

STATE OF INDIANA )  
 ) SS: BEFORE THE INDIANA  
COUNTY OF MARION ) COMMISSIONER OF INSURANCE

IN THE MATTER OF: )  
 )  
Renaissance Life & Health Insurance Company of )  
America )  
1405 West County Line Road, Suite C )  
Greenwood, Indiana 46142-5194 )

Examination of **Renaissance Life & Health Insurance  
Company of America**

**NOTICE OF ENTRY OF ORDER**

Enclosed is the Final Order entered by Stephen W. Robertson, Commissioner of the Indiana Department of Insurance, after fully considering and reviewing the Verified Report of Examination of **Renaissance Life & Health Insurance Company of America**, any relevant examination work papers, and any written submissions or rebuttals. The Verified Report of Examination, as sent to you on May 10, 2012, has been adopted by the Commissioner.

Pursuant to Ind. Code § 27-1-3.1-12(b), within thirty (30) days of receipt of the Final Order, each director of **Renaissance Life & Health Insurance Company of America** shall file an affidavit with the Indiana Department of Insurance stating that he/she has received a copy of the Verified Report of Examination and the Final Order.

The Final Order is a final administrative decision that may be appealed pursuant to Ind. Code § 4-21.5-5.

June 25, 2012  
Date

  
Cynthia D. Donovan  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 9214 8901 0661 5400 0000 5017 87**

STATE OF INDIANA ) BEFORE THE INDIANA  
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1405 West County Line Road, Suite C )  
Greenwood, Indiana 46142-5194 )

**Examination of Renaissance Life & Health Insurance  
Company of America**

### **FINDINGS AND FINAL ORDER**

The Indiana Department of Insurance conducted an examination into the affairs of the **Renaissance Life & Health Insurance Company of America** (hereinafter "Company") for the time period January 1, 2008 through December 31, 2010.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter "Commissioner") by the Examiner on May 3, 2012.

A copy of the Verified Report of Examination, along with a Notice of Opportunity to Make Written Submission or Rebuttal, was mailed to the Company via Certified Mail on May 10, 2012 and was received by the Company on May 11, 2012.

The Company did not file any objections.

NOW THEREFORE, based on the Verified Report of Examination, I hereby make the following **FINDINGS**:

1. That the Verified Report of Examination is a true and accurate report of the financial condition and affairs of the **Renaissance Life & Health Insurance Company of America** as of December 31, 2010.
2. That the Examiner's Recommendations are reasonable and necessary in order for the **Renaissance Life & Health Insurance Company of America** to comply with the laws of the State of Indiana.

Based on the FINDINGS, the Commissioner does hereby ORDER:

1. Pursuant to Ind. Code § 27-1-3.1-11(a)(1), the Verified Report of Examination is adopted and shall be filed. Hereafter the Verified Report of Examination, may constitute prima facie evidence of the facts contained therein in any action or proceeding taken by the Indiana Department of Insurance against the Company, its officers, directors, or agents.
2. The Company shall comply with the Examiner's Recommendations enumerated in summary form and throughout the text of the Verified Report of Examination. A written response to these recommendations should be provided to the Department within 30 days of receipt of this order.
3. Compliance with the Examiner's recommendations shall be completed on or before the filing of the subsequent annual statement. In the event it is not feasible to comply with a recommendation before the filing of the subsequent annual statement, the Company shall submit a written explanation as to why it was not feasible with the filing of the annual statement.

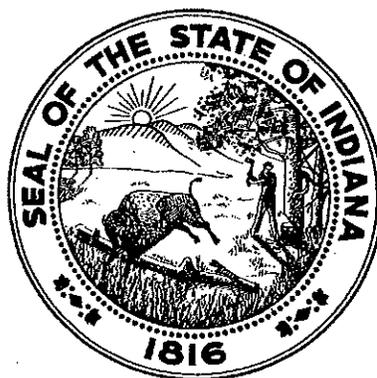
Signed and Sealed this 25<sup>th</sup> day of  
June, 2012.



