	83,061			83,061						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	83,061			83,061						
2. Incurred but Unreported:										
2.1 Direct	1,424,729			1,424,729						
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	1,424,729			1,424,729						
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS:										
4.1 Direct	1,507,790			1,507,790						
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	1,507,790			1,507,790						

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B – ANALYSIS OF CLAIMS UNPAID – PRIOR YEAR-NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	1,353,706	36,561,993	10,495	1,497,295	1,364,201	1,285,330
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)	1,353,706	36,561,993	10,495	1,497,295	1,364,201	1,285,330
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	1,353,706	36,561,993	10,495	1,497,295	1,364,201	1,285,330

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)
Hospital & Medical

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011										
2. 2012										
3. 2013										
4. 2014										
5. 2015										

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)
Medicare Supplement

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011										
2. 2012										
3. 2013										
4. 2014										
5. 2015										

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

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,131	2			
2. 2011	28,081	1,103	2		
3. 2012	X X X	30,200	1,210	2	
4. 2013	X X X	X X X	33,635	1,231	2
5. 2014	X X X	X X X	X X X	35,256	1,352
6. 2015	X X X	X X X	X X X	X X X	36,562

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,136	2			
2. 2011	29,486	1,107	2		
3. 2012	X X X	31,509	1,217	2	
4. 2013	X X X	X X X	35,208	1,235	2
5. 2014	X X X	X X X	X X X	36,537	1,363
6. 2015	X X X	X X X	X X X	X X X	38,059

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011	36,989	29,186			29,186	78.905			29,186	78.905
2. 2012	40,864	31,412			31,412	76.870			31,412	76.870
3. 2013	45,974	34,866			34,866	75.839			34,866	75.839
4. 2014	48,881	35,256	73	0.207	35,329	72.276	11		35,340	72.298
5. 2015	50,761	36,562			36,562	72.028	1,497	87	38,146	75.148

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)
Title XVIII - Medicare

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011										
2. 2012										
3. 2013										
4. 2014										
5. 2015										

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)
Title XIX - Medicaid

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011										
2. 2012										
3. 2013										
4. 2014										
5. 2015										

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)
Other

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011										
2. 2012										
3. 2013										
4. 2014										
5. 2015										

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UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS
(000 Omitted)
Grand Total

Section A – Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,131	2			
2. 2011	28,081	1,103	2		
3. 2012	X X X	30,200	1,210	2	
4. 2013	X X X	X X X	33,635	1,231	2
5. 2014	X X X	X X X	X X X	35,256	1,352
6. 2015	X X X	X X X	X X X	X X X	36,562

Section B – Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,136	2			
2. 2011	29,486	1,107	2		
3. 2012	X X X	31,509	1,217	2	
4. 2013	X X X	X X X	35,208	1,235	2
5. 2014	X X X	X X X	X X X	36,537	1,363
6. 2015	X X X	X X X	X X X	X X X	38,059

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011	36,989	29,186			29,186	78.905			29,186	78.905
2. 2012	40,864	31,412			31,412	76.870			31,412	76.870
3. 2013	45,974	34,866			34,866	75.839			34,866	75.839
4. 2014	48,881	35,256	73	0.207	35,329	72.276	11		35,340	72.298
5. 2015	50,761	36,562			36,562	72.028	1,497	87	38,146	75.148

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UNDERWRITING AND INVESTMENT EXHIBIT

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

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$ _____ 0 for investment income)									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)									
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 7)									

NONE

DETAILS OF WRITE-IN LINES									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 05 from overflow page									
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)									

NONE

NONE

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 – ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ 0 for occupancy of own building)					
2. Salaries, wages and other benefits	493,418	1,378,556	1,921,129		3,793,103
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)			2,205,403		2,205,403
4. Legal fees and expenses					
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services		100,549	198,059		298,608
7. Traveling expenses		253	118,933		119,186
8. Marketing and advertising			83,461		83,461
9. Postage, express and telephone		73,901	43,720		117,621
10. Printing and office supplies			23,194		23,194
11. Occupancy, depreciation and amortization			137,582		137,582
12. Equipment		104,917	94,661		199,578
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services		445,216			445,216
15. Boards, bureaus and association fees		861	26,932		27,793
16. Insurance, except on real estate			15,160		15,160
17. Collection and bank service charges			59,496		59,496
18. Group service and administration fees					
19. Reimbursements by uninsured plans		(140,788)	(442,718)		(583,506)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes			1,158,550		1,158,550
23.3 Regulatory authority licenses and fees					
23.4 Payroll taxes		35,193	121,544		156,737
23.5 Other (excluding federal income and real estate taxes)			682,543		682,543
24. Investment expenses not included elsewhere				9,783	9,783
25. Aggregate write-ins for expenses		1,560	211,908		213,468
26. Total expenses incurred (Lines 1 to 25)	493,418	2,000,218	6,659,557	9,783	9,162,976 (a)
27. Less expenses unpaid December 31, current year		87,312	2,655,247		2,742,559
28. Add expenses unpaid December 31, prior year		73,138	1,658,794		1,731,932
29. Amounts receivable relating to uninsured plans, prior year					
30. Amounts receivable relating to uninsured plans, current year					
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	493,418	1,986,044	5,663,104	9,783	8,152,349

DETAILS OF WRITE-IN LINES					
2501. NET OTHER EXPENSES		1,560	211,908		213,468
2502.					
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		1,560	211,908		213,468

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

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 488,378	520,628
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		
2.21 Common stocks of affiliates	392	392
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e)	
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	20,234	20,234
10. Total gross investment income	509,004	541,254
11. Investment expenses		(g) 9,783
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		71,209
16. Total deductions (Lines 11 through 15)		80,992
17. Net investment income (Line 10 minus Line 16)		460,262

DETAILS OF WRITE-IN LINES		
0901. INTERCOMPANY INTEREST ALLOCATION	20,234	20,234
0902.		
0903.		
0998. Summary of remaining write-ins for Line 09 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	20,234	20,234
1501. BANK FEES		71,209
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above)		71,209

