

QUARTERLY STATEMENT

OF THE

DELTA DENTAL

OF RHODE ISLAND

of PROVIDENCE

in the state of RHODE ISLAND

TO THE

Insurance Department

OF THE

STATE OF

STATE OF RHODE ISLAND

FOR THE QUARTER ENDED

June 30, 2016

HEALTH

2016

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	69,008,029		69,008,029	70,444,568
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	38,185,422		38,185,422	37,530,029
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (78,086)), cash equivalents (\$ 0), and short-term investments (\$ 0)	(78,086)		(78,086)	(4,303,074)
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	4,732,053		4,732,053	6,167,740
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	111,847,418		111,847,418	109,839,263
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	641,695		641,695	663,865
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,183,767	39,204	1,144,563	1,501,963
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$ 0) and contracts subject to redetermination (\$ 0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	3,268,423	89,275	3,179,148	3,302,854
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	899,950	112,152	787,798	813,918
21. Furniture and equipment, including health care delivery assets (\$ 0)	371,942	371,942		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	8,189,597	8,042,510	147,087	385,073
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	656,680	656,217	463	93,529
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	127,059,472	9,311,300	117,748,172	116,600,465
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	127,059,472	9,311,300	117,748,172	116,600,465

DETAILS OF WRITE-IN LINES				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. PREPAID EXPENSES AND OTHER ACCTS. REC.	649,230	649,230		
2502. RETROSPECTIVE PREMIUM ADJUSTMENTS	6,987	6,987		
2503. NET STATE AND FEDERAL TAX ADVANCES	463		463	93,529
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	656,680	656,217	463	93,529

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	4,889,000		4,889,000	4,872,000
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	420,039		420,039	430,738
4. Aggregate health policy reserves, including the liability of \$ 0 for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	2,022,499		2,022,499	1,392,506
9. General expenses due or accrued	7,422,656		7,422,656	7,469,493
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates				1,147,181
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers, \$ 0 unauthorized reinsurers, and \$ 0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$ 0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	626,747		626,747	1,115,167
23. Aggregate write-ins for other liabilities (including \$ 0 current)	916,439		916,439	408,646
24. Total liabilities (Lines 1 to 23)	16,297,380		16,297,380	16,835,731
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X		
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X	29,889,337	29,649,062
31. Unassigned funds (surplus)	X X X	X X X	71,561,455	70,115,672
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	101,450,792	99,764,734
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	117,748,172	116,600,465

DETAILS OF WRITE-IN LINES				
2301. 2016 ACA TAX ASSESSMENT LIABILITY	545,993		545,993	
2302. ADVANCE DEPOSITS	370,446		370,446	408,646
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	916,439		916,439	408,646
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		
3001. RESERVES FROM WHOLLY OWNED SUBSIDIARIES	X X X	X X X	29,889,337	28,936,541
3002. RESTRICTED RESERVES ACA ASSESSMENT	X X X	X X X		712,521
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	29,889,337	29,649,062

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year	Prior Year Ended
	To Date		To Date	December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	1,165,230	1,308,307	2,514,603
2. Net premium income (including \$ 0 non-health premium income)	X X X	39,806,812	44,190,949	84,961,063
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	39,806,812	44,190,949	84,961,063
Hospital and Medical:				
9. Hospital/medical benefits				
10. Other professional services		32,280,032	37,868,723	67,967,472
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)		32,280,032	37,868,723	67,967,472
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)		32,280,032	37,868,723	67,967,472
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 300,193 cost containment expenses		3,161,498	3,397,704	6,819,761
21. General administrative expenses		5,448,327	6,384,789	11,752,746
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)		40,889,857	47,651,216	86,539,979
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(1,083,045)	(3,460,267)	(1,578,916)
25. Net investment income earned		899,062	616,792	1,547,910
26. Net realized capital gains (losses) less capital gains tax of \$ 0		(87,213)	840,543	814,314
27. Net investment gains (losses) (Lines 25 plus 26)		811,849	1,457,335	2,362,224
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				150,154
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	(271,196)	(2,002,932)	933,462
31. Federal and foreign income taxes incurred	X X X			(4,000)
32. Net income (loss) (Lines 30 minus 31)	X X X	(271,196)	(2,002,932)	937,462

DETAILS OF WRITE-IN LINES				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901. GAIN ON PURCHASE ON RHODE ISLAND TAX CREDITS				150,154
2902. EXTRAORDINARY INCOME (EXPENSES)				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)				150,154

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	99,764,734	97,097,595	97,097,595
34. Net income or (loss) from Line 32	(271,196)	(2,002,932)	937,462
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	1,065,990	(145,124)	1,462,936
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	1,221,787	897,835	118,095
40. Change in unauthorized and certified reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	(330,523)	(143,801)	148,646
48. Net change in capital and surplus (Lines 34 to 47)	1,686,058	(1,394,022)	2,667,139
49. Capital and surplus end of reporting period (Line 33 plus 48)	101,450,792	95,703,573	99,764,734

DETAILS OF WRITE-IN LINES			
4701. INCLUSION OF BAD DEBT RESERVE IN THE NON-ADMITTED ASSETS	(330,523)	(143,801)	148,646
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)	(330,523)	(143,801)	148,646

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	40,917,911	44,117,644	85,331,826
2. Net investment income	834,019	1,417,906	2,340,211
3. Miscellaneous income			150,154
4. Total (Lines 1 to 3)	41,751,930	45,535,550	87,822,191
5. Benefit and loss related payments	32,263,032	37,306,923	67,570,672
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	9,155,781	10,245,965	20,563,502
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)			(4,000)
10. Total (Lines 5 through 9)	41,418,813	47,552,888	88,130,174
11. Net cash from operations (Line 4 minus Line 10)	333,117	(2,017,338)	(307,983)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	4,143,217	5,672,409	9,276,744
12.2 Stocks	6,747,402	15,867,925	24,773,646
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets	1,833,721	1,799,192	1,794,200
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments			
12.7 Miscellaneous proceeds			
12.8 Total investment proceeds (Lines 12.1 to 12.7)	12,724,340	23,339,526	35,844,590
13. Cost of investments acquired (long-term only):			
13.1 Bonds	3,114,273	5,789,700	10,443,809
13.2 Stocks	6,590,561	16,829,533	25,259,523
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	230,900	1,773,385	2,543,385
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	9,935,734	24,392,618	38,246,717
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	2,788,606	(1,053,092)	(2,402,127)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	1,103,265	1,454,514	(1,827,792)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,103,265	1,454,514	(1,827,792)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	4,224,988	(1,615,916)	(4,537,902)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	(4,303,074)	234,828	234,828
19.2 End of period (Line 18 plus Line 19.1)	(78,086)	(1,381,088)	(4,303,074)

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

20.0001			
20.0002			
20.0003			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	195,438					195,438				
2. First Quarter	193,893					193,893				
3. Second Quarter	195,095					195,095				
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	1,165,230					1,165,230				
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Totals										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	40,917,911					40,917,911				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	39,806,812					39,806,812				
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	32,263,032					32,263,032				
18. Amount Incurred for Provision of Health Care Services	32,280,032					32,280,032				

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

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	4,204,228	27,902,303	268,392	4,620,608	4,472,620	4,715,500
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	4,204,228	27,902,303	268,392	4,620,608	4,472,620	4,715,500
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	4,204,228	27,902,303	268,392	4,620,608	4,472,620	4,715,500

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Presentation

The Quarterly Statement of Delta Dental of Rhode Island for the two quarters ended June 30, 2016 has been completed in accordance with NAIC *Annual Statement Instructions* and the *Accounting Practices and Procedures* manual and are presented on the basis of accounting practices prescribed or permitted by the Rhode Island Department of Business Regulations. Management is not aware of any deviations from this NAIC guidance, as it relates to the 2016 and 2015 financial information contained in these statements.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

- A. Reconciliation of the Company's net inc. and capital & surplus between NAIC SAP and the state of Rhode Island is shown below.

