

**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**

**September 30, 2016**

**HEALTH**

**2016**



55301201620100103

# QUARTERLY STATEMENT

AS OF SEPTEMBER 30, 2016  
OF THE CONDITION AND AFFAIRS OF THE

## DELTA DENTAL OF RHODE ISLAND

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

Organized under the Laws of RHODE ISLAND State of Domicile or Port of Entry RHODE ISLAND  
Country of Domicile UNITED STATE OF AMERICA

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

Incorporated/Organized October 22, 1959 Commenced Business April 1, 1966  
Statutory Home Office 10 CHARLES STREET, PROVIDENCE, RI US 02904  
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 10 CHARLES STREET PROVIDENCE, RI US 02904 401-752-6000  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 10 CHARLES STREET, PROVIDENCE, RI US 02904  
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 10 CHARLES STREET, PROVIDENCE, RI US 02904 401-752-6000  
(Street and Number) (City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Website Address www.deltadentalri.com

Statutory Statement Contact GEORGE J. BEDARD 401-752-6000  
(Name) (Area Code) (Telephone Number) (Extension)  
gbedard@deltadentalri.com 401-752-6070  
(E-Mail Address) (Fax Number)

### OFFICERS

Name	Title
1. JOSEPH A. NAGLE	PRESIDENT
2. KERRIE BENNETT	SECRETARY
3. RICHARD A. FRITZ	TREASURER

### VICE-PRESIDENTS

Name	Title	Name	Title
RICHARD A. FRITZ	VP - FINANCE	KERRIE BENNETT	VP - MARKETING & COMMUNICATIONS
JOSEPH PERRONI	VP - SALES	THOMAS CHASE	VP - CHIEF INFORMATION OFFICER
BLAINE CARROLL	VP - STRATEGIC INITIATIVES		

### DIRECTORS OR TRUSTEES

JULIE G. DUFFY	FRANCIS J. FLYNN	WILLIAM G. FOULKES	JONATHAN W. HALL #
ALMON C. HALL	EDWARD O. HANDY III	STEVEN J. ISSA	JOSEPH J. MARCAURELE
LINDA R. McGOLDRICK	JAMES F. McMANUS, DDS	MARK A. PAULHUS #	CYNTHIA S. REED
JAMES V. ROSATI #	JOHN T RUGGEIRI	VANESSA TOLEDO-VICKERS	

State of RHODE ISLAND

County of PROVIDENCE ss

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

(Signature)	(Signature)	(Signature)
JOSEPH A. NAGLE	KERRIE BENNETT	RICHARD A. FRITZ
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
PRESIDENT	SECRETARY	TREASURER
(Title)	(Title)	(Title)

Subscribed and sworn to before me this  
10th day of NOVEMBER, 2016

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

KRISTEN MEIZOSO  
My commission expires 8/1/20

## 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	67,942,862		67,942,862	70,444,568
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	39,937,028		39,937,028	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 (\$ 2,106,100), cash equivalents (\$ 0), and short-term investments (\$ 0)	2,106,100		2,106,100	(4,303,074)
6. Contract loans (including \$ 0 premium notes)				
7. Derivatives				
8. Other invested assets	4,921,765		4,921,765	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)	114,907,755		114,907,755	109,839,263
13. Title plants less \$ 0 charged off (for Title insurers only)				
14. Investment income due and accrued	573,672		573,672	663,865
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,552,091	303,169	1,248,922	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	3,970,480	102,432	3,868,048	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	798,528	108,053	690,475	813,918
21. Furniture and equipment, including health care delivery assets (\$ 0)	274,795	274,795		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	8,373,953	7,949,261	424,692	385,073
24. Health care (\$ 0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	577,718	577,255	463	93,529
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	131,028,992	9,314,965	121,714,027	116,600,465
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Lines 26 and 27)	131,028,992	9,314,965	121,714,027	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.	577,255	577,255		
2502. NET STATE AND FEDERAL TAX ADVANCES	463		463	93,529
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	577,718	577,255	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)	4,092,000		4,092,000	4,872,000
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	388,314		388,314	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	1,912,205		1,912,205	1,392,506
9. General expenses due or accrued	8,176,504		8,176,504	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	239,157		239,157	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	2,067,537		2,067,537	1,115,167
23. Aggregate write-ins for other liabilities (including \$ 0 current)	545,587		545,587	408,646
24. Total liabilities (Lines 1 to 23)	17,421,304		17,421,304	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	30,513,147	29,649,062
31. Unassigned funds (surplus)	X X X	X X X	73,779,576	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	104,292,723	99,764,734
34. Total liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	121,714,027	116,600,465

