



ANNUAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012
OF THE CONDITION AND AFFAIRS OF THE

MAINE DENTAL SERVICE CORPORATION DBA DELTA DENTAL PLAN OF ME

NAIC Group Code 4763 (Current Period) NAIC Company Code 14369 (Prior Period) Employer's ID Number 01-0286541

Organized under the Laws of Maine, State of Domicile or Port of Entry Maine

Country of Domicile US

Licensed as business type:

Life, Accident and Health [] Property/Casualty [] Hospital, Medical and Dental Service or Indemnity []
Dental Service Corporation [X] Vision Service Corporation [] Other []
Health Maintenance Organization [] Is HMO Federally Qualified? Yes () No ()

Incorporated/Organized April 28, 1965 Commenced Business September 1, 1966

Statutory Home Office 84 Marginal Way, Suite 600, Portland, Maine 04101-2480
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office One Delta Drive, Concord, New Hampshire 03302-2002 603-223-1000
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address PO BOX 2002, Concord, New Hampshire 03302-2002
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records One Delta Drive, Concord, New Hampshire 03302-2002
(Street and Number, City or Town, State, Country and Zip Code)
603-223-100
(Area Code) (Telephone Number)

Internet Website Address www.nedelta.com

Statutory Statement Contact Frank Boucher 603-223-1363
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OFFICERS

Thomas Raffio (President)
Barry C. Saltz, DDS (Vice Chair)

Benjamin E. Marcus, Esq. (Clerk)
Charles E. Brown, DDS (Treasurer)

OTHER OFFICERS

Francis R. Boucher (Sr. Vice President)

DIRECTORS OR TRUSTEES

Douglas C. Terp
Barry C. Saltz, DDS
Kevin C. Baack, Ph.D
Cheryl Bascomb
Charles Brown, DDS
Cynthia H. Hamilton
Jeffrey B. Doss, DDS#
Daniel D. Thayer, PE, CIAQP, CEM

Stephen G. Morse, DMD
Beverly Altenburg
David Bagdasarian, DDS
Michael Bevilacqua#
Michael P. Goldberg, DMD
Demitroula Kouzounas, DMD
Michael Pardue

State of New Hampshire } SS
County of Merrimack

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.

Thomas Raffio
Thomas Raffio
President

Francis R. Boucher
Francis R. Boucher
Sr. Vice President

Subscribed and sworn to before me this
20th day of February 2013
Andrea D. Covell



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

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col 1 - Col 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	22,249,478		22,249,478	19,422,372
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common stocks	10,757,592		10,757,592	9,619,350
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 4,159,941, Schedule E - Part 1), cash equivalents (\$, Schedule E - Part 2) and short-term investments (\$ 965,093, Schedule DA)	5,125,034		5,125,034	6,129,530
6. Contract loans (including \$ premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities lending reinvested collateral assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	38,132,104		38,132,104	35,171,252
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued				2,917
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	1,622,673	19,402	1,603,271	1,580,198
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
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	1,451,889		1,451,889	1,955,926
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				
21. Furniture and equipment, including health care delivery assets (\$)	9,519	9,519		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care (\$) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	2,956	2,956		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	41,219,141	31,877	41,187,264	38,710,293
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Total (Line 26 and Line 27)	41,219,141	31,877	41,187,264	38,710,293
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Prepaid Expense	2,956	2,956		
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	2,956	2,956		

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)		1,238,100	1,238,100	1,815,700
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	141,300		141,300	161,300
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserves				
7. Aggregate health claim reserves				
8. Premiums received in advance	745,567		745,567	564,474
9. General expenses due or accrued	790,681		790,681	1,053,080
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	899,419		899,419	231,927
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates	277,961		277,961	447,951
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	246,300		246,300	1,543,400
23. Aggregate write-ins for other liabilities (including \$ current)				
24. Total liabilities (Line 1 to Line 23)	3,101,228	1,238,100	4,339,328	5,817,832
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		
31. Unassigned funds (surplus)	X X X	X X X	36,847,936	32,892,461
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	X X X	X X X		
32.2 shares preferred (value included in Line 27 \$)	X X X	X X X		
33. Total capital and surplus (Line 25 to Line 31 minus Line 32)	X X X	X X X	36,847,936	32,892,461
34. Total liabilities, capital and surplus (Line 24 and Line 33)	X X X	X X X	41,187,264	38,710,293
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)				
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 (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months	XXX	1,649,308	1,657,660
2. Net premium income (including \$ non-health premium income)	XXX	52,270,162	52,787,609
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$ medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		
7. Aggregate write-ins for other non-health revenues	XXX	100,000	100,000
8. Total revenues (Line 2 to Line 7)	XXX	52,370,162	52,887,609
Hospital and Medical:			
9. Hospital/medical benefits			
10. Other professional services		41,240,808	42,436,599
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 (Line 9 to Line 15)		41,240,808	42,436,599
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Line 16 minus Line 17)		41,240,808	42,436,599
19. Non-health claims (net)			
20. Claims adjustment expenses, including \$ cost containment expenses		1,882,222	1,861,192
21. General administrative expenses		7,397,194	6,928,085
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)			
23. Total underwriting deductions (Line 18 through Line 22)		50,520,224	51,225,876
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	XXX	1,849,938	1,661,733
25. Net investment income earned (Exhibit of Net Investment Income, Line 17)		536,089	576,042
26. Net realized capital gains (losses) less capital gains tax of \$		346,877	181,487
27. Net investment gains (losses) (Line 25 plus Line 26)		882,966	757,529
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses			(101)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	XXX	2,732,904	2,419,161
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Line 30 minus Line 31)	XXX	2,732,904	2,419,161
DETAILS OF WRITE-INS			
0601.	XXX		
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	XXX		
0701. CSLLC MANAGEMENT FEE	XXX	100,000	100,000
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	XXX	100,000	100,000
1401.			
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)			
2901. INTEREST EXPENSE			(101)
2902.			
2903.			
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)			(101)

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2
	Current Year	Prior Year
33. Capital and surplus prior reporting year	32,892,461	30,730,129
34. Net income or (loss) from Line 32	2,732,904	2,419,161
35. Change in valuation basis of aggregate policy and claims reserves		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	1,156,816	(221,604)
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	65,757	(35,226)
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	(2)	1
48. Net change in capital and surplus (Line 34 to Line 47)	3,955,475	2,162,332
49. Capital and surplus end of reporting year (Line 33 plus Line 48)	36,847,936	32,892,461
DETAILS OF WRITE-INS		
4701. miscellaneous	(2)	1
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)	(2)	1

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	53,235,385	52,423,685
2. Net investment income	538,365	593,055
3. Miscellaneous income		(101)
4. Total (Line 1 through Line 3)	53,773,750	53,016,639
5. Benefit and loss related payments	41,818,408	42,421,399
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	10,513,927	9,712,486
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)		
10. Total (Line 5 through Line 9)	52,332,335	52,133,885
11. Net cash from operations (Line 4 minus Line 10)	1,441,415	882,754
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	7,250,846	1,739,211
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		19,535
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	7,250,846	1,758,746
13. Cost of investments acquired (long-term only):		
13.1 Bonds	9,711,861	2,233,762
13.2 Stocks		489,533
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Line 13.1 through Line 13.6)	9,711,861	2,723,295
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(2,461,015)	(964,549)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	15,104	3,603
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	15,104	3,603
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(1,004,496)	(78,192)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	6,129,530	6,207,722
19.2 End of year (Line 18 plus Line 19.1)	5,125,034	6,129,530