NET INCOME

	2016	2015	State of Domicile
01. DELTA DENTAL OF RHODE ISLAND state basis (Page \$	(271,196)	937,462	RI

02. State Prescribed Practices that increase/(decrease) NAIC SAP:

Details of Depreciation of Fixed Assets	<u>Net Income</u> 2016	<u>Net Income</u> 2015	State of Domicile
Totals (Lines 01A0201 through 01A0225)	\$		

03. State Permitted Practices that increase/(decrease) NAIC SAP:

Details of Depreciation of Home Office Property	<u>Net Income</u> 2016	<u>Net Income</u> 2015	State of Domicile
Totals (Lines 01A0301 through 01A0325)	\$		

04. NAIC SAP	\$ (271,196)	937,462	RI
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SURPLUS

	2016	2015	State of Domicile
05. DELTA DENTAL OF RHODE ISLAND state basis (Page \$	101,450,792	99,764,734	RI

06. State Prescribed Practices that increase/(decrease) NAIC SAP:

Goodwill, net; Fixed Assets, Net	<u>Surplus</u> 2016	<u>Surplus</u> 2015	State of Domicile
Totals (Lines 01A0601 through 01A0625)	\$		

07. State Permitted Practices that increase/(decrease) NAIC SAP:

Home Office Property	<u>Surplus</u> 2016	<u>Surplus</u> 2015	State of Domicile
Totals (Lines 01A0701 through 01A0725)	\$		

08. NAIC SAP	\$ 101,450,792	99,764,734	RI
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(B) Use of Estimates in the Preparation of the Financial Statements

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

(C) Accounting Policies

NOTES TO FINANCIAL STATEMENTS

Investment Income and Declines in Fair Value

The Company periodically reviews its bonds and common stocks to determine whether a decline in fair value below the amortized cost basis is other than temporary. The process for identifying declines in the fair value of investments that are other than temporary involves consideration of several factors. These factors include (1) the period in which there has been a significant decline in value; (2) an analysis of the liquidity, business prospects, and overall financial condition of the issuer; (3) the significance of the decline; and (4) our intent and ability to hold the investment for a sufficient period for the value to recover. When our analysis of the above factors results in the conclusion that declines in fair values are other than temporary, the cost of the securities is written down to fair value and is reflected as a realized loss.

Bonds

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

Common Stocks - - Investments in Subsidiaries

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

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

The Company contracts with an independent investment advisor to separately manage a portion of the Company's investment portfolio. As a result of this arrangement, common stocks of nonaffiliated companies were added to the Company's investment portfolio beginning in 2004. These common stocks, including investments in mutual funds, are valued at market as they are categorized as "available-for-sale" securities.

Claims and Claims Adjudication Expenses

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

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

1. Short term investments are stated at amortized cost.
2. Bonds are stated at amortized value using the constant yield / scientific method.
3. Common stocks in our investment portfolio are stated at market value. In accordance with NAIC guidelines, money market mutual funds are reported as Common Stocks on Schedule D and the Balance Sheet.
4. The company does not own preferred stocks; hence this accounting policy is not applicable.
5. The company does not have mortgage loans directly; hence this accounting policy is not applicable. One of the company's subsidiaries, Altus Realty, owns the building and had mortgage debt associated with the company office facility. This debt was paid off in 2014.

NOTES TO FINANCIAL STATEMENTS

6. Loan-backed securities are stated at amortized value using the constant yield / scientific method.
7. Investments in subsidiaries, controlled and affiliated entities are reported using the equity method.
8. Investments in joint ventures, partnerships and limited liability companies are valued based on quarterly and annual reports supplied by the joint venture.
9. The company does not own derivatives; hence this accounting policy is not applicable.
10. The company does utilize anticipated investment income as a factor in the premium deficiency calculation.
11. The company methodologies for estimating the liabilities for losses and loss/claim adjustment expenses are actuarially derived as described above.
12. The capitalization policy and the predefined thresholds did not change from the prior period.
13. The company does not use pharmaceutical rebate receivables; hence this accounting policy is not applicable.

D) Going Concerns

There are no going concerns for this company.

NOTE 2 - - ACCOUNTING CHANGES AND CORRECTION OF ERRORS

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

SSAP 47 requires the exclusion of uninsured plan business for both premiums earned and claims incurred in the Statement of Revenues and Expenses. The Company has identified its Administrative Service Business (ASC), where the account, not Delta Dental of Rhode Island, has assumed the overall risk for the claims incurred and removed these components from both premiums earned and claims incurred in these 2016 and 2015 financial statements and the associated supporting exhibits. The administrative expenses reimbursed from ASC business is reported in the Annual Statement as "reimbursements by uninsured accident and health plans" in the Underwriting and Investment Exhibit Part 3 - Analysis of Expenses.

NOTE 3 - - BUSINESS COMBINATIONS AND GOODWILL

During 2016, the Company had no business combinations, direct purchases or mergers with other companies. The related disclosures are all not applicable.

NOTE 4 - - DISCONTINUED OPERATIONS

During 2016, the Company's financial results includes no gains or losses from discontinued operations. The related disclosures are all not applicable.

NOTE 5 - - INVESTMENTS

The Company's bond, common stock investments and Schedule BA investments described in Note 1 represent all of the Company's statutory recorded investments as of June 30, 2016 and December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

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

1. Mortgage Loans, including Mezzanine Real Estate Loans – This is not applicable.
2. Debt Restructuring – This is not applicable.
3. Reverse Mortgages – This is not applicable.
4. Loan Backed Securities – Stated at amortized cost.
5. Repurchase Agreements and/or Securities Lending Transactions – This is not applicable.
6. Real Estate – One of the company’s subsidiaries, Altus Realty, owns the building that functions as corporate headquarters for the parent and all subsidiaries.
7. Investments in low-income housing tax credits – The company does utilize state tax credits, which may include low-income housing tax credits. See footnote number 21, where accounting for tax credits is addressed.
8. Restricted Assets - This is not applicable.
9. Working Capital Finance Investments - This is not applicable.
10. Offsetting and Netting of assets and Liabilities - This is not applicable.
11. Structured Notes - This is not applicable.

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

During 2016, there has been \$62,000 of income from the company’s three joint ventures. During 2015 and 2014, the Company participated in three separate joint ventures with other Delta Dental Plans. These joint ventures started January 1, 2014, and Delta Dental of RI has taken a 3.02% risk share. These new ventures have experienced startup costs in the first year and more importantly network recruiting efforts had fallen short of what was assumed in the priced contractual premiums for the largest of these three programs. A projected loss over the full five year contract period for one of these ventures had been recorded in the amount of approximately \$1,900,000 in 2014, which reflected the general partners most conservative assumptions. In 2015, this loss reserve was revised, based on the general partners latest projections, reflecting a gain of approximately \$203,000 recorded for this program. The other two smaller joint ventures have reported minor profitability.

In 2016, the company made a very small investment in another venture fund and increased its investment in both of its existing venture funds. In 2015, the company increased its investment in one of the two venture capital funds it had previously invested in. These investments are reported on Schedule BA.

NOTE 7 - - INVESTMENT INCOME

Interest income is accrued as earned. At June 30, 2016 and December 31, 2015, the Company had no income due or accrued that it considered a non-admitted asset, as collection on accrued interest is reasonably assured for all Company investments.

During the two quarters ended June 30, 2016 and the year ended December 31, 2015, the Company performed analyses to determine whether declines in fair value below amortized cost were other than temporary impairment (“OTTI”) for both its bond and stock portfolio. These analyses resulted in the conclusion that there was no decline in the two quarters ended June 30, 2016 and approximately \$20,000 in the year ended December 31, 2015.

NOTE 8 - - DERIVATIVE INSTRUMENTS

As disclosed in Note 1 above, all investments consist of United States government and government agency securities, corporate notes with fixed rates and maturities, common stocks and two investments in wholly owned subsidiaries. During the periods ended June 30, 2016 and

NOTES TO FINANCIAL STATEMENTS

December 31, 2015, the Company had not utilized any derivative financial instruments. The related disclosures are all not applicable.

NOTE 9 - - FEDERAL INCOME TAXES

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

The Company's other wholly owned subsidiary, The Altus Group, Inc., and its subsidiaries are for profit corporations. The Altus Group, Inc., including its subsidiaries Altus Dental, Altus Systems, Altus Dental Insurance Company and Altus Ventures, Inc. file consolidated federal and state tax returns. Through 2012, these filings had historically resulted in minimal taxes due resulting from utilizing net operating loss carry forwards from accumulated consolidated losses, all of which were fully utilized in the 2012 tax return. For the two quarters ended June 30, 2016 and year ended December 31, 2015, the tax provision of the Altus Group was \$665,000 and \$1,844,000.

As the company is a nonprofit entity, the NAIC required tables or disclosures are not applicable to the Company.

NOTE 10 - - INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

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

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

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

Altus Realty Company, a wholly owned subsidiary of the Company, is a non-profit real estate holding Company that holds title to and manages the building at 10 Charles Street in Providence, RI. The Company (Delta Dental of RI) presently rents approximately one half of the existing

NOTES TO FINANCIAL STATEMENTS

space within this building. For the two quarters ended June 30, 2016 and the year ended December 31, 2015 respectively, this entity reported total revenues of \$932,000 and \$1,679,000 and net income of \$164,000 and \$91,000 during these two periods.