DETAILS OF WRITE-IN LINES				
2301. ADVANCE DEPOSITS	545,587		545,587	408,646
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	545,587		545,587	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	30,513,147	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	30,513,147	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	1,752,406	1,926,842	2,514,603
2. Net premium income (including \$ 0 non-health premium income)	X X X	59,051,590	65,095,747	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	59,051,590	65,095,747	84,961,063
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits				
10. Other professional services		45,863,235	52,984,480	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)		45,863,235	52,984,480	67,967,472
<b>Less:</b>				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)		45,863,235	52,984,480	67,967,472
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 455,795 cost containment expenses		4,800,235	5,067,410	6,819,761
21. General administrative expenses		8,272,421	9,522,412	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)		58,935,891	67,574,302	86,539,979
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	115,699	(2,478,555)	(1,578,916)
25. Net investment income earned		1,271,572	1,032,649	1,547,910
26. Net realized capital gains (losses) less capital gains tax of \$ 0		(13,232)	858,554	814,314
27. Net investment gains (losses) (Lines 25 plus 26)		1,258,340	1,891,203	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	1,374,039	(587,352)	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	1,374,039	(587,352)	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
<b>CAPITAL &amp; SURPLUS ACCOUNT</b>			
33. Capital and surplus prior reporting year	99,764,734	97,097,595	97,097,595
34. Net income or (loss) from Line 32	1,374,039	(587,352)	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	1,989,227	(713,689)	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	1,218,125	523,156	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	(53,402)	(16,597)	148,646
48. Net change in capital and surplus (Lines 34 to 47)	4,527,989	(794,482)	2,667,139
49. Capital and surplus end of reporting period (Line 33 plus 48)	104,292,723	96,303,113	99,764,734

<b>DETAILS OF WRITE-IN LINES</b>			
4701. INCLUSION OF BAD DEBT RESERVE IN THE NON-ADMITTED ASSETS	(53,402)	(16,597)	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)	(53,402)	(16,597)	148,646

**CASH FLOW**

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance	59,259,136	66,132,155	85,331,826
2. Net investment income	1,348,533	1,910,135	2,340,211
3. Miscellaneous income			150,154
4. Total (Lines 1 to 3)	60,607,669	68,042,290	87,822,191
5. Benefit and loss related payments	46,643,235	52,823,680	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	11,455,699	14,758,328	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)	58,098,934	67,582,008	88,130,174
11. Net cash from operations (Line 4 minus Line 10)	2,508,735	460,282	(307,983)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	5,889,994	7,305,820	9,276,744
12.2 Stocks	8,774,598	20,782,443	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)	16,498,313	29,887,455	35,844,590
13. Cost of investments acquired (long-term only):			
13.1 Bonds	3,965,906	10,443,809	10,443,809
13.2 Stocks	9,550,472	20,612,730	25,259,523
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	283,941	1,825,385	2,543,385
13.6 Miscellaneous applications			
13.7 Total investments acquired (Lines 13.1 to 13.6)	13,800,319	32,881,924	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)	2,697,994	(2,994,469)	(2,402,127)
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	1,202,445	714,626	(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)	1,202,445	714,626	(1,827,792)
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	6,409,174	(1,819,561)	(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)	2,106,100	(1,584,733)	(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	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
		2	3							
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	195,438					195,438				
2. First Quarter	193,810					193,810				
3. Second Quarter	195,027					195,027				
4. Third Quarter	196,161					196,161				
5. Current Year										
6. Current Year Member Months	1,752,406					1,752,406				
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)	59,259,136					59,259,136				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	59,051,590					59,051,590				
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	46,643,235					46,643,235				
18. Amount Incurred for Provision of Health Care Services	45,863,235					45,863,235				

(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	4,419,429	42,223,805	86,764	4,005,236	4,506,193	4,872,000
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	4,419,429	42,223,805	86,764	4,005,236	4,506,193	4,872,000
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Lines 9 - 10 + 11 + 12)	4,419,429	42,223,805	86,764	4,005,236	4,506,193	4,872,000

