

Report on Examination

of

**ALTUS DENTAL INSURANCE COMPANY, INC.**

Providence, Rhode Island

as of

December 31, 2022



State of Rhode Island  
Department of Business Regulation  
Insurance Division



State of Rhode Island  
OFFICE OF THE HEALTH INSURANCE COMMISSIONER  
1511 Pontiac Avenue, Bldg. 69-1  
Cranston, Rhode Island 02920

**DIRECTOR'S ORDER**

The attached Report of Examination as of December 31, 2022, of the condition and affairs of **ALTUS DENTAL INSURANCE COMPANY, INC.**, was recently completed by duly qualified examiners, pursuant to the provisions of the Rhode Island General Laws.

Due consideration has been given to the comments of the examiners regarding the operation of the Company and its financial condition, as reflected in the report.

It is therefore ORDERED that said Report be, and it is hereby, adopted and filed and made an official record of this Department as of this date.

DEPARTMENT OF BUSINESS REGULATION

  
\_\_\_\_\_  
Cory King  
Acting Health Insurance Commissioner

DATED: 3/26/2024

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February 16, 2024

Honorable Cory King  
Acting Health Insurance Commissioner  
State of Rhode Island  
Office of the Health Insurance Commissioner  
1511 Pontiac Ave, Bldg. 69-1  
Cranston, Rhode Island 02920

Dear Acting Commissioner King:

In accordance with your instructions and pursuant to the provisions of Chapter 27-20.1-5 of the General Laws of the State of Rhode Island, an examination has been made as of December 31, 2022, of the financial condition and affairs of

**ALTUS DENTAL INSURANCE COMPANY, INC.**

located at 10 Charles Street, Providence, Rhode Island. The report of such examination is herewith submitted.

Altus Dental Insurance Company, Inc., (also referred to as “Altus Dental,” or “the Company”) was previously examined as of December 31, 2017, and both the current and prior examinations were conducted by the Insurance Division of the State of Rhode Island (“Insurance Division”).

## SCOPE OF EXAMINATION

The last examination of the Company covered the five-year period from January 1, 2013 through December 31, 2017. The current examination covered the five-year period from January 1, 2018 through December 31, 2022 and was performed in compliance with the above-mentioned sections of the General Laws of the State of Rhode Island, as amended. The current examination was conducted as a full scope risk-focused examination in accordance with the NAIC *Financial Condition Examiners Handbook* (“Handbook”) risk-focused examination process.

This examination was conducted concurrently with the examination of Delta Dental of Rhode Island, (“Delta Dental”), the ultimate parent of the Company, and a report of Delta Dental of Rhode Island is thereon submitted under separate cover.

The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination, an adjustment was identified, the impact of such adjustment will be

documented separately following the Company's financial statements.

This examination report includes significant findings of fact and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but were separately communicated to other regulators and/or the Company.

### **SUMMARY OF SIGNIFICANT FINDINGS**

There were no material adverse or significant non-compliance findings noted during the examination conducted as of December 31, 2022.

### **COMPANY HISTORY**

The Company derives its corporate existence and powers from the provisions of the Rhode Island General Laws §7-1.1 et seq. The Company came into existence on August 1, 2000, through the actions of its sole incorporator, James R. McGuirk and pursuant to the filing of its original Articles of Incorporation with the Secretary of State, as approved by the Commissioner of Insurance.

The Articles of Incorporation authorize the Company to write health, accident or sickness insurance. The Company commenced business on September 1, 2001.

The Articles of Incorporation stipulate that the authorized capital stock of the Company shall be one class of 30 common shares, each with a par value of \$100,000. On August 1, 2000, the Company issued all 30 common shares to its parent, The Altus Group, Inc., for \$3,000,000. In June 2001, an additional \$2,069,861 of capitalization was transferred from the Altus Group, Inc., and recorded as contributed surplus on the Company's financial statements. In 2009, an additional \$1,250,000 was also received from The Altus Group, Inc., and was recorded as contributed surplus.