The Altus Group, Inc. is a wholly owned subsidiary of the Company and was established as a for-profit entity in 1999 for the purpose of expanding the Company's offering of prepaid dental care coverage. For the two quarters ended June 30, 2016 and the year ended December 31, 2015, after elimination of intercompany transactions, The Altus Group, Inc., generated gains of \$916,000 and \$2,229,000.

At June 30, 2016 and December 31, 2015 the Company has intercompany receivables from The Altus Group, Inc. and other subsidiaries. These balances resulted from advances that were provided to fund operating expenses of both The Altus Group, Inc. and its subsidiaries, as well as cash flow needs of Altus Realty. The Company charges interest on unpaid advanced funds. For Statutory filing purposes portions of the intercompany receivable balances from Altus Dental, Inc., Altus Realty and Altus Systems are considered non-admitted assets. These subsidiary entities do not currently possess the necessary liquidity to repay the entire receivable balances within 90 days. Therefore the currently uncollectible amounts are treated as nonadmitted assets in accordance with SSAP #25.

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

See Schedule Y of the 2015 Annual Statement – Part 2 – Summary of Insurers Transactions with any Affiliates.

NOTES TO FINANCIAL STATEMENTS

**DELTA DENTAL OF RHODE ISLAND
INTERCOMPANY BALANCES JUNE 30, 2016**
Assets (Page 2)

Line #	Account #	Description	Amount
23	1214-0000-001	A/R from Altus Systems, Inc.	\$63,543.90
	1214-0000-002	A/R from Altus Dental, Inc.	4,663,038.25
	1214-0000-003	A/R from The Altus Group, Inc.	0.00
	1214-0000-005	A/R from Altus Dental Insurance Co., Inc. *	147,087.13
	1214-0000-006	A/R from Altus Realty Company	3,103,310.55
	1214-0000-008	A/R from Altus Ventures	<u>212,617.06</u>
		Total	<u>\$8,189,596.89</u>

* Settled within 90 days

Liabilities (Page 3)

Line #	Account #	Description	Amount
15			<u> </u>
		Total	<u>\$0.00</u>

NOTE 11 - - DEBT

During the two quarters ended June 30, 2016 and the year ended December 31, 2015 the Company had no outstanding capital notes or any debt arrangements. The related note disclosures are all not applicable.

NOTE 12 - - EMPLOYEE RETIREMENT PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS**A. Defined Contribution Retirement Plan**

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

Employees qualify for benefits upon normal retirement at age 65, or early retirement, which is met upon reaching age 60 and completion of five years of service. Vesting of contributions (made on behalf of each employee) begins at 20% after two years of service and increases 20% annually until full vesting occurs after six years of service. The Company's contributions to this plan, representing its full funding requirements were \$533,000 and \$918,000 for the two quarters ended June 30, 2016 and the year ended December 31, 2015.

B. Deferred Compensation Plans

Effective January 1, 1997, the Company established a 401(k) plan. Plan entry of employer contributions are the same as the defined contribution retirement plan described above. The

NOTES TO FINANCIAL STATEMENTS

Company's contribution to the plan is matching the first 1% of base compensation and 50% of additional contributions up to 6% of the base compensation that is contributed by each employee. Employer contributions vest 100% after two years of service. The Company's contributions to this plan were \$132,000 and \$252,000 for the two quarters ended June 30, 2016 and the year ended December 31, 2015.

In 2004, the Company established 457(b) Plan for providing deferred compensation for a select group of management. The Company's paid contributions to this plan will be \$18,000 for the years ended 2016 and 2015.

In 2009, the Company established 457(f) Plan for providing deferred compensation for a select group of management. The Company's accrued contributions to this plan will be approximately \$88,000 for the years ended 2016 and 2015.

C. Postretirement Benefit Plans

The Company provides postretirement medical and dental benefits covering certain members of the board of directors who had served three full terms (9 years) as of April 1994. The Company accounts for postretirement benefits under the provisions of Statement of Statutory Accounting Principles (SSAP) No. 89, Accounting for Pensions, A Replacement of SSAP No. 8. Actuary valuations were used to measure plan assets and obligations as of December 31, 2015 and 2014.

		2015	2014
Accumulated post-retirement benefit obligation	\$	745,000	837,000
Fair value of plan assets		—	—
Funded status	\$	745,000	837,000
Accrued post-retirement benefit cost recognized in accounts			
payable and accrued expenses	\$	745,000	837,000
Net periodic (benefit) cost		(92,000)	(120,000)
Net benefits paid		77,000	81,000

The trend assumptions used in determining the accumulated postretirement benefit obligation were 5.4% for medical benefits and 3% for dental benefits. Trend assumptions have a significant effect on the amounts reported.

No amounts are recognized in reserves which have not yet been recognized as components of net periodic benefit cost as of June 30, 2016 and December 31, 2015, respectively. Net periodic benefit cost includes the transitional liability and net actuarial loss.

NOTE 13 - - CAPITAL AND SURPLUS

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

Note the following disclosures related to the company's capital and surplus are addressed below or are not applicable. Other than ACA restrictions, the related note disclosures are all not applicable.

1. Shares issued – Not applicable.
2. Dividend rate – Not applicable
3. Dividend restrictions – Not applicable
4. Dividends paid – Not applicable
5. Profits that may be paid as dividends – Not applicable

NOTES TO FINANCIAL STATEMENTS

6. Restrictions placed on unassigned funds – \$0 of reserves are restricted for the estimated twelve months of the 2017 ACA assessment in the June 30, 2016 filing, due to the one year moratorium. The Consolidated Appropriations Act, 2016 (Public Law No: 114-113), which was signed into law on December 18, 2015, imposes a moratorium on the Annual ACA Assessment for calendar year 2017. \$545,993 of reserves are restricted for the estimated twelve months of the 2016 ACA assessment in the December 31, 2015 filing, which will be paid in September, 2016.
7. Total amount of advances to surplus – Not applicable
8. Amount of stock held by reporting entity for special purposes – Not applicable
9. Changes in the balances of special surplus funds from the prior year – Not applicable
10. Portion of unassigned funds represented or reduced by unrealized gains and losses – Not applicable
11. Surplus notes – Not applicable
12. Impact of the restatement in a quasi-reorganization – Not applicable
13. Effective date of quasi-reorganization – Not applicable

NOTE 14 - - CONTINGENT LIABILITIES

The Company has entered into employment contracts with certain key employees. These employment contracts vary in length. At December 31, 2015, the Company's total commitment under these employment contracts approximated \$2,685,000. This total includes contractual commitments for 2017 and 2018 for one individual, which are exercisable at the option of this employee.

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

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

This guaranty became effective in September 2002 as Altus Dental Insurance Company, Inc. began underwriting dental insurance in Massachusetts at that time.

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

1. Contingent commitments – Not applicable
2. Assessments – Not applicable
3. Gain contingencies – Not applicable
4. Claims related extra contractual obligation – Not applicable
5. Joint and several liabilities – Not applicable
6. All other contingencies – DDRI has contract commitments with certain key employees in the amount of \$ 2,685,000 at December 31, 2015.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

14. Contingencies

A. 01. (1) Total Contingent Liabilities: \$ 2,685,000

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

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

03.

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

Assessments

- 02.
- a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end \$ _____
- b. Decreases current year:
- | | |
|--|--|
| | |
|--|--|
- c. Increases current year:
- | | |
|--|--|
| | |
|--|--|
- d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current quarter-end \$ _____

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

Claims related ECO and bad faith losses paid during the \$ _____

Number of claims where amounts were paid to settle claims related extra contractual obligations claims resulting from lawsuits during the reporting period: (a) 0-25 claims (b) 26-50 claims (c) 5 (d) 101-500 claims (e) More than 500 claims

Answer (A, B, C, D, or E): _____

Indicate whether claim count information is disclosed (f) per claim or (g) per claimant

Answer (F or G): _____

NOTE 15 - - LEASES

The Company maintains a lease obligation for all its office space through its subsidiary Altus Realty Company. The current office lease commenced in April 2013 and runs through March 2018. During 2013, the lease was renewed at market rates. The lease obligation will result in rent expense for the year ended December 31, 2016 of \$814,000. For the year ended 2017 rent expense is projected at \$814,000 annually. For the final three months of the lease in 2018, the rent expense is projected to be \$204,000.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

15. Leases**A. 02.**

- a. At January 1, 2016, the minimum aggregate rental commitments are as follows: (Dollars in thousands)

