

**ANNUAL STATEMENT**

**OF THE**

**DELTA DENTAL**

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**OF RHODE ISLAND**

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**of** **PROVIDENCE**

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**STATE OF** **RHODE ISLAND**

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**TO THE**

**Insurance Department**

**OF THE**

**STATE OF RHODE ISLAND**

**FOR THE YEAR ENDED**

**December 31, 2021**

**HEALTH**

**2021**



55301202120100100

# ANNUAL STATEMENT

For the Year Ended December 31, 2021  
OF THE CONDITION AND AFFAIRS OF THE

## DELTA DENTAL OF RHODE ISLAND

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

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

Country of Domicile USA

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

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

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

Main Administrative Office 10 CHARLES STREET PROVIDENCE, RI, US 02904 877-223-0577  
(Street and Number) (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 deltadentalri.com

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

### OFFICERS

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

### VICE-PRESIDENTS

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

### DIRECTORS OR TRUSTEES

<u>ELIZABETH CATUCCI #</u>	<u>JULIE G. DUFFY</u>	<u>THOMAS P. ENRIGHT</u>	<u>FRANCIS J. FLYNN</u>
<u>JONATHAN W. HALL</u>	<u>PETER C. HAYES</u>	<u>STEVEN J. ISSA #</u>	<u>JUNIOR JABBIE</u>
<u>COLIN P. KANE</u>	<u>MARK A. PAULHUS</u>	<u>HEATHER A. PROVINO</u>	<u>JAMES V. ROSATI</u>
<u>JOHN T. RUGGEIRI</u>	<u>EDWIN J. SANTOS</u>	<u>MARK A. SHAW</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.

(Signature)  
JOSEPH R. PERRONI  
(Printed Name)  
1.  
PRESIDENT  
(Title)

(Signature)  
MELISSA GENNARI  
(Printed Name)  
2.  
ASSISTANT SECRETARY  
(Title)

(Signature)  
RICHARD A. FRITZ  
(Printed Name)  
3.  
TREASURER  
(Title)

Subscribed and sworn to (or affirmed) before me this on this  
25th day of FEBRUARY, 2022, by

KELLY COTOIA  
My commission expires 8/7/25

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)	56,415,199		56,415,199	65,742,636
2. Stocks (Schedule D):				
2.1 Preferred stocks	1,245		1,245	
2.2 Common stocks	91,541,594		91,541,594	82,873,052
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 (\$ 6,910,367, Schedule E - Part 1), cash equivalents (\$ 980,796, Schedule E - Part 2), and short-term investments (\$ 0, Schedule DA)	7,891,163		7,891,163	2,328,464
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	19,818,105		19,818,105	10,501,408
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)	175,667,306		175,667,306	161,445,560
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	444,433		444,433	525,263
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,200,374	173,744	1,026,630	1,703,370
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	2,792,530	78,452	2,714,078	2,706,873
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	398,138	65,654	332,484	609,339
21. Furniture and equipment, including health care delivery assets (\$ 0)	385,456	385,456		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	4,026,653	4,026,653		
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	5,866,547	823,835	5,042,712	6,363,803
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	190,781,437	5,553,794	185,227,643	173,354,208
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	190,781,437	5,553,794	185,227,643	173,354,208

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. STATE TAX CREDIT	5,042,249		5,042,249	6,363,340
2502. PREPAID EXPENSES AND OTHER ACCTS. REC.	819,717	819,717		
2503. RETROSPECTIVE PREMIUM ADJUSTMENTS	4,118	4,118		
2598. Summary of remaining write-ins for Line 25 from overflow page	463		463	463
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	5,866,547	823,835	5,042,712	6,363,803

NONE

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	1,832,000		1,832,000	2,130,000
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	272,800		272,800	344,372
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	1,888,122		1,888,122	1,459,235
9. General expenses due or accrued	7,288,718		7,288,718	10,691,494
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	9,968,779		9,968,779	3,470,726
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	620,339		620,339	1,224,057
23. Aggregate write-ins for other liabilities (including \$ 0 current)	482,246		482,246	613,866
24. Total liabilities (Lines 1 to 23)	22,353,004		22,353,004	19,933,750
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X		
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X	74,630,270	72,257,233
31. Unassigned funds (surplus)	X X X	X X X	88,244,369	81,163,224
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	162,874,639	153,420,457
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	185,227,643	173,354,207

DETAILS OF WRITE-IN LINES				
2301. ADVANCE DEPOSITS	482,246		482,246	613,866
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)	482,246		482,246	613,866
2501. RESTRICTED RESERVES ACA ASSESSMENT	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. RESERVES FROM WHOLLY OWNED SUBSIDIARIES	X X X	X X X	74,630,270	72,257,233
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X	74,630,270	72,257,233

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	1,632,528	2,748,535
2. Net premium income (including \$ 0 non-health premium income)	X X X	58,522,309	81,088,566
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	58,522,309	81,088,566
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits			
10. Other professional services		45,628,469	55,132,187
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)		45,628,469	55,132,187
<b>Less:</b>			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		45,628,469	55,132,187
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 929,821 cost containment expenses		5,942,688	7,076,957
21. General administrative expenses		8,972,083	11,751,100
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)		60,543,240	73,960,244
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(2,020,931)	7,128,322
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		3,015,799	3,053,733
26. Net realized capital gains (losses) less capital gains tax of \$ 0		1,099,702	(14,939)
27. Net investment gains (losses) (Lines 25 plus 26)		4,115,501	3,038,794
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		(7,300,099)	(6,247,056)
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	(5,205,529)	3,920,060
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	(5,205,529)	3,920,060

DETAILS OF WRITE-IN LINES			
0601.		X X X	
0602.		X X X	
0603.	<b>NONE</b>	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.	<b>NONE</b>	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.	<b>NONE</b>		
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. GAIN ON PURCHASE ON RHODE ISLAND TAX CREDITS		210,680	252,944
2902. DONATIONS TO TUFTS DENTAL SCHOOL			(500,000)
2903. EXCISE TAX		(10,779)	
2998. Summary of remaining write-ins for Line 29 from overflow page		(7,500,000)	(6,000,000)
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)		(7,300,099)	(6,247,056)

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

	1	2
	Current Year	Prior Year
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>		
33. Capital and surplus prior reporting year	153,420,454	144,040,189
34. Net income or (loss) from Line 32	(5,205,529)	3,920,060
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	13,562,119	5,155,388
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	1,285,604	23,535
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	(188,009)	281,282
48. Net change in capital and surplus (Lines 34 to 47)	9,454,185	9,380,265
49. Capital and surplus end of reporting year (Line 33 plus 48)	162,874,639	153,420,454

<b>DETAILS OF WRITE-IN LINES</b>		
4701. INCLUSION OF BAD DEBT RESERVE IN THE NON-ADMITTED ASSETS	(188,009)	281,282
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)	(188,009)	281,282

**CASH FLOW**

	1	2
<b>Cash from Operations</b>	Current Year	Prior Year
1. Premiums collected net of reinsurance	59,620,731	79,712,032
2. Net investment income	16,991,326	4,879,429
3. Miscellaneous income	210,680	252,944
4. Total (Lines 1 through 3)	76,822,737	84,844,405
5. Benefit and loss related payments	45,926,469	56,422,187
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	26,492,837	27,404,855
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)	10,779	
10. Total (Lines 5 through 9)	72,430,085	83,827,042
11. Net cash from operations (Line 4 minus Line 10)	4,392,652	1,017,363
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	11,617,901	17,451,889
12.2 Stocks	101,619	2,662,339
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets	1,028,024	2,781,842
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)	12,747,544	22,896,070
13. Cost of investments acquired (long-term only):		
13.1 Bonds	2,826,637	18,355,671
13.2 Stocks	3,905,939	3,761,363
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets	662,541	6,251,846
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	7,395,117	28,368,880
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)	5,352,427	(5,472,810)
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(4,182,380)	4,909,133
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(4,182,380)	4,909,133
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	5,562,699	453,686
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	2,328,464	1,874,778
19.2 End of year (Line 18 plus Line 19.1)	7,891,163	2,328,464

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	58,522,309			58,522,309						
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)	58,522,309			58,522,309						
8. Hospital/medical benefits										XXX
9. Other professional services	45,628,469			45,628,469						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)	45,628,469			45,628,469						XXX
16. Net reinsurance recoveries										XXX
17. Total hospital and medical (Lines 15 minus 16)	45,628,469			45,628,469						XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ 929,821 cost containment expenses	5,942,688			2,414,776					3,527,912	
20. General administrative expenses	8,972,083			6,483,234					2,488,849	
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)	60,543,240			54,526,479					6,016,761	
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	(2,020,931)			3,995,830					(6,016,761)	

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 .....	58,522,309			58,522,309
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) .....	58,522,309			58,522,309
10. Life .....				
11. Property/casualty .....				
12. Totals (Lines 9 to 11) .....	58,522,309			58,522,309