(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 three quarters ended September 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 \$	1,374,039	937,462	RI

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

Details of Depreciation of Fixed Assets	Net Income 2016	Net Income 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	Net Income 2016	Net Income 2015	State of Domicile
Totals (Lines 01A0301 through 01A0325)	\$		

04. NAIC SAP.....	\$ 1,374,039	937,462	RI
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#### SURPLUS

	2016	2015	State of Domicile
05. DELTA DENTAL OF RHODE ISLAND state basis (Page \$	104,292,723	99,764,734	RI

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

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

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

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

08. NAIC SAP.....	\$ 104,292,723	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

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

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## NOTES TO FINANCIAL STATEMENTS

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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.
6. Loan-backed securities are stated at amortized value using the constant yield / scientific method.

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## NOTES TO FINANCIAL STATEMENTS

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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 conditions or events that raise substantial doubt about the Company's ability to continue as a going concern.

### 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 September 30, 2016 and December 31, 2015.

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.

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## NOTES TO FINANCIAL STATEMENTS

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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 \$96,000 of income from the company’s three joint ventures. The Company participates 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. One of these new ventures 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. No income or losses have been required in 2016. The other two smaller joint ventures have reported the \$96,000 of profitability.

In 2016, the company made small investments and increased its investments in 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 September 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 three quarters ended September 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 a statutory temporarily impaired adjustment in the amount of \$39,000 reducing investments and reserves for the three quarters ended September 30, 2016. An OTTI writedown of \$20,000 was recorded 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 September 30, 2016 and December 31, 2015, the Company had not utilized any derivative financial instruments. The related disclosures are all not applicable.

### NOTE 9 - - FEDERAL INCOME TAXES

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## NOTES TO FINANCIAL STATEMENTS

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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 three quarters ended September 30, 2016 and year ended December 31, 2015, the tax provision of the Altus Group was \$1,232,000 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 space within this building. For the three quarters ended September 30, 2016 and the year ended December 31, 2015 respectively, this entity reported total revenues of \$1,408,000 and \$1,679,000 and net income of \$256,000 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

## NOTES TO FINANCIAL STATEMENTS

care coverage. For the three quarters ended September 30, 2016 and the year ended December 31, 2015, after elimination of intercompany transactions, The Altus Group, Inc., generated gains of \$1,877,000 and \$2,229,000.

At September 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.

### DELTA DENTAL OF RHODE ISLAND INTERCOMPANY BALANCES SEPTEMBER 30, 2016

#### Assets (Page 2)

Line #	Account #	Description	Amount
23	1214-0000-002	A/R from Altus Dental, Inc.	4,768,041.19
	1214-0000-003	A/R from The Altus Group, Inc.	0.00
	1214-0000-005	A/R from Altus Dental Insurance Co., Inc. *	424,692.37
	1214-0000-006	A/R from Altus Realty Company	2,968,602.97
	1214-0000-008	A/R from Altus Ventures	<u>212,617.06</u>
		<b>Total</b>	<b><u>\$8,373,953.59</u></b>

\* Settled within 90 days

#### Liabilities (Page 3)

Line #	Account #	Description	Amount
15	1214-0000-001	A/P to Altus Systems, Inc.	<u>\$239,157.22</u>
		<b>Total</b>	<b><u>\$239,157.22</u></b>

NOTE 11 - - DEBT



## NOTES TO FINANCIAL STATEMENTS

During the three quarters ended September 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 \$799,000 and \$918,000 for the three quarters ended September 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 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 \$196,000 and \$252,000 for the three quarters ended September 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

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## NOTES TO FINANCIAL STATEMENTS

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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 September 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
6. Restrictions placed on unassigned funds – No reserves are restricted for the estimated twelve months of the 2017 ACA assessment in the September 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. \$549,306 of reserves are restricted for the estimated twelve months of the 2016 ACA assessment in the December 31, 2015 filing, which was 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 is \$39,000 as discussed in note 7.
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.

**NOTES TO FINANCIAL STATEMENTS**

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**

**14. Contingencies**

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

02.

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

## NOTES TO FINANCIAL STATEMENTS

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

### 15. Leases

#### A. 02.

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

Year Ending December 31	Operating Leases
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....

September 30, 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

September 30, 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

## NOTES TO FINANCIAL STATEMENTS

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.

