



47155201120100100

# HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2011  
OF THE CONDITION AND AFFAIRS OF THE

## Delta Dental Plan of Arkansas, Inc.

NAIC Group Code 0000 (Current Period) / 0000 (Prior Period) NAIC Company Code 47155 Employer's ID Number 71-0561140

Organized under the Laws of Arkansas, State of Domicile or Port of Entry Arkansas  
Country of Domicile United States

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 March 15, 1982 Commenced Business: August 1, 1982

Statutory Home Office 1513 Country Club Road, Sherwood, AR 72120  
(Street and Number) (City or Town, State and Zip Code)

Main Administrative Office 1513 Country Club Road  
(Street and Number)  
Sherwood, AR 72120 501-835-3400  
(City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 1513 Country Club Road, Sherwood, AR 72120  
(Street and Number or P.O. Box) (City or Town, State and Zip Code)

Primary Location of Books and Records 1513 Country Club Road, Sherwood, AR 72120 501-835-3400  
(Street and Number) (City or Town, State and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.deltadentalar.com

Statutory Statement Contact Phyllis L Rogers 501-992-1616  
(Name) (Area Code) (Telephone Number) (Extension)  
progers@ddpar.com 501-992-1617  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title
1. <u>Eddie Allen Choate</u>	<u>President and CEO</u>
2. <u>Mel Taylor Collazo</u>	<u>Secretary</u>
3. <u>Susan Jane Fletcher Smith</u>	<u>Treasurer</u>

### VICE-PRESIDENTS

Name	Title	Name	Title
<u>Ina Lynn Harbert</u>	<u>Senior Vice President and COO</u>	<u>Phyllis Lynn Rogers</u>	<u>Senior Vice President and CFO</u>
<u>Herman Eldon Hurd</u>	<u>Vice President of Provider Relations</u>	<u>Allen Dale Moore</u>	<u>Vice President of Information Technology</u>
<u>James Durette Johnson</u>	<u>Senior Vice President of Sales and Marketi</u>		

### DIRECTORS OR TRUSTEES

<u>Ronald Paul Ownbey</u>	<u>Harold Wayne Perrin</u>	<u>Robert Joe Matlock</u>	<u>Robert Howard Gladden</u>
<u>Ebb Weldon Johnson</u>	<u>James Talbert Johnston</u>	<u>Byron Scott Southern</u>	<u>Paul David Fitzgerald</u>
<u>Susan Jane Fletcher Smith</u>	<u>Mel Taylor Collazo</u>		

State of Arkansas  
County of Pulaski ss

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

<u>(Signature)</u> <u>Eddie Choate</u> <u>(Printed Name)</u> 1. <u>President and CEO</u> <u>(Title)</u>	<u>(Signature)</u> <u>Mel Collazo</u> <u>(Printed Name)</u> 2. <u>Secretary</u> <u>(Title)</u>	<u>(Signature)</u> <u>Susan Jane Fletcher Smith</u> <u>(Printed Name)</u> 3. <u>Treasurer</u> <u>(Title)</u>
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Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2012

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

### EXHIBIT 2 – ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
0199999 Total individuals	4,050	334				4,384
Group subscribers:						
Baptist Health	68,269	39,403				107,672
George's Inc.	52,294	(2,261)				50,033
0299997 Group subscriber subtotal	120,563	37,142				157,705
0299998 Premiums due and unpaid not individually listed	203,674	71,340	(119)			274,895
0299999 Total group	324,237	108,482	(119)			432,600
0399999 Premiums due and unpaid from Medicare entities						
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 15)	328,287	108,816	(119)			436,984

**NONE Exhibit 3 - Health Care Receivables**





### EXHIBIT 6 – AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1 Affiliate	2 Description	3 Amount	4 Current	5 Non-Current
Omega Administrators, Inc.	Administrative Fees	1,153,022	1,153,022	
0199999 Individually listed payable		1,153,022	1,153,022	
0299999 Payables not individually listed				
0399999 Total gross payables		1,153,022	1,153,022	



### EXHIBIT 8 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

Description	1 Cost	2 Improvements	3 Accumulated Depreciation	4 Book Value Less Encumbrances	5 Assets Not Admitted	6 Net Admitted Assets
1. Administrative furniture and equipment	1,579,915		1,217,742	362,173	362,173	
2. Medical furniture, equipment and fixtures						
3. Pharmaceuticals and surgical supplies						
4. Durable medical equipment						
5. Other property and equipment						
6. Total	1,579,915		1,217,742	362,173	362,173	



47155201143004100

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

Report for: 1. Corporation

2.