## 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	45,926,469			45,926,469						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	45,926,469			45,926,469						
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,832,000			1,832,000						
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	1,832,000			1,832,000						
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	2,130,000			2,130,000						
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	2,130,000			2,130,000						
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	45,628,469			45,628,469						
12.2 Reinsurance assumed										
12.3 Reinsurance ceded										
12.4 Net	45,628,469			45,628,469						
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	127,159			127,159						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	127,159			127,159						
2. Incurred but Unreported:										
2.1 Direct	1,704,841			1,704,841						
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	1,704,841			1,704,841						
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	1,832,000			1,832,000						
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	1,832,000			1,832,000						

**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	1,944,061	43,982,408	38,342	1,793,658	1,982,403	2,130,000
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII – Medicare						
7. Title XIX – Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	1,944,061	43,982,408	38,342	1,793,658	1,982,403	2,130,000
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	1,944,061	43,982,408	38,342	1,793,658	1,982,403	2,130,000

(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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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. 2017										
2. 2018										
3. 2019										
4. 2020										
5. 2021										

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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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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. 2017										
2. 2018										
3. 2019										
4. 2020										
5. 2021										

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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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior	4,070				
2. 2017	74,293	3,862			
3. 2018	X X X	93,361	3,194		
4. 2019	X X X	X X X	89,724	3,228	
5. 2020	X X X	X X X	X X X	53,195	1,944
6. 2021	X X X	X X X	X X X	X X X	43,982

**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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior	4,104				
2. 2017	78,601	3,905			
3. 2018	X X X	97,504	3,241		
4. 2019	X X X	X X X	93,097	3,264	
5. 2020	X X X	X X X	X X X	55,289	1,982
6. 2021	X X X	X X X	X X X	X X X	45,776

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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. 2017	97,522	78,155			78,155	80.141			78,155	80.141
2. 2018	118,805	96,555			96,555	81.272			96,555	81.272
3. 2019	115,918	92,952			92,952	80.188			92,952	80.188
4. 2020	81,089	55,139	344	0.624	55,483	68.422	38		55,521	68.469
5. 2021	58,522	43,982			43,982	75.155	1,794	273	46,049	78.687

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

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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. 2017										
2. 2018										
3. 2019										
4. 2020										
5. 2021										

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**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C – DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS**  
 (\$000 Omitted)  
 Fed Emp Health Benefits Plan

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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. 2017										
2. 2018										
3. 2019										
4. 2020										
5. 2021										

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**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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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. 2017										
2. 2018										
3. 2019										
4. 2020										
5. 2021										

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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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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. 2017										
2. 2018										
3. 2019										
4. 2020										
5. 2021										

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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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017					
3. 2018	XXX				
4. 2019	XXX	XXX			
5. 2020	XXX	XXX	XXX		
6. 2021	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. 2017										
2. 2018										
3. 2019										
4. 2020										
5. 2021										

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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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017	4,070				
3. 2018	74,293	3,862			
4. 2019	X X X	93,361	3,194		
5. 2020	X X X	X X X	89,724	3,228	
6. 2021	X X X	X X X	X X X	53,195	1,944
				X X X	43,982

**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 2017	2 2018	3 2019	4 2020	5 2021
1. Prior					
2. 2017	4,104				
3. 2018	78,601	3,905			
4. 2019	X X X	97,504	3,241		
5. 2020	X X X	X X X	93,097	3,264	
6. 2021	X X X	X X X	X X X	55,289	1,982
				X X X	45,776

**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. 2017	97,522	78,155			78,155	80.141			78,155	80.141
2. 2018	118,805	96,555			96,555	81.272			96,555	81.272
3. 2019	115,918	92,952			92,952	80.188			92,952	80.188
4. 2020	81,089	55,139	344	0.624	55,483	68.422	38		55,521	68.469
5. 2021	58,522	43,982			43,982	75.155	1,794	273	46,049	78.687

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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)			<b>NONE</b>						
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)									

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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)			<b>NONE</b>						
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			<b>NONE</b>						

(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)		586,022	413,423		999,445
2. Salaries, wages and other benefits	1,325,271	4,430,640	4,360,134		10,116,045
3. Commissions (less \$ 0 ceded plus \$ 0 assumed)			2,251,329		2,251,329
4. Legal fees and expenses			267,658		267,658
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services	103,705	1,201,755	(418,470)		886,990
7. Traveling expenses	114	1,879	90,303		92,296
8. Marketing and advertising			504,035		504,035
9. Postage, express and telephone		388,387	24,794		413,181
10. Printing and office supplies			116,896		116,896
11. Occupancy, depreciation and amortization			578,234		578,234
12. Equipment		1,360,938			1,360,938
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services		(247,585)	67,727		(179,858)
15. Boards, bureaus and association fees		1,377	797,658		799,035
16. Insurance, except on real estate			285,959		285,959
17. Collection and bank service charges			(172,751)		(172,751)
18. Group service and administration fees					
19. Reimbursements by uninsured plans	(529,183)	(2,998,729)	(2,488,849)		(6,016,761)
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			1,170,446		1,170,446
23.3 Regulatory authority licenses and fees			33,480		33,480
23.4 Payroll taxes	29,294	287,344	331,907		648,545
23.5 Other (excluding federal income and real estate taxes)			94,326		94,326
24. Investment expenses not included elsewhere				234,508	234,508
25. Aggregate write-ins for expenses	620	839	663,844		665,303
26. Total expenses incurred (Lines 1 to 25)	929,821	5,012,867	8,972,083	234,508	(a) 15,149,279
27. Less expenses unpaid December 31, current year		272,800	7,288,718		7,561,518
28. Add expenses unpaid December 31, prior year		344,372	10,691,494		11,035,866
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)	929,821	5,084,439	12,374,859	234,508	18,623,627

DETAILS OF WRITE-IN LINES					
2501. NET OTHER EXPENSES	620	839	690,138		691,597
2502. FAS 106			(26,294)		(26,294)
2503.					
2598. Summary of remaining write-ins for Line 25 from overflow page					
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	620	839	663,844		665,303

(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) 1,424,195	1,386,617
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b) 13	13
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)	298,572	292,812
2.21 Common stocks of affiliates		
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 835	835
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income	1,794,409	1,794,409
10. Total gross investment income	3,518,024	3,474,686
11. Investment expenses		(g) 234,508
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		224,379
16. Total deductions (Lines 11 through 15)		458,887
17. Net investment income (Line 10 minus Line 16)		3,015,799

DETAILS OF WRITE-IN LINES		
0901. FEDERAL MARKETING JOINT VENTURE ACTIVITY	1,527,498	1,527,498
0902. OTHER INCOME AND JOINT VENTURE ACTIVITY	166,776	166,776
0903. INCOME FROM SUBSIDIARIES	100,135	100,135
0998. Summary of remaining write-ins for Line 09 from overflow page		
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)	1,794,409	1,794,409
1501. BANK SERVICE FEES		224,379
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)		224,379

- (a) Includes \$ 32,825 accrual of discount less \$ 640,673 amortization of premium and less \$ 30,550 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)	(47,135)		(47,135)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	3		3	4,434,976	
2.21 Common stocks of affiliates				767,124	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	1,028,024		1,028,024	8,360,019	
9. Aggregate write-ins for capital gains (losses)	118,809		118,809		
10. Total capital gains (losses)	1,099,701		1,099,701	13,562,119	

DETAILS OF WRITE-IN LINES					
0901. PREPAYMENT PENALTY	118,809		118,809		
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)	118,809		118,809		



## 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	173,744	370,924	197,180
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	78,452	69,281	(9,171)
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	65,654	130,224	64,570
21. Furniture and equipment, including health care delivery assets	385,456	471,507	86,051
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates	4,026,653	4,799,424	772,771
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	823,835	998,031	174,196
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	5,553,794	6,839,391	1,285,597
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	5,553,794	6,839,391	1,285,597

DETAILS OF WRITE-IN LINES			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. PREPAID EXPENSES AND OTHER ACCTS REC.	823,835	998,031	174,196
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)	823,835	998,031	174,196

### 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	156,655	136,822	136,159	136,148	135,761	1,632,528
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business						
7. Total	156,655	136,822	136,159	136,148	135,761	1,632,528

DETAILS OF WRITE-IN LINES						
0601.		<b>NONE</b>				
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 AND GOING CONCERN

#### (A) Basis of Presentation

The Annual Statement of Delta Dental of Rhode Island for the year ended December 31, 2021 has been completed in accordance with NAIC *Annual Statement Instructions* and the *Accounting Practices and Procedures* manual and are presented on the basis of accounting practices prescribed or permitted by the Rhode Island Department of Business Regulations. Management is not aware of any deviations from this NAIC guidance, as it relates to the 2021 and 2020 financial information contained in these statements.