	Operating Leases
Year Ending December 31	
2017 (year ending December 31)	\$ 814,000
2018 (year ending December 31)	\$ 204,000
2019 (year ending December 31)	\$
2020 (year ending December 31)	\$
2021 (year ending December 31)	\$
Total (aggregate total of all future years)	\$ 1,018,000

B. 01.

- c. Lessor Leases

Future minimum lease payment receivables under noncancelable leasing arrangements as of December 31, 2016 are as follows: Operating Leases

Year Ending December 31	
2017 (year ending December 31)	\$
2018 (year ending December 31)	\$
2019 (year ending December 31)	\$
2020 (year ending December 31)	\$
2021 (year ending December 31)	\$
Total (aggregate total of all future years)	\$

02. Leveraged Leases

- b. The Company's investment in leveraged leases relates to equipment...
March 31, 2016 were as shown below: (In thousands)

	(years as seen in Notes text)	
	2016	2015
1. Income from leveraged leases before income tax including	\$	
2. Less current income tax	\$	
3. Net income from leverage leases	\$	

- c. The components of the investment in leveraged leases at
March 31, 2016 and Dec. 31, 2015 were as shown below

	(years as seen in Notes text)	
	2016	2015
1. Lease contracts receivable (net principal & interest non-rec)	\$	
2. Estimated residual value of leased assets	\$	
3. Unearned and deferred income	\$	
4. Investment in leveraged leases	\$	
5. Deferred income taxes related to leveraged leases	\$	
6. Net investment in leveraged leases	\$	

NOTE 16 - - INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

The Company maintains no financial instruments with off-balance sheet risk or any financial instruments with concentrations of credit risk. The related note disclosures are all not applicable.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 18 - - GAIN OR LOSS FROM UNINSURED ACCIDENT & HEALTH PLANS

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

As discussed in Note 2, for the December 31, 2001 annual filing the Company implemented the Statement on Statutory Accounting Principles (SSAP) # 47 "Uninsured Plans". The Company's financial operations for the two quarters ended June 30, 2016 and the year ended December 31, 2015 exclude approximately \$62,980,000 and \$116,044,000 of revenues from such plans and there are no significant gains or losses related to such transactions.

NOTES TO FINANCIAL STATEMENTS

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

A. ASO Plans

The gain from operations from Administrative Services Only (ASO) plans and the uninsured portion of partially insured plans was as follows during 2016: (years as seen in Notes text)

	<u>ASO</u> <u>Uninsured</u> <u>Plans</u>	<u>Ininsured Portion</u> <u>f Partially Insure</u> <u>Plans</u>	<u>Total</u> <u>ASO</u>
a. Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$		
b. Total net other income or expenses (including interest paid to or received)	\$		
c. Net gain or (loss) from operations (a + b)	\$		
d. Total claim payment volume	\$		

B. ASC Plans

The gain from operations from Administrative Services Contract (ASC) plans and the uninsured portion of partially insured plans was as follows during 2016: (years as seen in Notes text)

	<u>ASC</u> <u>Uninsured</u> <u>Plans</u>	<u>Ininsured Portion</u> <u>f Partially Insure</u> <u>Plans</u>	<u>Total</u> <u>ASC</u>
a. Gross reimbursement for medical cost incurred	\$ 59,437,086		59,437,086
b. Gross administrative fees accrued	\$ 3,543,103		3,543,103
c. Other income or expenses (including interest paid to or received)	\$		
d. Gross expenses incurred (claims and administrative)	\$ 62,980,189		62,980,189
e. Total net gain or loss from operations (a + b + c - d)	\$		

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

The Company maintains no relationships with managing general agents or third party administrators. The Company does utilize in-house sales efforts, as well as independent brokers to market its products. Premiums earned are reported gross of brokers' commissions of approximately \$1,072,000 and \$2,134,000 for the two quarters ended June 30, 2016 and the year ended December 31, 2015. The related note disclosures are all not applicable.

NOTE 20 - - FAIR VALUE MEASUREMENTS

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

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

NOTES TO FINANCIAL STATEMENTS

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

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be derived from observable market data for substantially the full term of the assets or liabilities.

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

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

		Level 1	Level 2	Level 3	Total
June 30, 2016					
Assets at fair value:					
Cash & Cash Equivalents	\$	(78,086)			(78,086)
Common Stock - incl MMMF		10,447,217			10,447,217
Investment in Affiliates			27,929,784		27,929,784
Investment in Debt Securities			70,385,587		70,385,587
Investment in Venture Funds				2,611,479	2,611,479
December 31, 2015					
Assets at fair value:					
Cash & Cash Equivalents	\$	(4,308,020)			(4,308,020)
Common Stock - incl MMMF		10,521,060			10,521,060
Investment in Affiliates			27,013,915		27,013,915
Investment in Debt Securities			70,368,216		70,368,216
Investment in Venture Funds				2,379,279	2,379,279

The Company’s Investments in Venture Funds are the only financial instruments that are measured at fair value that are deemed to be a Level 3 price at June 30, 2016 and December 31, 2015.

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

		June 30, 2016		December 31, 2015	
		Book value	Estimated fair value	Book value	Estimated fair value
Assets:					
Cash and Cash Equivalents	\$	(78,086)	(78,086)	(4,308,020)	(4,308,020)
Common Stock - incl MMMF		10,447,217	10,447,217	10,521,060	10,521,060
Investment in Affiliates		27,738,205	27,929,784	27,013,915	27,013,915
Investment in Debt Services		69,008,029	70,385,587	70,444,568	70,368,216
Investment in Venture Funds		2,611,479	2,611,479	2,379,279	2,379,279

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

Short-Term Investments (Common Stock – Money Market Mutual Fund “MMMF”) – The carrying value of short-term investments are presented at cost, which approximates fair value.

Investments in Debt Securities – Investments are reported at amortized cost. The Company obtains fair value measurements from independent pricing sources, which base their fair value measurements upon observable inputs such as reported trades of comparable securities, broker

NOTES TO FINANCIAL STATEMENTS

quotes, the U.S. Treasury yield curve, benchmark interest rates, credit information, and the securities' terms and conditions. These prices are deemed to be Level 2.

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

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

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

A.

1. Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(1)	(2)	(3)	(4)	(5)
	(Level 1)	(Level 2)	(Level 3)	Total	
a. Assets at fair Value					
01. Cash and Cash Equivalents	\$ (78,086)				(78,086)
02. Common Stock - incl MMMF	\$ 10,447,217				10,447,217
03. Investment in Affiliates		27,929,784			27,929,784
04. Investment in Debt Services		70,385,587			70,385,587
05. Investment in Venture Funds				2,611,479	2,611,479
Total assets at fair value	\$ 10,369,131	98,315,371		2,611,479	111,295,981
b. Liabilities at fair value					
Total liabilities at fair value	\$				

NOTE 21 - - OTHER ITEMS

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

The Company has not yet entered into signed agreements to purchase state tax credits that will be utilized in 2016, but had in 2015 and has remaining 2016 carryforwards from these 2015 purchases; hence the Company maintains tax credits as net assets at June 30, 2016 and December 31, 2015. The Company estimates the utilization of 2016 and 2015 tax credits by projecting future premium levels taking into account policy growth and applicable rate changes. Gains were recognized in the fourth quarter of 2015 for the tax credits utilized for the 2015 premium taxes due.

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

1. Extraordinary items – Not applicable
2. Troubled debt restructuring debtors – Not applicable
3. Other disclosures and unusual items – Not applicable
4. Business interruption insurance recoveries – Not applicable
5. State transferable and non-transferable tax credits – State tax credits will be purchased in 2016 to be utilized in 2016, but have not been purchased at the present time. The carrying value and the unused amount from 2015 is listed below and on the Balance Sheet. State tax credits were purchased in 2015 as well as a carry forward balance from a purchase made in 2014. A \$1,522,402 RI motion picture production tax credit was purchased in March 2015 and a \$350,000 RI tax credit was purchased in December 2015, to be utilized in 2015. The other invested assets total of \$4,732,053 listed on the June 30,

NOTES TO FINANCIAL STATEMENTS

2016 Balance Sheet is made up of state tax credits, the equity method valuation of Altus Realty and investments in joint ventures.

- 6. Subprime-mortgage-related risk exposure – Not applicable
- 7. Retained assets – Not applicable

NOTES TO FINANCIAL STATEMENTS

21. Other Items

E. State Transferable Tax Credits

Description of State Transferable Tax Credits	State	Carrying Value	Unused Amount
01. State of Rhode Island Tax Credit Purchased - 2015	RI	279,647	20,022
Total	X X X	279,647	20,022

E.4 State Tax Credits Admitted and Nonadmitted

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

F. Subprime Mortgage Related Risk Exposure

2. Direct exposure through investments in subprime mortgage loans.

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

3. Direct exposure through other investments.

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

NOTES TO FINANCIAL STATEMENTS

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

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

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

G. Retained Assets

02.