## **MANAGEMENT AND CONTROL**

### **Stockholders**

The Bylaws, as amended, provide that the annual meeting of the stockholders shall be held on a day fixed by the Board of Directors and at such place as the Board of Directors shall designate. Special meetings of the stockholders may be called at any time by the Chair and shall be called by the Chair at the written request of a majority of directors or one-third (1/3) of the stockholders of the Company. At every meeting of the stockholders there shall be represented at least fifty-five percent (55%) of the voting stock of the Company to constitute a quorum, but a smaller number may adjourn.

### **Board of Directors**

The Bylaws stipulate that the Board of Directors shall have supervision and control of the business, property, affairs and management of the Company and shall elect the Chair and Vice Chair of the Board of Directors, and the officers of the Company. The Board of Directors may delegate its powers to committees, officers, agents and representatives; and shall have such other powers as may be necessary or expedient to carry out the purposes of the Company.

Pursuant to the Bylaws, the Board of Directors shall consist of a number of persons equal to the number of persons duly comprising the Board of Directors of Delta Dental, the Company's ultimate parent. The members of the Board of Directors shall be the same individuals who comprise the Board of Directors of Delta Dental. The officers of the Board of Directors shall include such officers of the Board of Directors of Delta Dental and said officers shall have such powers and perform such duties for the Company as correspond to their equivalent offices on the Board of Directors of Delta Dental as provided pursuant to the Bylaws of Delta Dental.

The Board of Directors shall hold an annual meeting following the annual meeting of the stockholders of the Company, or any special meeting of the stockholders held in lieu thereof. Regular meetings shall be held at such times and places as the Board of Directors shall determine. Special meetings may be called at any time by the Chair and shall be called by the Chair on written request of at least one-third (1/3) of the voting Directors, or on written request of the President and Chief Executive Officer.

A majority of the members of the Board of Directors shall constitute a quorum for a meeting of the Board of Directors. If at any meeting less than a quorum is present, a majority of those present may adjourn the meeting. The actions of a majority of the Directors present at any meeting at which there is a quorum shall constitute the actions of the Board of Directors.

The members of the Board of Directors together with the principal business or professional affiliation of each director was as follows at December 31, 2022:



<b>Name</b>	<b>Business Affiliation</b>	<b>Term Expires</b>
John T. Ruggieri (Chair)	Gilbane (Retired) Senior Vice President and CFO	2024
James V. Rosati (Vice Chair)	Beacon Mutual Insurance Company (Retired) President and CEO	2025
Elizabeth Catucci	Northern RI Chamber of Commerce President and CEO	2024
Thomas P. Enright	East Bay Dental Associates Dentist	2023
Francis J. Flynn	Rhode Island Federation of Teachers President	2023
Christine Gadbois	CareLink President and CEO	2025
Jonathan W. Hall	FM Global Retired COO	2025
Peter C. Hayes	Hayes & Sherry Real Estate Services Founder and Partner	2023
Steven J. Issa	Customers Bank (Retired) Executive Vice President and Chief Lending Officer	2024
Alimamy (Junior) D. Jabbie	Banneker Supply Chain Solutions, Inc. President and CEO	2025
Colin P. Kane	Peregrine Group Founding Partner	2024
Marc A Paulhus	Citizens Bank; Citizens Asset Finance, Inc. (Retired) Executive Vice President; (Retired) President	2025
Heather A. Provino	The Scanlon Group Principal	2024
Edwin J. Santos	CharterCARE Health Partners (Retired) Chairmen	2023
Mark A. Shaw	AAA Northeast (Retired) Chairmen	2023

## **Committees**

The committees of Delta Dental also act as the committees of the Company. As of December 31, 2022, the committees of the Delta Dental Board of Directors were composed of the following individuals:

### **Governance Committee**

Peter C. Hayes, Chairman  
Elizabeth L. Catucci  
Jonathan W. Hall  
Colin P. Kane  
James V. Rosati  
John T. Ruggieri  
Mark A. Shaw

### **Finance and Audit Committee**

Marc A Paulhus, Chairman  
Jonathan W. Hall  
Alimamy (Junior) D. Jabbie  
Colin P. Kane  
Steven J. Issa  
Heather A. Provino  
Edwin J. Santos