- (a) Includes \$ 6,366 accrual of discount less \$ 480,662 amortization of premium and less \$ 37,222 paid for accrued interest on purchases.
- (b) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued dividends on purchases.
- (c) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (d) Includes \$ 0 for company's occupancy of its own buildings; and excludes \$ 0 interest on encumbrances.
- (e) Includes \$ 0 accrual of discount less \$ 0 amortization of premium and less \$ 0 paid for accrued interest on purchases.
- (f) Includes \$ 0 accrual of discount less \$ 0 amortization of premium.
- (g) Includes \$ 0 investment expenses and \$ 0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ 0 interest on surplus notes and \$ 0 interest on capital notes.
- (i) Includes \$ 0 depreciation on real estate and \$ 0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	7,292		7,292		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)					
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	7,292		7,292		

DETAILS OF WRITE-IN LINES					
0901.	NONE				
0902.					
0903.					
0998. Summary of remaining write-ins for Line 09 from overflow page					
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)					

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	42,086	36,666	(5,420)
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans	65,622	14,593	(51,029)
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets			
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets			
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	107,708	51,259	(56,449)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	107,708	51,259	(56,449)

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

EXHIBIT 1 – ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations	135,863	134,974	136,973	139,688	141,116	1,649,333
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. Total	135,863	134,974	136,973	139,688	141,116	1,649,333

DETAILS OF WRITE-IN LINES						
0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 06 from overflow page						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)						

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Presentation

The Annual Statement of Altus Dental Insurance Company, Inc. for the year ended December 31, 2015 has been completed in accordance with the 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. Note management is not aware of any deviations from this NAIC guidance, as interpreted by the Rhode Island Department of Business Regulation, as it relates to the financial information contained in this statement.

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 ... is shown below.

NET INCOME

	2015	2014	State of Domicile
01. ALTUS DENTAL INSURANCE CO., INC. state basis (Page 4, Lin \$	2,208,447	3,235,724	RI
02. State Prescribed Practices that increase/(decrease) NAIC SAP:			
e.g. Depreciation of Fixed Assets	<u>Net Income</u> 2015	<u>Net Income</u> 2014	State of Domicile
Totals (Lines 01A0201 through 01A0225)	\$		
03. State Permitted Practices that increase/(decrease) NAIC SAP:			
e.g. Depreciation of Home Office Property	<u>Net Income</u> 2015	<u>Net Income</u> 2014	State of Domicile
Totals (Lines 01A0301 through 01A0325)	\$		
04. NAIC SAP (1 - 2 - 3 = 4) \$	2,208,447	3,235,724	RI

SURPLUS

	2015	2014	State of Domicile
05. ALTUS DENTAL INSURANCE CO., INC. state basis (Page 3, Lin \$	20,400,285	18,146,993	RI
06. State Prescribed Practices that increase/(decrease) NAIC SAP:			
e.g., Goodwill, net, Fixed Assets, net	<u>Surplus</u> 2015	<u>Surplus</u> 2014	State of Domicile
Totals (Lines 01A0601 through 01A0625)	\$		
07. State Permitted Practices that increase/(decrease) NAIC SAP:			
e.g. Home Office Property	<u>Surplus</u> 2015	<u>Surplus</u> 2014	State of Domicile
Totals (Lines 01A0701 through 01A0725)	\$		
08. NAIC SAP (5 - 6 - 7 = 8) \$	20,400,285	18,146,993	RI

(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. Therefore there is no effect on the reported net income, statutory surplus and risk based capital from utilizing an accounting practice that differs from the NAIC statutory accounting practices and procedures.

(C) Accounting Policies

Investment Income and Declines in Fair Value

The Company periodically reviews its bonds 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.

NOTES TO FINANCIAL STATEMENTS

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 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 United States Treasury and 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 all securities until maturity and, accordingly, has categorized all investments as "held-to-maturity" securities. As a result, unrealized gains and losses are excluded from net income.

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 when claims are settled. 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 amortized cost.
2. Bonds are stated at amortized value using the constant yield / scientific method.
3. The company does not own common stocks; however, in accordance with NAIC guidelines, money market funds are reported as Common Stocks on the Balance Sheet.
4. The company does not own preferred stocks; hence this accounting policy is not applicable.
5. The company does not have mortgage loans; hence this accounting policy is not applicable.
6. Loan-backed securities are stated at amortized value using the constant yield / scientific method.
7. Investments in subsidiaries, controlled and affiliated entities would be reported using the equity method.
8. The company does not have investments in joint ventures, partnerships and limited liability companies; hence this accounting policy is not applicable.
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.
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 Concerns

There are no going concerns for this company.

NOTE 2 - - ACCOUNTING CHANGES AND CORRECTION OF ERRORS

As part of this current year's annual statement preparation, the Company's financial statements contain no items that resulted from corrections of errors or changes in accounting principles.

NOTES TO FINANCIAL STATEMENTS

Additionally, as required the Company's financial statements are prepared in accordance with the Codification of the NAIC Accounting Practices and Procedures Manual. This had no material impact on the 2015 and 2014 accounting practices or resulting statutory income and surplus as reported by the Company.

NOTE 3 - - BUSINESS COMBINATIONS AND GOODWILL

During 2015, the Company had no business combinations, direct purchases or mergers with other companies. The related disclosures are all not applicable.

NOTE 4 - - DISCONTINUED OPERATIONS

During 2015, the Company's financial results include no gains or losses from discontinued operations. The related note disclosures are all not applicable.

NOTE 5 - - INVESTMENTS

The Company's bond investments described in Note 1 represent all of the Company's statutory recorded investments at December 31, 2015 and December 31, 2014.

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

1. Mortgage Loans, including Mezzanine Real Estate Loans – This is not applicable.
2. Debt Restructuring – This is not applicable.
3. Reverse Mortgages – This is not applicable.
4. Loan Backed Securities – This is not applicable.
5. Repurchase Agreements and/or Securities Lending Transactions – This is not applicable.
6. Real Estate – The company's parent through one of its subsidiaries, Altus Realty, owns the building that functions as corporate headquarters for the parent and all subsidiaries.
7. Investments in low-income housing tax credits – 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.
8. Restricted Assets – This is not applicable, so no table is needed.
9. Working Capital Finance Investments – This is not applicable.
10. Offsetting and Netting of Assets and Liabilities – This is not applicable.
11. Structured Notes – This is not applicable.