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

20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income	52,270,162			52,270,162						
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of \$ medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues										XXX
6. Aggregate write-ins for other non-health care related revenues	100,000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100,000
7. Total revenues (Line 1 through Line 6)	52,370,162			52,270,162						100,000
8. Hospital/medical benefits										XXX
9. Other professional services	41,240,808			41,240,808						XXX
10. Outside referrals										XXX
11. Emergency room and out-of-area										XXX
12. Prescription drugs										XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments, and bonus amounts										XXX
15. Subtotal (Line 8 through Line 14)	41,240,808			41,240,808						XXX
16. Net reinsurance recoveries										XXX
17. Total hospital and medical (Line 15 minus Line 16)	41,240,808			41,240,808						XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ cost containment expenses	1,882,222			1,882,222						
20. General administrative expenses	7,397,194			7,397,194						
21. Increase in reserves for accident and health contracts										XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Line 17 through Line 22)	50,520,224			50,520,224						
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	1,849,938			1,749,938						100,000
DETAILS OF WRITE-INS										
0501										XXX
0502										XXX
0503										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page										XXX
0599. Total (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)										XXX
0601. CSLLC MANAGEMENT FEE	100,000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100,000
0602		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. Total (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	100,000	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	100,000
1301										XXX
1302										XXX
1303										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. Total (Line 1301 through Line 1303 plus Line 1398) (Line 13 above)										XXX

UNDERWRITING AND INVESTMENT EXHIBIT**Part 1 - Premiums**

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Column 1 plus Column 2 minus Column 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only	52,164,198	105,964		52,270,162
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare				
7. Title XIX - Medicaid				
8. Other health				
9. Health subtotal (Line 1 through Line 8)	52,164,198	105,964		52,270,162
10. Life				
11. Property/casualty				
12. Totals (Line 9 to Line 11)	52,164,198	105,964		52,270,162

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - Claims Incurred During the Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	41,738,707			41,738,707						
1.2 Reinsurance assumed	79,701			79,701						
1.3 Reinsurance ceded										
1.4 Net	41,818,408			41,818,408						
2. Paid medical incentive pools and bonuses										
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	1,238,100			1,238,100						
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	1,238,100			1,238,100						
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year										
6. Net healthcare receivables (a)										
7. Amounts recoverable from reinsurers December 31, current year										
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	1,815,700			1,815,700						
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	1,815,700			1,815,700						
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year										
11. Amounts recoverable from reinsurers December 31, prior year										
12. Incurred benefits:										
12.1 Direct	41,161,107			41,161,107						
12.2 Reinsurance assumed	79,701			79,701						
12.3 Reinsurance ceded										
12.4 Net	41,240,808			41,240,808						
13. Incurred medical incentive pools and bonuses										

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

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - Claims Liability End of Current Year

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	500,000			500,000						
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	500,000			500,000						
2. Incurred but Unreported:										
2.1 Direct	738,100			738,100						
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	738,100			738,100						
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS:										
4.1 Direct	1,238,100			1,238,100						
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	1,238,100			1,238,100						

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Column 1 plus Column 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental Only	1,469,154	40,349,254		1,238,100	1,469,154	1,815,700
4. Vision Only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Line 1 through Line 8)	1,469,154	40,349,254		1,238,100	1,469,154	1,815,700
10. Healthcare receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12)	1,469,154	40,349,254		1,238,100	1,469,154	1,815,700

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

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Dental Only

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	1,695,154				
3. 2009	42,469,210	1,741,788			
4. 2010	XXX	43,004,896	1,544,028		
5. 2011	XXX	XXX	44,049,722	1,355,780	
6. 2012	XXX	XXX	XXX	41,065,619	1,469,154
				XXX	40,349,254

Section B - Incurred Health Claims - Dental Only

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior					
2. 2008	1,695,154				
3. 2009	44,246,910	1,741,788			
4. 2010	XXX	44,801,996	1,544,028		
5. 2011	XXX	XXX	45,593,750	1,355,780	
6. 2012	XXX	XXX	XXX	42,421,399	1,469,154
			XXX	XXX	41,818,408

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Dental Only

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008	53,227,007	44,122,364	1,939,152	4.395	46,061,516	86.538			46,061,516	86.538
2. 2009	52,955,724	44,746,684	1,901,088	4.249	46,647,772	88.088			46,647,772	88.088
3. 2010	55,009,968	45,593,750	1,926,870	4.226	47,520,620	86.385			47,520,620	86.385
4. 2011	52,545,400	42,421,399	1,861,192	4.387	44,282,591	84.275			44,282,591	84.275
5. 2012	52,164,198	41,818,408	1,882,222	4.501	43,700,630	83.775	1,238	141	43,702,009	83.778

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	1,695,154				
2. 2008	42,469,210	1,741,788			
3. 2009	XXX	43,004,896	1,544,028		
4. 2010	XXX	XXX	44,049,722	1,355,780	
5. 2011	XXX	XXX	XXX	41,065,619	1,469,154
6. 2012	XXX	XXX	XXX	XXX	40,349,254

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2008	2 2009	3 2010	4 2011	5 2012
1. Prior	1,695,154				
2. 2008	44,246,910	1,741,788			
3. 2009	XXX	44,801,996	1,544,028		
4. 2010	XXX	XXX	45,593,750	1,355,780	
5. 2011	XXX	XXX	XXX	42,421,399	1,469,154
6. 2012	XXX	XXX	XXX	XXX	41,818,408

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in Which Premiums Were Earned and Claims Were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Column 3 divided by Column 2) Percent	5 Claim and Claim Adjustment Expense Payments (Column 2 plus 3)	6 (Column 5 divided by Column 1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Column 5 plus 7 plus 8)	10 (Column 9 divided by Column 1) Percent
1. 2008	53,227,007	44,122,364	1,939,152	4.395	46,061,516	86.538			46,061,516	86.538
2. 2009	52,955,724	44,746,684	1,901,088	4.249	46,647,772	88.088			46,647,772	88.088
3. 2010	55,009,968	45,593,750	1,926,870	4.226	47,520,620	86.385			47,520,620	86.385
4. 2011	52,545,400	42,421,399	1,861,192	4.367	44,282,591	84.275			44,282,591	84.275
5. 2012	52,164,198	41,818,408	1,882,222	4.501	43,700,630	83.775	1,238	141	43,702,009	83.778

**UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY**

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
POLICY RESERVE									
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$ for investment income)									
5. Aggregate write-ins for other policy reserves									
6. Totals (gross)									
7. Reinsurance ceded									
8. Totals (Net) (Page 3, Line 4)									
CLAIM RESERVE									
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. Totals (gross)									
13. Reinsurance ceded									
14. Totals (Net) (Page 3, Line 7)									
NONE									
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)									
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page									
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)									