	In Force			
	As of End of Current Year		As of End of Prior Year	
	Number	Balance	Number	Balance
a. Up to and including 12 Months				
b. 13 to 24 Months				
c. 25 to 37 Months				
d. 37 to 48 Months				
e. 49 to 60 Months				
f. Over 60 Months				
g. Total				

03.

	Individual		Group	
	Number	Balance/Amount	Number	Balance/Amount
a. Number/Balance of Retained Asset Accounts at the Beginning of the Year				
b. Number/Balance of Retained Asset Accounts Issued/Added During the Year				
c. Investment Earnings Credited to Retained Asset Accounts During the Year	X X X		X X X	
d. Fees and Other Charges Assessed to Retained Asset Accounts During the Year	X X X		X X X	
e. Number/Amount of Retained Asset Accounts Transferred to State Unclaimed Property funds During the Year				
f. Number/Amount of Retained Asset Accounts Closed/Withdrawn During the Year				
g. Number/Balance of Retained Asset Accounts at the End				

NOTE 22 - - EVENTS SUBSEQUENT

The Company has no events subsequent to June 30, 2016 that would warrant disclosure in these statutory 2016 financial statements.

In accordance with SSAP 35R, in 2016 the company has a liability for the 2016 ACA assessment in the amount of \$545,993 and recorded \$0 as restricted reserves in this June 30, 2016 filing, due to the one year moratorium. The company had expensed its full 2015 ACA assessment within the three quarters ending September 30, 2015. This payment of \$626,307 was made in September 2015. The estimated twelve month 2016 ACA assessment in the amount of \$545,993 has been expensed in the first quarter, which is payable on September 30, 2016. Additionally \$0 has been recorded as restricted reserves at June 30, 2016 due to the one year moratorium, which will result in no payment for the 2016 statutory premiums written projected ACA assessment, which would have been due September 30, 2017.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

22. Events Subsequent

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium the subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
B. ACA fee assessment payable for the upcoming year	\$	545,993
C. ACA fee assessment paid	\$	626,307
D. Premium written subject to ACA 9010 assessment	\$	84,961,063
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical L	\$	99,764,734
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$	99,764,734
G. Authorized Control Level after surplus adjustment (Five-Year Historical Line 15)	\$	6,756,893
H. Would reporting the ACA assessment as of Dec. 31, 2016 have triggered an RBC action level (YES/NO)?	NO	

NOTE 23 - - REINSURANCE

The Company utilizes no reinsurance arrangements in its underwriting of dental premiums to companies headquartered in the State of Rhode Island. The related note disclosures are all not applicable.

NOTE 24 - - RETROSPECTIVELY RATED CONTRACTS

The Company estimates accrued retrospective premium adjustments for each contractual group by projecting incurred losses based on group claims paid data. This data is updated and analyzed monthly and accrued retrospective premium adjustments are recorded monthly to earned premiums. The amount of net annual premiums written by the Company that are subject to retrospective rating or are contingent premiums (based on actual claims incurred) approximates \$2,593,000 and \$3,743,000 at the quarter ended June 30, 2016 and the year ended December 31, 2015.

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

Reserves as of June 30, 2016 were \$4,889,000. As of June 30, 2016 \$4,204,228 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$268,392 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on dental line of insurance. Therefore, there has been a \$242,880 favorable prior-year development since December 31, 2015 to June 30, 2016. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$0 of unfavorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

NOTE 26 - - INTERCOMPANY POOLING ARRANGEMENTS

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

NOTE 27 - - STRUCTURED SETTLEMENTS

NOTES TO FINANCIAL STATEMENTS

As documented in the NAIC Annual Statement filing instructions for 2016 and 2015, this footnote is not applicable to health insurance insurers.

NOTE 28 - - HEALTH CARE RECEIVABLES

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

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

NOTE 29 - - PARTICIPATING POLICIES

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

NOTE 30 - - PREMIUM DEFICIENCY RESERVES

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

NOTE 31 - - ANTICIPATED SALVAGE AND SUBROGATION

The Company's liability for unpaid claims is actuarially determined based on an analysis of historical claims experience, modified for changes in enrollment, inflation and benefit coverage. This liability reflects no reductions for salvage and subrogation recoveries, which are recorded in the year of receipt.

GENERAL INTERROGATORIES

PART 1 – COMMON INTERROGATORIES

GENERAL

1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]

1.2 If yes, has the report been filed with the domiciliary state? Yes [] No []

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [] No [X]

2.2 If yes, date of change: _____

3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No []

If yes, complete Schedule Y, Parts 1, and 1A.

3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes [] No [X]

3.3 If the response to 3.2 is yes, provide a brief description of those changes.

4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]

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

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes [] No [X] N/A []
 If yes, attach an explanation.

6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2012 _____

6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2012 _____

6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 03/13/2014 _____

6.4 By what department or departments?
 INSURANCE DIVISION, DEPARTMENT OF BUSINESS REGULATION, STATE OF RHODE ISLAND

6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []

6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []

7.1 Has this 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]

GENERAL INTERROGATORIES

7.2 If yes, give full information

.....

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 below the names and location (city and state of the main office) of any affiliates regulated by a federal 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
.....

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

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

Yes [X] No []

9.11 If the response to 9.1 is No, please explain:

.....

9.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

9.21 If the response to 9.2 is Yes, provide information related to amendment(s).

.....

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

9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

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

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

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

GENERAL INTERROGATORIES

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

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$ _____

13. Amount of real estate and mortgages held in short-term investments: \$ _____

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes No

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ <u>27,013,915</u>	\$ <u>27,738,205</u>
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ <u>7,963,364</u>	\$ <u>8,189,597</u>
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ <u>34,977,279</u>	\$ <u>35,927,802</u>
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes No

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
 If no, attach a description with this statement. Yes No

16. For the reporting entity's security lending program, state the amount of the following as current statement date:

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

17. 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 No

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

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

17.2 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)
.....
.....

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes No

GENERAL INTERROGATORIES

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

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

17.5 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	2 Name(s)	3 Address
112559	BNY MELLON	ONE FINANCIAL PLAZA, PROVIDENCE, RI 02903
.....

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

Yes [X] No []

18.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:
- | | |
|---|---------|
| 1.1 A&H loss percent | 81.85 % |
| 1.2 A&H cost containment percent | 0.75 % |
| 1.3 A&H expense percent excluding cost containment expenses | 20.87 % |
- 2.1 Do you act as a custodian for health savings accounts? Yes [] No [X]
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$ _____
- 2.3 Do you act as an administrator for health savings accounts? Yes [] No [X]
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date. \$ _____

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
<p>NONE</p>								

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property / Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama	AL	N							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	N							
5. California	CA	N							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	N							
14. Illinois	IL	N							
15. Indiana	IN	N							
16. Iowa	IA	N							
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	N							
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	N							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	N							
27. Montana	MT	N							
28. Nebraska	NE	N							
29. Nevada	NV	N							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	N							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	L	39,806,812					39,806,812	
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	N							
45. Utah	UT	N							
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	N							
49. West Virginia	WV	N							
50. Wisconsin	WI	N							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate other alien	OT	X X X							
59. Subtotal	X X X	39,806,812						39,806,812	
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Totals (Direct Business)	(a) 1	39,806,812						39,806,812	

