

**ANNUAL STATEMENT**

**OF THE**

---

---

---

---

**of** \_\_\_\_\_  
**in the state of** \_\_\_\_\_

**TO THE**

**Insurance Department**

**OF THE**

**FOR THE YEAR ENDED**

**December 31, 2015**

**HEALTH**

**2015**



47155201520100100

# ANNUAL STATEMENT

For the Year Ended December 31, 2015  
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, US 72120  
 (Street and Number) (City or Town, State, Country and Zip Code)

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

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

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

Internet Web Site Address www.deltadentalar.com

Statutory Statement Contact Phyllis Lynn Rogers 501-992-1616  
 (Name) (Area Code) (Telephone Number) (Extension)  
progers@deltadentalar.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>Vice Chair and Secretary</u>
3.	<u>Phillip Wayne Cox</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, Dental Director</u>	<u>Allen Dale Moore</u>	<u>Vice President of Information Technology</u>
<u>James Wayne Couch</u>	<u>Vice President and General Counsel</u>	<u>Ashley Riddle #</u>	<u>VP of Sales &amp; Account Management</u>
<u>Robert Mason #</u>	<u>Vice President of Professional Relations</u>	<u>Kelly Carney #</u>	<u>Vice President of Human Resources</u>
<u>Weldon Johnson #</u>	<u>VP, Exec Director, DDAR Foundation, Publi</u>		

### DIRECTORS OR TRUSTEES

<u>Robert Howard Gladden</u>	<u>James Talbert Johnston</u>	<u>Susan Jane Fletcher Smith</u>	<u>Mel Taylor Collazo</u>
<u>Ronald Paul Ownbey</u>	<u>Terri Anderson Miller</u>	<u>Troy John Dryden Bartels</u>	<u>Sarah Clark</u>
<u>Granville Wayne Callahan, Sr.</u>	<u>Mark Bailey</u>	<u>Phillip Wayne Cox #</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 Allen Choate</u> <u>(Printed Name)</u> 1. <u>President and CEO</u> <u>(Title)</u>	<u>(Signature)</u> <u>Mel Taylor Collazo</u> <u>(Printed Name)</u> 2. <u>Vice Chair and Secretary</u> <u>(Title)</u>	<u>(Signature)</u> <u>Phillip Wayne Cox</u> <u>(Printed Name)</u> 3. <u>Treasurer</u> <u>(Title)</u>
--	---	---

Subscribed and sworn to (or affirmed) before me this on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_

- 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)	25,739,450		25,739,450	22,363,598
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	32,934,756	12,508,699	20,426,057	20,446,007
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)	8,573,054		8,573,054	8,784,784
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				36,807
5. Cash (\$ 26,632,400, Schedule E - Part 1), cash equivalents (\$ 0, Schedule E - Part 2), and short-term investments (\$ 278,636, Schedule DA)	26,911,036		26,911,036	15,753,336
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)	4,888,436		4,888,436	4,715,969
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets	1,410,650		1,410,650	1,354,725
12. Subtotals, cash and invested assets (Lines 1 to 11)	100,457,382	12,508,699	87,948,683	73,455,226
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	70,655		70,655	84,435
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,122,177		1,122,177	720,390
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	8,160,150		8,160,150	13,140,369
17. Amounts receivable relating to uninsured plans	4,360,144		4,360,144	9,476,917
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	742,348	427,614	314,734	261,014
21. Furniture and equipment, including health care delivery assets (\$ 0)	113,218	113,218		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	2,338		2,338	87,018
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other-than-invested assets	965,387	813,981	151,406	241,347
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	115,993,799	13,863,512	102,130,287	97,466,716
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	115,993,799	13,863,512	102,130,287	97,466,716

DETAILS OF WRITE-IN LINES				
1101. Deferred Compensation - 457	1,410,650		1,410,650	1,354,725
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)	1,410,650		1,410,650	1,354,725
2501. Prepaid Expenses & Deposits	587,425	587,425		
2502. Miscellaneous Receivable	377,962	226,556	151,406	241,347
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	965,387	813,981	151,406	241,347

## LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 107,589 reinsurance ceded)	9,883,110		9,883,110	5,876,707
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	174,923		174,923	163,696
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	2,521,567		2,521,567	2,903,764
9. General expenses due or accrued	11,233,632		11,233,632	17,159,244
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	963,996		963,996	960,783
12. Amounts withheld or retained for the account of others	1,781,992		1,781,992	2,640,527
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	3,040,694		3,040,694	950,836
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	107,589		107,589	135,958
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	1,832,013		1,832,013	1,866,013
23. Aggregate write-ins for other liabilities (including \$ 0 current)				
24. Total liabilities (Lines 1 to 23)	31,539,516		31,539,516	32,657,528
25. Aggregate write-ins for special surplus funds	X X X	X X X	970,743	881,451
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		
31. Unassigned funds (surplus)	X X X	X X X	69,620,028	63,927,737
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	70,590,771	64,809,188
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	102,130,287	97,466,716

DETAILS OF WRITE-IN LINES				
2301.				
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)				
2501. Affordable Care Act Section 9010 Fee Assessment - 2015	X X X	X X X	920,743	831,451
2502. Surplus required by the Arkansas Insurance Department	X X X	X X X	50,000	50,000
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	970,743	881,451
3001. Surplus required by the Arkansas Insurance Department	X X X	X X X		
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		

NONE

## STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	X X X	3,088,937	2,846,887
2. Net premium income (including \$ 0 non-health premium income)	X X X	152,948,522	139,550,010
3. Change in unearned premium reserves and reserve for rate credits	X X X	1,817	(1,683)
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	470,684	227,329
8. Total revenues (Lines 2 to 7)	X X X	153,421,023	139,775,656
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits		92,178,530	84,596,127
10. Other professional services			
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)		92,178,530	84,596,127
<b>Less:</b>			
17. Net reinsurance recoveries		(28,384,276)	(25,379,084)
18. Total hospital and medical (Lines 16 minus 17)		120,562,806	109,975,211
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ 1,039,517 cost containment expenses		9,559,022	7,398,095
21. General administrative expenses		22,678,394	19,669,413
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)		152,800,222	137,042,719
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	620,801	2,732,937
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		477,583	478,714
26. Net realized capital gains (losses) less capital gains tax of \$ 0		615,105	1,707,352
27. Net investment gains (losses) (Lines 25 plus 26)		1,092,688	2,186,066
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			
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	1,713,489	4,919,003
31. Federal and foreign income taxes incurred	X X X		
32. Net income (loss) (Lines 30 minus 31)	X X X	1,713,489	4,919,003

DETAILS OF WRITE-IN LINES			
0601. ....	X X X		
0602. ....	X X X		
0603. ....	X X X		
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X		
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X		
0701. Miscellaneous Income	X X X	470,684	227,329
0702. ....	X X X		
0703. ....	X X X		
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X		
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X	470,684	227,329
1401. ....			
1402. ....			
1403. ....			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901. ....			
2902. ....			
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)			

## 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	64,809,188	59,013,650
34. Net income or (loss) from Line 32	1,713,489	4,919,003
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	(1,618,760)	369,437
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	5,658,489	549,637
40. Change in unauthorized and certified reinsurance	28,368	(42,539)
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		
48. Net change in capital and surplus (Lines 34 to 47)	5,781,586	5,795,538
49. Capital and surplus end of reporting year (Line 33 plus 48)	70,590,774	64,809,188

DETAILS OF WRITE-IN LINES		
4701. ....		
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)		

NONE

**CASH FLOW**

	1	2
<b>Cash from Operations</b>	Current Year	Prior Year
1. Premiums collected net of reinsurance	157,947,451	133,110,890
2. Net investment income	748,113	677,667
3. Miscellaneous income	452,553	223,557
4. Total (Lines 1 through 3)	159,148,117	134,012,114
5. Benefit and loss related payments	118,820,093	109,297,756
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	31,239,161	19,757,420
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		
10. Total (Lines 5 through 9)	150,059,254	129,055,176
11. Net cash from operations (Line 4 minus Line 10)	9,088,863	4,956,938
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	11,441,507	6,393,113
12.2 Stocks	9,924,514	3,897,245
12.3 Mortgage loans		
12.4 Real estate	35,241	
12.5 Other invested assets	672,465	319,387
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)	22,073,727	10,609,745
13. Cost of investments acquired (long-term only):		
13.1 Bonds	14,763,379	6,746,271
13.2 Stocks	6,636,759	5,007,913
13.3 Mortgage loans		
13.4 Real estate	2,195	101,147
13.5 Other invested assets	422,466	831,671
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	21,824,799	12,687,002
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)	248,928	(2,077,257)
<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)	1,819,910	(271,023)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	1,819,910	(271,023)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	11,157,701	2,608,658
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	15,753,336	13,144,678
19.2 End of year (Line 18 plus Line 19.1)	26,911,037	15,753,336