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

During 2015 and 2014, the Company did not participate in any joint ventures, partnerships or LLCs. The related disclosures are all not applicable.

NOTE 7 - - INVESTMENT INCOME

Interest income is accrued as earned. At December 31, 2015 and December 31, 2014, the Company had no income due or accrued that it considered a nonadmitted asset, as collection on accrued interest is reasonably assured for all Company investments. There was no income excluded.

NOTE 8 - - DERIVATIVE INSTRUMENTS

NOTES TO FINANCIAL STATEMENTS

As disclosed in Note 1 above, all investments consist of United States government and government agency securities, and “investment grade” corporate notes with fixed rates and maturities. During the periods ended December 31, 2015 and December 31, 2014, the Company had not utilized any derivative financial instruments. The related disclosures are all not applicable.

NOTE 9 - - FEDERAL INCOME TAXES

The Company adopted SSAP No. 101, a replacement of SSAP No. 10R, effective January 1, 2012. The December 31, 2015 and December 31, 2014 balances and related disclosures are calculated and presented pursuant to SSAP No. 101.

NOTES TO FINANCIAL STATEMENTS

9. A. The components of the net deferred tax asset/(liability) at Dec. 31 are as follows:

	12/31/2015			12/31/2014		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total
a. Gross Deferred Tax Assets	\$ 182,587		182,587	137,742		137,742
b. Statutory Valuation Allowance Adjustments						
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 182,587		182,587	137,742		137,742
d. Deferred Tax Assets Nonadmitted						
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 182,587		182,587	137,742		137,742
f. Deferred Tax Liabilities						
g. Net Admitted Deferred Tax Asset / (Net Deferred Tax Liability) (1e - 1f)	\$ 182,587		182,587	137,742		137,742

	Change		
	(7) (Col 1 - 4) Ordinary	(8) (Col 2- 5) Capital	(9) (Col 7 + 8) Total
a. Gross Deferred Tax Assets	\$ 44,845		44,845
b. Statutory Valuation Allowance Adjustments			
c. Adjusted Gross Deferred Tax Assets (1a - 1b)	\$ 44,845		44,845
d. Deferred Tax Assets Nonadmitted			
e. Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	\$ 44,845		44,845
f. Deferred Tax Liabilities			
g. Net Admitted Deferred Tax Asset / (Net Deferred Tax Liability) (1e - 1f)	\$ 44,845		44,845

	12/31/2015			12/31/2014		
	(1) Ordinary	(2) Capital	(3) (Col 1 + 2) Total	(4) Ordinary	(5) Capital	(6) (Col 4 + 5) Total
a. Admission Calculation Components SSAP No. 101 Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.						
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 182,587		182,587	137,742		137,742
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.						
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X		X X X	X X X	
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.						
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 182,587		182,587	137,742		137,742

	Change		
	(7) (Col 1 - 4) Ordinary	(8) (Col 2- 5) Capital	(9) (Col 7 + 8) Total
a. Admission Calculation Components SSAP No. 101 Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.			
b. Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	\$ 44,845		44,845
1. Adjusted Gross Deferred Tax Assets to be Realized Following the Balance Sheet Date.			
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	\$ X X X	X X X	
c. Adjusted Gross Deferred Tax Assets (Excluding the Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.			
d. Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	\$ 44,845		44,845

	2015	2014
a. Ratio Percentage Used to Determine Recover Period And Threshold Limitation Amount.		
b. Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.		

	12/31/2015		12/31/2014		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(5) (Col 1 - 3) Ordinary	(6) (Col 2 - 4) Capital
a. Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character As A Percentage.						
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 182,587		137,742		44,845	
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact of Tax Planning Strategies						
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	\$ 182,587		137,742		44,845	
4. Percentage of Net Admitted Adjusted Gross DTAs by Tax Character Attributable To The Impact of Tax Planning Strategies						

b. Does the Company's Tax-planning Strategies include the use of reinsurance?

NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:			
	(1)	(2)	(3)
	12/31/2015	12/31/2014	(Col 1 - 2) Change
1. Current Income Tax			
a. Federal	\$ 1,816,458	1,607,452	209,006
b. Foreign	\$	\$	\$
c. Subtotal	\$ 1,816,458	1,607,452	209,006
d. Federal Income Tax on net capital gains	\$	\$	\$
e. Utilization of capital loss carry-forwards	\$	\$	\$
f. Other	\$	\$	\$
g. Federal and foreign income taxes incurred	\$ 1,816,458	1,607,452	209,006
2. Deferred Tax Assets:			
a. Ordinary			
(1) Discounting of unpaid losses	\$ 10,685	9,100	1,585
(2) Unearned premium reserve	\$ 87,341	75,174	12,167
(3) Policyholder reserves	\$	\$	\$
(4) Investments	\$	\$	\$
(5) Deferred acquisition costs	\$	\$	\$
(6) Policyholder dividends accrual	\$	\$	\$
(7) Fixed assets	\$	\$	\$
(8) Compensation and benefits accrual	\$	\$	\$
(9) Pension accrual	\$	\$	\$
(10) Receivables - nonadmitted	\$ 36,621	17,428	19,193
(11) Net operating loss carry-forward	\$	\$	\$
(12) Tax credit carry-forward	\$	\$	\$
(13) Other (including items <5% of total ordinary tax assets)	\$ 47,940	36,040	11,900
(99) Subtotal	\$ 182,587	137,742	44,845
b. Statutory valuation allowance adjustment	\$	\$	\$
c. Nonadmitted	\$	\$	\$
d. Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	\$ 182,587	137,742	44,845
e. Capital:			
(1) Investments	\$	\$	\$
(2) Net capital loss carry-forward	\$	\$	\$
(3) Real estate	\$	\$	\$
(4) Other (including items <5% of total capital tax assets)	\$	\$	\$
(99) Subtotal	\$	\$	\$
f. Statutory valuation allowance adjustment	\$	\$	\$
g. Nonadmitted	\$	\$	\$
h. Admitted capital deferred tax assets (2e99 - 2f - 2g)	\$	\$	\$
i. Admitted deferred tax assets (2d + 2h)	\$ 182,587	137,742	44,845
3. Deferred Tax Liabilities:			
a. Ordinary			
(1) Investments	\$	\$	\$
(2) Fixed assets	\$	\$	\$
(3) Deferred and uncollected premium	\$	\$	\$
(4) Policyholder reserves	\$	\$	\$
(5) Other (including items <5% of total ordinary tax liabilities)	\$	\$	\$
(99) Subtotal	\$	\$	\$
b. Capital:			
(1) Investments	\$	\$	\$
(2) Real Estate	\$	\$	\$
(3) Other (including items <5% of total capital tax liabilities)	\$	\$	\$
(99) Subtotal	\$	\$	\$
c. Deferred tax liabilities (3a99 + 3b99)	\$	\$	\$
4. Net deferred tax assets/liabilities (2i - 3c)	\$ 182,587	137,742	44,845