## NOTES TO FINANCIAL STATEMENTS

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

##### A. Accounting Practices

##### NET INCOME

				F/S SSAP #	F/S Page	F/S Line #	2021	2020
(1)	DELTA DENTAL OF RHODE ISLAND state basis (Page 4, Line 20, Columns 1 & 2)	\$	XXX	XXX	XXX		(5,205,529)	3,920,060
(2)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:							

##### Details of Depreciation of Fixed Assets

				F/S SSAP #	F/S Page	F/S Line #	2021	2020
	Totals (Lines 01A0201 through 01A0225)	\$						

(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:

##### Details of Depreciation of Home Office Property

				F/S SSAP #	F/S Page	F/S Line #	2021	2020
	Totals (Lines 01A0301 through 01A0325)	\$						

(4) NAIC SAP (1 - 2 - 3 = 4) \$ XXX XXX XXX (5,205,529) 3,920,060

##### SURPLUS

				F/S SSAP #	F/S Page	F/S Line #	2021	2020
(5)	DELTA DENTAL OF RHODE ISLAND state basis (Page 3, Line 37, Columns 1 & 2)	\$	XXX	XXX	XXX		162,874,639	153,420,457
(6)	State Prescribed Practices that are an increase/(decrease) from NAIC SAP:							

##### e.g., Goodwill, net, Fixed Assets, Net

				F/S SSAP #	F/S Page	F/S Line #	2021	2020
	Totals (Lines 01A0601 through 01A0625)	\$						

(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:

##### Home Office Property

				F/S SSAP #	F/S Page	F/S Line #	2021	2020
	Totals (Lines 01A0701 through 01A0725)	\$						

(8) NAIC SAP (5 - 6 - 7 = 8) \$ XXX XXX XXX 162,874,639 153,420,457

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

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

#### (C) Accounting Policy

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

The Company periodically reviews its bonds and common stocks to determine whether a decline in fair value below the amortized cost basis is other than temporary. The process for identifying declines in the fair value of investments that are other than temporary involves consideration of several factors. These factors include (1) the period in which there has been a significant decline

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## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

The Company contracts with two independent investment advisors to separately manage portions of the Company's equity investment portfolio. Common stocks of nonaffiliated companies were added to the Company's investment portfolio beginning in 2004. These common stocks, including investments in mutual funds, are valued at market as they are categorized as "available-for-sale" securities.

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

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

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

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

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## NOTES TO FINANCIAL STATEMENTS

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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 Concern**

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

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

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

SSAP 47 requires the exclusion of uninsured plan business for both premiums earned and claims incurred in the Statement of Revenues and Expenses. The Company has identified its Administrative Service Business (ASC), where the account, not Delta Dental of Rhode Island, has assumed the overall risk for the claims incurred and removed these components from both premiums earned and claims incurred in these 2021 and 2020 financial statements and the associated supporting exhibits. The administrative expenses reimbursed from ASC business is reported in the Annual Statement as "reimbursements by uninsured accident and health plans" in the Underwriting and Investment Exhibit Part 3 - Analysis of Expenses.

### NOTE 3 - - BUSINESS COMBINATIONS AND GOODWILL

During 2021, the Company had no business combinations, direct purchases or mergers with other companies. The related disclosures, specifically including 3A, are all not applicable.

### NOTE 4 - - DISCONTINUED OPERATIONS

During 2021, the Company's financial results includes no gains or losses from discontinued operations. The related disclosures, specifically including 4A(1), 4A(3) and 4A(4), are all not applicable.

### NOTE 5 - - INVESTMENTS

The Company's bond, common stock investments and Schedule BA investments described in Note 1 represent all of the Company's statutory recorded investments as of December 31, 2021 and December 31, 2020.

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

## NOTES TO FINANCIAL STATEMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans – This is not applicable.
- B. Debt Restructuring – This is not applicable.
- C. Reverse Mortgages – This is not applicable.
- D. Loan Backed Securities – Stated at amortized cost.
- E. Dollar Repurchase Agreements and/or Securities Lending Transactions – This is not applicable.
- F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – This is not applicable.
- G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – This is not applicable.
- H. Repurchase Agreements Transactions Accounted for as a Sale – This is not applicable.
- I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – This is not applicable.
- J. Real Estate – One of the company’s subsidiaries, Altus Realty, owns the building that functions as corporate headquarters for the parent and all subsidiaries. Additionally in December 2018, a new subsidiary was incorporated and capitalized. This entity, First Circle Realty, purchased an adjacent office building to the company’s office facility.
- K. Low-Income Housing Tax Credits (LIHTC) – The Company does utilize state tax credits, which may include low-income housing tax credits. See footnote number 21, where accounting for tax credits is addressed.
- L. Restricted Assets - This is not applicable.
- M. Working Capital Finance Investments - This is not applicable.
- N. Offsetting and Netting of Assets and Liabilities - This is not applicable.
- O. 5\*GI Securities – This is not applicable.
- P. Short Sales – This is not applicable.
- Q. Prepayment Penalty and Acceleration Fees – We received \$118,809 and \$72,775 in prepayment penalties for the years ended December 31, 2021 and December 31, 2020.
- R. Reporting Entity’s Share of Cash Pool by Asset Type – See Below.

<u>Asset Type</u>	<u>Percent Share</u>
(1) Cash	88%
(2) Cash Equivalents	12%
(3) Short-Term Investments	0%
(4) Total	100%

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

During 2021 and 2020, there has been income of \$1,527,498 and \$687,000 respectively from the company’s three joint ventures. The Company participated in three separate joint ventures with other Delta Dental Plans. These joint ventures started January 1, 2014, and Delta Dental of RI has taken a 2.53% risk share. One of these ventures, Tricare, experienced startup costs in the first year and more importantly network recruiting efforts had fallen short of what was assumed in the priced contractual premiums for the largest of these three programs. A projected loss over the full five year contract period for this venture had been recorded in the amount of approximately \$1,900,000 in 2014, which reflected the general partners most conservative assumptions. In 2020, the loss reserve was reduced by \$132,000. The Tricare program was in the run out stage in 2019 and early 2020, as the program officially ended in 2018. The final adjustment of \$132,000 that was recorded in 2020 was to eliminate the remaining program liability reserve now that the run out period has ended. The other two existing smaller joint ventures had reported all of the gains of \$1,527,498 in 2021 and the majority of the gains in the amount of \$555,000 in 2020 respectively.

In 2021 and 2020, there was an increase of approximately \$8,980,060 and \$917,000 in the value of the two existing venture capital funds and one new venture capital fund in 2021. In 2021, there was a sale of an investment within the Venture Capital Funds that resulted in a realized gain of \$1,028,000. In 2020, there was one sale of an investment within the Venture Capital Funds, that resulted in a distribution of approximately \$463,000, and realized gains of approximately \$247,000. In 2021 and 2020, the company made additional contributions which increased its investments in the existing venture funds, however the majority of the appreciation

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## NOTES TO FINANCIAL STATEMENTS

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in value was from unrealized gains from significant valuation increases to various companies within the portfolio. These investments are reported on Schedule BA.

### NOTE 7 - - INVESTMENT INCOME

Interest income is accrued as earned. At December 31, 2021 and December 31, 2020, the Company had no income due or accrued that it considered a non-admitted asset, as collection on accrued interest is reasonably assured for all Company investments.

For the years ended December 31, 2021 and December 31, 2020, the Company performed GAAP analyses to determine whether declines in fair value below amortized cost were other than temporary impairment (“OTTI”) for the stock portfolio. Additionally, a statutory review of creditworthiness for the bond portfolio is performed.

The Company’s common stocks are recorded at fair market values. For stocks that meet the GAAP OTTI criteria, required OTTI adjustments result in a reduction of unrealized losses and an equivalent increase in realized losses as a result of writing down the original cost amount to the current market value for these specific common stocks where market value has fallen below cost by a defined percentage and time frame that meets the Company’s OTTI criteria. GAAP OTTI adjustments were not necessary in the year ended December 31, 2021 and were recorded for the stock portfolio in the amount of \$169,000 for the year ended December 31, 2020.

In addition to this GAAP OTTI analysis, a separate statutory adjustment is required for bonds that fall to an NAIC #3 rating. These statutory analyses can result in a statutory temporarily impaired adjustment; however, no adjustments were required for the years ended December 31, 2021 and December 31, 2020, which would have reduced bond investments and reserves.

### NOTE 8 - - DERIVATIVE INSTRUMENTS

As disclosed in Note 1 above, all investments consist of United States government and government agency securities, corporate notes with fixed rates and maturities, common stocks and two investments in wholly owned subsidiaries. During the years ended December 31, 2021 and December 31, 2020, the Company had not utilized any derivative financial instruments, therefore, the related disclosures, specifically 8A(8), and 8B(2) through 8B(4) are all not applicable.

### NOTE 9 - - INCOME TAXES

Delta Dental of Rhode Island is a not-for-profit corporation pursuant to Section 501(C)(4) of the Internal Revenue Code (IRC) and is exempt from federal income taxes under Section 501(a) of the IRC and, accordingly, no provision for income taxes has been made in the accompanying statutory financial statements. Altus Realty Company is also a not-for-profit real estate holding corporation under Section 501(C)(2) of the IRC, and as such has made no provision for income taxes. In lieu of state income taxes, Delta Dental of Rhode Island pays a premium based tax to the State of Rhode Island.

The Company’s other wholly owned subsidiary, The Altus Group, Inc., and its subsidiaries are for profit corporations. The Altus Group, Inc., including its subsidiaries Altus Dental, Inc., Altus Systems, Inc., Altus Dental Insurance Company, Inc., Altus Ventures, Inc., First Circle, Inc. and First Circle Realty, Inc. file consolidated federal and state tax returns. For the year ended December 31, 2021, the tax provision of the Altus Group was \$845,000 and for the year ended December 31, 2020, the tax provision of the Altus Group was \$1,202,000.