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	152,948,522			149,433,810	3,514,712					
2. Change in unearned premium reserves and reserve for rate credit	1,817			1,817						
3. Fee-for-service (net of \$ 0 medical expenses)										X X X
4. Risk revenue										X X X
5. Aggregate write-ins for other health care related revenues										X X X
6. Aggregate write-ins for other non-health care related revenues	470,684	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	470,684
7. Total revenues (Lines 1 to 6)	153,421,023			149,435,627	3,514,712					470,684
8. Hospital/medical benefits	92,178,530			88,782,293	3,396,237					X X X
9. Other professional services										X X X
10. Outside referrals										X X X
11. Emergency room and out-of-area										X X X
12. Prescription drugs										X X X
13. Aggregate write-ins for other hospital and medical										X X X
14. Incentive pool, withhold adjustments and bonus amounts										X X X
15. Subtotal (Lines 8 to 14)	92,178,530			88,782,293	3,396,237					X X X
16. Net reinsurance recoveries	(28,384,275)			(30,082,394)	1,698,119					X X X
17. Total hospital and medical (Lines 15 minus 16)	120,562,805			118,864,687	1,698,118					X X X
18. Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19. Claims adjustment expenses including \$ 1,039,517 cost containment expenses	9,559,021			8,441,669	1,117,352					
20. General administrative expenses	22,678,394			22,290,312	388,082					
21. Increase in reserves for accident and health contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
22. Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23. Total underwriting deductions (Lines 17 to 22)	152,800,220			149,596,668	3,203,552					
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	620,803			(161,041)	311,160					470,684

DETAILS OF WRITE-IN LINES										
0501. ....										X X X
0502. ....										X X X
0503. ....										X X X
0598. Summary of remaining write-ins for Line 05 from overflow page										X X X
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 05 above)										X X X
0601. Miscellaneous Income	470,684	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	470,684
0602. ....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603. ....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698. Summary of remaining write-ins for Line 06 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	470,684	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	470,684
1301. ....										X X X
1302. ....										X X X
1303. ....										X X X
1398. Summary of remaining write-ins for Line 13 from overflow page										X X X
1399. Totals (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

## 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 .....	114,561,951	34,873,675		149,435,626
4. Vision only .....	7,029,018		3,514,306	3,514,712
5. Federal Employees Health Benefits Plan .....				
6. Title XVIII – Medicare .....				
7. Title XIX – Medicaid .....				
8. Other health .....				
9. Health subtotal (Lines 1 through 8) .....	121,590,969	34,873,675	3,514,306	152,950,338
10. Life .....				
11. Property/casualty .....				
12. Totals (Lines 9 to 11) .....	121,590,969	34,873,675	3,514,306	152,950,338

## 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	88,991,863			85,538,889	3,452,974					
1.2 Reinsurance assumed	29,291,027			29,291,027						
1.3 Reinsurance ceded	1,726,487				1,726,487					
1.4 Net	116,556,403			114,829,916	1,726,487					
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	7,583,805			7,368,626	215,179					
3.2 Reinsurance assumed	2,406,895			2,406,895						
3.3 Reinsurance ceded	107,589				107,589					
3.4 Net	9,883,111			9,775,521	107,590					
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	4,397,138			4,125,222	271,916					
8.2 Reinsurance assumed	1,615,528			1,615,528						
8.3 Reinsurance ceded	135,958				135,958					
8.4 Net	5,876,708			5,740,750	135,958					
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	92,178,530			88,782,293	3,396,237					
12.2 Reinsurance assumed	30,082,394			30,082,394						
12.3 Reinsurance ceded	1,698,118				1,698,118					
12.4 Net	120,562,806			118,864,687	1,698,119					
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	289,676			268,552	21,124					
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	289,676			268,552	21,124					
2. Incurred but Unreported:										
2.1 Direct	7,294,129			7,100,074	194,055					
2.2 Reinsurance assumed	2,406,895			2,406,895						
2.3 Reinsurance ceded	107,589				107,589					
2.4 Net	9,593,435			9,506,969	86,466					
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	7,583,805			7,368,626	215,179					
4.2 Reinsurance assumed	2,406,895			2,406,895						
4.3 Reinsurance ceded	107,589				107,589					
4.4 Net	9,883,111			9,775,521	107,590					

## 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	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	4,926,960	109,902,956	19,933	9,755,588	4,946,893	5,740,750
4. Vision only	81,413	1,645,074		107,589	81,413	135,958
5. Federal Employees Health Benefits Plan						
6. Title XVIII – Medicare						
7. Title XIX – Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	5,008,373	111,548,030	19,933	9,863,177	5,028,306	5,876,708
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	5,008,373	111,548,030	19,933	9,863,177	5,028,306	5,876,708

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

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

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

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

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

12.HM

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

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

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

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

12.MS

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

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	56,758	56,758	56,758	56,758	56,758
2. 2011	65,199	68,488	68,488	68,488	68,488
3. 2012	X X X	86,141	90,456	90,456	90,456
4. 2013	X X X	X X X	89,330	94,436	94,436
5. 2014	X X X	X X X	X X X	103,402	108,329
6. 2015	X X X	X X X	X X X	X X X	109,903

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	56,758	56,758	56,758	56,758	56,758
2. 2011	54,204	56,758	56,758	56,758	56,758
3. 2012	X X X	86,141	90,456	90,456	90,456
4. 2013	X X X	X X X	89,330	94,436	94,436
5. 2014	X X X	X X X	X X X	103,402	108,329
6. 2015	X X X	X X X	X X X	X X X	119,678

12D0

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011	90,177	93,745	6,525	6.960	100,270	111.192			100,270	111.192
2. 2012	113,542	98,281	6,992	7.114	105,273	92.717			105,273	92.717
3. 2013	118,415	93,645	6,578	7.024	100,223	84.637			100,223	84.637
4. 2014	136,319	107,645	7,056	6.555	114,701	84.142			114,701	84.142
5. 2015	149,436	114,830	9,194	8.007	124,024	82.995	9,776	182	133,982	89.658

**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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,880	1,880	1,880	1,880	1,880
2. 2011	1,126	1,211	1,211	1,211	1,211
3. 2012	XXX	1,448	1,448	1,448	1,448
4. 2013	XXX	XXX	1,545	1,626	1,626
5. 2014	XXX	XXX	XXX	1,554	1,554
6. 2015	XXX	XXX	XXX	XXX	1,645

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	1,880	1,880	1,880	1,880	1,880
2. 2011	1,126	1,211	1,211	1,211	1,211
3. 2012	XXX	1,448	1,448	1,448	1,448
4. 2013	XXX	XXX	1,545	1,643	1,643
5. 2014	XXX	XXX	XXX	1,554	1,635
6. 2015	XXX	XXX	XXX	XXX	1,753

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011	2,268	1,241			1,241	54.718			1,241	54.718
2. 2012	2,702	1,427	215	15.067	1,642	60.770			1,642	60.770
3. 2013	2,909	1,537	222	14.444	1,759	60.468			1,759	60.468
4. 2014	3,229	1,653	343	20.750	1,996	61.815			1,996	61.815
5. 2015	3,515	1,726	365	21.147	2,091	59.488	108	(7)	2,192	62.361

12.VO

**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 2011	2 2012	3 2013	4 2014	5 2015
1. Prior					
2. 2011					
3. 2012	XXX				
4. 2013	XXX	XXX			
5. 2014	XXX	XXX	XXX		
6. 2015	XXX	XXX	XXX	XXX	

**Section B – Incurred Health Claims**

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

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

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

12FE

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

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

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

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

12XV

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

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

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

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

12 XI

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

**Section A – Paid Health Claims**

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

**Section B – Incurred Health Claims**

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

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

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

1201

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

**Section A – Paid Health Claims**

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	58,638	58,638	58,638	58,638	58,638
2. 2011	66,325	69,699	69,699	69,699	69,699
3. 2012	X X X	87,589	91,904	91,904	91,904
4. 2013	X X X	X X X	90,875	96,062	96,062
5. 2014	X X X	X X X	X X X	104,956	109,883
6. 2015	X X X	X X X	X X X	X X X	111,548

**Section B – Incurred Health Claims**

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2011	2 2012	3 2013	4 2014	5 2015
1. Prior	58,638	58,638	58,638	58,638	58,638
2. 2011	55,330	57,969	57,969	57,969	57,969
3. 2012	X X X	87,589	91,904	91,904	91,904
4. 2013	X X X	X X X	90,875	96,079	96,079
5. 2014	X X X	X X X	X X X	104,956	109,964
6. 2015	X X X	X X X	X X X	X X X	121,431