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

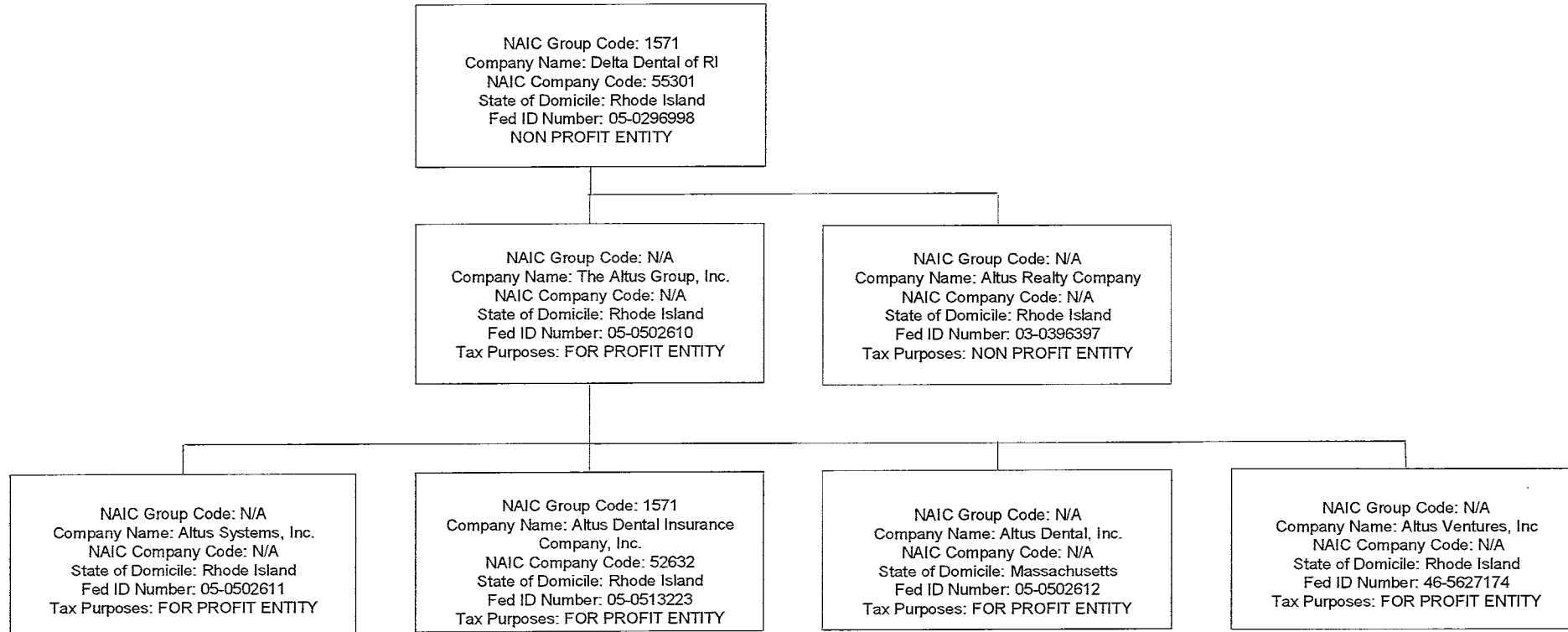
NONE

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

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

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

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1 Group Code	2 Group Name	3 NAIC Company Code	4 ID Number	5 Federal RSSD	6 CIK	7 Name of Securities Exchange if Publicly Traded (U.S. or International)	8 Names of Parent, Subsidiaries Or Affiliates	9 Domiciliary Location	10 Relationship to Reporting Entity	11 Directly Controlled by (Name of Entity / Person)	12 Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	13 If Control is Ownership Provide Percentage	14 Ultimate Controlling Entity(ies)/Person(s)	15 *
		00000	03-0396397				ALTUS REALTY COMPANY, INC.	RI	DS	DELTA DENTAL OF RHODE ISLAND	BOARD OF DIRECTORS	100.0	DELTA DENTAL OF RHODE ISLAND	0
		00000	05-0502610				THE ALTUS GROUP, INC.	RI	DS	DELTA DENTAL OF RHODE ISLAND	BOARD OF DIRECTORS	100.0	DELTA DENTAL OF RHODE ISLAND	0
		00000	05-0502611				ALTUS SYSTEMS, INC.	RI	DS	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.0	DELTA DENTAL OF RHODE ISLAND	0
		00000	05-0502612				ALTUS DENTAL, INC.	MA	DS	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.0	DELTA DENTAL OF RHODE ISLAND	0
1571	ALTUS DENTAL INSURANCE COMPANY, INC.	52632	05-0513223				ALTUS DENTAL INSURANCE COMPANY, INC.	RI	IA	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.0	DELTA DENTAL OF RHODE ISLAND	0
		00000	46-5627174				ALTUS VENTURES, INC	RI	DS	THE ALTUS GROUP, INC.	BOARD OF DIRECTORS	100.0	DELTA DENTAL OF RHODE ISLAND	0
1571	DELTA DENTAL OF RHODE ISLAND	55301	05-0526998				DELTA DENTAL OF RHODE ISLAND	RI	RE	DELTA DENTAL OF RHODE ISLAND	BOARD OF DIRECTORS	100.0	DELTA DENTAL OF RHODE ISLAND	0

16

Asterik	Explanation
<div style="font-size: 48pt; font-weight: bold; margin: 0;">NONE</div>	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

Explanation:

Question 1: THE COMPANY DOES NOT TRANSACT THIS TYPE OF BUSINESS.

Bar Code:



55301201636500102

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points and commitment fees		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	6,167,740	5,274,716
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		2,543,385
2.2 Additional investment made after acquisition	230,900	
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	167,134	143,839
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	1,833,721	1,794,200
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	4,732,053	6,167,740
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	4,732,053	6,167,740

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	107,974,597	102,078,750
2. Cost of bonds and stocks acquired	9,704,834	35,703,332
3. Accrual of discount	15,799	36,461
4. Unrealized valuation increase (decrease)	849,817	4,128,125
5. Total gain (loss) on disposals	(87,212)	814,314
6. Deduct consideration for bonds and stocks disposed of	10,890,620	34,050,390
7. Deduct amortization of premium	373,765	735,995
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	107,193,450	107,974,597
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	107,193,450	107,974,597

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	56,430,808	2,550,402	2,639,974	(680,566)	56,430,808	55,660,670		58,915,680
2. NAIC 2 (a)	12,113,414		400,000	506,196	12,113,414	12,219,610		11,528,889
3. NAIC 3 (a)	1,081,110			46,639	1,081,110	1,127,749		
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	69,625,332	2,550,402	3,039,974	(127,731)	69,625,332	69,008,029		70,444,569
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	69,625,332	2,550,402	3,039,974	(127,731)	69,625,332	69,008,029		70,444,569

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(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated, short-term and cash-equivalent bonds by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999					

NONE

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of short-term investments acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals		
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

NONE

SCHEDULE DB - PART A - VERIFICATION

Options, Caps, Floors, Collars, Swaps and Forwards

1.	Book/Adjusted Carrying Value, December 31, prior year (Line 9, prior year)		
2.	Cost Paid/(Consideration Received) on additions		
3.	Unrealized Valuation increase/(decrease)		
4.	Total gain (loss) on termination recognized	NONE	
5.	Considerations received/(paid) on terminations		
6.	Amortization		
7.	Adjustment to the Book/Adjusted Carrying Value of hedged item		
8.	Total foreign exchange change in Book/Adjusted Carrying Value		
9.	Book/Adjusted Carrying Value at End of Current Period (Lines 1 + 2 + 3 + 4 - 5 + 6 + 7 + 8)		
10.	Deduct nonadmitted assets		
11.	Statement value at end of current period (Line 9 minus Line 10)		

SCHEDULE DB - PART B - VERIFICATION

Future Contracts

1.	Book/Adjusted carrying value, December 31 of prior year (Line 6, prior year)		
2.	Cumulative cash change (Section 1, Broker Name/Net Cash Deposits Footnote - Cumulative Cash Change column)		
3.1	Add:		
	Change in variation margin on open contracts - Highly Effective Hedges		
3.11	Section 1, Column 15, current year to date minus		
3.12	Section 1, Column 15, prior year		
	Change in variation margin on open contracts - All Other		
3.13	Section 1, Column 18, current year to date minus		
3.14	Section 1, Column 18, prior year		
3.2	Add:		
	Change in adjustment to basis of hedged item		
3.21	Section 1, Column 17, current year to date minus		
3.22	Section 1, Column 17, prior year		
	Change in amount recognized		
3.23	Section 1, Column 19, current year to date minus	NONE	
3.24	Section 1, Column 19, prior year		
3.3	Subtotal (Line 3.1 minus Line 3.2)		
4.1	Cumulative variation margin on terminated contracts during the year		
4.2	Less:		
4.21	Amount used to adjust basis of hedged item		
4.22	Amount recognized		
4.3	Subtotal (Line 4.1 minus Line 4.2)		
5.	Dispositions gains (losses) on contracts terminated in prior year:		
5.1	Total gain (loss) recognized for terminations in prior year		
5.2	Total gain (loss) adjusted into the hedged item(s) for terminations in prior year		
6.	Book/Adjusted carrying value at end of current period (Lines 1 + 2 + 3.3 - 4.3 - 5.1 - 5.2)		
7.	Deduct total nonadmitted amounts		
8.	Statement value at end of current period (Line 6 minus Line 7)		