(LOCATION)

NAIC Group Code 0000

**BUSINESS IN THE STATE OF ARKANSAS DURING THE YEAR 2011**

NAIC Company Code 47155

29 AR

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	169,649				28,455	141,194				
2. First Quarter	176,608				32,717	143,891				
3. Second Quarter	178,405				34,666	143,739				
4. Third Quarter	178,538				34,563	143,975				
5. Current Year	181,566				35,675	145,891				
6. Current Year Member Months	2,135,410				404,438	1,730,972				
Total Member Ambulatory Encounters For Year:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (b)	81,826,766				4,535,061	77,291,705				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	92,444,947				2,267,531	90,177,416				
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	71,749,040				1,171,234	70,577,806				
18. Amount Incurred for Provision of Health Care Services	61,393,128				2,413,221	58,979,907				

(a) For health business: number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0.

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



47155201143059100

**EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)**

Report for: 1. Corporation

2.

(LOCATION)

NAIC Group Code 0000

**BUSINESS IN THE STATE OF TOTAL DURING THE YEAR 2011**

NAIC Company Code 47155

29,GT

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	169,649				28,455	141,194				
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(a) For health business: number of persons insured under PPO managed care products 0 and number of persons insured under indemnity only products 0.

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

### SCHEDULE S - PART 1 - SECTION 2

#### Reinsurance Assumed Accident and Health Insurance Listed by Reinsured Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsured	5 Domiciliary Jurisdiction	6 Type of Reinsurance Assumed	7 Premiums	8 Unearned Premiums	9 Reserve Liability Other Than For Unearned Premiums	10 Reinsurance Payable on Paid and Unpaid Losses	11 Modified Coinsurance Reserve	12 Funds Withheld Under Coinsurance
86231	39-0989781	01/01/2008	Transamerica Life Insurance Company	IA	QA/G	597,102		214,584	(109,484)		
81396	94-2761537	01/14/2008	Delta Dental Insurance Company - VA Project HERO Dental Progr	DE	QA/G&I	275,998					
69868	47-0322111	08/15/2009	United of Omaha Life Insurance Company and Mutual of Omaha In	NE	QA/G	12,011,838	773	1,129,999	(2,709,837)		
0499999	Non-Affiliates - U.S. Non-Affiliates					12,884,938	773	1,344,583	(2,819,321)		
0699999	Non-Affiliates - Total Non-Affiliates					12,884,938	773	1,344,583	(2,819,321)		
0799999	Totals U.S.					12,884,938	773	1,344,583	(2,819,321)		
0999999	Totals					12,884,938	773	1,344,583	(2,819,321)		

**NONE Schedule S - Part 2**

### SCHEDULE S - PART 3 - SECTION 2

#### Reinsurance Ceded Accident and Health Insurance Listed by Reinsuring Company as of December 31, Current Year

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Company	5 Domiciliary Jurisdiction	6 Type	7 Premiums	8 Unearned Premiums (Estimated)	9 Reserve Credit Taken Other than for Unearned Premiums	Outstanding Surplus Relief		12 Modified Coinsurance Reserve	13 Funds Withheld Under Coinsurance
									10 Current Year	11 Prior Year		
11163	86-0960007	01/01/2008	Avesis Insurance Incorporated	Phoenix, Arizona	QA/G&I	2,267,531		79,762				
1199999	Unauthorized General Account – Non-Affiliates - U.S. Non-Affiliates					2,267,531		79,762				
1399999	Total Unauthorized Non-Affiliates					2,267,531		79,762				
1499999	Total General Account Unauthorized					2,267,531		79,762				
1599999	Total General Account Authorized and Unauthorized					2,267,531		79,762				
3199999	Total U.S.					2,267,531		79,762				
3399999	Totals					2,267,531		79,762				



## SCHEDULE S – PART 5

Five-Year Exhibit of Reinsurance Ceded Business  
(000 OMITTED)

	1	2	3	4	5
	2011	2010	2009	2008	2007
<b>A. OPERATIONS ITEMS</b>					
1. Premiums	2,268	1,690	1,134		
2. Title XVIII-Medicare					
3. Title XIX-Medicaid					
4. Commissions and reinsurance expense allowance	935	698	477		
5. Total hospital and medical expenses	1,196	930	637		
<b>B. BALANCE SHEET ITEMS</b>					
6. Premiums receivable					
7. Claims payable	80				
8. Reinsurance recoverable on paid losses		59	28		
9. Experience rating refunds due or unpaid					
10. Commissions and reinsurance expense allowances unpaid					
11. Unauthorized reinsurance offset					
<b>C. UNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)</b>					
12. Funds deposited by and withheld from (F)					
13. Letters of credit (L)					
14. Trust agreements (T)					
15. Other (O)					