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

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3 / 2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5 / 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9 / 1) Percent
1. 2011	92,445	94,986	6,525	6.869	101,511	109.807			101,511	109.807
2. 2012	116,244	99,708	7,207	7.228	106,915	91.975			106,915	91.975
3. 2013	121,324	95,182	6,800	7.144	101,982	84.058			101,982	84.058
4. 2014	139,548	109,298	7,399	6.770	116,697	83.625			116,697	83.625
5. 2015	152,951	116,556	9,559	8.201	126,115	82.455	9,884	175	136,174	89.031

12.GT

## 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)									

13

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 (\$ 190,500 for occupancy of own building)		114,300	76,200		190,500
2. Salaries, wages and other benefits		8,196,824	5,464,550		13,661,374
3. Commissions (less \$ 388,082 ceded plus \$ 1,473,979 assumed)			8,727,556		8,727,556
4. Legal fees and expenses			86,093		86,093
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services			4,033,511		4,033,511
7. Traveling expenses		25,918	279,826		305,744
8. Marketing and advertising			385,776		385,776
9. Postage, express and telephone		1,572,270	179,513		1,751,783
10. Printing and office supplies		161,776	107,851		269,627
11. Occupancy, depreciation and amortization		137,337	91,558		228,895
12. Equipment					
13. Cost or depreciation of EDP equipment and software		280,835	289,468		570,303
14. Outsourced services including EDP, claims, and other services	1,039,517	4,295,160	3,169,057		8,503,734
15. Boards, bureaus and association fees			748,864		748,864
16. Insurance, except on real estate		50,694	33,796		84,490
17. Collection and bank service charges		133,489	88,993		222,482
18. Group service and administration fees					
19. Reimbursements by uninsured plans		(7,705,660)	(5,137,106)		(12,842,766)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses		140,862	93,908		234,770
22. Real estate taxes			78,130		78,130
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes		896,473			896,473
23.3 Regulatory authority licenses and fees					
23.4 Payroll taxes					
23.5 Other (excluding federal income and real estate taxes)			831,909		831,909
24. Investment expenses not included elsewhere				144,002	144,002
25. Aggregate write-ins for expenses		219,226	3,048,943		3,268,169
26. Total expenses incurred (Lines 1 to 25)	1,039,517	8,519,504	22,678,396	144,002	(a) 32,381,419
27. Less expenses unpaid December 31, current year		174,923	11,233,632		11,408,555
28. Add expenses unpaid December 31, prior year		167,195	7,658,719		7,825,914
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)	1,039,517	8,511,776	19,103,483	144,002	28,798,778

DETAILS OF WRITE-IN LINES					
2501. Charitable Contributions			2,826,238		2,826,238
2502. Record Storage		17,520	11,680		29,200
2503. Seminars		47,711	31,807		79,518
2598. Summary of remaining write-ins for Line 25 from overflow page		153,995	179,218		333,213
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)		219,226	3,048,943		3,268,169

(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) 174,852	176,994
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 169,784	175,088
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		135,190
2.21 Common stocks of affiliates		135,190
3. Mortgage loans	(c)	
4. Real estate	(d)	190,500
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 157,759	157,738
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	637,585	835,510
11. Investment expenses		(g) 144,002
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) 213,925
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Lines 11 through 15)		357,927
17. Net investment income (Line 10 minus Line 16)		477,583

DETAILS OF WRITE-IN LINES			
0901.	<b>NONE</b>		
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)			
1501.	<b>NONE</b>		
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)			

- (a) Includes \$ 31,710 accrual of discount less \$ 8,110 amortization of premium and less \$ 0 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 \$ 190,500 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 \$ 135,680 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	62,598		62,598		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	(32,219)		(32,219)		
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	1,710,584		1,710,584	(1,378,041)	
2.21 Common stocks of affiliates		(846,758)	(846,758)	(240,724)	
3. Mortgage loans					
4. Real estate	(1,566)		(1,566)		
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets	422,466	(700,000)	(277,534)		
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	2,161,863	(1,546,758)	615,105	(1,618,765)	

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

## EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks	12,508,699	16,531,428	4,022,729
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)		700,000	700,000
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)	12,508,699	17,231,428	4,722,729
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			
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			
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	427,614	628,097	200,483
21. Furniture and equipment, including health care delivery assets	113,218	72,640	(40,578)
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other-than-invested assets	813,981	1,589,836	775,855
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	13,863,512	19,522,001	5,658,489
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Lines 26 and 27)	13,863,512	19,522,001	5,658,489

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 & Deposits	587,425	1,060,306	472,881
2502. Miscellaneous Receivable	226,556	529,530	302,974
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	813,981	1,589,836	775,855

**NONE**

### 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						
4. Point of Service						
5. Indemnity Only						
6. Aggregate write-ins for other lines of business	240,715	252,373	264,873	261,906	264,229	3,088,937
7. Total	240,715	252,373	264,873	261,906	264,229	3,088,937

DETAILS OF WRITE-IN LINES						
0601. Dental Only	193,099	202,248	214,326	216,947	217,409	2,514,664
0602. Vision Only	47,616	50,125	50,547	44,959	46,820	574,273
0603.						
0698. Summary of remaining write-ins for Line 06 from overflow page						
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	240,715	252,373	264,873	261,906	264,229	3,088,937

## NOTES TO FINANCIAL STATEMENTS

### Note 1: Summary of Significant Accounting Policies

#### A. Accounting Practices

The financial statements of Delta Dental Plan of Arkansas, Inc. (the “Company”) have been prepared in conformity with the NAIC Annual Statement Instructions and Accounting Practices and Procedures Manual as required by the Arkansas Insurance Department.

Description	December 31, 2015	December 31, 2014
Net Income, AR	\$ 1,713,488	\$ 4,919,004
Effect of AR prescribed practices	(4,022,728)	(1,428,740)
Effect of AR permitted practices		
Net Income, NAIC SAP	\$ 5,736,216	\$ 6,347,744
Description	December 31, 2015	December 31, 2014
Statutory Surplus, AR	\$ 70,590,774	\$ 63,927,737
Effect of AR prescribed practices	(12,508,699)	(16,531,428)
Effect of AR permitted practices		
Policyholders Surplus, NAIC SAP	\$ 83,099,473	\$ 80,459,165

#### B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with the Annual Statement Instructions and Accounting Practices and Procedures Manual requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. The actual results could differ from these estimates.

#### C. Accounting Policy

Dental and vision premiums are billed in advance and are included in income ratably over the period to which they apply; accordingly, the portion of dental and vision premiums applicable to future periods is included in the statements of admitted assets, liabilities, capital and surplus – statutory basis as unearned premiums. Dental and vision care costs are accrued as services are rendered, including estimates of costs incurred but not yet reported.

The Company maintains deposits from certain employer groups with administrative service contracts. These deposits represent a prefunding of expected costs under the contract.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost.
- (2) Bonds not backed by other loans are stated at amortized cost or fair (market) value based on the issuers NAIC Securities Valuation Office designation.

---

## NOTES TO FINANCIAL STATEMENTS

---

- (3) Common Stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
- (4) Preferred Stocks - N/A
- (5) Mortgage Loans - N/A
- (6) Loan-Backed Securities - N/A
- (7) The Company carries Omega Administrators, Inc. (wholly-owned non-insurance subsidiary) and Renaissance Holding Company (non-insurance affiliate) at GAAP equity value adjusted to statutory accounting principles.
- (8) The Company carries CapRocq Core Real Estate Fund (joint venture with limited liability in real estate fund) at GAAP equity value.
- (9) Derivatives - N/A
- (10) The Company does not anticipate investment income as a factor in the premium deficiency calculation.
- (11) Claims incurred and unpaid include both claims in process and a provision for incurred but not reported claims. A provision for incurred but not reported claims is an actuarially determined and certified estimate based on claims experience and accumulated statistical data. The methods for making such actuarially determined and certified estimates and for establishing the resulting liability are continually reviewed. Provision is also made for estimated claims processing costs to be incurred in paying such claims and is included in unpaid claims adjustment expenses. Management believes the amounts reflected for these liabilities are adequate; however, the ultimate liabilities may differ from the amounts recorded. Any adjustments are reflected in the period they are recorded.
- (12) The Company has not modified its capitalization policy from the prior annual period.
- (13) Pharmaceutical rebate receivables - N/A

### **Note 2: Accounting Changes and Corrections of Errors**

- A. None.

### **Note 3: Business Combinations and Goodwill**

- A. Statutory Purchase Method - None
- B. Statutory Merger - None
- C. Assumption Reinsurance - None

---

## NOTES TO FINANCIAL STATEMENTS

---

D. Impairment Loss - None

### Note 4: Discontinued Operations

None.