Stephen W. Robertson  
Insurance Commissioner  
Indiana Department of Insurance

**STATE OF INDIANA**  
**Department of Insurance**  
**REPORT OF EXAMINATION**  
**OF**  
**RENAISSANCE LIFE & HEALTH INSURANCE**  
**COMPANY OF AMERICA**  
NAIC Co. CODE 61700  
NAIC GROUP CODE 0477

As of  
December 31, 2010



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# STATE OF INDIANA

MITCHELL E. DANIELS, JR., Governor

# IDOI

## INDIANA DEPARTMENT OF INSURANCE

311 W. WASHINGTON STREET, SUITE 300  
INDIANAPOLIS, INDIANA 46204-2787  
TELEPHONE: (317) 232-2385  
FAX: (317) 232-5251

Stephen W. Robertson, Commissioner

May 4, 2012

Honorable Stephen W. Robertson, Commissioner  
Indiana Department of Insurance  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Dear Commissioner:

Pursuant to the authority vested in Appointment Number 3665, an examination has been made of the affairs and financial condition of:

**Renaissance Life & Health Insurance Company of America**  
**1405 West County Line Road, Suite C**  
**Greenwood, Indiana 46142**

hereinafter referred to as the "Company," an Indiana domestic, stock, life, accident and health company. The examination was conducted at the corporate offices of the Company in Okemos, Michigan.

The Report of Examination, reflecting the status of the Company as of December 31, 2010, is hereby respectfully submitted.

ACCREDITED BY THE  
NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES  
(317) 232-2413

COMPANY COMPLIANCE  
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CONSUMER SERVICES  
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(317) 232-2402

SECURITIES / COMPANY RECORDS  
(317) 232-1991

## **SCOPE OF EXAMINATION**

The Company was last examined by representatives of the Delaware Insurance Department as of the period ending December 31, 2007. The present risk-focused examination was conducted by Noble Consulting Services, Inc. (Noble) and covered the period from January 1, 2008, through December 31, 2010.

Jeffrey A. Beckley, FSA, MAAA, of Actuarial Options, LLC, was appointed by the Indiana Department of Insurance (INDOI) and conducted a review of the Company's statutory reserves as of December 31, 2010. There were no actuarial adjustments or recommendations resulting from the review performed by Actuarial Options, LLC.

Noble conducted the risk-focused examination pursuant to and in accordance with the NAIC *Financial Condition Examiners Handbook* (Handbook). The Handbook requires that we plan and perform the examination to evaluate the financial condition and identify prospective risks of the Company by obtaining information about the Company including corporate governance, identifying and assessing inherent risks within the Company, and evaluating system controls and procedures used to mitigate those risks. An examination also includes assessing the principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation, and management's compliance with Statutory Accounting Principles, and annual statement instructions, when applicable to domestic state regulations.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process.

## **HISTORY**

The Company was originally incorporated as Central National Life Insurance Company of Omaha (CNL) and domiciled in Delaware. In late 1999, 100% of the net CNL business was reinsured by Household Life Insurance Company (Household Life). The effect of this reinsurance was to effectively leave CNL as a shell company with multiple licenses. In November 2005, CNL was acquired by Renaissance Holding Company (RHC), a subsidiary of Renaissance Health Services Corporation (RHSC) and changed to its current name. On March 31, 2007, Great Lakes Delta Insurance Company (GLDIC), an Indiana domestic, was merged into the Company. The Company assumed all GLDIC dental risk business. RHSC is the ultimate controlling person. RHSC is a parent to multiple dental insurance companies as well as companies providing services to both the insurance and dental industry. Since the previous examination, the Company redomesticated from Delaware to Indiana, effective September 1, 2009.

## **CAPITAL AND SURPLUS**

As of December 31, 2010, the Company had 120,000 shares of common stock authorized, with a \$25 par value, of which 100,000 shares were issued and outstanding. The Company reported capital stock totaling \$2,500,000 as of December 31, 2010. All issued and outstanding shares have been owned by RHC throughout the examination period. No dividends were paid to the shareholder during the examination period.