### **Appeals Committee**

Francis J. Flynn, Chairman  
Elizabeth L. Catucci  
Thomas P. Enright  
Christine L. Gadbois  
Alimamy (Junior) D. Jabbie

### **Compensation Committee**

John T. Ruggieri, Chairman  
Steven J. Issa  
Marc A Paulhus  
James V. Rosati  
Edwin J. Santos

## **Officers**

The Bylaws provide that the officers of the Company shall be elected annually by the Board of Directors and shall consist of a President, a Secretary, a Treasurer and such Assistant Treasurers and Secretaries as the Board of Directors deem appropriate. The Board of Directors may appoint such other officers and agents as it may deem necessary for the transaction of the business of the Company. Unless otherwise directed by majority vote of the stockholders, the persons elected by the Board of Directors to serve as officers shall be the same individuals who hold the corresponding office of the Company's ultimate parent, Delta Dental.

The officers serving, and their respective titles for Altus Dental at December 31, 2022 are as follows:

Name	Title
Joseph R. Perroni	President and Chief Executive Officer
William R. Landry	Secretary
Melissa Gennari	Assistant Secretary
Richard A. Fritz	Treasurer and Chief Financial Officer
George Bedard	Assistant Treasurer
Thomas Chase	Chief Operating Officer
Wendy Duncan	Chief Marketing Officer
Blaine Carroll	Vice President - Strategic Initiatives
James Kinney	Vice President - Sales
Ellen Hendrix	Vice President - Underwriting and Insurance Risk Services

### **Organizational Structure**

At December 31, 2022, Delta Dental of Rhode Island is the ultimate parent of the insurance holding company system. Delta Dental owns 100% of the issued and outstanding common capital stock of The Altus Group, Inc. (“Altus Group”). Altus Group, in turn, owns 100% of the issued and outstanding common capital stock of Altus Dental Insurance Company, Inc., Altus Systems, Inc., Altus Dental, Inc., Altus Ventures Inc., First Circle, Inc., and First Circle Realty, Inc. Delta Dental is also the sole owner of Altus Realty Company, Inc., a non-profit real estate holding company incorporated for the sole purpose of acquiring, holding title to, and managing the home office building of the Company located at 10 Charles Street Providence, RI. A summary of each entity in the Delta Dental holding company system follows:

### The Altus Group, Inc.

The Altus Group was established in 1999 by Delta Dental as a for-profit entity for the purpose of expanding the Company's offering of prepaid dental care coverage and other third-party administrative services to organizations based outside of Rhode Island, particularly in the Commonwealth of Massachusetts. The Altus Group includes the operations of its six wholly-owned subsidiaries; including First Circle Realty, Inc., Altus Systems, Inc., Altus Dental Insurance Company, Inc., Altus Dental, Inc., Altus Ventures, Inc., and First Circle, Inc.

### Altus Systems, Inc.

Altus Systems, Inc., employs the operations staff that processes claims and performs customer service for both Delta Dental and Altus Dental. Altus Systems Inc.'s costs are allocated proportionately to Delta Dental and Altus Dental.

### Altus Dental, Inc.

Altus Dental Inc., is the entity chartered with establishing and maintaining a dental network. This entity is also responsible for promoting the Altus Dental brand name through advertising and promotion, and for providing the direct sales function for Altus Dental. Altus Dental, Inc. charges Altus Dental for the use of its network and other services through intercompany allocations.

### Altus Dental Insurance Company, Inc.

Altus Dental Insurance Company, Inc. ("ADIC") is a Rhode Island domestic insurer and is licensed to transact insurance in the Commonwealth of Massachusetts. (See Territory and Plan of Operations section below for further details).

Altus Ventures, Inc.

Altus Ventures, Inc., was formed in 2014 to identify and assess strategic investment opportunities and to manage investments in other entities that are ancillary to the Company's core business.

First Circle, Inc.

First Circle, Inc., was established in the fourth quarter of 2016 as a for-profit entity and is a service company that developed a platform to connect consumers with dentists for services not payable by insurance. Its proprietary Chewsi technological, transactional, payment processing and marketing services platform assists dental offices in promoting and increasing the efficiency of their offerings of such services.