The Company is not utilizing tax planning strategies.

There are no temporary differences for which deferred tax liabilities are not recognized.

There was no valuation allowance adjustment to gross deferred tax assets as of December 31, 2015 and no net change in the total valuation allowance adjustments for the periods ended December 31, 2015 and December 31, 2014, respectively.

The realization of the deferred tax asset is dependent upon the Company's ability to generate sufficient taxable income in future periods. Based on historical results and the prospects for future current operations, management anticipates that it is more likely than not that future taxable income will be sufficient for the realization of the remaining deferred tax assets.

As of December 31, 2015 and December 31, 2014, there are no operating losses or tax credit carryforwards available for federal tax purposes.

NOTES TO FINANCIAL STATEMENTS

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future losses:

Year:	Ordinary	Capital	Total
2015	\$ 1,816,458	—	1,816,458
2014	\$ 1,607,452	—	1,607,452
2013	\$ 1,355,018	—	1,355,018
2012	\$ 1,191,982	—	1,191,982
2011	\$ 856,015	—	856,015

There are no deposits held under Section 6603 of the Internal Revenue Code.

Altus Dental Insurance Company, Inc. is incorporated in the State of Rhode Island as a for-profit company. The Company pays premium taxes to the State of Massachusetts as opposed to state income tax.

Additionally, for federal tax purposes the Company's taxable operations are included within the consolidated group tax filings of its parent, The Altus Group, Inc. The other subsidiaries of The Altus Group, Inc. are Altus Systems, Inc., Altus Dental, Inc., and Altus Ventures, Inc., which are included in the consolidated returns for both federal and state tax reporting.

The Company's income tax returns that remain open to examination are for the years 2011 and subsequent.

NOTE 10 - - INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

Altus Dental Insurance Company, Inc. is a wholly owned subsidiary of The Altus Group, Inc. which itself is a wholly owned subsidiary of Delta Dental of Rhode Island. This group of affiliated for-profit entities was established in 1999 for the purpose of expanding the ultimate parent company's offering of prepaid dental care products to organizations based outside the State of Rhode Island.

Altus Dental Insurance Company and Delta Dental of RI (DDRI) 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 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 the Parent, Delta Dental (DDRI), for costs associated with a portion of consolidated expenses incurred by the Parent that should be spread among 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.
- Altus Systems (AS) is the company that employs the operations staff necessary to administer the dental business of both DDRI and this Company.

NOTES TO FINANCIAL STATEMENTS

- 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 the Company based on the volume of subscriber dental contracts.

For the periods ended December 31, 2015 and December 31, 2014, after elimination of intercompany transactions, The Altus Group, Inc. generated income of \$2,229,000 and \$3,447,000, respectively.

Altus Dental Insurance Company, Inc. is allocated expenses from affiliated entities based on allocation methods, which are analyzed and updated by management on an annual basis. The resulting total expense allocations are disclosed on Schedule Y of the 2015 Annual Statement filing. Total expenses, including these allocated expenses, are disclosed in more descriptive detail in the year end Underwriting and Investment Exhibit Part 3 – Analysis of Expenses.

At December 31, 2015 and December 31, 2014 the Company has intercompany receivables and payables with/to the Altus Group, Inc. and other affiliates. Some of these balances resulted from the fact that Altus Dental Insurance Company maintained a sweep banking arrangement for the Altus Group and some of 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 Altus Group, Inc. and its subsidiaries projects profitability going forward and that the intercompany advances will be reduced gradually over time.

NOTE 11 - - DEBT

During the periods ended December 31, 2015 and December 31, 2014 the Company had no outstanding capital notes or any debt arrangements. The related note disclosures are all not applicable.

NOTE 12 - - EMPLOYEE RETIREMENT PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company maintains no retirement or other post retirement benefit plans. The related note disclosures are all not applicable.

NOTE 13 - - CAPITAL AND SURPLUS

Altus Dental Insurance Company, Inc. is a subsidiary of The Altus Group, Inc. and is a for-profit corporation. The Company's capital stock consists of 30 shares issued and outstanding. Each share has \$100,000 par value amounting to the \$3,000,000 total reflected on the balance sheet. All of the Company's outstanding shares of stock are owned by The Altus Group, Inc. The Company has no dividend restrictions, and has not been involved in any quasi-reorganization.

The contributed surplus of \$3,319,861 results from the additional capitalization of the Company when bond and fixed income notes (the investment portfolio) were transferred from its parent to the Company. The initial and subsequent additional capitalizations (from these investment portfolio transfers) were to fulfill capitalization requirements of the Rhode Island Department of Business Regulation and the Massachusetts Division of Insurance.

NOTES TO FINANCIAL STATEMENTS

Note the following disclosures related to the company's capital and surplus. The related note disclosures are all not applicable.