### Note 5: Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans - N/A

B. Debt Restructuring - N/A

C. Reverse Mortgages - N/A

D. Loan-Backed Securities

(1) Sources of Prepayment Assumptions - N/A

(2) OTTI Securities - N/A

(3) OTTI Securities - N/A

(4) All debt securities held as of December 31, 2015 where fair value was less than amortized cost for which an other-than-temporary impairment has not been recognized in earnings as a realized loss:

1. The aggregate amount of unrealized losses:

1. Less than 12 Months	\$62,913
2. 12 Months or Longer	\$53,769

2. The aggregate related fair value of securities with unrealized losses:

1. Less than 12 Months	\$12,536,852
2. 12 Months or Longer	\$5,256,428

(5) Should an impairment of any of securities become other than temporary, the cost basis of the investment will be reduced and the resulting loss recognized in net income in the period the other-than-temporary impairment is identified.

E. Repurchase Agreements and/or Securities Lending Transactions - N/A

F. Real Estate

(1) No impairment loss was recognized in 2015 for investments in real estate.

(2) The Company had a property in Sherwood, Arkansas which was classified as held for sale in 2014. This property was sold on June 26, 2015. No other property is classified as held for sale.

## NOTES TO FINANCIAL STATEMENTS

(3) The Company has had no changes in plans to sell or not to sell any investments in real estate.

(4) Retail Land Sales Operations - N/A

(5) Real Estate Investments with Participating Mortgage Loan Features - N/A

G. Low-income Housing Tax Credits (LIHTC) - N/A

H. Restricted Assets

(1) Restricted Assets (Including Pledged)

Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease)	Total Current Year Admitted Restricted	% Gross Restricted to Total Assets	% Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale						
i. On deposit with states	\$50,000	\$50,000	\$ 0	\$50,000	0.0004%	0.0005%
j. On deposit with other regulatory bodies						
k. Pledged as collateral not captured in other categories						
l. Other restricted assets						

---

**NOTES TO FINANCIAL STATEMENTS**


---

m.Total Restricted Assets	\$50,000	\$50,000	\$ 0	\$50,000	.0004%	.0005%
---------------------------	----------	----------	------	----------	--------	--------

**Note 6: Joint Ventures, Partnerships and Limited Liability Companies**

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company recognized an impairment write down for its investment in a Limited Liability Company during the statement period. This investment in the AEP-RXR Equity Investment and subordinate note is related to the underlying investment of RX Results. On December 3, 2015, the Board of Directors of the Company approved to write down the value of both the equity and note to \$0. This decision was based upon the recent cash flow needs of RX Results leading to a concern for the viability of the future of the company. The Board voted to take a conservative approach to permanently impair these which resulted in recognizing a loss of \$846,758 on the equity in AEP-RXR and \$700,000 on the note receivable for RX Results in 2015. The Company did not recognize any other impairment write down for investments in Joint Ventures, Partnerships and Limited Liability Companies during the statement periods.

**Note 7: Investment Income**

- A. Due and accrued investment income was excluded from surplus on the following bases: All investment income due and accrued with amounts that are over 90 days past due.
- B. The total amount excluded was \$0.

**Note 8: Derivative Instruments**

None.

**Note 9: Income Taxes**

The Company's primary activities are tax exempt under IRS Section 501(c)(4). Omega Administrators, Inc. (the taxable entity) is subject to both federal and state income taxes. Delta Dental of Arkansas Foundation, Inc. and Delta Dental Arkansas Political Action Committee are tax exempt under IRS Sections 501(c)(3) and 527, respectively.

- A. Components of DTA or DTL Recognized in Financial Statements - N/A
- B. DTLs Not Recognized Due to Temporary Differences - N/A

---

## NOTES TO FINANCIAL STATEMENTS

---

- C. Significant Components of Income Taxes Incurred - N/A
- D. Income Tax Different from Change in DTAs and DTLs - N/A
- E. Operating Loss and Tax Credit Carry Forwards Available - N/A
- F. Federal Income Tax Return Consolidated with Others - N/A
- G. Federal or Foreign Income Tax Loss Contingencies – N/A

### **Note 10: Information Concerning Parent, Subsidiaries and Affiliates**

#### ***A, B, C, F & H.***

Effective August 1, 2012, the Company affiliated with Renaissance Health Service Corporation (RHSC), a Michigan nonprofit holding corporation of various organizations. Pursuant to an affiliation agreement, RHSC became the sole corporate member of the Company. In accordance with the agreement, RHSC and the Company have certain rights regarding the nomination and election of members to each other's board of directors. The affiliation was approved by the Commissioner of the Arkansas Insurance Department on August 1, 2012.

#### ***Delta Dental Plan of Michigan, Inc. (DDPMI)***

DDPMI and the Company belong to the same holding company, RHSC. DDPMI provides the Company certain actuarial, information technology, and other administrative services as detailed in agreements signed by both parties. The fees paid related to these agreements for the years ended December 31, 2015 and 2014 were \$4,770,016 and \$2,643,452, respectively. The Company reported \$2,769,877 and \$943,487 due to DDPMI at December 31, 2015 and 2014, respectively.

#### ***Renaissance Holding Company (Renaissance Holding)***

As part of the affiliation with RHSC, the Company contributed \$8,900,000 for 890 shares, or 11.8 percent ownership of Renaissance Holding Company, a Michigan for-profit downstream holding company, on August 1, 2012. On January 2, 2013 the Company purchased an additional 700 shares of Renaissance Holding common stock for \$7,000,000. The statutory carrying value of the Company's investment in Renaissance Holding was \$5,106,514 and \$4,934,812 at December 31, 2015 and 2014, respectively. The value of Renaissance Holding is based on the audited GAAP basis adjusted to statutory equity basis in accordance with SSAP No. 9. The adjustment to statutory basis included a "look through" to the subsidiaries held by Renaissance Holding. The values of these subsidiaries in determining Renaissance Holding's statutory equity value were also adjusted to statutory equity basis. There were no significant transactions between the Company and Renaissance Holding in 2015 or 2014, outside of the purchase of stock.

#### ***Omega Administrators, Inc.***

---

## NOTES TO FINANCIAL STATEMENTS

---

On December 3, 2002, the Company incorporated Omega Administrators, Inc. (Omega) as a wholly owned for-profit non-insurance subsidiary. Omega was incorporated to serve as a third-party administrator and provide the Company with an alternative corporation that it can use to administer dental coverages for the Company and other insurance carriers outside the boundaries of the state of Arkansas.

Omega made a distribution of \$1,700,000 to the Company in 2015. The Company treated this as a return of capital and reduced the investment in Omega.

The Company and Omega entered into an administrative services agreement, where Delta "will provide product support, customer service and related services necessary to administer Omega contracts, including administrative service contracts." For administering its services, Omega reimburses the Company monthly at the rate \$1.58 per dental subscriber per month for 2014. The initial term of this agreement was for a period of one year and expired on December 31, 2013. The agreement was renewed annually thereafter with a final expiration date of December 31, 2014. Omega paid administration fees of \$1,055,974 during the year ended December 31, 2014. Omega ceased TPA business during 2015.

### ***Delta Dental of Arkansas Political Action Committee***

Only July 30, 2010, the Company formed the Delta Dental of Arkansas Political Action Committee (the PAC) as a non-profit corporation. The PAC was intended to serve as a political action committee that may make contributions to and expenditures on behalf of state candidates, other committees and all matters thereto. During the years ended December 31, 2015 and 2014, the PAC received \$5,000 and \$8,500 in donations, respectively. The donations were received from both corporate and individual donors. During the years ended December 31, 2015 and 2014, the PAC made \$2,400 and \$16,000 in campaign contributions, respectively.

### ***Delta Dental of Arkansas Foundation, Inc.***

On December 7, 2007, the Company incorporated Delta Dental of Arkansas Foundation, Inc. (the Dental Foundation) as a 501(c)(3) organization to promote oral health in the State of Arkansas. In addition to its promotion of oral health, the Foundation will make gifts, grants and contributions to other charitable organizations as well as promote educational endeavors as permitted by the Internal Revenue Code. For the years ended December 31, 2015 and 2014, the Dental Foundation received donations in the amount of \$2,514,643 and \$3,216,858, respectively. The Dental Foundation made contributions of \$4,450,334 and \$2,679,341 to qualified organizations in 2015 and 2014, respectively.

D. At December 31, 2015, the Company reported \$1,953 as amounts due from the subsidiary, Omega. At December 31, 2015, the Company reported \$2,769,877 as amounts due to affiliate, DDPMI. At December 31, 2015, the Company reported \$270,817 due to its affiliate, RHLIA. These amounts will be settled within thirty days of the report date.