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

## NOTES TO FINANCIAL STATEMENTS

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

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

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

B. See section A above.

C. See section A above.

D. At December 31, 2021 and December 31, 2020, 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 previously maintained a sweep banking arrangement for the Altus Group and its subsidiaries. The remainder of these balances are related to allocated expenses.

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

See Schedule Y of the 2021 Annual Statement – Part 2 – Summary of Insurers Transactions with any Affiliate.

<b>DELTA DENTAL OF RHODE ISLAND</b>			
<b>INTERCOMPANY BALANCES DECEMBER 31, 2021</b>			
<b>Assets (Page 2)</b>			
<b>Line #</b>	<b>Account #</b>	<b>Description</b>	<b>Amount</b>
23	1214-0000-002	A/R from Altus Dental, Inc.	\$3,034,004.45
	1214-0000-009	A/R from First Circle, Inc.	788,101.56
	1214-0000-010	A/R from First Circle Realty, Inc.	204,547.12
		<b>Total</b>	<b>\$4,026,653.13</b>
<b>Liabilities (Page 3)</b>			
<b>Line #</b>	<b>Account #</b>	<b>Description</b>	<b>Amount</b>
15	1214-0000-001	A/P to Altus System, Inc.	\$2,568,749.77
	1214-0000-005	A/P to Altus Dental Insurance Co., Inc.	6,186,052.43
	1214-0000-006	A/P to Altus Realty Company Inc.	864,238.32
	1214-0000-008	A/R to Altus Ventures, Inc.	349,738.04
		<b>Total</b>	<b>\$9,968,778.56</b>



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## NOTES TO FINANCIAL STATEMENTS

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

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

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

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

Altus Realty Company, a wholly owned subsidiary of the Company, is a non-profit real estate holding company that holds title to and manages the building at 10 Charles Street in Providence, RI. The Company (Delta Dental of Rhode Island) presently rents approximately one half of the existing space within this building. For the years ended December 31, 2021 and December 31, 2020, this entity reported total revenues of \$1,667,000 and \$1,929,000 and net income of \$331,000 and \$593,000 respectively.

The Altus Group, Inc. is a wholly owned subsidiary of the Company and was established as a for-profit entity in 1999 for the purpose of expanding the Company’s offering of prepaid dental care coverage. For the years ended December 31, 2021 and December 31, 2020, after elimination of intercompany transactions, The Altus Group, Inc., generated a net loss of (\$376,000) and net income of \$3,585,000 respectively.

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

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

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

- Section #2 – The Altus Group filed a Sub 2 filing with the SVU. This entity will report a value of \$66,192,288 using the equity method as of December 31, 2021.
- Section #3 – The information required for this section for the Altus Group is disclosed in more detail in Footnote #6 of the Audited Statutory Financial Statements of Delta Dental of Rhode Island for the year ended December 31,

## NOTES TO FINANCIAL STATEMENTS

2021.

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

M. All SCA Investments

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

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8A Entities	XXX			
b. SSAP No. 97 8b(ii) Entities				
01. The Altus Group, Inc.	100.000%	66,192,288	66,192,288	
Total SSAP No. 97 8b(ii) Entities	XXX	66,192,288	66,192,288	
c. SSAP No. 97 8b(iii) Entities				
Total SSAP No. 97 8b(iii) Entities	XXX			
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 97 8b(iv) Entities	XXX			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)	XXX	66,192,288	66,192,288	
f. Aggregate Total (a + e)	XXX	66,192,288	66,192,288	

(2) NAIC Filing Response Information

SCA Entity (Should be same entities as shown in M(1) above.)	Type of NAIC Filing *	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method, Resubmission Required Y/N	Code **
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8A Entities	XXX	XXX		XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
01. The Altus Group, Inc.	S2	07/27/2021	65,761,800	NO	NO	M
Total SSAP No. 97 8b(ii) Entities	XXX	XXX	65,761,800	XXX	XXX	XXX
c. SSAP No. 97 8b(iii) Entities						
Total SSAP No. 97 8b(iii) Entities	XXX	XXX		XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	XXX	XXX		XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b + c + d)	XXX	XXX	65,761,800	XXX	XXX	XXX
f. Aggregate Total (a + e)	XXX	XXX	65,761,800	XXX	XXX	XXX

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

\*\* I - Immaterial or M - Material

N. The NAIC guidance per this section relates to disclosing Insurance SCA investments where the statutory equity reflects a departure from the NAIC permitted or prescribed statutory accounting practices and procedures. This departure from NAIC entity valuation methodology is not applicable to the corporate structure of Delta Dental of Rhode Island and its subsidiaries, therefore the table disclosing an NAIC departure is not applicable.

## NOTES TO FINANCIAL STATEMENTS

### N. Investment in Insurance SCAs

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

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

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

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

### O. SCA Loss Tracking

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

### NOTE 11 - - DEBT

During the years ended December 31, 2021 and December 31, 2020, the Company had no outstanding capital notes or any debt arrangements. The related note disclosures, specifically including 11B(2) through 11B(4), are all not applicable.

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

#### A. Defined Contribution Retirement Plan

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

Employees qualify for benefits upon normal retirement at age 65, or early retirement, which is met upon reaching age 60 and completion of five years of service. Vesting of contributions (made on behalf of each employee) begins at 20% after two years of service and increases 20% annually until full vesting occurs after six years of service. The Company's discretionary contributions to this plan, representing its full funding requirements were \$963,000 for the year ended December 31, 2021 and \$1,082,000 for the year ended December 31, 2020.

#### B. Deferred Compensation Plans

Effective January 1, 1997, the Company established a 401(k) plan. Plan entry of employer contributions are the same as the defined contribution retirement plan described above. The Company's contribution to the plan is matching the first 1% of base compensation and 50% of additional contributions up to 6% of the base compensation that is contributed by each employee. Employer contributions vest 100% after two years of service. The Company's contributions to this plan were \$326,000 for the year ended December 31, 2021 and \$342,000 for the year ended December 31, 2020.

In 2004, the Company established a 457(b) Plan for providing deferred compensation for a select group of management. The Company had contributions to this plan for the years ended December 31, 2021 and December 31, 2020 in the amount of \$66,000 and \$125,000 respectively.

## NOTES TO FINANCIAL STATEMENTS

In 2009, the Company established a 457(f) Plan for providing deferred compensation for a select group of management. The Company had no contributions to this plan for the years ended December 31, 2021 and December 31, 2020.

### C. Postretirement Benefit Plans

The Company provides postretirement medical and dental benefits covering certain members of the board of directors who had served three full terms (9 years) as of April 1994. The Company accounts for postretirement benefits under the provisions of Statement of Statutory Accounting Principles (SSAP) No. 89, Accounting for Pensions, A Replacement of SSAP No. 8. Actuary valuations were used to measure plan assets and obligations as of December 31, 2021 and 2020.

		2021	2020
Accumulated post-retirement benefit obligation	\$	262,000	289,000
Fair value of plan assets		—	—
Funded status	\$	262,000	289,000
Accrued post-retirement benefit cost recognized in accounts payable and accrued expenses	\$	262,000	289,000
Net periodic (benefit) cost		(27,000)	(31,000)
Net benefits paid		41,000	43,000

The trend assumptions used in determining the accumulated postretirement benefit obligation were 3.25% for medical benefits and 3% for dental benefits. Trend assumptions have a significant effect on the amounts reported.

No amounts are recognized in reserves which have not yet been recognized as components of net periodic benefit cost as of December 31, 2021 and December 31, 2020, respectively. Net periodic benefit cost includes the transitional liability and net actuarial loss.

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

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

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

1. Shares issued – Not applicable.
2. Dividend rate – Not applicable.
3. Dividend restrictions – Not applicable.
4. Dividends paid – Not applicable.
5. Profits that may be paid as dividends – Not applicable.
6. Restrictions placed on unassigned funds – The government spending bill enacted in December 2019 repealed the annual fee on health insurance providers under section 9010 of the Affordable Care Act (ACA), effective in 2021. A total of \$881,081 of reserves were restricted at December 31, 2019 for the estimated twelve months of the 2020 ACA assessment, based on the actual 2019 premiums in the December 31, 2019 filing. This amount was expensed in the first quarter of 2020. The final actual amount from the IRS was paid in September 2020 in the amount of \$886,969, based upon their final calculation.
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.

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## NOTES TO FINANCIAL STATEMENTS

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10. Portion of unassigned funds represented or reduced by unrealized gains and losses is not necessary for the year ending December 31, 2021 and was a \$169,000 loss for the year ending December 31, 2020 as discussed in note 7 for GAAP OTTI adjustments.
11. Surplus notes – Not applicable.
12. Impact of the restatement in a quasi-reorganization – Not applicable.
13. Effective date of quasi-reorganization – Not applicable.

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

The Company has entered into employment contracts with certain key employees. These employment contracts vary in length. At December 31, 2021 the Company's total commitment under these employment contracts approximated \$876,000.