1. 30 shares at \$100,000 per share. No shares issued.
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 – \$787,479 of reserves are restricted for the estimated twelve months of the 2016 ACA assessment in the December 31, 2015 filing and \$682,516 of reserves have been expensed for the full twelve month 2015 ACA assessment in this December 2015 filing, which was paid on September 30, 2015.
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 – Not applicable
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 - - CONTINGENT LIABILITIES

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. The related note disclosures are all not applicable.

The following are not applicable to the company.

1. Contingent commitments – Not applicable
2. Assessments – Not applicable, other than the ACA Assessment addressed above
3. Gain contingencies – Not applicable
4. Claims related extra contractual obligation – Not applicable
5. Joint and several liabilities – Not applicable
6. All other contingencies – Not applicable

NOTE 15 - - LEASES

The Company has no lease obligations for office space or other such commitments. The related note disclosures are all not applicable.

NOTE 16 - - INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET 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 are all not applicable.

NOTE 17 - - SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS

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 are all not applicable.

NOTES TO FINANCIAL STATEMENTS

NOTE 18 - - GAIN OR LOSS FROM UNINSURED ACCIDENT & HEALTH 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 2, for the 2015 and 2014 annual filings, the Company's financial statements are prepared in accordance with the Codification of the NAIC Accounting Practices and Procedures Manual. This included the implementation of Statement on Statutory Accounting Principles (SSAP) # 47 "Uninsured Plans". The Company's December 31, 2015 and December 31, 2014 financial operations respectively exclude approximately \$6,827,000 and \$4,694,000 of revenues from such plans and there are no significant gains or losses related to such transactions.

The company does not have any ASO plans and Medicare or similarly structured cost based reimbursement contract. The company does have ASC plan information, which is included in the following illustration.

NOTES TO FINANCIAL STATEMENTS

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

A. ASO Plans	ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
The gain from operations from Administrative Services Only (ASO) plans and the uninsured portion of partially insured plans was as follows during 2015: (years as seen in Notes text)			
a. Net reimburs for admin Exp (includ admin fees) in excess of exp	\$		
b. Total net other income or exp (includ interest paid to or rec fro	\$		
c. Net gain or (loss) from operations (a + b)	\$		
d. Total claim payment volume	\$		
B. ASC Plans	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
The gain from operations from Administrative Services Contract (ASC) plans and the uninsured portion of partially insured plans was as follows during 2015: (years as seen in Notes text)			
a. Gross reimbursement for medical cost incurred	\$ 6,243,008		6,243,008
b. Gross administrative fees accrued	\$ 583,506		583,506
c. Other income or expenses (includ interest paid to or received	\$		
d. Gross expenses incurred (claims and administrative)	\$ 6,826,514		6,826,514
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 broker's commissions of approximately \$2,205,000 and \$2,047,000 for the periods ended December 31, 2015 and December 31, 2014. 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:

NOTES TO FINANCIAL STATEMENTS

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

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 Company does not currently have any financial assets that are measured at Level 3 fair value on a recurring basis.

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
December 31, 2015:				
Assets at fair value:				
Common Stock - Money Market	\$ 118,949			118,949
Investments - Bonds		23,409,816		23,409,816
December 31, 2014				
Assets at fair value:				
Common Stock - Money Market	\$ 39,916			39,916
Investments - Bonds		19,502,999		19,502,999

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

	2015		2014	
	Book value	Estimated fair value	Book value	Estimated fair value
Assets:				
Cash and Cash Equivalents	\$ 858,373	858,373	\$ 1,625,785	1,625,785
Common Stock - Money Marke	118,949	118,949	39,916	39,916
Investments - Bonds	23,423,675	23,409,816	19,207,052	19,502,999

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

Common Stock – Money Market – The carrying value of short-term investments are presented at cost, which approximates fair value.

Investments – Investment securities 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.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

A.

1. Fair Value Measurements at Reporting Date

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(5) Total
a. Assets at fair Value				
01. Cash and Cash Equivalents	\$ 858,373			858,373
02. Common Stock - Money Market	\$ 118,948			118,948
03. Investments - Bonds		23,409,816		23,409,816
Total assets at fair value	\$ 977,321	23,409,816		24,387,137
b. Liabilities at fair value				
Total liabilities at fair value				

NOTE 21 - - OTHER ITEMS

The Company has no extraordinary items, subprime mortgage related risk exposure, 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.

The Company has entered into signed agreements to purchase state tax credits that will be utilized in 2015 and 2014; hence the Company maintains tax credits as net assets at December 31, 2015 and December 31, 2014. Before purchasing the tax credits the Company estimates the utilization of 2015 and 2014 tax credits by projecting future premium levels taking into account policy growth and applicable rate changes.

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

1. Unusual or infrequent items – Not applicable
2. Troubled debt restructuring debtors – Not applicable
3. Other disclosures and unusual items – Not applicable
4. Business interruption insurance recoveries – Not applicable
5. State transferable and non-transferable tax credits – State tax credits were purchased and will be used in 2015. There were five separate purchases of MA tax credits to be utilized in 2015. The carrying value and the unused amounts are listed below and on the Asset page. An additional carryforward balance of \$258,057 is also listed on the Balance Sheet at December 31, 2015 after the March 1, 2015 payment for the 2014 year was made. State tax credits were purchased in 2014 to be used in 2014. A \$1,400,000 MA historic tax credit was purchased in early 2014 to be utilized in 2014. The cost of \$1,260,000 plus a carryforward from 2013 is listed on the asset page at December 31, 2014.
6. Subprime-mortgage-related risk exposure – Not applicable
7. Retained assets – Not applicable

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

21. Other Items

E. State Transferable Tax Credits
Description of State Transferable and Non-transferable Tax Credits

	State	Carrying Value	Unused Amount
01. 2014 Massachusetts Tax Credits	MA	285,522	
02. 2015 Massachusetts Tax Credits	MA	125,000	
03. 2015 Massachusetts Tax Credits	MA	50,000	
04. 2015 Massachusetts Tax Credits	MA	175,000	
05. 2015 Massachusetts Tax Credits	MA	500,000	
06. 2015 Massachusetts Tax Credits	MA	79,843	1,184
Total	X X X	1,215,365	1,184