### 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 three quarters ended September 30, 2016 and the year ended December 31, 2015 exclude approximately \$95,374,000 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 Plans

A. ASO Plans	<u>ASO</u> <u>Uninsured</u> <u>Plans</u>	<u>Uninsured Portion</u> <u>of Partially Insured</u> <u>Plans</u>	<u>Total</u> <u>ASO</u>
The gain from operations from Administrative Services Only (ASO) uninsured plans and the uninsured portion of partially insured plans was as follows during 2016: (years as seen in Notes text)			
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 from	\$		
c. Net gain or (loss) from operations (a + b)	\$		
d. Total claim payment volume	\$		
B. ASC Plans	<u>ASC</u> <u>Uninsured</u> <u>Plans</u>	<u>Uninsured Portion</u> <u>of Partially Insured</u> <u>Plans</u>	<u>Total</u> <u>ASC</u>
The gain from operations from Administrative Services Contract (ASC) uninsured plans and the uninsured portion of partially insured plans was as follows during 2016: (years as seen in Notes text)			
a. Gross reimbursement for medical cost incurred	\$ 89,985,480		89,985,480
b. Gross administrative fees accrued	\$ 5,388,309		5,388,309
c. Other income or expenses (including interest paid to or received from plans)	\$		
d. Gross expenses incurred (claims and administrative)	\$ 95,373,789		95,373,789
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 \$1,607,000 and \$2,134,000 for the three quarters ended September 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
<b>September 30, 2016</b>					
Assets at fair value:					
Cash & Cash Equivalents	\$	2,106,100			2,106,100
Common Stock - incl MMMF		11,707,706			11,707,706
Investment in Affiliates			28,229,322		28,229,322
Investment in Debt Securities			69,259,261		69,259,261
Investment in Venture Funds				2,702,295	2,702,295
Investment in Altus Realty			1,939,824		1,939,824
<b>December 31, 2015</b>					
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
Investment in Altus Realty			1,675,093		1,675,093

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 September 30, 2016 and December 31, 2015.

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

		Book value	Estimated fair value	Book value	Estimated fair value
<b>Assets:</b>					
Cash and Cash Equivalents	\$	2,106,100	2,106,100	(4,308,020)	(4,308,020)
Common Stock - incl MMMF		11,707,706	11,707,706	10,521,060	10,521,060
Investment in Affiliates		28,229,322	28,229,322	27,013,915	27,013,915
Investment in Debt Services		67,942,862	69,259,261	70,444,568	70,368,216
Investment in Venture Funds		2,702,295	2,702,295	2,379,279	2,379,279
Investment in Altus Realty		1,939,824	1,939,824	1,675,093	1,675,093

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) (Level 1)	(2) (Level 2)	(3) (Level 3)	(4) (Level 3)	(5) Total
<b>a. Assets at fair Value</b>					
01. Cash and Cash Equivalents	\$ 2,106,100				2,106,100
02. Common Stock - incl MMMF	\$ 11,707,706				11,707,706
03. Investment in Affiliates		28,229,322			28,229,322
04. Investment in Debt Services		69,259,261			69,259,261
05. Investment in Venture Funds			2,702,295		2,702,295
06. Investment in Altus Realty		1,939,824			1,939,824
Total assets at fair value	\$ 13,813,806	99,428,407	2,702,295		115,944,508
<b>b. Liabilities at fair value</b>					
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 entered into a signed agreement to purchase state tax credits that will be utilized in 2016, and had in 2015 and has remaining 2016 carryforwards from these 2015 purchases; hence the Company maintains tax credits as net assets at September 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, there are contractual commitments in place, but these have not been finalized and 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

## NOTES TO FINANCIAL STATEMENTS

other invested assets total of \$4,921,765 listed on the September 30, 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
<b>Total</b>	<b>X X X</b>	<b>279,647</b>	<b>20,022</b>

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

G. Retained Assets

	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				

	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 September 30, 2016 that would warrant disclosure in these statutory 2016 financial statements.

In accordance with SSAP 35R, in 2016 the company has expensed the 2016 ACA assessment in the amount of \$549,306 and recorded \$0 as restricted reserves in this September 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 \$549,306 has been expensed in the first quarter, which was paid on September 30, 2016. Additionally \$0 has been recorded as restricted reserves at September 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.