**SCHEDULE S – PART 6**

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	1	2	3
	As Reported (net of ceded)	Restatement Adjustments	Restated (gross of ceded)
<b>ASSETS (Page 2, Col. 3)</b>			
1. Cash and invested assets (Line 12)	63,519,708		63,519,708
2. Accident and health premiums due and unpaid (Line 15)	436,983		436,983
3. Amounts recoverable from reinsurers (Line 16.1)			
4. Net credit for ceded reinsurance	X X X		
5. All other admitted assets (Balance)	14,487,745		14,487,745
6. Total assets (Line 28)	78,444,436		78,444,436
<b>LIABILITIES, CAPITAL AND SURPLUS (Page 3)</b>			
7. Claims unpaid (Line 1)	4,016,860		4,016,860
8. Accrued medical incentive pool and bonus payments (Line 2)			
9. Premiums received in advance (Line 8)	2,917,374		2,917,374
10. Funds held under reinsurance treaties with authorized and unauthorized reinsurers (Line 19)			
11. Reinsurance in unauthorized companies (Line 20)	79,762		79,762
12. All other liabilities (Balance)	9,361,782		9,361,782
13. Total liabilities (Line 24)	16,375,778		16,375,778
14. Total capital and surplus (Line 33)	62,068,658	X X X	62,068,658
15. Total liabilities, capital and surplus (Line 34)	78,444,436		78,444,436
<b>NET CREDIT FOR CEDED REINSURANCE</b>			
16. Claims unpaid			
17. Accrued medical incentive pool			
18. Premiums received in advance			
19. Reinsurance recoverable on paid losses			
20. Other ceded reinsurance recoverables			
21. Total ceded reinsurance recoverables			
22. Premiums receivable			
23. Funds held under reinsurance treaties with authorized and unauthorized reinsurers			
24. Unauthorized reinsurance			
25. Other ceded reinsurance payables/offsets			
26. Total ceded reinsurance payables/offsets			
27. Total net credit for ceded reinsurance			

**NONE Schedule T - Part 2**

**NONE Schedule Y - Part 1A**



## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing unless specifically waived by the domiciliary state. However, in the event that your domiciliary state waives the filing requirement, your response of WAIVED to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

	Responses
<b>MARCH FILING</b>	
1. Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	YES
2. Will an actuarial opinion be filed by March 1?	YES
3. Will the confidential Risk-based Capital Report be filed with the NAIC by March 1?	YES
4. Will the confidential Risk-based Capital Report be filed with the state of domicile, if required, by March 1?	YES
<b>APRIL FILING</b>	
5. Will Management's Discussion and Analysis be filed by April 1?	YES
6. Will the Supplemental Investment Risks Interrogatories be filed by April 1?	YES
7. Will the Accident and Health Policy Experience Exhibit be filed by April 1?	YES
<b>JUNE FILING</b>	
8. Will an audited financial report be filed by June 1?	YES
9. Will Accountants Letter of Qualifications be filed with the state of domicile and electronically with the NAIC by June 1?	YES
<b>AUGUST FILING</b>	
10. Will Communication of Internal Control Related Matters Noted in Audit be filed with the state of domicile by August 1?	WAIVED

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

<b>MARCH FILING</b>	
11. Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	NO
12. Will the Supplemental Life data due March 1 be filed with the state of domicile and the NAIC?	NO
13. Will the Supplemental Property/Casualty data due March 1 be filed with the state of domicile and the NAIC?	NO
14. Will Schedule SIS (Stockholder Information Supplement) be filed with the state of domicile by March 1?	NO
15. Will the actuarial opinion on participating and non-participating policies as required in Interrogatories 1 and 2 on Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
16. Will the actuarial opinion on non-guaranteed elements as required in Interrogatory 3 to Exhibit 5 to Life Supplement be filed with the state of domicile and electronically with the NAIC by March 1?	NO
17. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC by March 1?	NO
18. Will an approval from the reporting entity's state of domicile for relief related to the five-year rotation requirement for lead audit partner be filed electronically with the NAIC by March 1?	NO
19. Will an approval from the reporting entity's state of domicile for relief related to the one-year cooling off period for independent CPA be filed with the NAIC by March 1?	NO
20. Will an approval from the reporting entity's state of domicile for relief related to the Requirements for Audit Committees be filed electronically with the NAIC by March 1?	NO
<b>APRIL FILING</b>	
21. Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile and the NAIC by April 1?	NO
22. Will the Supplemental Life data due April 1 be filed with the state of domicile and the NAIC?	NO
23. Will the Supplemental Property/Casualty Insurance Expense Exhibit due April 1 be filed with any state that requires it, and, if so, the NAIC?	NO
24. Will the Supplemental Health Care Exhibit be filed with the state of domicile and the NAIC by April 1?	NO
25. Will the regulator only (non-public) Supplemental Health Care Exhibit's Expense Allocation Report be filed with the state of domicile and the NAIC by April 1?	NO
<b>AUGUST FILING</b>	
26. Will Management's Report of Internal Control Over Financial Reporting be filed with the state of domicile by August 1?	NO

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

Explanation:

Bar Code:



47155201122200000



47155201120500000



47155201142000000



47155201137000000



47155201122400000



47155201122600000



47155201121100000



47155201121600000



47155201122300000



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47155201130600000



47155201121300000



47155201121700000

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**OVERFLOW PAGE FOR WRITE-INS**

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