	Total Admitted	Total Non-Admitted
4. State Tax Credits Admitted and Nonadmitted		
a. Transferable	\$	
b. Non-transferable	\$	

F. Subprime Mortgage Related Risk Exposure

2. Direct exposure through investments in subprime mortgage loans.

	(1) Book/Adjusted Carrying Value (excluding interest)	(2) Fair Value	(3) Value of Land and Buildings	(4) Other-Than- Temporary Impairment Losses Recognized	(5) 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) Actual Cost	(2) Book/Adjusted Carrying Value (excluding interest)	(3) Fair Value	(4) 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. \$ _____

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

	(1) Losses Paid in the Current Year	(2) Losses Incurred in the Current Year	(3) Case Reserves at End of Current Period	(4) IBNR 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/Amount 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 of the Year	\$			

NOTES TO FINANCIAL STATEMENTS

NOTE 22 - - EVENTS SUBSEQUENT

The Company has no events subsequent to December 31, 2015 that would warrant disclosure in these statutory 2015 financial statements, other than reserves segregated for the 2016 Affordable Care Act assessment addressed below.

In accordance with SSAP 35R, the company in 2015 has paid a liability for the 2015 ACA assessment in the amount of \$682,516 and recorded \$787,479 as restricted reserves in this December 31, 2015 filing, representing an estimate of the annual amount for the full year. The company had expensed its full 2014 ACA assessment within the three quarters ending September 30, 2014. This payment of \$503,206 was made in September 2014. The estimated twelve month 2015 ACA assessment in the amount of \$682,516 was paid in September 30, 2015, additionally the \$787,479 that has been recorded as restricted reserves on December 31, 2015 representing the full year 2016 projected ACA assessment due September 30, 2016.

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium t subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
B. ACA fee assessment payable for the upcoming year	\$ 787,479	872,005
C. ACA fee assessment paid	\$ 682,516	503,206
D. Premium written subject to ACA 9010 assessment	\$ 50,760,595	
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical	\$ 20,400,285	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 19,612,806	
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	\$ 1,626,157	
H. Would reporting the ACA assessment as of Dec. 31, 2015 have triggered an RBC action level (YES/NO)?	NO	

NOTE 23 - - REINSURANCE

The Company utilizes no reinsurance arrangements in its underwriting of dental premiums. The related note disclosures are all not applicable.

NOTE 24 - - RETROSPECTIVELY RATED CONTRACTS

The Company presently does not underwrite premiums that are subject to retrospective rating or are contingent premiums (based on actual claims incurred) for the periods ended December 31, 2015 and December 31, 2014. The related note disclosures are all not applicable.

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

Reserves as of December 31, 2015 were \$1,507,790. As of December 31, 2015 \$1,353,706 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$10,495 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on dental line of insurance. Therefore, there has been a \$78,871 unfavorable prior-year development since December 31, 2014 to December 31, 2015. The increase 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 increase, the Company experienced \$0 of unfavorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

NOTES TO FINANCIAL STATEMENTS

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 2015 and 2014, 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 performed an analysis for premium deficiency reserves as of December 31, 2015 and December 31, 2014. This resulted in no additional liability for the current 2015 year as well as 2014. 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

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

6.2 If yes, give full information:

.....

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [] No [X]

7.2 If yes,

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

1 Nationality	2 Type of Entity
.....
.....

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

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

.....

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 the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

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

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
 GRANT THORNTON, LLP
 124 HEBRON AVE., STE. 200
 GLASTONBURY, CT 06033-2063

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [] No [X]

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

.....

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes [] No [X]

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

.....

GENERAL INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [] N/A []

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

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

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

HUGGINS ACTUARIAL SERVICES, INC.
111 VETERANS SQUARE, SECOND FLOOR
MEDIA, PA 19063

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

\$ _____

12.2 If yes, provide explanation:

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

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

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

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

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

Yes [] No []

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

Yes [] No []

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

Yes [] No [] N/A []

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

- a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- c. Compliance with applicable governmental laws, rules, and regulations;
- d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- e. Accountability for adherence to the code.

Yes [X] No []

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

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

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

Yes [] No [X]

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

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

GENERAL INTERROGATORIES

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

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

.....

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

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

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

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

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

20.11 To directors or other officers	\$ _____
20.12 To stockholders not officers	\$ _____
20.13 Trustees, supreme or grand (Fraternal only)	\$ _____

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

20.21 To directors or other officers	\$ _____
20.22 To stockholders not officers	\$ _____
20.23 Trustees, supreme or grand (Fraternal only)	\$ _____

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

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

21.21 Rented from others	\$ _____
21.22 Borrowed from others	\$ _____
21.23 Leased from others	\$ _____
21.24 Other	\$ _____

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

GENERAL INTERROGATORIES

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment	\$ _____
22.22 Amount paid as expenses	\$ _____
22.23 Other amounts paid	\$ _____

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

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

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [X] No []

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

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

24.04 Does the company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$ _____

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$ _____

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

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

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

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

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

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes [X] No []

GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ _____
	25.22 Subject to reverse repurchase agreements	\$ _____
	25.23 Subject to dollar repurchase agreements	\$ _____
	25.24 Subject to reverse dollar repurchase agreements	\$ _____
	25.25 Placed under option agreements	\$ _____
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ _____
	25.27 FHLB Capital Stock	\$ _____
	25.28 On deposit with states	\$ _____
	25.29 On deposit with other regulatory bodies	\$ <u>1,350,681</u>
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ _____
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ _____
	25.32 Other	\$ _____

25.3 For category (25.26) provide the following:

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

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

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

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

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

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

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

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

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

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

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

GENERAL INTERROGATORIES

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

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

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
.....
.....