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

The Company, along with other Delta Dental Plans have been notified by the Massachusetts Department of Revenue that they should report and pay a premium tax back to 2006 based upon premiums received from plan members who reside in Massachusetts. Legal counsel for the Company, and the other Delta Dental Plans, strongly disagree with this interpretation of the premium tax regulations by the MA Department of Revenue. It is Management and legal counsel's opinion that the probability of this liability occurring is remote and as a result the Company has not recorded a contingent liability.

The Company, along with the Delta Dental Plans Association (DDPA), DeltaUSA, and the other independent DDPA member companies, is defending a collection of lawsuits that have been filed and consolidated in the United States District Court for the Northern District of Illinois. The plaintiffs, representing purported classes of dental providers, allege that various Association member company licensing standards violate federal antitrust laws. The Company believes the claims are meritless and intends to vigorously defend this case. At this point, it is too early in the proceedings to determine the outcome of the matter or the range or amount of any potential loss.

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

This guaranty became effective in September 2001 as Altus Dental Insurance Company, Inc. began underwriting dental insurance in Massachusetts at that time.

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

- A. Contingent commitments – Not applicable
- B. Assessments – Not applicable
- C. Gain contingencies – Not applicable
- D. Claims related extra contractual obligation and bad faith losses stemming from lawsuits – Not applicable
- E. Joint and several liabilities – Not applicable
- F. All other contingencies – DDRI had contract commitments with certain key employees in the amount of \$876,000 at December 31, 2021.

## NOTES TO FINANCIAL STATEMENTS

### NOTES TO FINANCIAL STATEMENTS

**14. Liabilities, Contingencies and Assessments**

A. (1) Total SSAP No. 97 - Investments in Subsidiary, Controlled, and Affiliate Partnerships and Limited Liability Companies contingent liabilities: \$ 876,000

(2)

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

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

(3)

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

**B. Assessments**

(1)

(2)

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

(3)

a. Discount Rate Applied	
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b. The Undiscounted and Discounted Amount of the Guaranty Fund Assessments and Related Assets by Insolvency

Name of the Insolvency	Guaranty Fund Assessment		Related Assets	
	Undiscounted	Discounted	Undiscounted	Discounted

c. Number of Jurisdictions, Ranges of Years Used to Discount and Weighted Average Number of Years on the Discounting Time Period for Payables and Recoverables by Insolvency:

Name of the Insolvency	Payables			Recoverables		
	Number of Jurisdictions	Range of Years	Weighted Average Number of Years	Number of Jurisdictions	Range of Years	Weighted Average Number of Years

C. Gain Contingencies

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

### NOTE 15 - - LEASES

The Company maintains a lease obligation for all its office space through its subsidiary Altus Realty Company. The lease is maintained at market rates. In January 2018, the company completed a long-term lease renewal obligation with Altus Realty Company, commencing on March 1, 2018 and extending the terms of the lease until March 31, 2021, with an option to renew for an additional three years. The three-year option was exercised, so the new term expires on March 31, 2024. The new base rent amount is approximately \$887,000 annually, and the rental space occupied increased with this lease renewal.

## NOTES TO FINANCIAL STATEMENTS

## NOTES TO FINANCIAL STATEMENTS

## 15. Leases.

## A. Lessee Leasing Arrangements

(2)

- a. At January 1, 2022, the minimum aggregate rental commitments are as follows: (Dollars in thousands)

Operating Leases

Year Ending December 31 Operating Leases

2022 (as seen in Notes text)	\$	887,000
2023 (as seen in Notes text)	\$	887,000
2024 (as seen in Notes text)	\$	222,000
2025 (as seen in Notes text)	\$	
2026 (as seen in Notes text)	\$	
2027 & thereafter	\$	
Total	\$	1,996,000

## B. Leasing as a Significant Part of Lessors's Business Activities

(1)

## c. Lessor Leases

Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2021 are as follows:

Operating Leases

Year Ending December 31

2022 (as seen in Notes text)	\$	
2023 (as seen in Notes text)	\$	
2024 (as seen in Notes text)	\$	
2025 (as seen in Notes text)	\$	
2026 (as seen in Notes text)	\$	
2027 & thereafter	\$	
Total	\$	

## (2) Leveraged Leases

- b. The Company's investment in leveraged leases relates to equipment...
- 
- Dec. 31, 2021 were as shown below: (In thousands)

2021                      2020  
(years as seen in Notes text)

Income from leveraged leases before income tax including investment tax credit	\$		
Less current income tax	\$		
Net income from leverage leases	\$		

- c. The components of the investment in leveraged leases at
- 
- Dec. 31, 2021 and Dec. 31, 2020 were as shown below: (In thousands)

2021                      2020  
(years as seen in Notes text)

Lease contracts receivable (net principal & interest non-recourse financing)	\$		
Estimated residual value of leased assets	\$		
Unearned and deferred income	\$		
Investment in leveraged leases	\$		
Deferred income taxes related to leveraged leases	\$		
Net investment in leveraged leases	\$		

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

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

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

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



## NOTES TO FINANCIAL STATEMENTS

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

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

As discussed in Note 1 and 2, for the December 31, 2001 annual filing the Company implemented the Statement on Statutory Accounting Principles (SSAP) # 47 "Uninsured Plans". The Company's financial operations for the years ended December 31, 2021 and December 31, 2020 exclude approximately \$89,022,000 and \$76,481,000 of revenues from such plans and there are no significant gains or losses related to such transactions.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. ASO Plans:

The gain from operations from Administrative Services Only (ASO) unin- sured plans and the uninsured portion of partially insured plans was as follow during 2021: (years as seen in Notes text)	<u>ASO</u> <u>Uninsured</u> <u>Plans</u>	<u>Ininsured Portion of</u> <u>Partially Insured</u> <u>Plans</u>	<u>Total</u> <u>ASO</u>
a. Net reimburs for admin Exp (includ admin fees) in excess of actual	\$		
b. Total net other income or exp (includ interest paid to or rec from pla	\$		
c. Net gain or (loss) from operations (a + b)	\$		
d. Total claim payment volume	\$		

#### B. ASC Plans:

The gain from operations from Administrative Services Contract (ASC)   plans and the uninsured portion of partially insured plans was as follow during 2021: (years as seen in Notes text)	<u>ASC</u> <u>Uninsured</u> <u>Plans</u>	<u>Ininsured Portion of</u> <u>Partially Insured</u> <u>Plans</u>	<u>Total</u> <u>ASC</u>
a. Gross reimbursement for medical cost incurred	\$ 83,004,792		83,004,792
b. Gross administrative fees accrued	\$ 6,016,761		6,016,761
c. Other income or expenses (includ interest paid to or received from	\$		
d. Gross expenses incurred (claims and administrative)	\$		
e. Total net gain or loss from operations (a + b + c - d)	\$ 89,021,553		89,021,553

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

The Company maintains no relationships with managing general agents or third party administrators. The Company does utilize in-house sales efforts, as well as independent brokers to market its products. Premiums earned are reported gross of brokers' commissions of approximately \$2,251,000 and \$2,156,000 for the years ended December 31, 2021 and December 31, 2020. The related note disclosures are all not applicable.

### NOTE 20 - - FAIR VALUE MEASUREMENTS

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

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

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

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or



## NOTES TO FINANCIAL STATEMENTS

liabilities, quoted prices in markets that are not active or other inputs that are observable or can be derived from observable market data for substantially the full term of the assets or liabilities.

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

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

	Level 1	Level 2	Level 3	Total
<b>December 31, 2021</b>				
Assets at fair value:				
Cash	\$ 6,910,367			6,910,367
Cash Equivalents - MMMF	980,795			980,795
Common Stock	25,350,551			25,350,551
Investment in Affiliates		66,192,288		66,192,288
Investment in Debt Securities		57,243,909		57,243,909
Investment in Venture Funds			15,672,697	15,672,697
Investment in Altus Realty		4,145,408		4,145,408
<b>December 31, 2020</b>				
Assets at fair value:				
Cash	\$ (2,513,557)			(2,513,557)
Cash Equivalents - MMMF	510,512			510,512
Common Stock	17,111,252			17,111,252
Investment in Affiliates		65,761,800		65,761,800
Investment in Debt Securities		68,424,642		68,424,642
Investment in Venture Funds			6,692,636	6,692,636
Investment in Altus Realty		3,808,772		3,808,772

The Company's Investments in Venture Funds are the only financial instruments that are measured at fair value that are deemed to be a Level 3 price at December 31, 2021 and December 31, 2020.