## TERRITORY AND PLAN OF OPERATION

The Company is authorized to sell life and health insurance in forty-nine (49) states (excluding New York) and the District of Columbia. The Company markets both group and individual dental benefit coverage primarily in the southeast and mid-Atlantic regions of the United States. The Company's sales representatives submit bids for dental benefit coverage on a group basis to the employers. The sales representatives are employed by the Company. The Company's individual dental benefit plans are marketed directly to the individuals. The majority of the individual premiums are from a dental program offered to individual retirees of major national manufacturers. The individual dental program started on January 1, 2007, and is being offered with Renaissance Health Insurance Company of New York (RHICNY), an affiliated company. RHICNY underwrites the individual policies in New York and the Company underwrites the individual policies in the rest of the United States. As a result of this individual program, the Company is now directly underwriting dental premiums in forty-nine (49) states and the District of Columbia. The state with the largest amount of written premium is Indiana. There are no current plans to add new lines of business.

## GROWTH OF THE COMPANY

The following exhibit summarizes the financial results of the Company during the examination period:

<u>Year</u>	<u>Admitted</u> <u>Assets</u>	<u>Liabilities</u>	<u>Capital</u> <u>and Surplus</u>	<u>Total</u> <u>Revenues</u>	<u>Net</u> <u>Income (Loss)</u>
2010	\$ 40,499,430	\$ 17,625,636	\$ 22,873,794	\$ 110,586,079	\$ 2,934,593
2009	38,858,539	19,835,192	19,023,347	102,828,042	(4,945,853)
2008	30,343,815	10,589,801	19,754,014	92,577,757	(3,044,362)

Admitted assets increased during the examination period. The increase from 2008 to 2009, was primarily due to an increase in net cash from operations as a result of an increase in premiums per member per month, an increase in net cash from investments due to disposition of long-term investments, and an increase in net cash from financing.

Liabilities increased from 2008 to 2009, partially due to the Company recording a premium deficiency reserve in 2009, and primarily due to an increase in premiums received in advance as a result of increased membership in the Company's individual dental product.

Total revenues increased during the examination period as a direct result of an increase in premiums per member per month. Net income increased from 2009 to 2010, as reflected by an increase in net operating gains. The Company introduced its individual dental products in 2008, which had significant up-front costs associated, and as such reported a net loss in 2008 and 2009.

## MANAGEMENT AND CONTROL

### Directors

The Bylaws provide that the business and property of the Company shall be managed by a Board of Directors consisting of not less than five (5) and no more than eighteen (18) members. Directors need not be stockholders but should be citizens and residents of the United States of America. At least one (1) of the directors must be a resident of the state of Indiana. Directors shall be elected annually by vote of the stockholders for the term of three (3) years, and shall serve until the election and acceptance of their duly qualified successors. The following is a listing of persons serving as directors for the Company and their principal occupations as of December 31, 2010:

<u>Name and Address</u>	<u>Principal Occupation</u>
Patrick T. Cahill, JD Milford, Michigan	Retired Legal Professional
Laura L. Czelada, CPA Okemos, Michigan	Chief Operating Officer Renaissance Health Service Corporation
Thomas J. Fleszar, DDS, MS Okemos, Michigan	President and Chief Executive Officer Renaissance Health Service Corporation
Kevin P. Griffith Indianapolis, Indiana	Attorney Baker & Daniels, LLP
Edward J. Zobeck Okemos, Michigan	Chief Administrative Officer Renaissance Health Service Corporation

### Officers

The Bylaws state that the officers of the Company shall be a Chairperson of the Board, a Chief Executive Officer, a Chief Operating Officer, a President, one (1) or more Vice Presidents, a Secretary, a Treasurer, and other officers as may be deemed necessary by the Board. Any two (2) or more positions may be held by the same person, except that the office of President and Secretary, and the office of Chief Executive Officer and Secretary may not be held by the same person. Each officer, except the Chief Operating Officer and the President, shall be chosen by the Board of Directors and shall hold office until his or her successor is chosen and qualified. The Chief Executive Officer, in his or her sole discretion, shall select the Chief Operating Officer and the President, or may elect to serve in either or both of these positions himself or herself.