E. Guarantees - See Note 14

F. See details above

---

## NOTES TO FINANCIAL STATEMENTS

---

- G. Control Relationship - N/A
- H. See sections above.
- I. Investment in a SCA that Exceeds 10% of Admitted Assets - N/A
- J. Investments in Impaired SCAs - N/A
- K. Investment in a Foreign Subsidiary - N/A
- L. Non Audited Downstream Non-insurance Holding Companies - N/A

### **Note 11: Debt**

None.

### **Note 12: Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans**

A Nonqualified 457(b) Retirement Plan was established by the Company on April 1, 2003, "as an inducement and motivation to its key managerial and highly compensated employees and its Board of Directors." Participation in the plan is determined at the sole discretion of the Company's Board of Directors. At December 31, 2015 and 2014, plan assets totaled \$1,410,650 and \$1,354,725, respectively, and plan liabilities totaled \$1,410,650 and \$1,354,725, respectively, resulting in gains (losses) reported in the GAAP statements of activities of \$0 and \$0, respectively. The plan assets and liabilities and related gains (losses) on plan assets are omitted from statutory reporting.

Effective January 1, 2013, The Company sponsors a 401(k) plan (the "Plan") covering substantially all employees greater than 18 years old on first day of service. The Company will match 100 percent of the first 3 percent of deferred wages and 50 percent of the next 2 percent of deferred wages. A participant is immediately 100 percent vested in employee salary, rollover, and Company matching contributions and any income or loss thereon. Matching contributions to the Plan totaled approximately \$299,000 and \$243,000 in 2015 and 2014, respectively.

The Company also sponsors a profit-sharing plan covering all full-time employees who have completed one year of service. Contributions to the plan are discretionary and limited by the Internal Revenue Code. A participant is fully vested after a three-year period. Contributions to the profit-sharing plan totaled approximately \$617,000 and \$591,000 for the years ended December 31, 2015 and 2014, respectively.

- A. Defined Benefit Plan - N/A
- B. Defined Contribution Plans - N/A
- C. Multiemployer Plans - N/A

---

## NOTES TO FINANCIAL STATEMENTS

---

- D. Consolidated/Holding Company Plans - N/A
- E. Postemployment Benefits and Compensated Absences - N/A
- F. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) - N/A

### **Note 13: Capital and Surplus, Shareholders' Dividend Restrictions and Quasi- Reorganizations**

- (1) Capital Stock Authorized, Issued and Outstanding - N/A
- (2) Preferred Stock - N/A
- (3) Dividend Restrictions - N/A
- (4) Dividends Paid - N/A
- (5) Profits Paid as Ordinary Dividends - N/A
- (6) Under the laws of the state of Arkansas, the Company is required to provide a minimum contingency reserve of \$50,000. Pursuant to the Arkansas Statutory Deposit Requirements, the Company has pledged a certificate of deposit in the amount of \$50,000 to the Insurance Department of Arkansas.
- (7) Advances to Surplus Not Repaid - N/A
- (8) Stock Held for Special Purposes - N/A
- (9) Changes in Special Surplus Funds from Prior Year - N/A
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses is \$2,773,478.
- (11) Surplus Notes - N/A
- (12) Impact of Restatement in Quasi-Reorganization - N/A
- (13) Effective Date of Quasi-Reorganization - N/A

### **Note 14: Contingencies**

- A. Contingent Commitments - N/A
- B. Assessments - N/A
- C. Gain Contingencies - N/A
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits - N/A
- E. All Other Contingencies - The Company is subject to claims and lawsuits in the ordinary course of business. It is the opinion of management that the disposition or

---

## NOTES TO FINANCIAL STATEMENTS

---

ultimate resolution of such claims and lawsuits will not have a material adverse effect of the Company's results of operation or financial condition. Other than the items described in Note 6, the Company has no assets that it considers to be impaired.

On October 19, 2006, the Company entered into a vision marketing and third-party claims administration agreement with Avesis Third Party Administrators, Inc. (Avesis). The agreement calls for Avesis to provide vision plan designs, group underwriting, claim processing and payment and customer service. The Company has exclusive rights to market in Arkansas through December 31, 2007, and will extend the agreement if certain sales goals are met. Avesis will be the Company's exclusive vision insurance partner as long as network goals are achieved. Administration fees incurred with Avesis during 2015 and 2014 totaled \$1,037,660 and \$1,029,772, respectively.

In early 2005, the Company made the decision to convert its claims processing systems. This claims processing system is owned by Delta Dental Plan of Virginia, Inc. (Virginia) and is licensed to the Company for its use. A maintenance fee is calculated based on a percentage of the total licensing fee and will be paid annually to Virginia for technical support and servicing upgrades. Total fees incurred were approximately \$114,573 and \$535,675 for the years ended December 31, 2015 and 2014, respectively.

As indicated in Note 10: Information concerning Parent, Subsidiaries and Affiliates, the company and DDPMI belong to the same holding company, RHSC. As part of this affiliation, in September 2015 the company converted its claims processing system to the DDPMI claims system, ETS. DDPMI maintains the system and annually assigns each affiliate a per claim charge for using this system based upon the number of anticipated claims and the total cost of the system. In 2015, the company incurred ETS claims processing fees of \$1,177,383.

### **Note 15: Leases**

None.

### **Note 16: Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk**

None.

### **Note 17: Sale, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities**

None.

## NOTES TO FINANCIAL STATEMENTS

### Note 18: Gain or Loss to the Reporting Entity From Uninsured Plans and From the Uninsured Portion of Partially Insured Plans

A. ASO Plans - N/A

B. The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans were as follows for the years ended December 31, 2015 and 2014:

	2015	2014
Gross reimbursement for medical costs incurred	\$ 272,669,413	\$ 279,851,534
Gross administrative fees accrued	12,842,766	12,538,731
Gross expenses incurred (claims and administrative)	(285,512,179)	(292,390,265)
Total net gain or loss from operations	\$ 0	\$ 0

C. Medicare or Similarly Structured Cost Based Reimbursement Contract - N/A

### Note 19: Direct Premiums Written/Produced by Managing General Agents/Third Party Administrators

None.

### Note 20: Fair Value Measurements

A. Fair Value Measurements at Reporting Date

Assets Measured or Declined at Fair Value at December 31, 2015				
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
(1) Description	Level 1	Level 2	Level 3	Total Fair Value
Bonds				
U.S. Treasury	\$ 0	\$14,696,698	\$ 0	\$14,696,698
U.S. Govt Agencies		5,075,047		5,075,047
Industrial and Misc	4,185,923	1,706,790	0	5,892,713
Subtotal Bonds	\$4,185,923	\$21,478,535	\$ 0	\$25,664,458
Mutual Funds				
Large cap	12,464,856	\$ 0	\$ 0	12,464,856
Mid cap	3,071,517			3,071,517
Small cap	1,278,691			1,278,691
International	2,383,234	0	0	2,383,234
Subtotal mutual funds	19,198,298	0	0	19,198,298

---

**NOTES TO FINANCIAL STATEMENTS**


---

Cash and ST Investments				
Cash	26,387,400			26,387,400
Money markets	278,636			278,636
Certificates of deposits	<u>0</u>	<u>245,000</u>		<u>245,000</u>
Subtotal cash and ST Inv	<u>26,666,036</u>	<u>245,000</u>		<u>26,911,036</u>
Total Assets at Fair Value	<u>\$50,050,257</u>	<u>\$21,723,535</u>	<u>\$ 0</u>	<u>\$71,773,792</u>

## B. Other Fair Value Measurements - N/A

## C. Fair Value Measurements Aggregate

(1) Type of Financial Instrument	(2) Aggregate Fair Value	(3) Admitted Assets	(4) Level 1	(4) Level 2	(4) Level 3	(5) Not Practicable
Cash and ST Inv	\$26,911,036	\$26,911,036	\$26,666,036	\$245,000		
Bonds	25,664,454	25,739,450	4,185,923	21,478,535		
Mutual Funds	<u>19,198,298</u>	<u>15,201,481</u>	<u>19,198,298</u>			
Total	<u>\$71,773,792</u>	<u>\$67,851,966</u>	<u>\$50,050,257</u>	<u>\$21,723,535</u>	<u>\$ 0</u>	<u>\$ 0</u>

## D. No Change

**Note 21: Other Items**

- A. Extraordinary Items - N/A
- B. Troubled Debt Restructuring - N/A
- C. Other Disclosures – N/A
- D. Uncollectible Assets - N/A
- E. Business Interruption Insurance Recoveries - N/A

## NOTES TO FINANCIAL STATEMENTS

- F. State Transferable Tax Credits - N/A
- G. Subprime-Mortgage-Related Risk Exposure - N/A
- H. Retained Assets - N/A

### Note 22: Events Subsequent

Subsequent events have been considered through February 28, 2016 for the statutory statement issued on February 28, 2016.