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

	Book value	Estimated fair value	Book value	Estimated fair value
Assets:				
Cash	\$ 6,910,367	6,910,367	\$ (2,513,557)	(2,513,557)
Cash Equivalents - MMMF	980,795	980,795	510,512	510,512
Common Stock	25,350,551	25,350,551	17,111,252	17,111,252
Investment in Affiliates	66,192,288	66,192,288	65,761,800	65,761,800
Investment in Debt Services	56,415,199	57,243,909	65,742,636	68,424,642
Investment in Venture Funds	15,672,697	15,672,697	6,692,636	6,692,636
Investment in Altus Realty	4,145,408	4,145,408	3,808,772	3,808,772

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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

### NOTES TO FINANCIAL STATEMENTS

**20. Fair Value Measurements**

A. Inputs Used for Assets and Liabilities Measured at Fair Value

(1) Fair Value Measurements at Reporting Date

(1) Description	(2) (Level 1)	(3) (Level 2)	(4) (Level 3)	(6) Net Asset Value	(7) Total
<b>a. Assets at fair Value</b>					
01. Cash	\$ 6,910,367				6,910,367
02. Cash Equivalents	\$ 980,795				980,795
03. Common Stock	\$ 25,350,551				25,350,551
04. Investment in Affiliates		66,192,288			66,192,288
05. Investment in Debt Securities		57,243,909			57,243,909
06. Investment in Venture Funds			15,672,697		15,672,697
07. Investment in Altus Realty		4,145,408			4,145,408
<b>Total assets at fair value</b>	<b>\$ 33,241,713</b>	<b>127,581,605</b>	<b>15,672,697</b>		<b>176,496,015</b>
<b>b. Liabilities at fair value</b>					
<b>Total liabilities at fair value</b>					

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

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Beginning Balance at 01/01/2021	Transfers in- to Level 3 (a)	Transfers out of Level 3 (b)	Total gains and (losses) included in Net income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2021
<b>Assets:</b>										
01. Investment in Venture Funds	6,692,636			8,368,924		611,137				15,672,697
<b>Total</b>	<b>\$ 6,692,636</b>			<b>8,368,924</b>		<b>611,137</b>				<b>15,672,697</b>

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Beginning Balance at 01/01/2021	Transfers in- to Level 3 (a)	Transfers out of Level 3 (b)	Total gains and (losses) included in Net income	Total gains and (losses) included in Surplus	Purchases	Issuances	Sales	Settlements	Ending Balance at 12/31/2021
<b>Liabilities:</b>										
<b>Total</b>										

C. Aggregate Fair Value of All Financial Instruments

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
<b>Total</b>							

D. Reasons Not Practical to Estimate Fair Value

Type or Class of Financial Instrument	Carrying Value	Effective Interest Rate	Maturity Date	Explanation

### NOTE 21 - - OTHER ITEMS

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

The company had purchased and had agreements to purchase 2020 multiyear state tax credits in October 2020 that were utilized in the 2020 filing and will be utilized in future filings. Hence the Company maintains tax credits as net assets at December 31, 2021 and December 31, 2020. The Company estimates the utilization of 2021 tax credits by projecting future premium levels by considering policy growth and applicable rate changes. Gains were recognized in the fourth quarter of 2021 for statutory purposes for the tax credits utilized in 2021. Gains were recognized in the fourth quarter of 2020 for statutory purposes for the tax credits utilized in 2020.

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

## NOTES TO FINANCIAL STATEMENTS

- A. Unusual or infrequent items – Not applicable
- B. Troubled debt restructuring debtors – Not applicable
- C. Other disclosures and unusual items – Not applicable
- D. Business interruption insurance recoveries – Not applicable
- E. State transferable and non-transferable tax credits – The company paid for and received the 2020 multiyear tax credit certificates discussed above, and are reported as other-than-invested-assets. The other invested assets total of \$19,818,105 and \$10,501,408 listed on the December 31, 2021 and the December 31, 2020 Balance Sheets are made up of the equity method valuation of Altus Realty and investments in joint ventures.
- F. Subprime-mortgage-related risk exposure – Not applicable
- G. Retained assets – Not applicable
- H. Insurance-Linked securities (ILS) Contracts – Not applicable
- I. Amount that could be realized on life insurance – Not applicable

## NOTES TO FINANCIAL STATEMENTS

21. **Other items**

E. State Transferable Tax Credits

1. Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
01. State of Rhode Island Tax Credits Purchased - 2020	RI	4,952,249	793,506
02. Scholarships for Economically Poor Students Tax Credit (STEPS)	RI	90,000	90,000
Total	X X X	5,042,249	883,506

4. State Tax Credits Admitted and Nonadmitted

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

F. Subprime-Mortgage-Related Risk Exposure

02. Direct exposure through investments in subprime mortgage loans.

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

03. Direct exposure through other investments.

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

G. Retained Assets

02.

- 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

In Force			
As of End of Current Year		As of End of Prior Year	
Number	Balance	Number	Balance

03.

- a. Number/Balance of Retained Asset Accounts at the Beginning of the Year
- b. Number/Balance of Retained Asset Accounts Issued/Added During the Year
- c. Investment Earnings Credited to Retained Asset Accounts During the Year
- d. Fees and Other Charges Assessed to Retained Asset Accounts During the Year
- 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

Individual		Group	
Number	Balance/ Amount	Number	Balance/ Amount
XXX		XXX	
XXX		XXX	

H. Insurance-Linked Securities (ILS) Contracts

Management of Risk Related To:

01. Directly Written Insurance Risks

- a. ILS Contracts as Issuer
- b. ILS Contracts as Ceding Insurer
- c. ILS Contracts as Counterparty

1	2
Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds

02. Assumed Insurance Risks

- a. ILS Contracts as Issuer
- b. ILS Contracts as Ceding Insurer
- c. ILS Contracts as Counterparty

1	2
Number of Outstanding ILS Contracts	Aggregate Maximum Proceeds

I. The Amount That Could Be Realized on Life Insurance Where the Reporting Entity is Owner and Beneficiary or Has Otherwise Obtained Rights to Control the Policy

- (1) Amount of admitted balance that could be realized from an investment vehicle
- (2) Percentage Bonds
- (3) Percentage Stocks
- (4) Percentage Mortgage Loans
- (5) Percentage Real Estate
- (6) Percentage Cash and Short-Term Investments
- (7) Percentage Derivatives
- (8) Percentage Other Invested Assets


### NOTE 22 - - EVENTS SUBSEQUENT

The Company has no events subsequent to December 31, 2021 that would warrant disclosure in these statutory 2021 financial statements.

### NOTE 23 - - REINSURANCE

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

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

The Company estimates accrued retrospective premium adjustments for each contractual group by projecting incurred losses based on group claims paid data. This data is updated and analyzed monthly and accrued retrospective premium adjustments are recorded monthly to earned premiums. The amount of net annual premiums written by the Company that are subject to

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## NOTES TO FINANCIAL STATEMENTS

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retrospective rating or are contingent premiums (based on actual claims incurred) approximates \$1,748,000 and \$1,847,000 at December 31, 2021 and December 31, 2020. The related note disclosures, specifically including 24D and 24E, are all not applicable.

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

Loss reserves as of December 31, 2020 were \$2,130,000. As of December 31, 2021, \$1,944,061 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$38,342 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on dental line of insurance. Therefore, there has been a \$147,597 favorable prior-year development since December 31, 2020 to December 31, 2021. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced no unfavorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

### NOTE 26 - - INTERCOMPANY POOLING ARRANGEMENTS

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

### NOTE 27 - - STRUCTURED SETTLEMENTS

As documented in the NAIC Annual Statement filing instructions for 2021 and 2020, this footnote is not applicable to health insurance insurers.

### NOTE 28- - HEALTH CARE RECEIVABLES

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

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

### NOTE 29 - - PARTICIPATING POLICIES

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

### NOTE 30 - - PREMIUM DEFICIENCY RESERVES

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

## NOTES TO FINANCIAL STATEMENTS

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### 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

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

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

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

6.2 If yes, give full information:

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

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

7.2 If yes,

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

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a depository institution holding company (DIHC) or a DIHC itself, regulated by the Federal Reserve Board? Yes [ ] No [X]

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

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

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

8.5 Is the reporting entity a depository institution holding company with significant insurance operations as defined by the Board of Governors of Federal Reserve System or a subsidiary of the reporting entity? Yes [ ] No [X]

8.6 If response to 8.5 is no, is the reporting entity a company or subsidiary of a company that has otherwise been made subject to the Federal Reserve Board's capital rule? Yes [ ] No [ ] N/A [X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

GRANT THORNTON, LLP 90 STATE HOUSE SQUARE, 10TH FLOOR HARTFORD, CT 06103-3702  
 .....  
 .....



## GENERAL INTERROGATORIES

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

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

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

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

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

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

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

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [X]

## GENERAL INTERROGATORIES

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  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

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

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

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

Yes  No

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

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  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  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  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

## GENERAL INTERROGATORIES

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 ]

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 [ X ] No [ ]

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

24.1 Does the insurer utilize third parties to pay agent commissions in which the amounts advanced by the third parties are not settled in full within 90 days? Yes [ ] No [ X ]

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

1 Name of Third Party	2 Is the Third-Party Agent a Related Party (Yes/No)
.....	.....
.....	.....

## INVESTMENT

25.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 25.03) Yes [ X ] No [ ]

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

.....

.....

.....

25.03 For 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)

.....

.....

.....