The following is a list of key officers and their respective titles as of December 31, 2010:

<u>Name</u>	<u>Office</u>
Thomas J. Fleszar, DDS, MS	Chairperson, President and Chief Executive Officer
Edward J. Zobeck	Secretary
Laura L. Czelada, CPA	Treasurer
Jed J. Jacobson, DDS, MS, MPH	Senior Vice President of Professional Services and Chief Science Officer
Goran M. Jurkovic, CPA	Chief Financial Officer

### CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that not all directors and officers listed in the Management and Control section of this Report of Examination have reviewed and signed their statements as of December 31, 2010. See the Other Significant Issues section of this Report of Examination for further commentary.

### OATH OF OFFICE

Indiana Code (IC) 27-1-7-10(i) stipulates that every director, when elected, shall take and subscribe to an oath stating that he or she will faithfully, honestly, and diligently administer the affairs of the corporation and will not knowingly violate any of the laws applicable to such corporation. Each director, when elected, signed an Oath of Office statement.

### CORPORATE RECORDS

#### Articles of Incorporation

The Articles of Incorporation for Redomestication were filed and approved in September 2009, by the INDOI when the Company redomesticated to Indiana from Delaware.

#### Bylaws

The Bylaws were amended and restated in March 2010, to allow one (1) person to hold two (2) or more positions with the exception of the offices of President and Secretary, and the offices of Chief Executive Officer and Secretary, and to allow the Chief Executive Officer to elect himself/herself to serve as the Chief Operating Officer and/or President of the Company.

#### Minutes

The Board of Directors and Shareholder's meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted. It was noted that the annual meetings and other regular Board meetings were held in accordance with the Company's Bylaws.

## AFFILIATED COMPANIES

### Organizational Structure

The following is an organizational chart as of December 31, 2010:

	<u>NAIC Co.</u>	<u>Domiciliary</u>
	<u>Code</u>	<u>State</u>
Renaissance Health Service Corporation (RHSC)		MI
Delta Dental Plan of Michigan, Inc. (DDPMI)	54305	MI
Renaissance Systems and Services, LLC		MI
Delta Dental Plan of Ohio, Inc. (DDPOH)**	54402	OH
Delta Dental Plan of Indiana, Inc. (DDPIN)**	52634	IN
Delta Dental Fund dba Delta Dental Foundation**		MI
Delta Dental of Kentucky, Inc. (DDKY)	54674	KY
Dental Choice, Inc.	48127	KY
Dental Choice Agency, Inc.		KY
Dental Choice Properties, LLC		KY
Delta Dental Plan of New Mexico, Inc. (DDPNM)	47287	NM
Delta Dental of Tennessee	54526	TN
Fore Holding Corporation (FHC)		TN
Premier Insurance Services, LLC		TN
Liquid Corn, LLC		TN
Delta Dental of North Carolina	54658	NC
Renaissance Holding Company*		MI
Renaissance Health Insurance Company of New York	15638	NY
TML, LLC		MI
Renaissance Health Networks, LLC		MI
Renaissance Dental Network, LLC		MI
Dental Wellness Network, LLC		MI
<b>Renaissance Life and Health Insurance Company of America</b>	<b>61700</b>	<b>IN</b>

\* Owned by DDPMI (41.7%), RHSC (27.1%), FHC (8.6%), DDPIN (6.9%), DDKY (6.2%), DDPOH (5.2%), and DDPNM (4.3%)

\*\* Controlled by DDPMI

### Affiliated Agreements

The following affiliated agreements and transactions were disclosed as part of the Form B – Holding Company Registration Statement and were filed with the INDOI as required, in accordance with IC 27-1-23-4.