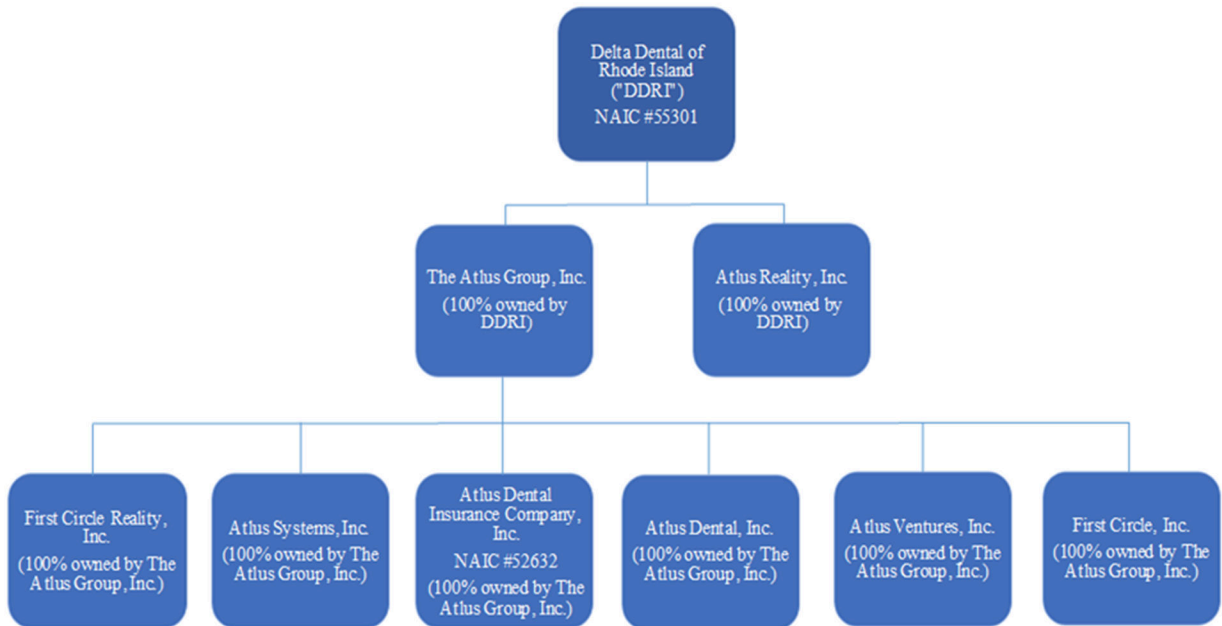
First Circle Realty, Inc.

First Circle Realty, Inc., was established in December of 2018 to acquire, hold title to, and manage the property located at 10 Orms Street, Providence, RI which is adjacent to the Company's corporate office facility.

Altus Realty Company, Inc.

Altus Realty Company, Inc., was established in 2002, as a non-profit real estate holding company, pursuant to Section 501(c)(2) of the internal revenue code, for the sole purpose of acquiring, holding title to, and managing the home office building located at 10 Charles Street, Providence, Rhode Island. This building, is the principal office facility of the Company.

The following represents an organizational chart as of December 31, 2022, which illustrates the identities and interrelationships between the Company, its parent, and other affiliated entities of the holding company system:



**Intercompany Agreements**

The following represents a summary of the intercompany agreements in-force between the Company and its affiliates as of December 31, 2022:

**Unlimited Parental Guarantee – Delta Dental of Rhode Island**

On September 15, 2000, Delta Dental issued an unlimited parental guaranty on behalf of Altus Dental, whereby all claims and obligations of Altus Dental to its subscribers and policyholders will be fully funded and satisfied by Delta Dental in the event of any inability of Altus Dental to

satisfy such claims and obligations. The unlimited parental guaranty became effective in September 2001 when Altus Dental began underwriting dental insurance in Massachusetts.