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

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

## GENERAL INTERROGATORIES

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

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

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

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

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

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

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

26.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 25.03). Yes [ ] No [X]

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

- 26.21 Subject to repurchase agreements \$ \_\_\_\_\_
- 26.22 Subject to reverse repurchase agreements \$ \_\_\_\_\_
- 26.23 Subject to dollar repurchase agreements \$ \_\_\_\_\_
- 26.24 Subject to reverse dollar repurchase agreements \$ \_\_\_\_\_
- 26.25 Placed under option agreements \$ \_\_\_\_\_
- 26.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ \_\_\_\_\_
- 26.27 FHLB Capital Stock \$ \_\_\_\_\_
- 26.28 On deposit with states \$ \_\_\_\_\_
- 26.29 On deposit with other regulatory bodies \$ \_\_\_\_\_
- 26.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ \_\_\_\_\_
- 26.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ \_\_\_\_\_
- 26.32 Other \$ \_\_\_\_\_

26.3 For category (26.26) provide the following:

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

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

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

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

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

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

- 27.41 Special accounting provision of SSAP No. 108 Yes [ ] No [X]
- 27.42 Permitted accounting practice Yes [ ] No [X]
- 27.43 Other accounting guidance Yes [ ] No [X]

27.5 By responding YES to 27.41 regarding utilizing the special accounting provisions of SSAP No. 108, the reporting

## GENERAL INTERROGATORIES

entity attests to the following:

Yes [ ] No [X]

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

28.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes [ ] No [X]

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

\$ \_\_\_\_\_

29. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes [X] No [ ]

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

1 Name of Custodian(s)	2 Custodian's Address
CITIZENS BANK	ONE CITIZENS PLAZA, PROVIDENCE, RI 02903
FIDELITY BROKERAGE SERVICES LLC	PO BOX 770002 CINCINNATI, OH 45277-0074

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

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

29.03 Have there been any changes, including name changes, in the custodian(s) identified in 29.01 during the current year?

Yes [ ] No [X]

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

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

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

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

## GENERAL INTERROGATORIES

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

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

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

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

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

30.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
464287-20-0	ISHARES: CORE S&P 500	1,254,484
464287-80-4	ISHARES: CORE S&P SM-CP	209,553
464287-46-5	ISHARES: MSCI EAFE ETF	767,130
464288-27-3	ISHARES: MSCI EAFE SM-CP	489,703
464287-23-4	ISHARES: MSCI EM MKTS	915,938
81369Y-86-0	SEL SECTOR: RL EST SPDR	663,168
81369Y-40-7	SEL SECTOR: C DSC SPDR	480,434
81369Y-30-8	SEL SECTOR: C STP SPDR	308,440
81369Y-85-2	SEL SECTOR: COMM SVC SPDR	658,338
81369Y-50-6	SEL SECTOR: ENERGY SPDR	49,950
81369Y-60-5	SEL SECTOR: FINL S SPDR	44,908
81369Y-20-9	SEL SECTOR: H CARE SPDR	769,259
81369Y-70-4	SEL SECTOR: INDUST SPDR	140,727
81369Y-10-0	SEL SECTOR: MATRLS SPDR	20,387
81369Y-80-3	SEL SECTOR: TECH SPDR	1,208,396
81369Y-88-6	SEL SECTOR: UTIL SPDR	189,688
78464A-81-3	SPDR S&P 600 SM CAP	1,363,408
78467Y-10-7	SPDR S&P MIDCAP 400 ETF	2,922,586
30.2999 TOTAL		12,456,497

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

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Valu Attributable to the Holding	Date of Valuation
ISHARES: CORE S&P 500	APPLE INC	77,778	12/31/2021
ISHARES: CORE S&P 500	MICROSOFT CORP	74,265	12/31/2021
ISHARES: CORE S&P 500	AMAZON.COM INC	48,549	12/31/2021
ISHARES: CORE S&P 500	FACEBOOK INC A	29,731	12/31/2021
ISHARES: CORE S&P 500	ALPHABET INC CLASS A	28,477	12/31/2021
ISHARES: CORE S&P SM-CP	BLACKROCK CASH FUNDS TREASUR	2,263	12/31/2021
ISHARES: CORE S&P SM-CP	GAMESTOP CORP CLASS A	1,802	12/31/2021
ISHARES: CORE S&P SM-CP	OMNICELL INC	1,278	12/31/2021
ISHARES: CORE S&P SM-CP	STAMPS.COM INC	1,215	12/31/2021
ISHARES: CORE S&P SM-CP	POWER INTEGRATION INC	1,194	12/31/2021
ISHARES: MSCI EAFE ETF	NESTLE SA	15,956	12/31/2021
ISHARES: MSCI EAFE ETF	ASML HOLDING NV	15,266	12/31/2021
ISHARES: MSCI EAFE ETF	ROCHE HOLDING AG	12,351	12/31/2021
ISHARES: MSCI EAFE ETF	NOVARTIS AG	9,052	12/31/2021
ISHARES: MSCI EAFE ETF	LVMH MOET HENNESSY LOUIS VUITT	8,975	12/31/2021
ISHARES: MSCI EAFE SM-CP	IMCD NV	1,371	12/31/2021
ISHARES: MSCI EAFE SM-CP	VAT GROUP AG	1,371	12/31/2021
ISHARES: MSCI EAFE SM-CP	EURONEXT NV	1,322	12/31/2021

### GENERAL INTERROGATORIES

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Valu Attributable to the Holding	Date of Valuation
ISHARES:MSCI EAFE SM-CP	GETINGE AB CLASS B	1,322	12/31/2021
ISHARES:MSCI EAFE SM-CP	INTERMEDIATE CAPITAL GROUP PLC	1,322	12/31/2021
SEL SECTOR:RL EST SPDR	AMERICAN TOWER CORP	86,875	12/31/2021
SEL SECTOR:RL EST SPDR	PROLOGIS INC	62,537	12/31/2021
SEL SECTOR:RL EST SPDR	CROWN CASTLE INTERNATIONAL CO	59,619	12/31/2021
SEL SECTOR:RL EST SPDR	EQUINIX IN	50,865	12/31/2021
SEL SECTOR:RL EST SPDR	PUBLIC STORAGE	32,363	12/31/2021
SEL SECTOR: COMM SVC SPDR	FACEBOOK INC A	156,355	12/31/2021
SEL SECTOR: COMM SVC SPDR	ALPHABET INC CLASS A	75,643	12/31/2021
SEL SECTOR: COMM SVC SPDR	ALPHABET INC CLASS C	73,471	12/31/2021
SEL SECTOR: COMM SVC SPDR	NETFLIX INC	31,469	12/31/2021
SEL SECTOR: COMM SVC SPDR	CHARTER COMMUNICATIONS INC A	30,613	12/31/2021
SPDR S&P 600 SM CAP	GAMESTOP CORP CLASS A	15,134	12/31/2021
SPDR S&P 600 SM CAP	MACY'S INC	14,179	12/31/2021
SPDR S&P 600 SM CAP	PDC ENERGY INC	10,907	12/31/2021
SPDR S&P 600 SM CAP	RESIDEO TECHONOLOGIES INC	10,362	12/31/2021
SPDR S&P 600 SM CAP	SIGNET JEWELERS LTD	10,226	12/31/2021
SPDR S&P MIDCAP 400 ETF	COGNEX CORP	19,289	12/31/2021
SPDR S&P MIDCAP 400 ETF	MOLINA HEALTHCARE INC	19,289	12/31/2021
SPDR S&P MIDCAP 400 ETF	SIGNATURE BANK	18,412	12/31/2021
SPDR S&P MIDCAP 400 ETF	SOLAREDGE TECHNOLOGIES INC	18,412	12/31/2021
SPDR S&P MIDCAP 400 ETF	CERIDIAN HCM HOLDING INC	18,120	12/31/2021

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
31.1 Bonds	56,415,199	57,243,909	828,710
31.2 Preferred stocks	1,245	1,245	
31.3 Totals	56,416,444	57,245,154	828,710

31.4 Describe the sources or methods utilized in determining the fair values:  
 THE REPORTED DECEMBER 31, 2021 FAIR VALUES WERE OBTAINED FROM THE BANK STATEMENTS FROM THE COMPANY'S CUSTODIAN AND VERIFIED AS ESTABLISHED MARKET VALUES FOR ALL PUBLICLY TRADE SECURITIES

32.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

32.2 If the answer to 32.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [X]

32.3 If the answer to 32.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
 FAIR VALUES USED ARE ESTABLISHED MARKET VALUES FOR THESE PUBLICLY TRADE SECURITIES

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

33.2 If no, list exceptions:

## GENERAL INTERROGATORIES

34 By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

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

Has the reporting entity self-designated 5GI securities? Yes [ ] No [ X ]

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

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

Has the reporting entity self-designated PLGI securities? Yes [ ] No [ X ]

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

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

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes [ ] No [ X ]

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

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

Has the reporting entity rolled/renewed short-term or cash equivalent investments in accordance with these criteria? Yes [ ] No [ X ] N/A [ ]

## OTHER

38.1 Amount of payments to trade associations, service organizations and statistical or Rating Bureaus, if any? \$ 491,410

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

1 Name	2 Amount Paid
DELTA DENTAL PLANS ASSOCIATION	\$ 436,569
DELTA USA	\$ 54,841
	\$

39.1 Amount of payments for legal expenses, if any? \$ 167,658

39.2 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
BLISH & CAVANAGH	\$ 167,658
	\$
	\$