(a) Includes \$ premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$ for occupancy of own building)			60,962		60,962
2. Salaries, wages and other benefits			526,691		526,691
3. Commissions (less \$ ceded plus \$ assumed)			2,856,150		2,856,150
4. Legal fees and expenses			39,959		39,959
5. Certifications and accreditation fees					
6. Auditing, actuarial and other consulting services			51,640		51,640
7. Traveling expenses			38,533		38,533
8. Marketing and advertising			513,839		513,839
9. Postage, express, and telephone			18,247		18,247
10. Printing and office supplies			55,061		55,061
11. Occupancy, depreciation and amortization			7,714		7,714
12. Equipment					
13. Cost or depreciation of EDP equipment and software					
14. Outsourced services including EDP, claims, and other services		3,050,526	3,383,374		6,433,900
15. Boards, bureaus and association fees			133,753		133,753
16. Insurance, except on real estate			15,864		15,864
17. Collection and bank service charges					
18. Group service and administration fees					
19. Reimbursements by uninsured accident and health plans		(1,168,304)	(1,279,583)		(2,447,887)
20. Reimbursements from fiscal intermediaries					
21. Real estate expenses					
22. Real estate taxes					
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					
23.2 State premium taxes					
23.3 Regulator authority licenses and fees					
23.4 Payroll taxes			32,006		32,006
23.5 Other (excluding federal income and real estate taxes)					
24. Investment expenses not included elsewhere				107,281	107,281
25. Aggregate write-ins for expenses			942,984		942,984
26. Total expenses incurred (Line 1 to Line 25)		1,882,222	7,397,194	107,281	(a) 9,386,697
27. Less expenses unpaid December 31, current year		277,961	790,681		1,068,642
28. Add expenses unpaid December 31, prior year		447,951	1,053,080		1,501,031
29. Amounts receivable relating to uninsured accident and health plans, prior year			1,955,926		1,955,926
30. Amounts receivable relating to uninsured accident and health plans, current year			1,451,889		1,451,889
31. Total expenses paid (Line 26 minus Line 27 plus Line 28 minus Line 29 plus Line 30)		2,052,212	7,155,556	107,281	9,315,049
DETAILS OF WRITE-INS					
2501. Trustee Fees			87,128		87,128
2502. Northeast Delta Dental Foundation			187,800		187,800
2503. Meeting Expense			32,245		32,245
2598. Summary of remaining write-ins for Line 25 from overflow page			635,811		635,811
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)			942,984		942,984

(a) Includes management fees of \$ 6,940,622 to affiliates and \$ to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1	2
	Collected During Year	Earned During Year
1. U.S. Government bonds	(a)	
1.1 Bonds exempt from U.S. tax	(a)	
1.2 Other bonds (unaffiliated)	(a) 442,751	440,475
1.3 Bonds of affiliates	(a)	
2.1 Preferred stocks (unaffiliated)	(b)	
2.11 Preferred stocks of affiliates	(b)	
2.2 Common stocks (unaffiliated)		199,553
2.21 Common stocks of affiliates		199,553
3. Mortgage loans	(c)	
4. Real estate	(d)	
5. Contract loans		
6. Cash, cash equivalents and short-term investments	(e) 3,342	3,342
7. Derivative instruments	(f)	
8. Other invested assets		
9. Aggregate write-ins for investment income		
10. Total gross investment income	645,646	643,370
11. Investment expenses		(g) 107,281
12. Investment taxes, licenses and fees, excluding federal income taxes		(g)
13. Interest expense		(h)
14. Depreciation on real estate and other invested assets		(i)
15. Aggregate write-ins for deductions from investment income		
16. Total deductions (Line 11 through Line 15)		107,281
17. Net investment income (Line 10 minus Line 16)		536,089
DETAILS OF WRITE-INS		
0901.		
0902.		
0903.		
0998. Summary of remaining write-ins for Line 9 from overflow page		
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)		
1501.		
1502.		
1503.		
1598. Summary of remaining write-ins for Line 15 from overflow page		
1599. Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above)		

(a) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (b) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued dividends on purchases.
 (c) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.
 (d) Includes \$ for company's occupancy of its own buildings; and excludes \$ interest on encumbrances.
 (e) Includes \$ accrual of discount less \$ amortization of premium and less \$ paid for accrued interest on purchases.

(f) Includes \$ accrual of discount less \$ amortization of premium.
 (g) Includes \$ investment expenses and \$ investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$ interest on surplus notes and \$ interest on capital notes.
 (i) Includes \$ depreciation on real estate and \$ depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4	5
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Col. 1 + Col. 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds					
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	346,877		346,877	18,575	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)				1,152,596	
2.21 Common stocks of affiliates				(14,355)	
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. Total capital gains (losses)	346,877		346,877	1,156,816	
DETAILS OF WRITE-INS					
0901.					
0902.					
0903.					
0998. Summary of remaining write-ins for Line 9 from overflow page					
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Line 1 to Line 11)			
13. Title plants (for Title Insurers only)			
14. Investment income due and accrued			
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	19,402	59,113	39,711
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset			
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software			
21. Furniture and equipment, including health care delivery assets	9,519	32,338	22,819
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivable from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	2,956	6,183	3,227
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	31,877	97,634	65,757
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. Total (Line 26 and Line 27)	31,877	97,634	65,757
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)			
2501. PREPAID EXPENSES	2,956	6,183	3,227
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	2,956	6,183	3,227

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations						
2. Provider Service Organizations						
3. Preferred Provider Organizations						
4. Point of Service						
5. Indemnity Only	138,950	138,315	137,567	136,222	137,379	1,649,308
6. Aggregate write-ins for other lines of business						
7. Total	138,950	138,315	137,567	136,222	137,379	1,649,308
DETAILS OF WRITE-INS						
0601						
0602						
0603						
0698. Summary of remaining write-ins for Line 6 from overflow page						
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)						

EXHIBIT 2 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1 Name of Debtor	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 Over 90 Days	6 Nonadmitted	7 Admitted
Group subscribers						
STATE OF MAINE	580,000					580,000
UNION WORKERS BENEFITS TRUST	162,469	163,188		8,779	8,779	325,657
0299997 - Subtotal - Group subscribers	742,469	163,188		8,779	8,779	905,657
0299998 - Premiums due and unpaid not individually listed	663,183	34,431		10,623	10,623	697,614
0299999 - TOTAL - Group	1,405,652	197,619		19,402	19,402	1,603,271
0599999 - Accident and health premiums due and unpaid (Page 2, Line 15)	1,405,652	197,619		19,402	19,402	1,603,271

NOTES TO FINANCIAL STATEMENTS**Maine Dental Service Corporation
Notes To Financial Statements
December 31, 2012****1. Summary of Significant Accounting Policies****a. Accounting Practices**

The financial statements of Maine Dental Service Corporation (the company) are presented based on accounting practices prescribed or permitted by the Maine Bureau of Insurance.

The Maine Bureau of Insurance recognizes only statutory accounting practices prescribed or permitted by the state of Maine for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under the Maine Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Maine. The company is unaware of any differences between NAICSAP and prescribed practices of the state.

b. Use of Estimates in the Preparation of the Financial Statements

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

c. Accounting Policy

Dental premiums are billed on a monthly basis. The company records income on the premium billed in the month covered by the bill. Expenses incurred in connection with acquiring new insurance business, including acquisition costs, are charged to operations as incurred.

In addition, the company uses the following accounting policies:

- ◆ Short-term investments are stated at amortized cost.
- ◆ Bonds not backed by other loans are stated at amortized cost using the straight-line method. In the company's opinion, any differences between the straight-line method and the effective interest rate method are immaterial. Investments in fixed income mutual funds are valued at market.
- ◆ Common stocks are valued at market except that investments in common stock of affiliates in which the company has an interest of 20% or more are carried on the equity basis.

NOTES TO FINANCIAL STATEMENTS

- ◆ The company does not own any preferred stock.
- ◆ The company does not have any direct mortgage loans on real estate.
- ◆ The company does not invest in loan-backed securities.
- ◆ The company values its one third ownership of Red Tree Holdings, Inc. (RTH) at GAAP equity, which the company values at \$1,378,313.
- ◆ The company did not have any investments in joint ventures, partnerships or limited liability companies during the year.
- ◆ The company does not invest in derivatives.
- ◆ The premium deficiency calculation in accordance with SSAP #54, Individual and Group Accident and Health Contracts is not applicable to the Company.
- ◆ Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- ◆ The company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors – N/A none

3. Business Combinations and Goodwill – A,B, C, D none

4. Discontinued Operations – N/A none

5. Investments

- a. **Mortgage Loans – N/A none**
- b. **Debt Restructuring – N/A none**
- c. **Reverse Mortgages – N/A none**
- d. **Loan/Backed Securities – N/A none**
- e. **Repurchase Agreements**

The company may invest excess cash each day in a repurchase agreement issued by its primary bank. These repurchase agreements are 100% collateralized by the fair market value of US government or agency securities owned by the banks.