#### Cost Sharing Agreement – Delta Dental of Rhode Island

Effective July 23, 2004, Delta Dental entered into a Cost Sharing Agreement with Altus Dental whereby Delta Dental will provide Altus Dental with certain executive and managerial services and will provide access to contractual arrangements, vendors, facilities and equipment. Under the terms of the Cost Sharing Agreement, Altus Dental shall be responsible for all costs reasonably identified as being directly and solely attributable to Altus Dental. Altus Dental shall also be responsible for all indirect costs which are fairly allocable for the services, facilities and equipment provided, by application of generally accepted cost accounting principles and consultation with the Group's accountants and legal counsel. The fees charged to Altus Dental by Delta Dental shall be payable on a quarterly basis. The Cost Sharing Agreement also stipulates that either party may have its excess cash invested in the investment portfolio of the other party in order to maximize investment returns. Interest earned with respect to such funds shall be credited to the party advancing such funds.

#### Cost Sharing Agreement – Altus Systems, Inc.

Effective July 23, 2004, Altus Dental entered into a Cost Sharing Agreement with Altus Systems, Inc. ("Altus Systems") whereby Altus Systems will provide Altus Dental with certain operational and administrative services. Under the terms of the Cost Sharing Agreement, Altus Dental shall be responsible for all costs reasonably identified as being directly and solely attributable to Altus Dental. Altus Dental shall also be responsible for all indirect costs which are fairly allocable for

the services provided, by application of generally accepted cost accounting principles and consultation with the Group's accountants and legal counsel. The fees charged to Altus Dental by Altus Systems shall be payable on a quarterly basis. The Cost Sharing Agreement also stipulates that either party may have its excess cash invested in the investment portfolio of the other party in order to maximize investment returns. Interest earned with respect to such funds shall be credited to the party advancing such funds.

#### Cost Reimbursement Agreement – Altus Dental, Inc.

Effective July 23, 2004, Altus Dental Insurance Company, Inc. ('ADIC') entered into a cost reimbursement agreement with Altus Dental, Inc. Under the terms of this Agreement, ADIC shall have the use and benefit of the Altus Dental, Inc., network of participating dentists and the services provided by participating dentists through Participating Dentist Agreements maintained by Altus Dental Inc. ADIC shall pay to Altus Dental, Inc., an administrative fee on a per member or per contract basis.

#### Cash Management Agreement – The Altus Group

Altus Dental entered into separate cash management agreements with The Altus Group effective July 23, 2004, and September 15, 2006, for the centralized cash sweep to The Altus Group, and cash sweep to Altus Dental, respectively, from the centralized cash banking mechanism. The agreement addresses arm's length transactions, where interest income & banking fees are charged, and activity is recorded.



## Tax Allocation Agreement – The Altus Group

Effective February 3, 2017, and superseding and replacing a comparable agreement between the parties which was effective July 16, 2010, The Altus Group, Inc. entered into a tax allocation agreement with each of its operating subsidiaries within The Altus Group. Each of the subsidiaries agree to join with the Parent in the filing of a consolidated U.S. federal tax return for any year in which the subsidiary is a member of the "affiliated group" and the subsidiaries shall pay or accrue to the Parent an amount equal to its share of such tax liability. Such funds are payable upon written demand within 90 days to the party holding such funds.

## **TERRITORY AND PLAN OF OPERATION**

The Company offers a broad range of prepaid, and administrative service only, dental care coverage options on either a contributory or voluntary basis. These products and services are marketed to businesses and organizations that are headquartered in the Commonwealth of Massachusetts. Currently, the Company offers three main products known as the Altus Preferred, Altus Point of Service and the Altus Plus packages. The vast majority of the Company's book of business has opted for either the Altus Preferred or Altus Plus options. The difference between the Altus Preferred and Altus Plus options is in the reimbursement for services rendered outside of Altus Dental's PPO network. The Altus Preferred product reimburses for services performed by an out of network provider at coverage levels that are roughly eighty percent ("80%") of the in network coverage level. The Altus Plus package provides similar levels of coverage whether or not the service is performed inside or outside the network. The out of network reimbursement through Altus Plus is made at the prevailing fee in the zip code area where the member's service has been rendered. Payments to participating or in network dentists are based on a contractually

agreed upon allowance established by the Company.