SCHEDULE DB - PART C - SECTION 1

Replication (Synthetic Asset) Transactions Open as of Current Statement Date

Replicated (Synthetic Asset) Transactions								Components of the Replication (Synthetic Asset) Transactions							
1	2	3	4	5	6	7	8	Derivative Instrument(s) Open			Cash Instrument(s) Held				
Number	Description	NAIC Designation or Other Description	Notional Amount	Book/Adjusted Carrying Value	Fair Value	Effective Date	Maturity Date	9	10	11	12	13	14	15	16
								Description	Book/Adjusted Carrying Value	Fair Value	CUSIP	Description	NAIC Designation or Other Description	Book/Adjusted Carrying Value	Fair Value
NONE															
9999999	Totals					XXX	XXX	XXX			XXX	XXX	XXX		

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SCHEDULE DB VERIFICATION

Verification of Book/Adjusted Carrying Value, Fair Value and Potential Exposure of all Open Derivative Contracts

Book/Adjusted Carrying Value Check

1. Part A, Section 1, Column 14	_____
2. Part B, Section 1, Column 15 plus Part B, Section 1 Footnote - Total Ending Cash Balance	_____
3. Total (Line 1 plus Line 2)	_____
4. Part D, Section 1, Column 5	_____
5. Part D, Section 1, Column 6	_____
6. Total (Line 3 minus Line 4 minus Line 5)	_____

NONE

Fair Value Check

7. Part A, Section 1, Column 16	_____
8. Part B, Section 1, Column 13	_____
9. Total (Line 7 plus Line 8)	_____
10. Part D, Section 1, Column 8	_____
11. Part D, Section 1, Column 9	_____
12. Total (Line 9 minus Line 10 minus Line 11)	_____

Potential Exposure Check

13. Part A, Section 1, Column 21	_____
14. Part B, Section 1, Column 20	_____
15. Part D, Section 1, Column 11	_____
16. Total (Line 13 plus Line 14 minus Line 15)	_____

SCHEDULE E - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of cash equivalents acquired		
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	NONE	
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)		
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)		

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
000000-00-0	POINT JUDITH CAPITAL PARTNER	PROVIDENCE	RI	POINT JUDITH CAPITAL PARTNER		04/30/2014	1		55,000		369,000	
000000-00-0	POINT JUDITH CAPITAL PARTNER	PROVIDENCE	RI	POINT JUDITH CAPITAL PARTNER		12/31/2015	1		174,000		2,748,000	
2199999 Other - Joint Venture, Partnership or Limited Liability Interests - Unaffiliated									229,000		3,117,000	X X X
4499999 Subtotal Unaffiliated									229,000		3,117,000	X X X
4699999 Totals									229,000		3,117,000	X X X

EO3

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Purchaser or Nature of Disposal	6 Date Originally Acquired	7 Disposal Date	8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year	Change in Book/Adjusted Carrying Value						15 Book/Adjusted Carrying Value Less Encumbrances on Disposal	16 Consideration	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Investment Income
		3 City	4 State					9 Unrealized Valuation Increase (Decrease)	10 Current Year's (Depreciation) or (Amortization)/ Accretion	11 Current Year's Other Than Temporary Impairment Recognized	12 Capitalized Deferred Interest and Other	13 Total Change in B./A.C.V. (9+10-11+12)	14 Total Foreign Exchange Change in B./A.C.V.						
NONE																			
4699999 Totals																			

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
035242-AJ-5	ANHEUSER-BUSCH INBEV FINANCE INC	R	05/13/2016	CITIZENS BANK		512,065	500,000.00	4,159	1FE
059165-ED-8	BALTIMORE GAS AND ELECTRIC CO		06/17/2016	CITIZENS BANK		321,908	300,000.00	1,079	1FE
07274E-AF-0	BAYER US FINANCE LLC		06/21/2016	CITIZENS BANK		619,293	600,000.00	3,400	1FE
22546Q-AR-8	CREDIT SUISSE AG (NEW YORK BRANCH)	R	04/08/2016	CITIZENS BANK		256,300	250,000.00	3,417	1FE
404280-AK-5	HSBC HOLDINGS PLC	R	04/08/2016	CITIZENS BANK		331,851	300,000.00	340	1FE
40428H-PV-8	HSBC USA INC	R	05/13/2016	CITIZENS BANK		508,985	500,000.00	3,858	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	2,550,402	2,450,000.00	16,253	X X X
8399997	Total Bonds Part 3				X X X	2,550,402	2,450,000.00	16,253	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	2,550,402	2,450,000.00	16,253	X X X
E04 03076C-10-6	AMERIPRISE FINANCE ORD		04/12/2016	CITIZENS BANK	570.000	53,261			L
117043-10-9	BRUNSWICK ORD		04/12/2016	CITIZENS BANK	230.000	10,738			L
G25839-10-4	COCA COLA EUROPEAN PARTNERS ORD	F	06/01/2016	CITIZENS BANK	260.000	12,832			L
23331A-10-9	D R HORTON ORD		04/12/2016	CITIZENS BANK	340.000	10,336			L
370334-10-4	GENERAL MILLS ORD		04/12/2016	CITIZENS BANK	620.000	39,283			L
571903-20-2	MARRIOTT INTERNATIONAL CL A ORD		04/12/2016	CITIZENS BANK	730.000	49,223			L
609207-10-5	MONDELEZ INTERNATIONAL CL A ORD		04/12/2016	CITIZENS BANK	1,750.000	73,902			L
655664-10-0	NORDSTROM ORD		04/12/2016	CITIZENS BANK	230.000	11,528			L
806857-10-8	SCHLUMBERGER ORD	R	04/01/2016	CITIZENS BANK	300.720	20,351			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	281,454	X X X		X X X
990220-47-7	RBS CITIZENS NA CASH SWEEP		06/30/2016	CITIZENS BANK	4,191,131.270	4,191,131			V
9399999	Total Common Stock Money Market Mutual Funds				X X X	4,191,131	X X X		X X X
9799997	Total Common Stock Part 3				X X X	4,472,585	X X X		X X X
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stock				X X X	4,472,585	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	4,472,585	X X X		X X X
9999999	Totals				X X X	7,022,987	X X X	16,253	X X X

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
31371L-DY-2	RMBS - FN 254919		06/27/2016	CITIZENS BANK		12,861	12,861.34	13,528	13,119		(258)		(258)		12,861				181	09/01/2018	1
31371M-GB-7	RMBS - FN 255894		06/27/2016	CITIZENS BANK		2,645	2,644.62	2,596	2,586		58		58		2,645				44	10/01/2025	1
31402R-H3-6	RMBS - FN 735650		06/27/2016	CITIZENS BANK		4,785	4,785.05	4,771	4,768		17		17		4,785				84	11/01/2018	1
31403D-EP-0	RMBS - FN 745442		06/27/2016	CITIZENS BANK		9,224	9,224.09	9,189	9,209		15		15		9,224				160	07/01/2019	1
31417Y-FQ-5	RMBS - FN MA0174		06/27/2016	CITIZENS BANK		9,163	9,162.51	9,685	9,410		(248)		(248)		9,163				129	09/01/2019	1
31417Y-VX-2	RMBS - FN MA0629		06/27/2016	CITIZENS BANK		12,234	12,234.36	12,672	12,472		(238)		(238)		12,234				147	01/01/2021	1
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Oblig				X X X	50,912	50,911.97	52,441	51,564		(654)		(654)		50,912				745	X X X	X X X
002799-AJ-3	ABBEY NATIONAL TREASURY SERVI	R	04/27/2016	Maturity		275,000	275,000.00	289,303	276,377		(1,377)		(1,377)		275,000				5,500	04/27/2016	1FE
172967-FS-5	CITIGROUP INC		06/15/2016	Maturity		400,000	400,000.00	403,532	400,381		(381)		(381)		400,000				7,906	06/15/2016	2FE
36962G-5C-4	GENERAL ELECTRIC CAPITAL CORP		05/09/2016	Maturity		600,000	600,000.00	600,000	600,000						600,000				8,850	05/09/2016	1FE
373334-JV-4	GEORGIA POWER CO		04/15/2016	Maturity		500,000	500,000.00	528,360	501,806		(1,806)		(1,806)		500,000				7,500	04/15/2016	1FE
585907-AN-8	Mellon Bank, N.A.		04/01/2016	Maturity		750,000	750,000.00	748,470	749,946		54		54		750,000				20,438	04/01/2016	1FE
71672V-AB-5	PETROLOGISTICS LP		04/01/2016	CITIZENS BANK		464,062	450,000.00	499,973	469,574		(5,512)		(5,512)		464,063				14,062	04/01/2020	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	2,989,062	2,975,000.00	3,069,638	2,998,084		(9,022)		(9,022)		2,989,063				64,256	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	3,039,974	3,025,911.97	3,122,079	3,049,648		(9,676)		(9,676)		3,039,975				65,001	X X X	X X X
8399998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Total Bonds				X X X	3,039,974	3,025,911.97	3,122,079	3,049,648		(9,676)		(9,676)		3,039,975				65,001	X X X	X X X
020002-10-1	ALLSTATE ORD		04/12/2016	CITIZENS BANK	180.00	12,052	12,253	11,176	1,076		1,076		1,076		12,253		(201)	(201)	113		L
G16962-10-5	BUNGE ORD	R	04/12/2016	CITIZENS BANK	520.00	29,296	47,355	35,506	11,849		11,849		11,849		47,355		(18,059)	(18,059)	198		L
13342B-10-5	CAMERON INTERNATIONAL ORD		04/01/2016	CITIZENS BANK	420.00	26,416	20,351	26,544	(6,193)		(6,193)		(6,193)		20,351		6,065	6,065			L
19122T-10-9	Coca-Cola Enterprises, Inc.	E	06/01/2016	CITIZENS BANK	260.00	12,832	12,832	12,802	29		29		29		12,832				156		L
354613-10-1	FRANKLIN RESOURCES ORD		04/15/2016	CITIZENS BANK	1,100.00	41,173	53,770	40,502	13,268		13,268		13,268		53,770		(12,597)	(12,597)	396		L
69007J-10-6	OUTFRONT MEDIA ORD		04/12/2016	CITIZENS BANK	200.00	4,232	5,299	4,366	933		933		933		5,299		(1,068)	(1,068)	68		L
806857-10-8	SCHLUMBERGER ORD	R	04/21/2016	CITIZENS BANK	0.72	55	68	50	17		17		17		68		(13)	(13)	1		L
81761R-10-9	SERVICEMASTER GLOBAL HOLDING		04/12/2016	CITIZENS BANK	570.00	21,545	20,135	22,367	(2,232)		(2,232)		(2,232)		20,135		1,410	1,410			L
876664-10-3	TAUBMAN CNTR REIT		04/12/2016	CITIZENS BANK	610.00	42,205	50,613	46,799	3,814		3,814		3,814		50,613		(8,408)	(8,408)	363		L
930059-10-0	WADDELL REED FINANCIAL CL A OR		04/12/2016	CITIZENS BANK	610.00	13,438	25,994	17,483	8,511		8,511		8,511		25,994		(12,556)	(12,556)	281		L