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**NOTES TO FINANCIAL STATEMENTS**


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**NOTES TO FINANCIAL STATEMENTS**


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**22. Events Subsequent**

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance p subject to Section 9010 of the Federal Affordable Care Act (\)	YES	
B. ACA fee assessment payable for the upcoming year	\$	712,521
C. ACA fee assessment paid	\$ 549,306	626,307
D. Premium written subject to ACA 9010 assessment	\$ 59,051,590	84,961,063
E. Total Adjusted Capital before surplus adjustment (Five-Year	\$ 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 \$2,848,000 and \$3,743,000 at the quarter ended September 30, 2016 and the year ended December 31, 2015.

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

Reserves as of September 30, 2016 were \$4,092,000. As of September 30, 2016 \$4,419,429 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$86,764 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on dental line of insurance. Therefore, there has been a \$365,807 favorable prior-year development since December 31, 2015 to September 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.

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## NOTES TO FINANCIAL STATEMENTS

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### NOTE 27 - - STRUCTURED SETTLEMENTS

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 [X] No [ ]

2.2 If yes, date of change: 04/05/2016

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>28,229,322</u>
14.24 Short-Term Investments .....	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate .....	\$ _____	\$ _____
14.26 All Other .....	\$ <u>9,638,457</u>	\$ <u>10,313,777</u>
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	\$ <u>36,652,372</u>	\$ <u>38,543,099</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  | 78.44 % |
| 1.2 A&H cost containment percent                            | 0.77 %  |
| 1.3 A&H expense percent excluding cost containment expenses | 21.37 % |
- 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 T - PREMIUMS AND ANNUITY CONSIDERATIONS

### Current Year To Date - Allocated by States and Territories

States, Etc.	Active Status	Direct Business Only								
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property / Casualty Premiums	8 Total Columns 2 Through 7	9 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	59,051,590						59,051,590	
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	59,051,590						59,051,590	
60. Reporting entity contributions for Employee Benefit Plans		X X X								
61. Totals (Direct Business)	(a)	1	59,051,590						59,051,590	

DETAILS OF WRITE-INS	Active Status	2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property / Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
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								