#### *Administrative Services Agreement - DDPIN*

Effective April 1, 2010, the Company entered into an Administrative Services Agreement with Delta Dental Plan of Indiana, Inc. (DDPIN). Under this agreement, the Company and DDPIN may provide certain administrative services to each other including, but not limited to, claims processing, customer

service, and managerial services. Services to be provided under this agreement by DDPIN have been assigned to Delta Dental Plan of Michigan, Inc. (DDPMI). This agreement supersedes and replaces in its entirety the Amended and Restated Administration and General Agency Agreement between GLDIC, which was merged with and into the Company on March 31, 2007, and DDPIN dated May 11, 2004. Amounts owing between the parties shall be paid within fifteen (15) days of receipt of a notice from the party administering the services. During 2010, the Company paid \$804,595 for services provided under this agreement and the prior Amended and Restated Administration and General Agency Agreement.

#### *Administrative Services Agreement - DDPMI*

Effective December 21, 2009, the Company entered into an Administrative Services Agreement with DDPMI. Under this agreement, the Company and DDPMI may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. This agreement superseded and replaced in its entirety the Administrative Services Agreement between the Company and DDPMI dated January 1, 2007. Amounts owing between the parties shall be paid within fifteen (15) days of receipt of a notice from the party administering the services. During 2010, the Company paid \$6,059,713 for services provided under this agreement.

#### *Administrative Services Agreement - RHICNY*

Effective January 1, 2010, the Company entered into an Administrative Services Agreement with RHICNY. Under this agreement, the Company may provide certain administrative services to RHICNY including, but not limited to, claims processing, customer service, and managerial services. This agreement superseded and replaced in its entirety the Administrative Services Agreement between RHICNY and the Company dated August 2, 2007. Amounts owing between the parties shall be paid within fifteen (15) days of receipt of a notice from the party administering the services, and notice shall be prepared at least on a quarterly basis. During 2010, RHICNY paid \$46,692 for services provided under this agreement.

#### *Administrative Services Agreement - DDTN*

Effective December 21, 2009, the Company entered into an Administrative Services Agreement with Delta Dental of Tennessee (DDTN). Under this agreement, the Company and DDTN may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. This agreement superseded and replaced in its entirety the Administrative Services Agreement between the Company and DDTN dated September 1, 2007, and July 1, 2009. Amounts owing between the parties shall be paid within fifteen (15) days of receipt of a notice from the party administering the services. During 2010, the Company paid \$126,136 for services provided under this agreement.

#### *Network Access Agreement*

Effective December 1, 2008, the Company entered into a Network Access Agreement with Dental Wellness Network, LLC (DWN). Under the agreement, DWN provides the Company's insured's with access to its network of dentists and enables the Company to offer a Preferred Provider Option in its dental benefits packages. The Company shall pay all network access fees within thirty (30) days of receipt of an invoice by DWN or be subject to an accrued interest rate of one and one half percent (1.5%) per month of late unpaid balances. During 2010, the Company paid \$14,453 for services provided under this agreement.

### *Consolidated Tax Allocation Agreement*

Effective December 10, 2009, the Company entered into an Allocation and Settlement of Consolidated Federal Income Tax Liability Agreement with RHC and affiliates. Under this agreement, the method of allocation is based upon separate return allocation with current credit for any net operating losses or other items utilized in the consolidated tax return. Amounts owing between the parties shall be settled within thirty (30) days of the estimated tax payments and/or filing of the federal tax return.

### **FIDELITY BOND AND OTHER INSURANCE**

The Company protects itself against loss from fraudulent or dishonest acts by its employees through a fidelity bond issued by Great American Insurance Company. The bond has blanket coverage of \$10,000,000 with a \$200,000 deductible. The amount meets the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force at December 31, 2010, including, but not limited to, automobile liability, cyber liability, directors and officers liability, fiduciary liability, property and general liability, umbrella liability, and workers' compensation.