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	203,244		248,670	217,595	31,072				31,072		248,670		(45,427)	(45,427)	1,576	X X X	X X X
990220-47-7	RBS CITIZENS NA CASH SWEEP		06/29/2016	CITIZENS BANK	4,143,679.2	4,143,679		4,143,679	85,627						4,143,679					795		V
9399999	Total - Common Stock - Money Market Mutual Funds				X X X	4,143,679	X X X	4,143,679	85,627						4,143,679					795	X X X	X X X
9799997	Total - Common Stock - Part 4				X X X	4,346,923	X X X	4,392,349	303,222	31,072				31,072	4,392,349		(45,427)	(45,427)	2,371	X X X	X X X	
9799998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799999	Total Common Stocks				X X X	4,346,923	X X X	4,392,349	303,222	31,072				31,072	4,392,349		(45,427)	(45,427)	2,371	X X X	X X X	
9899999	Total Preferred and Common Stocks				X X X	4,346,923	X X X	4,392,349	303,222	31,072				31,072	4,392,349		(45,427)	(45,427)	2,371	X X X	X X X	
9999999	Totals					7,386,897	X X X	7,514,428	3,352,870	31,072	(9,676)			21,396	7,432,324		(45,427)	(45,427)	67,372	X X X	X X X	

E05.1

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues 0.

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors, Collars, Swaps and Forwards Open as of Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23							
Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Exchange, Counterparty or Central Clearinghouse	Trade Date	Date of Maturity or Expiration	Number of Contracts	Notional Amount	Strike Price, Rate or Index Received (Paid)	Cumulative Prior Year(s) Initial Cost of Premium (Received) Paid	Current Year Initial Cost of Premium (Received) Paid	Current Year Income	Book/ Adjusted Carrying Value	Code	Fair Value	Unrealized Valuation Increase/ (Decrease)	Total Foreign Exchange Change in B./A.C.V.	Current Year's (Amortization)/ Accretion	Adjustment to Carrying Value of Hedged Item	Potential Exposure	Credit Quality of Reference Entity	Hedge Effectiveness at Inception and at Quarter-end (b)							
NONE																													
1449999 Total																													

E06

(a)

Code	Description of Hedged Risk(s)
NONE	

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
NONE	

SCHEDULE DB - PART B - SECTION 1

Future Contracts Open as of the Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	Highly Effective Hedges			18	19	20	21	22
														15	16	17					
Ticker Symbol	Number of Contracts	Notional Amount	Description	Description of Item(s) Hedged, Used for Income Generation or Replicated	Schedule/ Exhibit Identifier	Type(s) of Risk(s) (a)	Date of Maturity or Expiration	Exchange	Trade Date	Transaction Price	Reporting Date Price	Fair Value	Book/ Adjusted Carrying Value	Cumulative Variation Margin	Deferred Variation Margin	Change in Variation Margin Gain (Loss) Used to Adjust Basis of Hedged Item	Cumulative Variation Margin for All Other Hedges	Change in Variation Margin Gain (Loss) Recognized in Current Year	Potential Exposure	Hedge Effectiveness at Inception and at Quarter-end (b)	Value of One (1) Point
1449999 Total						X X X	X X X	X X X			X X X									X X X	X X X

NONE

Broker Name	Beginning Cash Balance	Cumulative Cash Change	Ending Cash Balance
<div style="font-size: 4em; font-weight: bold;">NONE</div>			
Total Net Cash Deposits			

E07

(a)

Code	Description of Hedged Risk(s)
<div style="font-size: 4em; font-weight: bold;">NONE</div>	

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
<div style="font-size: 4em; font-weight: bold;">NONE</div>	

SCHEDULE DB - PART D - SECTION 1

Counterparty Exposure for Derivative Instruments Open as of Current Statement Date

1 Description of Exchange, Counterparty or Central Clearinghouse	2 Master Agreement (Y or N)	3 Credit Support Annex (Y or N)	4 Fair Value of Acceptable Collateral	Book/Adjusted Carrying Value			Fair Value			11 Potential Exposure	12 Off-Balance Sheet Exposure
				5 Contracts With Book/ Adjusted Carrying Value >0	6 Contracts With Book/ Adjusted Carrying Value <0	7 Exposure net of Collateral	8 Contracts With Fair Value >0	9 Contracts With Fair Value <0	10 Exposure Net of Collateral		
NONE											
0999999 Gross Totals											
1. Offset per SSAP No. 64											
2. Net after right of offset per SSAP No. 64											

E08

SCHEDULE DB - PART D - SECTION 2

Collateral for Derivative Instruments Open as of Current Statement Date

Collateral Pledged by Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book / Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)	
			NONE						
0199999 Total Collateral Pledged by Reporting Entity								X X X	X X X

E09

Collateral Pledged to Reporting Entity

1 Exchange, Counterparty or Central Clearinghouse	2 Type of Asset Pledged	3 CUSIP Identification	4 Description	5 Fair Value	6 Par Value	7 Book / Adjusted Carrying Value	8 Maturity Date	9 Type of Margin (I, V or IV)	
			NONE						
0299999 Total Collateral Pledged to Reporting Entity							X X X	X X X	X X X

SCHEDULE DL - PART 1

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1	2	3	4	5	6	7
CUSIP Identification	Description	Code	NAIC Desig- nation/ Market Indicator	Fair Value	Book / Adjusted Carrying Value	Maturity Dates
NONE						
999999 Totals						X X X

General Interrogatories:

1. Total activity for the year to date Fair Value \$ 0 Book/Adjusted Carrying Value \$ 0

2. Average balance for the year to date Fair Value \$ 0 Book/Adjusted Carrying Value \$ 0

3. Reinvested securities lending collateral assets book/adjusted carrying value included in this schedule by NAIC designation:

NAIC 1 \$ 0; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0.

SCHEDULE DL - PART 2

SECURITIES LENDING COLLATERAL ASSETS

Reinvested Collateral Assets Owned Current Statement Date

1 CUSIP Identification	2 Description	3 Code	4 NAIC Desig- nation/ Market Indicator	5 Fair Value	6 Book / Adjusted Carrying Value	7 Maturity Dates
NONE						
9999999 Totals						XXX

General Interrogatories:

1. Total activity for the year	Fair Value \$	0	Book/Adjusted Carrying Value \$	0
2. Average balance for the year	Fair Value \$	0	Book/Adjusted Carrying Value \$	0

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
			NONE				
<div style="display: flex; justify-content: space-between;"> E13 8699999 Total Cash Equivalents </div>							