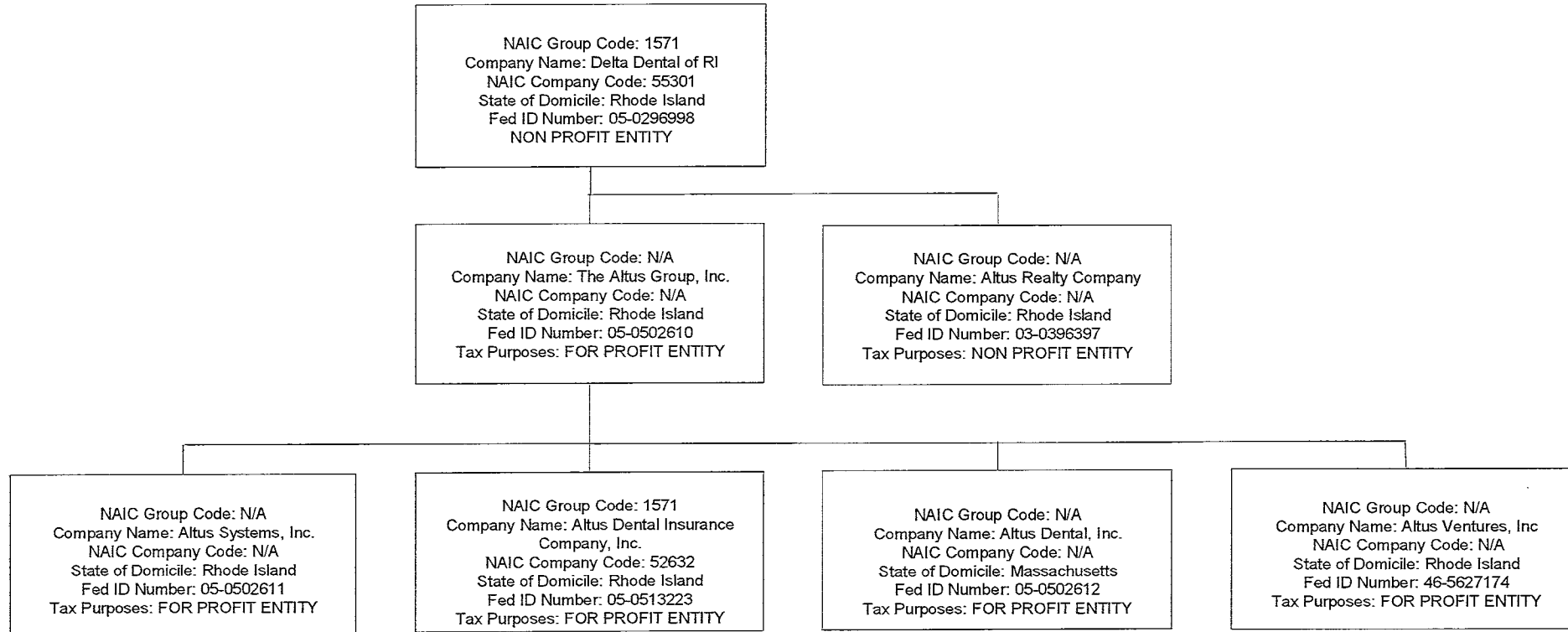
NONE

(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	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	*
		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;">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:**



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**OVERFLOW PAGE FOR WRITE-INS**

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**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	283,941	
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	303,805	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)	4,921,765	6,167,740
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	4,921,765	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	13,516,378	35,703,332
3. Accrual of discount	23,600	36,461
4. Unrealized valuation increase (decrease)	1,606,019	4,128,125
5. Total gain (loss) on disposals	(13,230)	814,314
6. Deduct consideration for bonds and stocks disposed of	14,664,592	34,050,390
7. Deduct amortization of premium	562,876	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)	107,879,896	107,974,597
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	107,879,896	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

SI02

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
<b>BONDS</b>								
1. NAIC 1 (a)	55,660,670	851,632	1,746,778	316,620	56,430,808	55,660,670	55,082,144	58,915,680
2. NAIC 2 (a)	12,219,610			(1,246,249)	12,113,414	12,219,610	10,973,361	11,528,889
3. NAIC 3 (a)	1,127,749			759,608	1,081,110	1,127,749	1,887,357	
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	69,008,029	851,632	1,746,778	(170,021)	69,625,332	69,008,029	67,942,862	70,444,569
<b>PREFERRED STOCK</b>								
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	69,008,029	851,632	1,746,778	(170,021)	69,625,332	69,008,029	67,942,862	70,444,569

(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	<b>NONE</b>	
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	<b>NONE</b>	
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
<b>NONE</b>															
9999999	Totals					XXX	XXX	XXX			XXX	XXX	XXX		

505



## 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	<b>NONE</b>	
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 A - PART 2

Showing All Real Estate ACQUIRED AND ADDITIONS MADE During the Current Quarter

1 Description of Property	Location		4 Date Acquired	5 Name of Vendor	6 Actual Cost at Time of Acquisition	7 Amount of Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances	9 Additional Investment Made After Acquisition
	2 City	3 State						
<b>NONE</b>								
0399999 Totals								