On January 1, 2016, the Company will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2015, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2016, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2016 to be \$920,743. This amount is reflected in special surplus. This assessment is expected to impact risk based capital by 1%. Reporting the ACA assessment as of December 31, 2015, would not have triggered an RBC action level.

		<u>Current Year</u>	<u>Prior Year</u>
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Health Care Act?	Yes	
B.	ACA fee assessment payable for upcoming year	\$920,743	\$831,451
C.	ACA fee assessment paid	\$750,067	\$550,974
D.	Premium written subject to ACA 9010 assessment	\$114,561,951	\$105,121,319
E.	Total Adjusted Capital before surplus adjustment	\$70,590,769	N/A

---

**NOTES TO FINANCIAL STATEMENTS**


---

F.	Total Adjusted Capital after surplus adjustment	\$69,670,026	N/A
G.	Authorized Control Level after surplus adjustment	\$7,342,518	N/A
H.	Would reporting the ACA assessment as of December 31, 2015 have triggered an RBC action level?	No	N/A

Effective January 1, 2016, the Company adopted a new 457(f) retirement plan that will be applicable to selected officers of the Company. The company is searching for an administrator of this plan. Once an administrator has been determined, the plan and administrator will be submitted to the Arkansas Insurance Department for approval prior to funding this plan.

**Note 23: Reinsurance**

## A. Ceded Reinsurance Report

## Section 1 – General Interrogatories

(1) No

(2) No

## Section 2 – Ceded Reinsurance Report – Part A

(1) Yes

(1) \$0

(2) \$0 - a non-admitted reinsurer accepts \$107,589 of the reserve

(2) No

## Section 3 – Ceded Reinsurance Report – Part B

(1) N/A

(2) No

## B. Uncollectible Reinsurance - N/A

## C. Commutation of Ceded Reinsurance - N/A

## D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – N/A

## NOTES TO FINANCIAL STATEMENTS

---

### **Note 24: Retrospectively Rated Contracts and Contracts Subject to Redetermination**

None.

### **Note 25: Change in Incurred Claims and Claims Adjustment Expenses**

Reserves for incurred claims as of December 31, 2014 were \$6,040,404. In 2015, \$5,256,406 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Remaining reserves for prior years are now \$163,696 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$783,998 favorable prior-year loss development since December 31, 2014 to December 31, 2015. This 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. The business to which this relates does not include retrospectively rated policies, therefore there was no return premium accrued as a result of the prior year effects.

### **Note 26: Intercompany Pooling Arrangements**

None.

### **Note 27: Structured Settlements**

None.

### **Note 28: Health Care Receivables**

None.

### **Note 29: Participating Policies**

None.

### **Note 30: Premium Deficiency Reserves**

As of December 31, 2015, the Company had no liabilities related to premium deficiency reserves.

## NOTES TO FINANCIAL STATEMENTS

---

### **Note 31: Anticipated Salvage and Subrogation**

None.



## GENERAL INTERROGATORIES

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

6.2 If yes, give full information:

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

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

7.2 If yes,

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

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

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

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

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

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

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

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

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

Plante Moran, PLLC, 1111 Michigan Avenue, East Lansing, MI 48823  
 .....  
 .....

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

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

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

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

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

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

## GENERAL INTERROGATORIES

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes  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?  
 Toby L. Hall, Senior Vice President and Chief Actuary, at Delta Dental of Michigan, Ohio and Indiana; 4100 Okemos Road,  
 Okemos, MI 48864

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

12.11 Name of real estate holding company	<u>CapRocq Core Real Estate Fun</u>
12.12 Number of parcels involved	
12.13 Total book/adjusted carrying value	\$ <u>4,888,436</u>

12.2 If yes, provide explanation:  
 The Company has invested on 12/27/12 in CapRocq real estate fund (LLC) which will use the funds to acquire various real estate properties

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

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

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes  No

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

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

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?  
 a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;  
 b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;  
 c. Compliance with applicable governmental laws, rules, and regulations;  
 d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and  
 e. Accountability for adherence to the code. Yes  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).  
 .....  
 .....  
 .....

## GENERAL INTERROGATORIES

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

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

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

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

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

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

## BOARD OF DIRECTORS

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

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

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

## FINANCIAL

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

22.2 If answer is yes:

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

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

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

## INVESTMENT

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

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

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

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

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

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

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

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

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

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

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

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

## GENERAL INTERROGATORIES

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

	25.21 Subject to repurchase agreements	\$ _____
	25.22 Subject to reverse repurchase agreements	\$ _____
	25.23 Subject to dollar repurchase agreements	\$ _____
	25.24 Subject to reverse dollar repurchase agreements	\$ _____
	25.25 Placed under option agreements	\$ _____
	25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$ _____
	25.27 FHLB Capital Stock	\$ _____
	25.28 On deposit with states	\$ _____ 50,000
	25.29 On deposit with other regulatory bodies	\$ _____
	25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$ _____
	25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$ _____
	25.32 Other	\$ _____

25.3 For category (25.26) provide the following:

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

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

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

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

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

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

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

1 Name of Custodian(s)	2 Custodian's Address
Stephens Capital Management .....	111 Center Street, Little Rock, AR 72201 .....
Intrust Wealth Management .....	5314 S Yale Avenue, Suite 206, Tulsa, OK 74135 .....
Regions .....	400 West Capitol, Little Rock, AR 72201 .....

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

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

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

## GENERAL INTERROGATORIES

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address
123570	Stephens Capital Management	111 Center Street, Little Rock, AR 72201
110093	Regions - Luther King	400 West Capitol, Little Rock, AR 72201

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

Yes  No 

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
745156-10-9	T Rowe Price Growth Stk Fnd #540	5,544,648
47803U-64-0	John Hancock III Disciplined Value	5,323,331
55273G-29-8	MFS Intl. Diversification Fnd CL 1	2,383,234
74160Q-20-2	Primecap Odyssey Agr Grwth Fn 1651	1,268,744
74253Q-67-1	Principal Midcap Val Fund Ins 4774	1,220,051
779917-10-3	T Rowe Price Div Small Cap Growth	611,984
00143M-49-7	Invesco Small Cap Value Fund CI Y	596,388
29.2999 TOTAL		16,948,380

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

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
MFS Intl. Diversification Fnd CL	MFS Research International R5	713,302	12/31/2015
MFS Intl. Diversification Fnd CL	MFS International Value R5	594,379	12/31/2015
MFS Intl. Diversification Fnd CL	MFS International Growth R5	593,902	12/31/2015
MFS Intl. Diversification Fnd CL	Amazon.com, Inc.	397,551	12/31/2015
T Row Price Growth Stock Fund	Alphabet Inc.	382,026	12/31/2015
T Row Price Growth Stock Fund	Microsoft Corporation	358,710	12/31/2015
John Hancock III Disciplined Val	PF Managed Bond P	341,419	12/31/2015
T Row Price Growth Stock Fund	Berkshire Hathaway Inc B	244,873	12/31/2015
Primecap Odyssey Agr Grwth F	MFS Emerging Markets Equity	240,468	12/31/2015
John Hancock III Disciplined Val	MFS International New Discove	238,800	12/31/2015
MFS Intl. Diversification Fnd CL	JP Morgan Chase & Co. Comm	236,356	12/31/2015
MFS Intl. Diversification Fnd CL	Wells Fargo & Company Comm	199,093	12/31/2015
John Hancock III Disciplined Val	The Priceline Group Inc.	191,845	12/31/2015
John Hancock III Disciplined Val	Allergan plc Ordinary Shares	171,884	12/31/2015
T Row Price Growth Stock Fund	Facebook, Inc.	159,686	12/31/2015
T Row Price Growth Stock Fund	Citigroup, Inc. Common Stock	159,168	12/31/2015
T Row Price Growth Stock Fund	Capital One Financial Corporati	158,635	12/31/2015
John Hancock III Disciplined Val	Johnson & Johnson Common S	158,103	12/31/2015
John Hancock III Disciplined Val	Danaher Corporation Common	155,250	12/31/2015
John Hancock III Disciplined Val	Visa Inc.	151,369	12/31/2015
T Row Price Growth Stock Fund	Mastercard Incorporated Comm	150,814	12/31/2015
T Row Price Growth Stock Fund	Occidental Petroleum Corporati	137,874	12/31/2015
T Row Price Growth Stock Fund	Pfizer, Inc. Common Stock	134,680	12/31/2015
John Hancock III Disciplined Val	Cisco Systems, Inc.	110,193	12/31/2015
John Hancock III Disciplined Val	PF Short Duration Bond P	109,112	12/31/2015
John Hancock III Disciplined Val	PF Large-Cap Value P	83,356	12/31/2015
Primecap Odyssey Agr Grwth F	Pacific Funds High Income P	71,684	12/31/2015