- f. **The company does not invest in real estate.**
- g. **The company does not invest in low-income housing tax credits (LIHTC)**

NOTES TO FINANCIAL STATEMENTS

6. Joint Ventures, Partnerships and Limited Liability Companies – NA - None

7. Investment Income

- a. Due and accrued income was excluded from surplus on the following bases:

All investment income due and accrued with amounts that are over 90 days past due.

- b. The total amount excluded was \$0.

8. Derivative Instruments

The company did not invest in derivative instruments during 2012 or 2011.

9. Income Taxes

The company is a non-profit, tax-exempt organization under the provisions of Section 501(c)(4) of the Internal Revenue Code.

10. Related Party Transactions

a, b, c, d, f and j (see note 6), Related Party Transactions

Delta Dental Plan of New Hampshire (DDPNH) provides premiums and claims processing, marketing, and other administrative services to the claims processing, marketing, and other administrative services to the company for an administration fee (\$6,940,622 in 2012) based on a predetermined formula. The administration fee is calculated and paid on a monthly basis. The company had a receivable from DDPNH of \$21,412 at December 31, 2012 under terms of this agreement. This liability was included in amounts due to parent, subsidiaries and affiliates on page 3. In addition, the Corporation reimburses DDPNH for certain payroll costs, including employee benefits, relating to DDPNH employees working on behalf of the Corporation in Maine. DDPNH has a similar administrative arrangement with Delta Dental Plan of Vermont. Finally, the President and CEO of DDPNH also serves in the capacity of President and CEO of the company, DDPVT, RTH, and RTI; and is the sole member of CSLLC (see below).

In 2012 and 2011, the company provided management services to CSLLC under the terms of a management services agreement. The 2012 and 2011 revenue of \$100,000 has been included in the statement of Revenue and Expenses on line 7 aggregate write-ins for non health related revenues.

g, h, i and k, items do not apply e and l – non insurance holding company

During 2009, the Corporation, DDPNH and DDPVT formed a holding company for other investments, RTH. As of December 31, 2009, each corporation equally owned

NOTES TO FINANCIAL STATEMENTS

RTH's outstanding common stock and had each invested \$1,415,000 in RTH and agreed to each lend RTH up to an additional \$125,000.

During 2010, the company and DDPNH agreed to purchase up to \$840,000 of DDPVT's common stock in RTH through September 2015 if DDPVT chooses to sell the common stock.

RTH formed and wholly owns a subsidiary, Red Tree Insurance Company, Inc., (RTI) which operates as a licensed vision insurance company in the states of New Hampshire and Maine. On December 31, 2009, RTH purchased the sole membership interest of Combined Services LLC (CSLLC). CSLLC provides employee benefit insurance brokerage services, flexible employee benefit plan administration services and COBRA administration services to its customers. CSLLC is also the Corporation's general agent amongst the insurance brokers that market the Corporations' dental benefit plans to employers and individuals.

The Corporation has recorded its investment in RTH (\$1,378,313 at December 31, 2012) on the equity method.

Summarized financial information for RTH and subsidiaries (CSLLC, RTI and NEDA) is as follows as of December 31, 2012:

Total assets	\$5,418,701
Total liabilities	\$1,282,187
Total equity	\$4,136,514
Net loss	(\$57,897)

The company has provided a guarantee to increase RTI's shareholder's equity to a minimum of \$2,000,000 if it falls below this amount. This guarantee is required by the Maine Bureau of Insurance. Although not required by the Maine Bureau of Insurance, the Boards of DDPNH and DDPVT have voted to share in any additions to shareholder's equity needed to meet the minimum requirements should that become necessary. A similar guarantee was required by the New Hampshire Department of Insurance that the Corporation, DDPNH and DDPVT increase shareholder's equity to \$1,000,000 if it falls below this level.

11. Debt – N/A none

12. Retirement Plans, Deferred Compensation, Postemployment Benefits, Compensated Absences, and Other Postretirement Benefit Plans

The company does not have any employees. See Note 10 for further discussion.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi – Reorganizations

1, 2, 3, 4, 5, and 8 items.

The company is a non-profit Corporation. These items do not apply.

NOTES TO FINANCIAL STATEMENTS

6. There were no restrictions placed on the company's surplus.
7. There were not any advances to surplus.
9. There were not any special surplus funds.
10. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

◆ Unrealized gains and (losses):	\$ 1,156,816
◆ Nonadmitted asset values:	\$ 65,757
◆ Separate account business	\$ 0
◆ Asset valuation reserves	\$ 0
◆ Provision for reinsurance:	\$ 0

11. There were not any surplus debentures issued.
- 12 & 13. There has not been any quasi-reorganization in the last ten years.

14. Contingencies

The company does not have any contingencies or assessments.

15. Leases

A. Lessee Operating Lease

- (1) a. The company entered into a seven-year operating lease for office space effective October 1, 2003. The lease was extended for an additional three years during 2009. The current monthly base rent is \$3,596 with annual increases of the CPI. Rental expense for 2012 and 2011 was approximately \$42,318 and \$41,904, respectively.
- c. The terms and an extension of the above can be renegotiated during 2013.
- (2) a. At December 31, 2012, the minimum aggregate rental commitments are as follows:

1.	2013	\$32,367
----	------	----------

- a. The company was not involved in any sales – leaseback transactions.

B. Lessor Leases

The company does not enter into any lessor leases.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

The company has not entered into any transactions with off balance sheet risk or concentrations of credit risk.

NOTES TO FINANCIAL STATEMENTS

17. Sales, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities – N/A none

18. Gain or Loss from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

A. ASO Plans

The loss from operations from administrative Services Only (ASO) uninsured plans was as follows during 2012:

a. Gross reimbursement for dental costs incurred	\$ 21,367,056
b. Gross administrative fees earned	\$ 1,863,108
c. Other income or expenses	\$ 0
d. <u>Estimated</u> gross operating expenses (claims & admin.)	\$ 2,545,850
e. Loss from operations	\$ (682,742)

The company allocated all claims and administrative expenses (excluding broker commissions which were directly allocated) evenly on a per claim basis to the uninsured business. This method does not take into account any cost efficiencies for administering a large group. Uninsured dental plans have a higher than average number of members which should result in administrative efficiencies. The company is unable to objectively determine these efficiencies.

B. ASC Plans

The loss from operations from Administrative Services Contract (ASC) uninsured plans was as follows during 2012:

a. Gross reimbursement for dental costs incurred	\$ 8,917,069
b. Gross administrative fees earned	\$ 584,869
c. Other income or expenses	\$ 0
d. <u>Estimated</u> gross operating expenses (claims & admin.)	\$ 1,248,264
e. Loss from operations	\$ (663,395)

The company allocated all claims and administrative expenses (excluding broker commissions which were directly allocated) evenly on a per claim basis to the uninsured business. This method does not take into account any cost efficiencies for administering a large group. Uninsured dental plans have a higher than average number of members which should result in administrative efficiencies. The company is unable to objectively determine these efficiencies.