EO1

### SCHEDULE A - PART 3

Showing All Real Estate DISPOSED During the Quarter, Including Payments During the Final Year on "Sales Under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances on Disposal	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
<b>NONE</b>																			
0399999 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)
001814-AR-3	ANR Pipeline Company	I	07/14/2016	Citizens Bank		341,650	250,000.00	5,214	1FE
41283L-AK-1	HARLEY-DAVIDSON FINANCIAL SERVICES INC		07/14/2016	Citizens Bank		260,123	250,000.00	79	1FE
760719-AR-5	HSBC USA INC	R	09/01/2016	Citizens Bank		(312,151)	(250,000.00)	(6,780)	1FE
949746-SA-0	WELLS FARGO & CO		09/21/2016	Citizens Bank		249,860	250,000.00	890	1FE
3899999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	539,482	500,000.00	(597)	X X X
760719-AR-5	HSBC USA INC	R	09/01/2016	Citizens Bank		312,151	250,000.00	6,780	1FE
4899999	Total Bonds Hybrid Securities				X X X	312,151	250,000.00	6,780	X X X
8399997	Total Bonds Part 3				X X X	851,633	750,000.00	6,183	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	851,633	750,000.00	6,183	X X X
00507V-10-9	ACTIVISION BLIZZARD ORD		08/05/2016	Citizens Bank	1,550,000	62,913			L
00206R-10-2	AT&T ORD		08/05/2016	Citizens Bank	1,160,000	50,088			L
17275R-10-2	CISCO SYSTEMS ORD		08/05/2016	Citizens Bank	1,390,000	43,047			L
26441C-20-4	DUKE ENERGY ORD		08/05/2016	Citizens Bank	700,000	59,304			L
278642-10-3	EBAY ORD		08/05/2016	Citizens Bank	1,770,000	55,628			L
30303M-10-2	FACEBOOK CL A ORD		08/05/2016	Citizens Bank	130,000	16,336			L
391164-10-0	GREAT PLAINS ENERGY ORD		08/05/2016	Citizens Bank	1,500,000	43,083			L
535678-10-6	LINEAR TECHNOLOGY ORD		08/05/2016	Citizens Bank	210,000	12,390			L
620076-30-7	MOTOROLA SOLUTIONS ORD		08/05/2016	Citizens Bank	700,000	51,282			L
67020Y-10-0	NUANCE COMMUNICATIONS ORD		08/05/2016	Citizens Bank	1,870,000	30,195			L
69351T-10-6	PPL ORD		08/05/2016	Citizens Bank	860,000	31,743			L
756577-10-2	RED HAT ORD		08/05/2016	Citizens Bank	430,000	32,456			L
882508-10-4	TEXAS INSTRUMENTS ORD		08/05/2016	Citizens Bank	250,000	17,525			L
9099999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	505,990	X X X		X X X
990220-47-7	RBS CITIZENS NA CASH SWEEP		09/30/2016	Citizens Bank	2,453,920.990	2,453,921			V
9399999	Total Common Stock Money Market Mutual Funds				X X X	2,453,921	X X X		X X X
9799997	Total Common Stock Part 3				X X X	2,959,911	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

EU4

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

### 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)
9799999	Total Common Stock				X X X	2,959,911	X X X		X X X
9899999	Total Preferred and Common Stock				X X X	2,959,911	X X X		X X X
9999999	Totals				X X X	3,811,544	X X X	6,183	X X X