### 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 Value Attributable to the Holding	Date of Valuation
Primecap Odyssey Agr Grwth F	PF Floating Rate Loan P	70,669	12/31/2015
Primecap Odyssey Agr Grwth F	PF Global Absolute Return P	63,564	12/31/2015
Primecap Odyssey Agr Grwth F	PF Mid-Cap Value P	58,489	12/31/2015
Primecap Odyssey Agr Grwth F	E-mini S&P 400	56,366	12/31/2015
Primecap Odyssey Agr Grwth F	PF International Large-Cap P	53,160	12/31/2015
Principal Midcap Val Fund Ins 4	PF Emerging Markets Debt P	51,638	12/31/2015
Primecap Odyssey Agr Grwth F	PF Absolute Return P	50,496	12/31/2015
Primecap Odyssey Agr Grwth F	Alere Inc. Common Stock	26,599	12/31/2015
Primecap Odyssey Agr Grwth F	Cardinal Health, Inc. Common	26,597	12/31/2015
Invesco Small Cap Value Fund	Spirit Aerosystems Holdings, In	25,499	12/31/2015
Principal Midcap Val Fund Ins 4	Reynolds American Inc Commo	24,401	12/31/2015
Principal Midcap Val Fund Ins 4	Belden Inc Common Stock	23,617	12/31/2015
Principal Midcap Val Fund Ins 4	Hanesbrands Inc. Common Sto	23,425	12/31/2015
Invesco Small Cap Value Fund	DeVry Education Group Inc. Co	23,378	12/31/2015
Principal Midcap Val Fund Ins 4	AECOM Common Stock	22,782	12/31/2015
Invesco Small Cap Value Fund	MDC Partners Inc Class A	22,603	12/31/2015
Invesco Small Cap Value Fund	Nu Skin Enterprises, Inc. Comm	21,709	12/31/2015
Invesco Small Cap Value Fund	Owens Corning Inc Common St	21,595	12/31/2015
Invesco Small Cap Value Fund	LPL Financial Holdings Inc.	21,291	12/31/2015
Principal Midcap Val Fund Ins 4	Royal Caribbean Cruises Ltd. C	20,619	12/31/2015
Invesco Small Cap Value Fund	E*TRADE Financial Corporation	20,456	12/31/2015
Principal Midcap Val Fund Ins 4	Public Service Enterprise Group	20,375	12/31/2015
Invesco Small Cap Value Fund	SunTrust Banks, Inc. Common	20,009	12/31/2015
Principal Midcap Val Fund Ins 4	Cigna Corporation Common Sto	19,887	12/31/2015
Principal Midcap Val Fund Ins 4	AmTrust Financial Services, Inc	18,965	12/31/2015
Principal Midcap Val Fund Ins 4	Zions Bancorporation	18,488	12/31/2015
Invesco Small Cap Value Fund	Tyler Technologies, Inc. Comm	7,160	12/31/2015
Invesco Small Cap Value Fund	Vail Resorts, Inc. Common Stoc	6,609	12/31/2015
T Rowe Price Div Small Cap Gr	Domino's Pizza Inc Common St	6,120	12/31/2015
T Rowe Price Div Small Cap Gr	Maximus, Inc. Common Stock	6,059	12/31/2015
T Rowe Price Div Small Cap Gr	Caseys General Stores, Inc.	5,997	12/31/2015
T Rowe Price Div Small Cap Gr	Manhattan Associates, Inc.	5,263	12/31/2015
T Rowe Price Div Small Cap Gr	J & J Snack Foods Corp.	5,202	12/31/2015
T Rowe Price Div Small Cap Gr	SS&C Technologies Holdings, I	5,141	12/31/2015
T Rowe Price Div Small Cap Gr	MarketAxess Holdings, Inc.	4,835	12/31/2015
T Rowe Price Div Small Cap Gr	The Middleby Corporation	4,773	12/31/2015

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

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	26,018,085	22,539,061	(3,479,024)
30.2 Preferred stocks			
30.3 Totals	26,018,085	22,539,061	(3,479,024)

30.4 Describe the sources or methods utilized in determining the fair values:  
Brokerage statements - FV taken from stock exchanges

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

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

## GENERAL INTERROGATORIES

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

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

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

Yes  No

32.2 If no, list exceptions:

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

### OTHER

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

\$ 366,050

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

1 Name	2 Amount Paid
Delta Dental Plans Association .....	\$ ..... 341,250
.....	\$ .....
.....	\$ .....

34.1 Amount of payments for legal expenses, if any?

\$ 86,093

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

1 Name	2 Amount Paid
Friday Eldrege & Clark .....	\$ ..... 22,213
.....	\$ .....
.....	\$ .....

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

\$ 63,494

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

1 Name	2 Amount Paid
DBH .....	\$ ..... 63,494
.....	\$ .....
.....	\$ .....

## GENERAL INTERROGATORIES PART 2 - HEALTH INTERROGATORIES

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

2. Health Test:

	1 Current Year		2 Prior Year
2.1 Premium Numerator	\$ 152,948,522	\$	139,550,010
2.2 Premium Denominator	\$ 152,948,522	\$	139,550,010
2.3 Premium Ratio (2.1 / 2.2)	1.000		1.000
2.4 Reserve Numerator	\$ 9,883,110	\$	5,876,707
2.5 Reserve Denominator	\$ 9,883,110	\$	5,876,707
2.6 Reserve Ratio (2.4 / 2.5)	1.000		1.000

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

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

N/A  
.....  
.....  
.....

## 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 1,108  
     8.2 Number of providers at end of reporting year 1,134

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 9,883,517  
     9.22 Business with rate guarantees over 36 months 16,215,334

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  No   
     11.13 An Individual Practice Association (IPA), or, Yes  No   
     11.14 A Mixed Model (combination of above)? Yes  No

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:  
 Arkansas  
 .....  
 .....

11.4 If yes, show the amount required. \$ \_\_\_\_\_ 50,000

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)

## FIVE – YEAR HISTORICAL DATA

	1	2	3	4	5
	2015	2014	2013	2012	2011
<b>Balance Sheet (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 28)	102,130,287	97,388,603	79,839,014	81,062,041	78,444,436
2. Total liabilities (Page 3, Line 24)	31,539,516	32,657,528	20,825,364	18,366,547	16,375,778
3. Statutory minimum capital and surplus requirement	50,000	50,000	50,000	50,000	50,000
4. Total capital and surplus (Page 3, Line 33)	70,590,771	64,731,075	59,013,650	62,695,496	62,068,658
<b>Income Statement (Page 4)</b>					
5. Total revenues (Line 8)	153,421,023	139,775,656	121,330,152	116,410,316	92,449,390
6. Total medical and hospital expenses (Line 18)	120,562,806	109,975,211	95,636,853	91,569,474	71,953,449
7. Claims adjustment expenses (Line 20)	9,559,022	7,398,095	6,800,105	7,207,469	6,525,304
8. Total administrative expenses (Line 21)	22,678,394	19,669,413	15,538,728	14,336,547	14,639,712
9. Net underwriting gain (loss) (Line 24)	620,801	2,732,937	3,354,466	3,296,826	(669,075)
10. Net investment gain (loss) (Line 27)	1,092,688	2,186,066	3,052,025	2,676,827	2,757,952
11. Total other income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	1,713,489	4,919,003	6,406,491	5,973,653	2,088,877
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11)	9,088,863	4,956,938	10,184,444	4,884,289	2,325,629
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital	70,590,771	64,809,188	59,013,650	62,695,496	62,068,658
15. Authorized control level risk-based capital	7,342,518	7,163,770	6,388,131	5,117,707	3,412,650
<b>Enrollment (Exhibit 1)</b>					
16. Total members at end of period (Column 5, Line 7)	264,229	240,715	232,447	226,449	181,566
17. Total members months (Column 6, Line 7)	3,088,937	2,846,887	2,797,962	2,669,838	2,135,410
<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)	78.8	78.8	78.8	78.8	77.8
20. Cost containment expenses					
21. Other claims adjustment expenses					7.1
22. Total underwriting deductions (Line 23)	99.9	98.2	97.2	97.3	100.7
23. Total underwriting gain (loss) (Line 24)	0.4	2.0	2.8	2.8	(0.7)
<b>Unpaid Claims Analysis</b>					
(U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5)	5,028,306	4,341,384	4,400,533	3,373,907	3,494,126
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	5,876,708	5,199,252	4,729,388	4,016,859	2,467,869
<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)	13,736,444	16,523,924	15,125,339	8,291,407	1,315,106
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					
32. Total of above Lines 26 to 31	13,736,444	16,523,924	15,125,339	8,291,407	1,315,106
33. Total investment in parent included in Lines 26 to 31 above.					

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

Yes [ ] No [X]

If no, please explain:

.....

.....