C. Medicare or Other Similarly Structured Cost reimbursement Contract: N/A none.

19. Direct Premium Written /Produced by Managing General Agents/Third Part Administrators – N/A none

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurement

A. (1). Assets Measured at Fair Value on a Recurring Basis

<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
a.) Assets at fair value				
Fixed income mutual funds	\$22,249,478	-0-	-0-	\$22,249,478
Equity mutual funds	<u>\$ 9,379,279</u>	<u>-0-</u>	<u>-0-</u>	<u>\$ 9,379,279</u>
Total assets at fair value	<u>\$31,628,757</u>	0		<u>\$31,628,757</u>
b.) Liabilities at fair value				
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

B. Assets Measured at Fair Value on a Nonrecurring Basis – N/A none

21. Other Items – N/A none

22. Events Subsequent

There have not been any subsequent events that would have had a material effect on the financial condition of the company as of December 31, 2012 or as of the filing of this Annual Statement.

23. Reinsurance

The Corporation, Delta Dental Plan of New Hampshire, Inc. (DDPNH) and Delta Dental Plan of Vermont (DDPVT) have each entered into reinsurance agreements whereby they assume a portion of the risk for various dental benefit contracts. The Corporation entered an agreement during 2008 with Delta Dental of the District of Columbia to reinsure 1.3% of the risk of a specific contract which requires certain amounts under letters of credit be obtained. The Corporation d/b/a Northeast Delta Dental obtained this letter of credit on behalf of the Corporation, DDPNH and DDPVT. The amount available under the current letter of credit is \$117,000 expiring on 7/31/2013. The specific dental benefit contract was terminated on September 30, 2012. Final settlements under this agreement are expected by April 30, 2013. The Corporation entered a second reinsurance agreement during 2009 with a subsidiary of Delta Dental of Michigan to reinsure 0.26% of the risk and expenses associated with a specific dental benefit product. This agreement was terminated effective December 15, 2012. The Corporation, DDPNH, and DDPVT collectively had obtained two letters of credit relating to this reinsurance agreement. The letters of credit were returned on December 21, 2012. Premiums are recognized as revenue over the

NOTES TO FINANCIAL STATEMENTS

policy term, and claims, including an estimate of claims incurred but not reported, are recognized as they occur.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination – N/A none

25. Change in Incurred Claims and Claims Adjustment Expenses

The actual runout of dental claims incurred prior to 12/31/11 was \$1,469,154 which was lower than the claims reserve of \$1,815,700 recorded as of 12/31/11. Dental claims are paid within one year of the date they are incurred. So, all claims incurred and unpaid during 2011 would have been paid by the end of 2012.

26. Intercompany Pooling Arrangements – N/A none

27. Structured Settlements – N/A

28. Healthcare Receivables – N/A none

29. Participating Policies – N/A none

30. Premium Deficiency Reserves – N/A none

31. Anticipated Salvage and Subrogation – N/A doesn't apply

32. Organization and Operation

Maine Dental Service Corporation is a nonprofit, tax-exempt organization which was established to provide programs of dental care, offered by licensed dentists, to various corporations, associations, unions, partnerships and similar organizations located in the State of Maine that become subscribers to the programs. During 2001 the company received underwriting authority to offer a dental program to individuals which it began offering on January 1, 2002. Dental services are provided under written contracts and benefits are paid up to a maximum amount per covered individual, as defined by the various programs.

The company offers its dental programs on an insured and a self-insured basis. The statements of revenue and expense include only the revenues and claims from risk contracts. Administrative fees received from self-insured contracts are reflected as a reduction of claims processing and general and administrative expenses (see Part 3, Line 19).

See Note 10 for a description of the marketing, claims processing and administrative services contract provided by Delta Dental Plan of New Hampshire, Inc.

33. Minimum Net Worth

NOTES TO FINANCIAL STATEMENTS

On October 16, 1997, the Maine Bureau of Insurance required the company to maintain a minimum surplus of 150% of the HORBC Company Action Level surplus. As of December 31, 2012, the company's 150% HORBC Company Action Level surplus was \$3,525,935 and the company's total surplus was \$36,847,936.

NOTES TO FINANCIAL STATEMENTS - ITEM 1A

(Electronic Filing Only)

1	2	3	4
State Prescribed Practices	State of Domicile	Current	Prior
01A01 - Net Income, state basis (Page 4, Line 35, Columns 1 and 2)		2,732,904	2,419,161
01A04 - Net Income, NAIC SAP (Line 1 - Line 2 - Line 3)		2,732,904	2,419,161
01A05 - Surplus, state basis (Page 3, Line 37, Columns 1 and 2)		36,847,936	32,892,461
01A08 - Surplus, NAIC SAP (Line 5 - Line 6 - Line 7)		36,847,936	32,892,461

NOTES TO FINANCIAL STATEMENTS - ITEM 14A1

(Electronic Filing Only)

NONE

(1) Total SSAP No. 97, Investments in Subsidiary, Controlled, and Affiliated Entities, A Replacement of SSAP No. 48, Joint Ventures, Partnerships and Limited Liability Company contingent liabilities:

(2) \$

NOTES TO FINANCIAL STATEMENTS - ITEM 14A2

(Electronic Filing Only)

5	6	7	8	9
Nature and circumstances of guarantee and key attributes, including date and duration of agreement	Liability recognition of guarantee. (Include amount recognized at inception. If no initial recognition, document exception allowed under SSAP No. 5R.)	Ultimate financial statement impact if action under the guarantee is required	Maximum potential amount of future payments (undiscounted) the guarantor could be required to make under the guarantee. If unable to develop an estimate, this should be specifically noted	Current status of payment or performance risk of guarantee. Also provide additional discussion as warranted

NONE

NOTES TO FINANCIAL STATEMENTS - ITEMS 14A3 and 14B2A

(Electronic Filing Only)

(3) 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 8 from 14A2)	(2) \$ 2,000,000
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	\$ 2,000,000
2. Joint Venture	\$
3. Dividends to Stockholders (capital contribution)	\$
4. Expense	\$
5. Other	\$
6. Total (Should equal (3)a.)	\$ 2,000,000
B. Assessments	
(2) a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$

NOTES TO FINANCIAL STATEMENTS - ITEMS 14B2B - 14B2C

(Electronic Filing Only)

1 Description	2 Amount
------------------	-------------

NONE

NOTES TO FINANCIAL STATEMENTS - ITEMS 14B2D and 14D

(Electronic Filing Only)

B. Assessments	(2)
(2) d. Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$
D. Claims related extra contractual obligations and bad faith losses	
The company paid the following amounts in the reporting period to	(3)
1. Claims related ECO and bad faith losses paid during the reporting period	\$
2. Number of claims where amounts were paid to settle claim from lawsuits during the reporting period.	(4)
A) 0-25 Claims	.....
B) 26-50 Claims	.....
C) 51-100 Claims	.....
D) 101-500 Claims	.....
E) More than 500 Claims	.....
3. Indicate whether claim count information is disclosed per claim or per claimant.	
F) Per Claim	.....
G) Per Claimant	.....