### **PENSION, STOCK OWNERSHIP AND INSURANCE PLANS**

There were no pension, stock ownership, or insurance plans reported by the Company as of December 31, 2010.

### **STATUTORY DEPOSITS**

The Company reported the following statutory deposits as of December 31, 2010:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For all Policyholders:		
Indiana	\$ 1,677,131	\$ 1,768,645
Other Special Deposits:		
Arkansas	124,650	128,675
Georgia	34,636	35,200
Missouri	644,215	636,830
New Mexico	146,024	149,623
North Carolina	471,038	501,951
Total Deposits	<u>\$ 3,097,694</u>	<u>\$ 3,220,924</u>

## REINSURANCE

### *Assumed Reinsurance*

The Company has two (2) significant assumed reinsurance relationships. The first involves a quota share participation in AARP Dental program which is underwritten by Dentegra Insurance Company, Dentegra Insurance Company of New England, and Delta Dental Insurance Company. This contract accounted for assumed premiums of approximately \$9.9 million in 2010.

The second program also involves a participation in a national program underwritten by Delta Dental Insurance Company. This program covers a large block of retired military personnel and their families and is referred to as the VA HERO program. This block of business accounted for premium income of \$1.9 million as of December 31, 2010.

### *Ceded Reinsurance*

As of December 31, 2010, the block of business that the Company reinsured to Household Life, in 1999, represented ceded reserve credits totaling approximately \$10.4 million.

In addition the Company cedes several small quota share contracts to other Delta Dental Plans, primarily for purposes of both maintaining strategic alliances and also for allowing the Company to market business to retirees in various locales utilizing the Delta Dental branding. As of December 31, 2010, these contracts accounted for ceded premiums and ceded reserve credits totaling less than \$1 million respectively.

## ACCOUNTS AND RECORDS

The Company's accounting procedures, practices, account records, and supporting data were reviewed and tested to the extent deemed necessary. The trial balances prepared from the Company's general ledger for the years ended December 31, 2009, and 2010, were reconciled to the respective Annual Statements with no material exceptions noted. The Annual Statements for the years ended December 31, 2008, through 2010, were reconciled to each year's independent audit report with no material exceptions noted.

**RENAISSANCE LIFE & HEALTH INSURANCE COMPANY OF AMERICA**

**FINANCIAL STATEMENTS**

Assets

	As of December 31, 2010			
	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
<b>Assets:</b>				
Bonds	\$ 18,612,437	\$ -	\$ 18,612,437	\$ 8,620,586
Stocks:				
Common stocks	5,828,604	-	5,828,604	5,054,413
Cash, cash equivalents and short-term investments	10,819,477	-	10,819,477	19,482,527
<b>Subtotals, cash and invested assets</b>	<b>35,260,518</b>	<b>-</b>	<b>35,260,518</b>	<b>33,157,526</b>
Investment income due and accrued	241,057	-	241,057	31,302
Premiums and considerations:				
Uncollected premiums and agents' balances in the course of collection	946,006	-	946,006	1,757,041
Reinsurance:				
Amounts recoverable from reinsurers	147,914	-	147,914	300,281
Other amounts receivable under reinsurance contracts	26,383	-	26,383	-
Amounts receivable relating to uninsured plans	4,931	-	4,931	78,199
Net deferred tax asset	2,744,681	-	2,744,681	2,888,735
Guaranty funds receivable or on deposit	114,502	-	114,502	190,838
Electronic data processing equipment and software	-	-	-	20,807
Receivables from parent, subsidiaries and affiliates	737,477	-	737,477	433,810
Health care and other amounts receivable	275,961	-	275,961	-
<b>Total assets</b>	<b>\$ 40,499,430</b>	<b>\$ -</b>	<b>\$ 40,499,430</b>	<b>\$ 38,858,539</b>