E04.1

(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	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identification	Description	Forfeign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/(Decrease)	Current Year's (Amortization)/Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designation or Market Indicator (a)
31371L-DY-2	RMBS - FN 254919		09/26/2016	Citizens Bank		11,031	11,030.99	11,603	11,252		(221)		(221)		11,031				274	09/01/2018	1
31371M-GB-7	RMBS - FN 255894		09/26/2016	Citizens Bank		2,898	2,898.29	2,845	2,834		64		64		2,898				86	10/01/2025	1
31402R-H3-6	RMBS - FN 735650		09/26/2016	Citizens Bank		4,328	4,327.85	4,315	4,312		16		16		4,328				133	11/01/2018	1
31403D-EP-0	RMBS - FN 745442		09/26/2016	Citizens Bank		7,826	7,826.40	7,797	7,814		12		12		7,826				238	07/01/2019	1
31417Y-FQ-5	RMBS - FN MA0174		09/26/2016	Citizens Bank		8,567	8,567.14	9,056	8,798		(231)		(231)		8,567				210	09/01/2019	1
31417Y-VX-2	RMBS - FN MA0629		09/26/2016	Citizens Bank		12,127	12,126.91	12,561	12,362		(236)		(236)		12,127				255	01/01/2021	1
3199999	U.S. Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Oblig				X X X	46,777	46,777.58	48,177	47,372		(596)		(596)		46,777				1,196	X X X	X X X
191216-AU-4	COCA-COLA CO		09/01/2016	Citizens Bank		500,000	500,000.00	505,305	500,747		(747)		(747)		500,000				9,000	09/01/2016	1FE
459200-GX-3	INTERNATIONAL BUSINESS MACHIN		07/22/2016	Citizens Bank		500,000	500,000.00	497,910	499,756		244		244		500,000				9,750	07/22/2016	1FE
46625H-JA-9	J.P. MORGAN CHASE & CO.		07/05/2016	Citizens Bank		200,000	200,000.00	198,466	199,824		176		176		200,000				6,300	07/05/2016	1FE
87612E-AN-6	TARGET CORP		07/15/2016	Citizens Bank		500,000	500,000.00	580,310	508,352		(8,352)		(8,352)		500,000				29,375	07/15/2016	1FE
3899999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	1,700,000	1,700,000.00	1,781,991	1,708,679		(8,679)		(8,679)		1,700,000				54,425	X X X	X X X
8399997	Total - Bonds - Part 4				X X X	1,746,777	1,746,777.58	1,830,168	1,756,051		(9,275)		(9,275)		1,746,777				55,621	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	1,746,777	1,746,777.58	1,830,168	1,756,051		(9,275)		(9,275)		1,746,777				55,621	X X X	X X X
G1151C-10-1	ACCENTURE CL A ORD	R	08/05/2016	Citizens Bank		710.00	81,141	59,213	74,195	(14,982)			(14,982)		59,213		21,928	21,928	781		L
032654-10-5	ANALOG DEVICES ORD		08/05/2016	Citizens Bank		210.00	13,339	12,650	11,617	1,032			1,032		12,650		690	690	176		L
233326-10-7	DST SYSTEMS ORD		08/05/2016	Citizens Bank		130.00	15,874	12,374	14,828	(2,454)			(2,454)		12,374		3,500	3,500	86		L
31620M-10-6	FIDELITY NATIONAL INFORMATN SV		08/05/2016	Citizens Bank		210.00	16,605	12,909	12,726	183			183		12,909		3,696	3,696	109		L
461202-10-3	INTUIT ORD		08/05/2016	Citizens Bank		260.00	28,994	22,206	25,090	(2,884)			(2,884)		22,206		6,788	6,788	234		L
62886E-10-8	NCR ORD		08/05/2016	Citizens Bank		1,690.00	55,115	44,477	41,337	3,140			3,140		44,477		10,638	10,638			L
65339F-10-1	NEXTERA ENERGY ORD		08/05/2016	Citizens Bank		593.00	74,936	62,706	61,607	1,099			1,099		62,706		12,230	12,230	1,032		L
693718-10-8	PACCAR ORD		08/05/2016	Citizens Bank		350.00	20,216	19,266	16,590	2,676			2,676		19,266		949	949	658		L
773903-10-9	ROCKWELL AUTOMAT ORD		08/05/2016	Citizens Bank		196.00	22,855	20,230	20,112	118			118		20,230		2,625	2,625	284		L
92826C-83-9	VISA CL A ORD		08/05/2016	Citizens Bank		610.00	48,703	38,849	47,306	(8,457)			(8,457)		38,849		9,855	9,855	171		L
96208T-10-4	WEX ORD		08/05/2016	Citizens Bank		160.00	14,859	13,777	14,144	(367)			(367)		13,777		1,082	1,082			L
9099999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	392,637		318,657	339,552	(20,896)			(20,896)		318,657		73,981	73,981	3,531	X X X	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.							
990220-47-7	RBS CITIZENS NA CASH SWEEP		09/29/2016	Citizens Bank	1,634,558.9	1,634,559		1,634,559	56,266						1,634,559				598		V
9399999	Total - Common Stock - Money Market Mutual Funds				X X X	1,634,559	X X X	1,634,559	56,266						1,634,559				598	X X X	X X X
9799997	Total - Common Stock - Part 4				X X X	2,027,196	X X X	1,953,216	395,818	(20,896)			(20,896)		1,953,216		73,981	73,981	4,129	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
9799999	Total Common Stocks				X X X	2,027,196	X X X	1,953,216	395,818	(20,896)			(20,896)		1,953,216		73,981	73,981	4,129	X X X	X X X
9899999	Total Preferred and Common Stocks				X X X	2,027,196	X X X	1,953,216	395,818	(20,896)			(20,896)		1,953,216		73,981	73,981	4,129	X X X	X X X
9999999	Totals					3,773,973	X X X	3,783,384	2,151,869	(20,896)	(9,275)		(30,171)		3,699,993		73,981	73,981	59,750	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)	
<b>NONE</b>																							
1449999 Total																							

E06

(a)

Code	Description of Hedged Risk(s)
<b>NONE</b>	

(b)

Code	Financial or Economic Impact of the Hedge at the End of the Reporting Period
<b>NONE</b>	

### 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		
<b>NONE</b>											
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)	
			<b>NONE</b>						
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)	
			<b>NONE</b>						
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
			<b>NONE</b>				
<div style="display: flex; justify-content: space-between;"> <span style="writing-mode: vertical-rl; transform: rotate(180deg);">E13</span> <span>8699999 Total Cash Equivalents</span> </div>							