NONE

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 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 ()
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes (X) No () N/A ()
- 1.3 State Regulating? Maine
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2009
- 3.2 State the as of date of 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. 12/31/2009
- 3.3 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). 05/24/2011
- 3.4 By what department or departments?
MAINE
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes () No () N/A (X)
- 3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes () No (X) N/A ()
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business? Yes () No (X)
- 4.12 renewals? Yes () No (X)
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business? Yes () No (X)
- 4.22 renewals? Yes () No (X)

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)

5.2 If yes, provide the name of entity, the NAIC company code, and state of domicile 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
--------------------------------	-----------------------------------	-----------------------------------

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

6.2 If yes, give full information:

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

7.2 If yes, 7.21 State the percentage of foreign control;%

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

¹ Nationality	² Type of Entity
-----------------------------	--------------------------------

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

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

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

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

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

PART 1 - COMMON INTERROGATORIES

GENERAL

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
BAKER NEWMAN NOYES LLC 650 ELM STREET SUITE 302 MANCHESTER NH 03101
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes () No (X)
- 10.2 If the response to 10.1 is yes, provide information related to this exemption:
.....
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Model Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes () No (X)
- 10.4 If the response to 10.3 is yes, provide information related to this exemption:
.....
- 10.5 Has the reporting entity established an Audit Committee in compliance with domiciliary state insurance laws? Yes (X) No () N/A ()
- 10.6 If the response to 10.5 is no or n/a, please explain:
.....
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
LAWRENCE WEISSBROT FSA-EMPLOYEE OF DELTA DENTAL PLAN OF NH ONE DELTA DRIVE PO BOX 2002 CONCORD NH 03302-2002
- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes () No (X)
- 12.11 Name of real estate holding company
.....
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value \$
- 12.2 If yes, provide explanation
.....
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
.....
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located? Yes () No ()
- 13.3 Have there been any changes made to any of the trust indentures during the year? Yes () No ()
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes () No () N/A (X)
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code. Yes (X) No ()
- 14.11 If the response to 14.1 is No, please explain:
.....
- 14.2 Has the code of ethics for senior managers been amended? Yes () No (X)
- 14.21 If the response to 14.2 is Yes, provide information related to amendment(s).
.....
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)
- 14.31 If the response to 14.3 is Yes, provide the nature of any waiver(s).
.....
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes () No (X)
- 15.2 If the response to 15.1 is yes, indicated the American Bankers Association (ABA) Routing Number and the name of issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

BOARD OF DIRECTORS

- | | |
|--|----------------|
| 16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? | Yes (X) No () |
| 17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? | Yes (X) No () |
| 18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person? | Yes (X) No () |

FINANCIAL

- | | |
|---|----------------|
| 19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? | Yes () No (X) |
| 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans): | |
| 20.11 To directors or other officers | \$ |
| 20.12 To stockholders not officers | \$ |
| 20.13 Trustees, supreme or grand (Fraternal only) | \$ |
| 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans): | |
| 20.21 To directors or other officers | \$ |
| 20.22 To stockholders not officers | \$ |
| 20.23 Trustees, supreme or grand (Fraternal only) | \$ |
| 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? | Yes () No (X) |
| 21.2 If yes, state the amount thereof at December 31 of the current year: | |
| 21.21 Rented from others | \$ |
| 21.22 Borrowed from others | \$ |
| 21.23 Leased from others | \$ |
| 21.24 Other | \$ |
| 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? | Yes () No (X) |
| 22.2 If answer is yes: | |
| 22.21 Amount paid as losses or risk adjustment | \$ |
| 22.22 Amount paid as expenses | \$ |
| 22.23 Other amounts paid | \$ |
| 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? | Yes () No (X) |
| 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: | \$ |

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes () No (X)
- 24.02 If no, give full and complete information relating thereto:
ALL STOCKS AND BONDS ARE HELD IN THE CORPORATION'S NAME
BY HM PAYSON & CO OF PORTLAND MAINE
- 24.03 For the security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
THE COMPANY DOES NOT HAVE A SECURITY LENDING PROGRAM
.....
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in Risk-Based Capital Instructions? Yes () No () N/A (X)
- 24.05 If answer to 24.04 is YES, report amount of collateral for conforming programs. \$
- 24.06 If answer to 24.04 is NO, report amount of collateral for other programs. \$
- 24.07 Does your security lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes () No () N/A (X)
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes () No () N/A (X)
- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes () No () N/A (X)
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
- 24.101 Total fair value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 24.102 Total book adjusted/carrying value of reinvented collateral assets reported on Schedule DL, Parts 1 and 2 \$
- 24.103 Total payable for securities lending reported on the liability page \$
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03) Yes () No (X)
- 25.2 If yes, state the amount thereof at December 31 of the current year:
- | | | |
|--|--|----------|
| | 25.21 Subject to repurchase agreements | \$ |
| | 25.22 Subject to reverse repurchase agreements | \$ |
| | 25.23 Subject to dollar repurchase agreements | \$ |
| | 25.24 Subject to reverse dollar repurchase agreements | \$ |
| | 25.25 Pledged as collateral | \$ |
| | 25.26 Placed under option agreements | \$ |
| | 25.27 Letter stock or securities restricted as to sale | \$ |
| | 25.28 On deposit with state or other regulatory body | \$ |
| | 25.29 Other | \$ |

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

25.3 For category (25.27) provide the following:

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

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes () No (X)
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No () N/A (X)
If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes () No (X)
- 27.2 If yes, state the amount thereof at December 31 of the current year. \$
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds, and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III General Examination Considerations, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()

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

1 Name of Custodian(s)	2 Custodian's Address
---------------------------	--------------------------

HM PAYSON & CO ONE PORTLAND SQUARE PORTLAND MAINE

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

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

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

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

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

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

1 Central Registration Depository Number(s)	2 Name	3 Address

..... HM PAYSON & CO ONE PORTLAND SQUARE PORTLAND MAINE

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes (X) No ()

29.2 If yes, complete the following schedule:

1 CUSIP Number	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
921943-85-8	VANGUARD EUROPE PACIFIC ETF	909,568
922042-85-8	VANGUARD EMERGING MARKETS	949,380
464287-65-5	ISHARES RUSSELL 2000 INDEX FUND ETF	948,828
922908-55-3	VANGUARD REIT VIPERS ETF	691,821
78462F-10-3	SPDR TRUST SERIES 1 ETF	5,879,682
29.2999 - Total		9,379,279

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

1 Name of Mutual Fund (from question 29.2)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
VANGUARD EUROPE PACIFIC ETF	NESTLE SA 2.03%	18,465	09/29/2012
VANGUARD EMERGING MARKETS	SAMSUNG ELECTRONICS CO 2.51%	23,830	09/30/2012
ISHARES RUSSELL 2000 INDEX FUND ETF	OCWEN FINANCIAL CORP .31%	2,942	12/30/2012
VANGUARD REIT VIPERS ETF	SIMON PROPERTY GROUP INC 10.78%	74,579	09/29/2012
SPDR TRUST SERIES 1 ETF	APPLE INC 3.91%	229,896	12/31/2012

GENERAL INTERROGATORIES PART 1 - COMMON INTERROGATORIES

INVESTMENT

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

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-) , or Fair Value over Statement (+)
30.1 Bonds	\$ 22,249,478	\$ 22,249,478	\$
30.2 Preferred stocks	\$	\$	\$
30.3 Totals	\$ 22,249,478	\$ 22,249,478	\$

30.4 Describe the sources or methods utilized in determining the fair values:
 FAIR MARKET VALUE WAS DETERMINED FROM CURRENT MARKET PRICES FOR EACH SECURITY

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

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

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

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes (X) No ()

32.2 If no, list exceptions:

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES

OTHER

33.1 Amount of payments to Trade Associations, service organizations and statistical or Rating Bureaus, if any? \$ 7,072,528

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

1 Name	2 Amount Paid
DELTA DENTAL PLANS ASSOCIATION	\$ 131,906
DELTA DENTAL PLAN OF NH	\$ 6,940,622
.....	\$
.....	\$

34.1 Amount of payments for legal expenses, if any? \$ 39,959

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

1 Name	2 Amount Paid
DRUMMOND WOODSUM & MACMAHON	\$ 39,959
.....	\$
.....	\$
.....	\$

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ 30,120

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

1 Name	2 Amount Paid
CHRISTOPHER P ONEIL	\$ 30,120
.....	\$
.....	\$
.....	\$

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes () No (X)

1.2 If yes, indicate premium earned on U.S. business only. \$

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? \$

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above \$

1.5 Indicate total incurred claims on all Medicare Supplement insurance. \$

1.6 Individual policies:

		Most current three years:		
	1.61	Total premium earned		\$
	1.62	Total incurred claims		\$
	1.63	Number of covered lives		.....
All years prior to most current three years:				
	1.64	Total premium earned		\$
	1.65	Total incurred claims		\$
	1.66	Number of covered lives		.....