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

Yes [] No [X]

29.2 If yes, complete the following schedule:

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

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

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

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	23,423,675	23,409,816	(13,859)
30.2 Preferred stocks			
30.3 Totals	23,423,675	23,409,816	(13,859)

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

THE REPORTED DECEMBER 31, 2015 FAIR VALUES WERE OBTAINED FRM THE BANK STATEMENTS FRM THE COMPANY'S CUSTODIAN AND VERIFIED AS ESTABLISHED MARKET VALUES FOR ALL PUBLICLY TRADED SECURITIES

.....

.....

.....

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

Yes [] No [X]

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

Yes [] No []

GENERAL INTERROGATORIES

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing

source for purposes of disclosure of fair value for Schedule D:

ALL FAIR VALUES USED ARE ESTABLISHED MARKET VALUES FOR THESE PUBLICLY TRADED SECURITIES

.....

.....

.....

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

Yes [X] No []

32.2 If no, list exceptions:

.....

.....

.....

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any?

\$ _____

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any?

\$ _____

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

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

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

\$ _____

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

1 Name	2 Amount Paid
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES PART 2 - HEALTH INTERROGATORIES

- 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [] No [X]
- 1.2 If yes, indicate premium earned on U.S. business only. \$ _____
- 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$ _____
- 1.31 Reason for excluding
-
-
-
- 1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. \$ _____
- 1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$ _____
- 1.6 Individual policies:
- Most current three years:
- 1.61 Total premium earned \$ _____
- 1.62 Total incurred claims \$ _____
- 1.63 Number of covered lives _____
- All years prior to most current three years:
- 1.64 Total premium earned \$ _____
- 1.65 Total incurred claims \$ _____
- 1.66 Number of covered lives _____
- 1.7 Group policies:
- Most current three years:
- 1.71 Total premium earned \$ _____
- 1.72 Total incurred claims \$ _____
- 1.73 Number of covered lives _____
- All years prior to most current three years:
- 1.74 Total premium earned \$ _____
- 1.75 Total incurred claims \$ _____
- 1.76 Number of covered lives _____

2. Health Test:

	1 Current Year		2 Prior Year
2.1 Premium Numerator	\$ 50,760,595	\$	48,880,597
2.2 Premium Denominator	\$ 50,760,595	\$	48,880,597
2.3 Premium Ratio (2.1 / 2.2)	1.000		1.000
2.4 Reserve Numerator	\$ 1,507,790	\$	1,285,330
2.5 Reserve Denominator	\$ 1,507,790	\$	1,285,330
2.6 Reserve Ratio (2.4 / 2.5)	1.000		1.000

- 3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [] No [X]
- 3.2 If yes, give particulars:
-
-
-
- 4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No []
- 4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [] No [X]
- 5.1 Does the reporting entity have stop-loss reinsurance? Yes [] No [X]
- 5.2 If no, explain:
-
-
-
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$ _____
- 5.32 Medical Only \$ _____
- 5.33 Medicare Supplement \$ _____
- 5.34 Dental and vision \$ _____ 2,500
- 5.35 Other Limited Benefit Plan \$ _____
- 5.36 Other \$ _____

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

There are specific arrangements that would protect a subscriber or their dependents against the risk of insolvency. The company maintains an unlimited parental guarantee (from Delta Dental of RI) for all claims and obligations to its subscribers and policy holders. However, the risk of insolvency is very low given the company's financial and conservative investment policies.

.....

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GENERAL INTERROGATORIES PART 2 - HEALTH INTERROGATORIES

- 7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes No
- 7.2 If no, give details:
.....
.....
.....
8. Provide the following information regarding participating providers:
- | | |
|--|-------|
| 8.1 Number of providers at start of reporting year | 3,659 |
| 8.2 Number of providers at end of reporting year | 3,852 |
- 9.1 Does the reporting entity have business subject to premium rate guarantees? Yes No
- 9.2 If yes, direct premium earned:
- | | |
|---|------------|
| 9.21 Business with rate guarantees between 15-36 months | 24,714,467 |
| 9.22 Business with rate guarantees over 36 months | 444,442 |
- 10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes No
- 10.2 If yes:
- | | |
|---|----------|
| 10.21 Maximum amount payable bonuses | \$ _____ |
| 10.22 Amount actually paid for year bonuses | \$ _____ |
| 10.23 Maximum amount payable withholds | \$ _____ |
| 10.24 Amount actually paid for year withholds | \$ _____ |
- 11.1 Is the reporting entity organized as:
- | | |
|---|---|
| 11.12 A Medical Group/Staff Model, | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 11.13 An Individual Practice Association (IPA), or, | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| 11.14 A Mixed Model (combination of above)? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
- 11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes No
- 11.3 If yes, show the name of the state requiring such minimum capital and surplus:
RHODE ISLAND
.....
.....
.....
- 11.4 If yes, show the amount required. \$ _____ 1,626,157
- 11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes No
- 11.6 If the amount is calculated, show the calculation:
.....
.....
.....
12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area		
RHODE ISLAND		
MASSACHUSETTS		

- 13.1 Do you act as a custodian for health savings accounts? Yes No
- 13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____
- 13.3 Do you act as an administrator for health savings accounts? Yes No
- 13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____
- 14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? Yes No N/A
- 14.2 If the answer to 14.1 is yes, please provide the following:

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

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).
- | | |
|------------------------------|----------|
| 15.1 Direct Premium Written | \$ _____ |
| 15.2 Total Incurred Claims | \$ _____ |
| 15.3 Number of Covered Lives | _____ |