**RENAISSANCE LIFE & HEALTH INSURANCE COMPANY OF AMERICA**

**FINANCIAL STATEMENTS**

**Liabilities, Capital and Surplus**

	As of December 31, 2010			
	<u>Per Annual Statement</u>	<u>Examination Adjustments</u>	<u>Per Examination</u>	<u>December 31, Prior Year</u>
<b>Liabilities:</b>				
Claims unpaid	\$ 5,221,438	\$ -	\$ 5,221,438	\$ 5,236,584
Unpaid claims adjustment expenses	177,660	-	177,660	176,940
Aggregate health policy reserves	6,226,372	-	6,226,372	9,260,146
Premiums received in advance	4,220,713	-	4,220,713	1,473,679
General expenses due or accrued	764,807	-	764,807	661,982
Ceded reinsurance premiums payable	185,151	-	185,151	298,029
Amounts withheld or retained for the account of others	396,736	-	396,736	369,533
Amounts due to parent, subsidiaries and affiliates	416,428	-	416,428	507,868
Reinsurance in unauthorized companies	-	-	-	14,039
Liability for amounts held under uninsured plans	10,500	-	10,500	-
Aggregate write-ins for other liabilities	5,831	-	5,831	1,836,392
<b>Total liabilities</b>	<b>17,625,636</b>	<b>-</b>	<b>17,625,636</b>	<b>19,835,192</b>
Common capital stock	2,500,000	-	2,500,000	2,500,000
Gross paid in and contributed surplus	17,936,765	-	17,936,765	17,936,765
Aggregate write-ins for other than special surplus funds	910,785	-	910,785	-
Unassigned funds (surplus)	1,526,244	-	1,526,244	(1,413,418)
<b>Total capital and surplus</b>	<b>22,873,794</b>	<b>-</b>	<b>22,873,794</b>	<b>19,023,347</b>
<b>Total liabilities, capital and surplus</b>	<b>\$ 40,499,430</b>	<b>\$ -</b>	<b>\$ 40,499,430</b>	<b>\$ 38,858,539</b>

**RENAISSANCE LIFE & HEALTH INSURANCE COMPANY OF AMERICA**

**FINANCIAL STATEMENTS**

**Statement of Revenue and Expenses**

	As of December 31, 2010			
	Per Annual Statement	Examination Adjustments	Per Examination	December 31, Prior Year
Member Months	3,797,415	-	3,797,415	3,869,479
Net premium income	\$ 110,464,170	\$ -	\$ 110,464,170	\$ 102,732,770
Aggregate write-ins for other health care related revenues	121,909	-	121,909	95,272
<b>Total Revenues</b>	<b>110,586,079</b>	<b>-</b>	<b>110,586,079</b>	<b>102,828,042</b>
<b>Hospital and Medical:</b>				
Other professional services	82,708,456	-	82,708,456	79,371,534
Net reinsurance recoveries	(10,575,194)	-	(10,575,194)	(7,661,650)
<b>Total hospital and medical</b>	<b>93,283,650</b>	<b>-</b>	<b>93,283,650</b>	<b>87,033,184</b>
Claims adjustment expenses	3,840,556	-	3,840,556	4,569,295
General administrative expenses	12,428,786	-	12,428,786	14,571,312
Increase in reserves for life and accident and health contracts	(1,303,610)	-	(1,303,610)	2,092,687
<b>Total underwriting deductions</b>	<b>108,249,382</b>	<b>-</b>	<b>108,249,382</b>	<b>108,266,478</b>
<b>Net underwriting gain or (loss)</b>	<b>2,336,697</b>	<b>-</b>	<b>2,336,697</b>	<b>(5,438,436)</b>
Net investment income earned	455,675	-	455,675	497,680
Net realized capital gains (losses) less capital gains tax	130,653	-	130,653	(106,248)
<b>Net investment gains (losses)</b>	<b>586,328</b>	<b>-</b>	<b>586,328</b>	<b>391,432</b>
Net gain or (loss) from agents' or premium balances charged off	(10,110)	-	(10,110)	(3,763)
Aggregate write-ins for other income or expenses	21,678	-	21,678	159,648
Net income or (loss) after capital gains tax and before all other federal income taxes	2,934,593	-	2,934,593	(4,891,119)
Federal and foreign income taxes incurred	-	-	-	54,734
<b>Net income (loss)</b>	<b>\$ 2,934,593</b>	<b>\$ -</b>	<b>\$ 2,934,593</b>	<b>\$ (4,945,853)</b>