40.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 59,850



## GENERAL INTERROGATORIES

40.2 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
ADVOCACY SOLUTIONS	\$ 59,850
	\$
	\$

## 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		2	
	Current Year		Prior Year	
2.1 Premium Numerator	\$ 58,522,309		\$ 81,088,566	
2.2 Premium Denominator	\$ 58,522,309		\$ 81,088,566	
2.3 Premium Ratio (2.1 / 2.2)	1.000		1.000	
2.4 Reserve Numerator	\$ 1,832,000		\$ 2,130,000	
2.5 Reserve Denominator	\$ 1,832,000		\$ 2,130,000	
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 [ ] No [X]
- 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:  
REINSURANCE ARRANGEMENTS ARE NOT APPLICABLE TO MOST DENTAL INSURANCE CARRIERS.
- .....
- .....
- .....
- 5.3 Maximum retained risk (see instructions)
- 5.31 Comprehensive Medical \$ \_\_\_\_\_
- 5.32 Medical Only \$ \_\_\_\_\_
- 5.33 Medicare Supplement \$ \_\_\_\_\_
- 5.34 Dental and vision \$ \_\_\_\_\_
- 5.35 Other Limited Benefit Plan \$ 2,500
- 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 no specific arrangements that would protect a subscriber or their dependents against the risk of insolvency. However, the risk of insolvency is very low given the Company's financial strength and conservative investment policies. Also, given the Company only sells group insurance, a subscriber's employer would buy another group policy from another carrier in the event the company became insolvent.

.....

.....

## 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 | 548 |
| 8.2 Number of providers at end of reporting year   | 547 |
- 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 | 27,737,599 |
| 9.22 Business with rate guarantees over 36 months       | 12,154,190 |
- 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. \$ 17,722,329
- 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	
.....	.....	.....

- 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)

**GENERAL INTERROGATORIES**  
**PART 2 - HEALTH INTERROGATORIES**

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes [ ] No [X]
- 16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes [ ] No [X]

## FIVE – YEAR HISTORICAL DATA

	1	2	3	4	5
	2021	2020	2019	2018	2017
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28)	185,227,643	173,354,205	161,945,055	145,101,266	139,580,764
2. Total liabilities (Page 3, Line 24)	22,353,004	19,933,760	17,904,866	18,216,252	21,010,677
3. Statutory minimum capital and surplus requirement	17,722,329	14,551,584	14,153,433	12,273,297	10,222,297
4. Total capital and surplus (Page 3, Line 33)	162,874,639	153,420,457	144,040,189	126,885,014	118,570,087
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8)	58,522,309	81,088,566	115,918,321	118,505,348	97,522,483
6. Total medical and hospital expenses (Line 18)	45,628,469	55,132,187	92,152,879	97,066,750	78,438,614
7. Claims adjustment expenses (Line 20)	5,942,688	7,076,957	6,919,373	6,506,254	5,691,285
8. Total administrative expenses (Line 21)	8,972,083	11,751,100	11,811,751	11,840,892	10,398,812
9. Net underwriting gain (loss) (Line 24)	(2,020,931)	7,128,322	5,034,318	3,091,452	2,993,772
10. Net investment gain (loss) (Line 27)	4,115,501	3,038,774	1,979,004	2,795,094	1,772,439
11. Total other income (Lines 28 plus 29)	(7,300,099)	(6,247,056)	(2,853,858)	173,109	154,378
12. Net income or (loss) (Line 32)	(5,205,529)	3,920,040	4,159,464	6,059,655	4,920,589
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11)	4,392,652	1,017,363	3,274,652	2,403,953	9,393,420
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital	162,874,639	153,420,457	144,040,189	126,885,014	118,570,087
15. Authorized control level risk-based capital	17,722,329	14,554,346	14,153,433	12,273,297	10,222,297
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7)	135,761	156,655	311,597	319,886	324,275
17. Total members months (Column 6, Line 7)	1,632,528	2,748,535	3,801,057	3,854,929	3,117,274
<b>Operating Percentage (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	78.0	68.0	79.5	81.9	80.4
20. Cost containment expenses	1.6	1.2	0.8	0.7	0.6
21. Other claims adjustment expenses	8.6	7.6	5.1	4.8	5.3
22. Total underwriting deductions (Line 23)	103.5	91.2	95.7	97.4	96.9
23. Total underwriting gain (loss) (Line 24)	(3.5)	8.8	4.3	2.6	3.1
<b>Unpaid Claims Analysis</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	1,982,403	3,263,184	3,241,691	3,905,220	4,104,556
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	2,130,000	3,420,000	4,186,000	4,342,000	4,267,000
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)	66,192,288	65,761,800	62,982,813	53,149,935	43,035,980
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	8,172,062	8,608,196	9,031,563	11,769,475	8,062,628
32. Total of above Lines 26 to 31	74,364,350	74,369,996	72,014,376	64,919,410	51,098,608
33. Total investment in parent included in Lines 26 to 31 above.					

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

Yes [ ] No [ ]

If no, please explain:

.....

.....

.....

.....

## SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

### Allocated by States and Territories

States, Etc.	1	Direct Business Only								
		2	3	4	5	6	7	8	9	10
	Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	CHIP Title XXI	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/Casualty Premiums	Total Columns 2 Through 8	Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	L	58,522,309						58,522,309	
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	58,522,309						58,522,309	
60. Reporting entity contributions for Employee Benefit Plans		X X X								
61. Totals (Direct Business)		X X X	58,522,309						58,522,309	

DETAILS OF WRITE-INS										
5800		X X X								
5800		X X X								
5800		X X X								
5899	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899	Totals (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

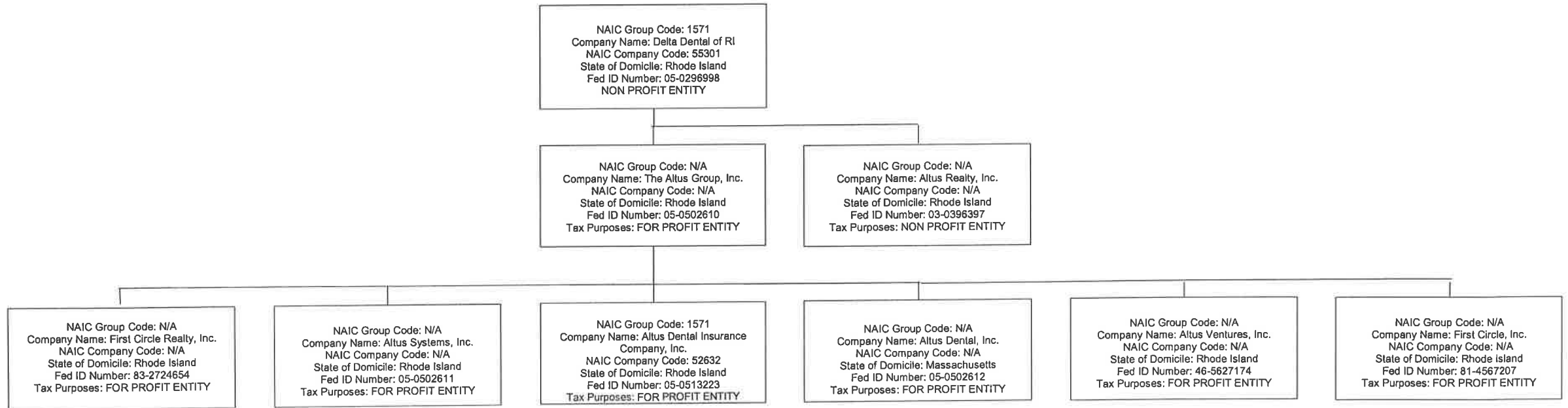
NONE

- (a) Active Status Counts
- L – Licensed or Chartered - License 1
  - E – Eligible - Reporting entities elig \_\_\_\_\_
  - R - Registered - Non-domiciled RR \_\_\_\_\_
  - Q - Qualified - Qualified or accredit \_\_\_\_\_
  - N – None of the above - Not allow 56

(b) **Explanation of basis of allocation of premiums by states, etc.**  
 ALL PREMIUMS WRITTEN IN THE STATE OF RHODE ISLAND

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

### PART 1 - ORGANIZATIONAL CHART



**OVERFLOW PAGE FOR WRITE-INS**

**Page 2 - Continuation**

**ASSETS**

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
<b>REMAINING WRITE-INS AGGREGATED AT LINE 25 FOR OTHER THAN INVESTED ASSETS</b>				
2504. NET STATE AND FEDERAL TAX ADVANCES .....	463		463	463
2597. Totals (Lines 2504 through 2596) (Page 2, Line 2598)	463		463	463



**OVERFLOW PAGE FOR WRITE-INS**

**Page 4 - Continuation**

**STATEMENT OF REVENUE AND EXPENSES**

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
<b>WRITE-INS AGGREGATED AT LINE 29 FOR STATEMENT OF REVENUE AND EXPENSES</b>			
2904. DONATIONS TO THE RI FOUNDATION .....		(7,500,000)	(6,000,000)
2997. Totals (Lines 2901 through 2996) (Page 4, Line 2998)		(7,500,000)	(6,000,000)