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

FIVE – YEAR HISTORICAL DATA

	1	2	3	4	5
	2015	2014	2013	2012	2011
Balance Sheet (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28)	27,298,178	23,805,522	25,639,392	21,237,204	16,390,651
2. Total liabilities (Page 3, Line 24)	6,897,893	5,658,529	10,733,207	9,038,209	6,756,850
3. Statutory minimum capital and surplus requirement	1,626,157	1,534,700	1,546,983	1,441,250	1,237,325
4. Total capital and surplus (Page 3, Line 33)	20,400,285	18,146,993	14,906,185	12,198,995	9,633,801
Income Statement (Page 4)					
5. Total revenues (Line 8)	50,760,595	48,880,597	45,973,539	40,864,255	36,989,200
6. Total medical and hospital expenses (Line 18)	38,138,160	36,193,536	35,114,740	31,208,365	29,155,089
7. Claims adjustment expenses (Line 20)	2,493,636	2,173,412	1,992,065	1,413,509	1,230,183
8. Total administrative expenses (Line 21)	6,659,557	6,236,836	5,401,796	5,205,550	4,677,729
9. Net underwriting gain (loss) (Line 24)	3,469,242	4,276,813	3,464,938	3,036,831	1,926,199
10. Net investment gain (loss) (Line 27)	467,554	455,036	354,357	349,962	322,566
11. Total other income (Lines 28 plus 29)	88,109	111,327	116,500	63,662	73,605
12. Net income or (loss) (Line 32)	2,208,447	3,235,724	2,580,777	2,258,451	1,466,355
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	3,424,131	2,482,425	2,936,862	2,847,144	3,008,442
Risk-Based Capital Analysis					
14. Total adjusted capital	20,400,285	18,146,993	14,906,185	12,198,995	9,633,801
15. Authorized control level risk-based capital	1,626,157	1,534,700	1,546,983	1,441,250	1,237,325
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	141,116	135,863	120,929	106,060	98,494
17. Total members months (Column 6, Line 7)	1,649,333	1,571,674	1,371,245	1,230,262	1,146,307
Operating Percentage (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	75.1	74.0	76.4	76.4	78.8
20. Cost containment expenses	1.0	1.0	1.0	0.6	0.6
21. Other claims adjustment expenses	4.9	4.4	3.4	3.5	3.3
22. Total underwriting deductions (Line 23)	93.2	91.3	92.5	92.6	94.8
23. Total underwriting gain (loss) (Line 24)	6.8	8.7	7.5	7.4	5.2
Unpaid Claims Analysis					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	1,364,201	1,236,923	1,219,667	1,109,035	1,134,866
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	1,285,330	1,580,420	1,312,690	1,409,660	1,466,090
Investments In Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated				109,541	397,450
32. Total of above Lines 26 to 31				109,541	397,450
33. Total investment in parent included in Lines 26 to 31 above.					

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

Yes [] No [X]

If no, please explain:

.....

.....

.....

.....

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	Active Status	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Plan Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	L	50,760,575					50,760,575	
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	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	X X X							
59. Subtotal		X X X	50,760,575					50,760,575	
60. Reporting entity contributions for Employee Benefit Plans		X X X							
61. Totals (Direct Business)	(a) 1		50,760,575					50,760,575	

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

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

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

ALL PREMIUMS WRITTEN IN THE STATE OF MASSACHUSETTS

.....

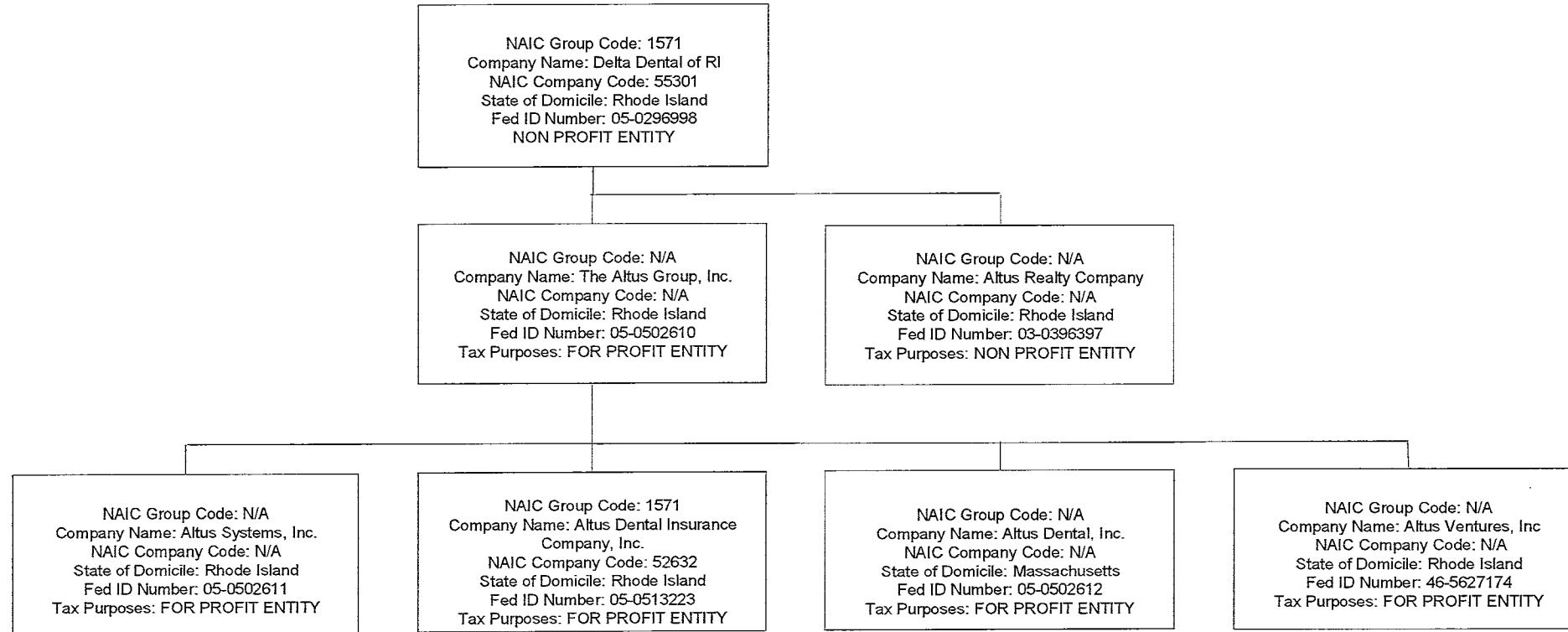
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(a) Insert the number of L responses except for Canada and Other Alien.

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

PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

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