1.7 Group policies:

		Most current three years:		
	1.71	Total premium earned		\$
	1.72	Total incurred claims		\$
	1.73	Number of covered lives		.....
All years prior to most current three years:				
	1.74	Total premium earned		\$
	1.75	Total incurred claims		\$
	1.76	Number of covered lives		.....

2. Health Test:

	1	2	
	Current Year	Prior Year	
2.1 Premium Numerator	\$ 52,270,162	\$ 52,787,609	
2.2 Premium Denominator	\$ 52,270,162	\$ 52,787,609	
2.3 Premium Ratio (2.1 / 2.2)	..... 1.000	..... 1.000	
2.4 Reserve Numerator	\$ 1,238,100	\$ 1,815,700	
2.5 Reserve Denominator	\$ 1,238,100	\$ 1,815,700	
2.6 Reserve Ratio (2.4 / 2.5)	..... 1.000	..... 1.000	

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes () No (X)

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes (X) No ()

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes (X) No ()

5.1 Does the reporting entity have stop-loss reinsurance? Yes () No (X)

5.2 If no, explain:
 STOP LOSS REINSURANCE IS NOT REQUIRED

5.3 Maximum retained risk (see instructions)

	5.31	Comprehensive Medical		\$
	5.32	Medical Only		\$
	5.33	Medicare Supplement		\$
	5.34	Dental & Vision		\$ 2,000
	5.35	Other Limited Benefit Plan		\$
	5.36	Other		\$

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

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes (X) No ()

7.2 If no, give details:

8. Provide the following information regarding participating providers:

	8.1	Number of providers at start of reporting year		..... 502
	8.2	Number of providers at end of reporting year		..... 515

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes () No (X)

9.2 If yes, direct premium earned:

	9.21	Business with rate guarantees between 15-36 months		.....
	9.22	Business with rate guarantees over 36 months		.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold, or Bonus Arrangements in its provider contracts? Yes () No (X)

10.2 If yes:

	10.21	Maximum amount payable bonuses	\$
	10.22	Amount actually paid for year bonuses	\$
	10.23	Maximum amount payable withholds	\$
	10.24	Amount actually paid for year withholds	\$

11.1 Is the reporting entity organized as:

	11.12	A Medical Group / Staff Model,	Yes () No (X)
	11.13	An Individual Practice Association (IPA), or	Yes () No (X)
	11.14	A Mixed Model (combination of above)?	Yes () No (X)

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes (X) No ()

11.3 If yes, show the name of the state requiring such net worth. Maine

11.4 If yes, show the amount required. \$ 3,525,935

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes (X) No ()

11.6 If the amount is calculated, show the calculation

150% OF RBC

12.1 List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
MAINE
.....
.....
.....

13.1 Do you act as a custodian for health savings accounts? Yes () No (X)

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$

13.3 Do you act as an administrator for health savings accounts? Yes () No (X)

13.4 If yes, please provide the balance of the funds administered as of the reporting date. \$

FIVE - YEAR HISTORICAL DATA

	1	2	3	4	5
	2012	2011	2010	2009	2008
BALANCE SHEET (Page 2 and Page 3)					
1. Total admitted assets (Page 2, Line 28)	41,187,264	38,710,293	37,422,147	34,572,464	31,316,432
2. Total liabilities (Page 3, Line 24)	4,339,328	5,817,832	6,692,018	7,018,385	6,714,161
3. Statutory surplus	3,525,944	3,397,245	3,480,030	3,199,881	2,699,750
4. Total capital and surplus (Page 3, Line 33)	36,847,936	32,892,461	30,730,129	27,554,079	24,602,271
INCOME STATEMENT (Page 4)					
5. Total revenues (Line 8)	52,370,162	52,887,609	55,315,168	53,218,665	53,227,007
6. Total medical and hospital expenses (Line 18)	41,240,808	42,436,599	45,597,150	44,766,084	44,068,063
7. Claims adjustment expenses (Line 20)	1,882,222	1,861,192	1,926,870	1,901,088	1,939,152
8. Total administrative expenses (Line 21)	7,397,194	6,928,085	6,508,249	6,300,249	7,990,428
9. Net underwriting gain (loss) (Line 24)	1,849,938	1,661,733	1,282,899	251,244	(770,636)
10. Net investment gain (loss) (Line 27)	882,966	757,529	845,882	959,768	(7,924)
11. Total other income (Line 28 plus Line 29)		(101)	(245)	(567)	(8,974)
12. Net income or (loss) (Line 32)	2,732,904	2,419,161	2,128,536	1,210,445	(787,534)
CASH FLOW (Page 6)					
13. Net cash from operations (Line 11)	1,441,415	882,754	1,610,185	122,511	1,982,770
RISK-BASED CAPITAL ANALYSIS					
14. Total adjusted capital	36,847,936	32,892,461	30,730,129	27,554,079	24,602,271
15. Authorized control level risk-based capital	2,350,623	2,264,830	2,320,020	2,133,254	1,799,833
ENROLLMENT (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7)	137,379	138,950	75,441	75,938	77,556
17. Total members months (Column 6, Line 7)	1,649,308	1,657,660	904,048	918,327	948,918
OPERATING PERCENTAGE (Page 4) (Item divided by Page 4, sum of Line 2, Line 3, and Line 5) X 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Line 3 plus Line 5)	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19)	78.9	80.4	82.6	84.1	82.8
20. Cost containment expenses					
21. Other claims adjustment expenses	3.6	3.5	3.5	3.6	3.6
22. Total underwriting deductions (Line 23)	96.7	97.0	97.9	99.5	101.4
23. Total underwriting gain (loss) (Line 24)	3.5	3.1	2.3	0.5	(1.4)
UNPAID CLAIMS ANALYSIS (U and I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Column 5)	1,469,154	1,355,780	1,544,028	1,741,788	1,695,154
25. Estimated liability of unpaid claims of prior year (Line 13, Column 6)	1,815,700	1,800,500	1,797,100	1,777,700	1,832,000
INVESTMENTS IN PARENT, SUBSIDIARIES, AND AFFILIATES					
26. Affiliated bonds (Schedule D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Schedule D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Schedule D Summary, Line 24, Column 1)	1,378,313	1,392,668	1,352,030	1,389,023	
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Column 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. Total of above Line 26 to Line 31	1,378,313	1,392,668	1,352,030	1,389,023	
33. Total investment in parent included in Line 26 to Line 31 above					

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

Yes () No ()

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

States, Etc.	1	Direct Business Only Year to Date							
		Active Status	2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Column 2 Through Column 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	L	52,164,198					52,164,198	
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	N							
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	XXX							
59. Subtotal		XXX	52,164,198					52,164,198	
60. Reporting entity contributions for Employee Benefit Plans		XXX							
61. Total (Direct Business)	(a) 1		52,164,198					52,164,198	

DETAILS OF WRITE-INS									
58001.									
58002.									
58003.									
58998.	Summary of remaining write-ins for Line 58 from overflow page.								
58999.	Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)								