**RENAISSANCE LIFE & HEALTH INSURANCE COMPANY OF AMERICA**

**FINANCIAL STATEMENTS**

**Reconciliation of Capital and Surplus**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Capital and Surplus Account:</b>			
Capital and surplus prior reporting year	\$ 19,023,347	\$ 19,754,014	\$ 25,126,353
Net income or (loss)	2,934,593	(4,945,853)	(3,044,362)
Change in net unrealized capital gains (losses) less capital gains tax	432,942	1,245,905	(1,845,618)
Change in net deferred income tax	(1,123,594)	1,714,923	1,971,817
Change in nonadmitted assets	1,467,230	1,268,397	(2,205,523)
Change in unauthorized reinsurance	14,039	(14,039)	-
Aggregate write-ins for gains or (losses) in surplus	125,237	-	(248,653)
<b>Net change in capital and surplus</b>	<u>3,850,447</u>	<u>(730,667)</u>	<u>(5,372,339)</u>
<b>Capital and surplus end of reporting year</b>	<u>\$ 22,873,794</u>	<u>\$ 19,023,347</u>	<u>\$ 19,754,014</u>

## **COMMENTS TO THE FINANCIAL STATEMENTS**

There were no recommended adjustments to surplus as of December 31, 2010, based on the results of this examination.

### **OTHER SIGNIFICANT ISSUES**

As of December 31, 2010, not all directors and officers listed in the Management and Control section of this Report of Examination had reviewed and signed Conflict of Interest statements for 2010. For future reporting periods, all directors and officers should review and sign Conflict of Interest statements on an annual basis in accordance with Company policy.

### **SUBSEQUENT EVENTS**

Effective January 1, 2011, the Company entered into a reinsurance agreement with DDPIN. The dental insurance policies assumed by DDPIN under this agreement were originally acquired by the Company as a result of the merger with GLDIC in 2007. This block of business accounted for approximately \$49 million of premiums and related losses in 2010.

Effective September 20, 2011, the Company amended and restated its Articles of Incorporation to increase its authorized capital stock to 235,000, with a \$25.00 par value. The Amended and Restated Articles of Incorporation were filed with the INDOI in September, 2011, and approved by the INDOI in November, 2011.

On November 8, 2011, an additional 20,000 shares of authorized capital stock were purchased by RHC.

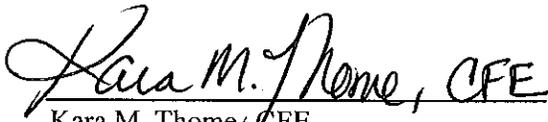
**AFFIDAVIT**

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that she, in coordination with staff assistance from Noble Consulting Services, Inc. and actuarial assistance from Actuarial Options, LLC, performed an examination **Renaissance Life & Health Insurance Company of America** as of December 31, 2010.

The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiner's Handbook and other procedures tailored for this examination. Such procedures performed on this examination do not constitute an audit made in accordance with generally accepted auditing standards and no audit opinion is expressed on the financial statements contained in this report.

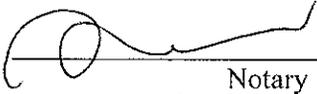
The attached report of examination is a true and complete report of condition of **Renaissance Life & Health Insurance Company of America** as of December 31, 2010, as determined by the undersigned.

  
Kara M. Thome, CFE  
Noble Consulting Services, Inc.

State of:  
County of:

On this 4 day of May, 2012, before me personally appeared, Kara M. Thome, to sign this document.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal in said County and State, the day and year last above written.

My commission expires: July 04, 2019  \_\_\_\_\_  
Notary Public