Benefits for each member are subject to a per calendar year maximum that typically ranges from \$500 to \$2,500 and may include a deductible depending on the program the group or member has purchased. Altus Dental provides coverage to more than 200,000 members with access to a network that includes more than 9,500 dental locations in Massachusetts, Rhode Island and New Hampshire. Existing client management and new business prospecting is managed through a sales force that operates out of its Providence, Rhode Island headquarters.

In 2021, the Company began selling vision insurance products to diversify away from being a single line dental insurer. For 2022, vision insurance premiums totaled less than 1% of the Company's total premiums.

### **REINSURANCE**

As of December 31, 2022, the Company does not cede or assume reinsurance.

## **FINANCIAL STATEMENTS**

The following financial statements are based on the statutory financial statements filed by the Company with the Rhode Island Insurance Division and present the financial condition of the Company for the period ending December 31, 2022. The accompanying comments on financial statements reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements:

Comparative Statement of Assets  
December 31, 2022 and December 31, 2017

Comparative Statement of Liabilities, Capital and Surplus  
December 31, 2022 and December 31, 2017

Statement of Revenue and Expenses  
Year Ended December 31, 2022

Reconciliation of Capital and Surplus  
December 31, 2017 to December 31, 2022

Analysis of Examination Adjustments  
December 31, 2022

**ALTUS DENTAL INSURANCE COMPANY, INC.**  
**Comparative Statement of Assets**  
**December 31, 2022 and December 31, 2017**

	December 31, 2022	December 31, 2017	Increase (Decrease)
Bonds	\$45,033,486	\$30,196,771	\$14,836,715
Cash, cash equivalents, and short-term investments	4,800,360	2,025,143	2,775,217
Other invested assets	-	1,752,084	(1,752,084)
Investment income due and accrued	390,088	279,901	110,187
Uncollected premiums and agents' balances in the course of collection	721,030	432,397	288,633
Amounts receivable relating to uninsured plans	690,275	461,438	228,837
Net deferred tax asses	471,322	94,132	377,190
Receivable from parent, subsidiaries and affiliates	308,426	-	308,426
Aggregate write-ins for other than invested assets	6,139,772	-	6,139,772
Total Assets	<u>\$58,554,759</u>	<u>\$35,241,866</u>	<u>\$23,312,893</u>

**ALTUS DENTAL INSURANCE COMPANY, INC.**  
**Comparative Statement of Liabilities, Capital and Surplus**  
**December 31, 2022 and December 31, 2017**

	December 31, 2022	December 31, 2017	Increase (Decrease)
Claims unpaid	\$2,232,880	\$1,795,930	\$436,950
Unpaid claims adjustment expenses	103,751	95,835	7,916
Premiums received in advance	1,262,949	846,801	416,148
General expenses due or accrued	4,522,956	2,242,428	2,280,528
Amounts due to parent, subsidiaries and affiliates	1,980,776	1,678,795	301,981
Aggregate write-ins for other liabilities	960,880	484,100	476,780
<b>Total Liabilities</b>	<b>11,064,192</b>	<b>7,143,889</b>	<b>3,920,303</b>
Restricted reserves for ACA assessment	-	1,055,531	(1,055,531)
Common capital stock	3,000,000	3,000,000	-
Gross paid in and contributed surplus	3,319,861	3,319,861	-
Unassigned funds (surplus)	41,170,706	20,722,585	20,448,121
<b>Total Capital and Surplus</b>	<b>47,490,567</b>	<b>28,097,977</b>	<b>19,392,590</b>
<b>Total Liabilities, Capital and Surplus</b>	<b>\$58,554,759</b>	<b>\$35,241,866</b>	<b>\$23,312,893</b>

**ALTUS DENTAL INSURANCE COMPANY, INC.**  
**Statement of Revenue and Expenses**  
**Year Ended December 31, 2022**

Revenue

Net premium Income	<u>\$84,697,117</u>	
Total revenues		\$84,697,117

Hospital and Medical

Other professional services	<u>64,660,515</u>	
Total hospital and medical		64,660,515

Less:

Claims adjustment expenses	3,412,683	
General administrative expenses	<u>13,017,439</u>	

Total underwriting deductions		<u>81,090,637</u>
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Net underwriting gain		3,606,480
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Investment Income