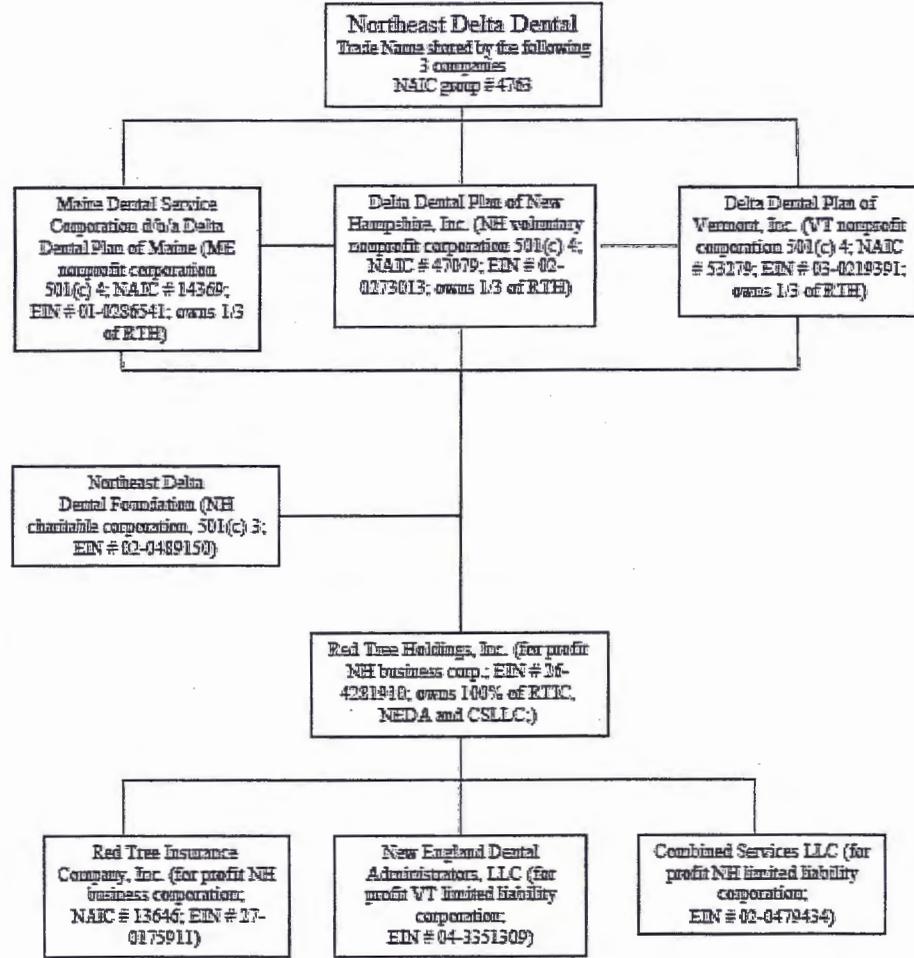
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business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

Explanation of basis of allocation by states, premiums by state, etc.

ALL PREMIUMS ARE WRITTEN IN THE STATE OF MAINE

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

Northeast Delta Dental



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

Group Code	Group Name	NAIC Company Code	Federal 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)
	RED TREE HOLDINGS INC.		26-4281910				RED TREE HOLDINGS INC.	NH	DS	THE FOLLOWING 3 COMPANIES	OWNERSHIP		DDPNH, MDSC, DDPVT
	1/3 OWNED BY	47079	02-0273013				DELTA DENTAL PLAN OF NH	NH	IA			33.333	
	1/3 OWNED BY	14369	01-0286541				MAINE DENTAL SERVICE CORP	ME	IA			33.333	
	1/3 OWNED BY	53279	03-0219391				DELTA DENTAL PLAN OF VT	VT	IA			33.333	
	RED TREE HOLDINGS INC.		26-4281910				RED TREE HOLDINGS INC.	NH	DS				DDPNH, MDSC, DDPVT
	OWNS 100% OF	13646	27-0175911				RED TREE INSURANCE CO INC	NH	DS	RED TREE HOLDINGS INC	OWNERSHIP	100.000	DDPNH, MDSC, DDPVT
	OWNS 100% OF		04-3351309				NEW ENGLAND DENTAL ADMIN. LLC	NH	DS	RED TREE HOLDINGS INC	OWNERSHIP	100.000	DDPNH, MDSC, DDPVT
	OWNS 100% OF		02-0479434				COMBINED SERVICES LLC	NH	DS	RED TREE HOLDINGS INC	OWNERSHIP	100.000	DDPNH, MDSC, DDPVT
			02-0489150				NORTHEAST DELTA DENTAL FOUND	NH	NIA				DDPNH, MDSC, DDPVT

Asterisk

Explanation

NONE

SCHEDULE Y

PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Management Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/ (Liability)
47079	02-0273013	DELTA DENTAL PLAN OF NEW HAMPSHIRE										
		COMMISSIONS PAID TO CSLLC					914,714				914,714	
		ADMIN SERVICE FEES PAID TO CSLLC					13,514				13,514	
		MANAGEMENT FEE INCOME FROM CSLLC					100,000				100,000	
		ADMIN. SERVICE INCOME FROM DDPME					6,940,663				6,940,663	
		ADMIN. SERVICE INCOME FROM DDPVT					4,764,805				4,764,805	
		ADMIN. SERVICE INCOME FROM RTI					73,348				73,348	
		ADMIN. SERVICE INCOME FROM NEDA					95,031				95,031	
14369	01-0286541	DELTA DENTAL PLAN OF MAINE										
		COMMISSIONS PAID TO CSLLC					231,097				231,097	
		ADMIN. SERVICE FEE PAID TO CSLLC (MEA)					(25,000)				(25,000)	
		ADMIN. SERVICE FEE PAID TO DDPNH					(6,940,663)				(6,940,663)	
		MANAGEMENT FEE INCOME FROM CSLLC					100,000				100,000	
53279	03-0219391	DELTA DENTAL PLAN OF VERMONT										
		COMMISSIONS PAID TO CSLLC					541,190				541,190	
		ADMIN. SERVICE FEES PAID TO DDPNH					(4,764,805)				(4,764,805)	
		MANAGEMENT FEE INCOME FROM CSLLC					100,000				100,000	
13646	27-0175911	RED TREE INSURANCE COMPANY, INC										
		COMMISSIONS PAID TO CSLLC					4,356				4,356	
		ADMIN. SERVICE FEE PAID TO DDPNH					(73,348)				(73,348)	
	04-3351309	NEW ENGLAND DENTAL ADMINISTRATORS LLC										
		ADMIN. SERVICE FEE PAID TO DDPNH					(95,031)				(95,031)	
	02-0479434	COMBINED SERVICES LLC										
		MANAGEMENT FEE PAID TO DDPNH					(100,000)				(100,000)	
		MANAGEMENT FEE PAID TO DDPVT					(100,000)				(100,000)	
		MANAGEMENT FEE PAID TO DDPME					(100,000)				(100,000)	
		COMMISSIONS RECEIVED FROM DDPNH					(914,714)				(914,714)	
		COMMISSIONS RECEIVED FROM DDPME					(231,097)				(231,097)	
		COMMISSIONS RECEIVED FROM DDPVT					(541,190)				(541,190)	
		COMMISSIONS RECEIVED FROM RTI					(4,356)				(4,356)	
		ADMIN. SERVICE FEE INCOME FROM DDPNH					(13,514)				(13,514)	
		ADMIN. SERVICE FEE INCOME FROM DDPME					25,000				25,000	
9999999		CONTROL TOTALS										

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If the nature of the transactions reported in Part 2 requires explanation, report such in the following explanatory note:

.....