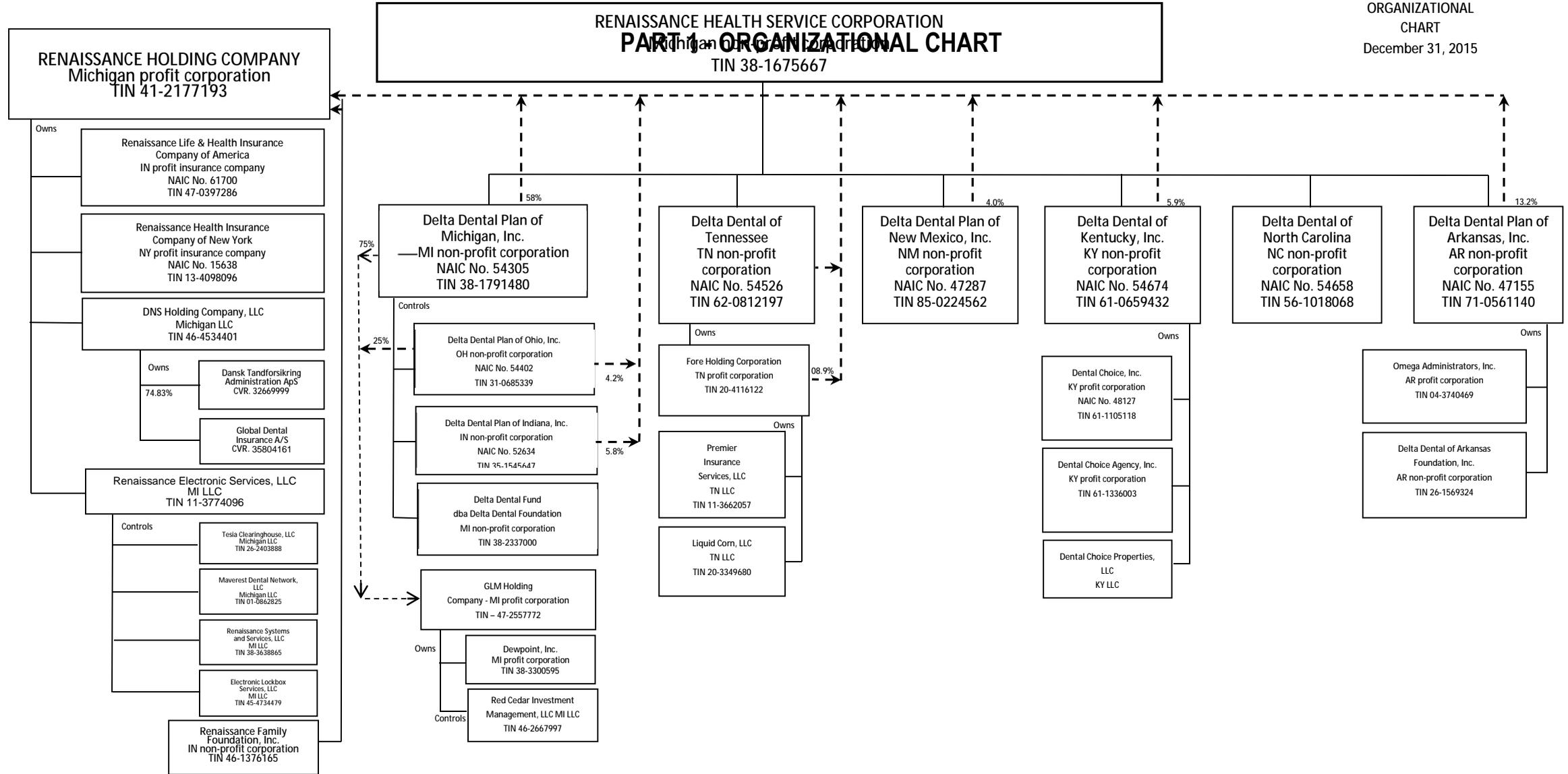
.....

.....



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

ORGANIZATIONAL CHART  
December 31, 2015



**OVERFLOW PAGE FOR WRITE-INS**

**Page 14 - Continuation**

**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			
<b>WRITE-INS AGGREGATED AT LINE 25 FOR UNDERWRITING AND INVESTMENT EXHIBIT</b>					
2504. Subscriptions .....			76,554		76,554
2505. Consulting .....		153,995	102,664		256,659
2597. Totals (Lines 2501 through 2596) (Page 14, Line 2598)		153,995	179,218		333,213

## ALPHABETICAL INDEX TO HEALTH ANNUAL STATEMENT

Analysis of Operations By Lines of Business	7	Schedule D – Part 6 – Section 2	E16
Assets	2	Schedule D – Summary By Country	SI04
Cash Flow	6	Schedule D – Verification Between Years	SI03
Exhibit 1 – Enrollment By Product Type for Health Business Only	17	Schedule DA – Part 1	E17
Exhibit 2 – Accident and Health Premiums Due and Unpaid	18	Schedule DA – Verification Between Years	SI10
Exhibit 3 – Health Care Receivables	19	Schedule DB – Part A – Section 1	E18
Exhibit 3A - Analysis of Health Care Receivables Collected and Accrued	20	Schedule DB – Part A – Section 2	E19
Exhibit 4 – Claims Unpaid and Incentive Pool, Withhold and Bonus	21	Schedule DB – Part A – Verification Between Years	SI11
Exhibit 5 – Amounts Due From Parent, Subsidiaries and Affiliates	22	Schedule DB – Part B – Section 1	E20
Exhibit 6 – Amounts Due To Parent, Subsidiaries and Affiliates	23	Schedule DB – Part B – Section 2	E21
Exhibit 7 – Part 1 – Summary of Transactions With Providers	24	Schedule DB – Part B – Verification Between Years	SI11
Exhibit 7 – Part 2 – Summary of Transactions With Intermediaries	24	Schedule DB – Part C – Section 1	SI12
Exhibit 8 – Furniture, Equipment and Supplies Owned	25	Schedule DB – Part C – Section 2	SI13
Exhibit of Capital Gains (Losses)	15	Schedule DB - Part D - Section 1	E22
Exhibit of Net Investment Income	15	Schedule DB - Part D - Section 2	E23
Exhibit of Nonadmitted Assets	16	Schedule DB - Verification	SI14
Exhibit of Premiums, Enrollment and Utilization (State Page)	30	Schedule DL - Part 1	E24
Five-Year Historical Data	29	Schedule DL - Part 2	E25
General Interrogatories	27	Schedule E – Part 1 – Cash	E26
Jurat Page	1	Schedule E – Part 2 – Cash Equivalents	E27
Liabilities, Capital and Surplus	3	Schedule E – Part 3 – Special Deposits	E28
Notes To Financial Statements	26	Schedule E – Verification Between Years	SI15
Overflow Page For Write-ins	44	Schedule S – Part 1 – Section 2	31
Schedule A – Part 1	E01	Schedule S – Part 2	32
Schedule A – Part 2	E02	Schedule S – Part 3 – Section 2	33
Schedule A – Part 3	E03	Schedule S – Part 4	34
Schedule A – Verification Between Years	SI02	Schedule S – Part 5	35
Schedule B – Part 1	E04	Schedule S – Part 6	36
Schedule B – Part 2	E05	Schedule S – Part 7	37
Schedule B – Part 3	E06	Schedule T – Part 2 – Interstate Compact	39
Schedule B – Verification Between Years	SI02	Schedule T – Premiums and Other Considerations	38
Schedule BA – Part 1	E07	Schedule Y – Information Concerning Activities of Insurer Members of a Holding Company Group	40
Schedule BA – Part 2	E08	Schedule Y - Part 1A - Detail of Insurance Holding Company System	41
Schedule BA – Part 3	E09	Schedule Y - Part 2 – Summary of Insurer's Transactions With Any Affiliates	42
Schedule BA – Verification Between Years	SI03	Statement of Revenue and Expenses	4
Schedule D – Part 1	E10	Summary Investment Schedule	SI01
Schedule D – Part 1A – Section 1	SI05	Supplemental Exhibits and Schedules Interrogatories	43
Schedule D – Part 1A – Section 2	SI08	Underwriting and Investment Exhibit – Part 1	8
Schedule D – Part 2 – Section 1	E11	Underwriting and Investment Exhibit – Part 2	9
Schedule D – Part 2 – Section 2	E12	Underwriting and Investment Exhibit – Part 2A	10
Schedule D – Part 3	E13	Underwriting and Investment Exhibit – Part 2B	11
Schedule D – Part 4	E14	Underwriting and Investment Exhibit – Part 2C	12
Schedule D – Part 5	E15	Underwriting and Investment Exhibit – Part 2D	13
Schedule D – Part 6 – Section 1	E16	Underwriting and Investment Exhibit – Part 3	14