Net investment income earned	792,542	
Net realized capital gains	<u>(6,478)</u>	

Net investment gain		786,064
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Other Income

Aggregate write-ins for other income or expenses		<u>235,398</u>
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Net income before federal income taxes		4,627,942
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Federal income taxes incurred		<u>(966,035)</u>
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Net Income		<u><u>\$3,661,907</u></u>
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**ALTUS DENTAL INSURANCE COMPANY, INC.**  
**Reconciliation of Capital and Surplus**  
**December 31, 2017 to December 31, 2022**

Capital and Surplus, December 31, 2017:		\$28,097,977
	<u>Gains</u>	<u>Losses</u>
Net Income	\$19,113,770	
Change in net unrealized capital gains	8,298	
Change in net deferred income tax	594,033	
Change in nonadmitted assets		\$387,189
Aggregate write-in for surplus gains or (losses)	63,678	
Total Gains and Losses	19,779,779	387,189
Net change in Capital and Surplus for the period		19,392,590
Capital and Surplus, December 31, 2022		\$47,490,567

**ALTUS DENTAL INSURANCE COMPANY, INC.**  
**Analysis of Examination Adjustments**  
**December 31, 2022**

The examination of Altus Dental Insurance Company, Inc., performed as of December 31, 2022, did not disclose any material misstatements to the financial statements contained in its 2022 Annual Statement filing. Accordingly, the amounts reported by the Company have been accepted for purposes of this report.



## COMMENTS ON FINANCIAL STATEMENTS

<b><u>Claims Unpaid and Unpaid Claims Adjustment Expenses</u></b>	<b><u>\$ 2,336,631</u></b>
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Claims unpaid	\$2,232,880
Unpaid claims adjustment expenses	<u>\$103,751</u>
Total	<u><u>\$2,336,631</u></u>

The reserves for claims unpaid and unpaid claims adjustment expenses reflected above are the same as those reported by the Company in its 2022 Annual Statement. The reserve calculation prepared by the Company was reviewed by INS Consultants, Inc. (“INS”), consulting actuaries for the Rhode Island Insurance Division. INS relied upon the underlying data reported by the Company, and their analyses included a review of the actuarial assumptions and methods used by the Company in determining the reserves, and such tests of actuarial calculations as deemed necessary.

In assisting INS with the reserve analysis, the examiners either independently performed or relied upon the procedures performed by the Company’s independent accounting firm and internal audit department to verify the integrity of the underlying claims data, including completeness and accuracy testing. A combination of subjective and statistical sampling techniques was utilized in testing the claims data, as deemed appropriate.

## **SUBSEQUENT EVENTS**

A review of financial information, the Company's records, and the minutes to the Board of Directors' meetings and its various committees for the period subsequent to the examination period was performed to ascertain whether any subsequent events have occurred which would have a material impact on the Company's operations or financial statements. In addition, an inquiry was made of the Company's management regarding subsequent events. Based upon our review, there were no significant events occurring subsequent to December 31, 2022.

## CONCLUSION

We have applied verification procedures to the data and information contained in this report using sampling techniques and other examination procedures as deemed appropriate. While sampling and other examination procedures do not give complete assurance that all errors and irregularities will be detected, had any been detected during the course of this examination, such errors and/or irregularities would have been disclosed in this report. Other than what has been noted in the body of this report, we were not informed of, and did not become aware of, any errors or irregularities that could have a material effect on the financial condition of the Company as presented in this report.

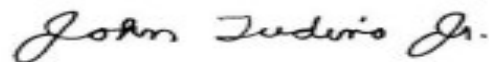
Participating in the examination with the undersigned were various staff insurance examiners from INS Regulatory Insurance Services, Inc. In addition, acknowledgment is made of INS Consultants, Inc., and INS Services, Inc., for the services rendered to assist with the examination by providing actuaries and information technology specialists.

Respectfully submitted,



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Kelly M. Willison, CPA, CFE, CFE (Fraud)  
Examiner-In-Charge  
Rhode Island Insurance Division



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John Tudino Jr., CFE, CIE, CFSA  
Chief Insurance Examiner  
Rhode Island Insurance Division