

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

IN THE MATTER OF: )  
 )  
**Renaissance Life & Health Insurance Company of America** )  
**225 South East Street, Suite 360** )  
**Indianapolis, IN 46202** )

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

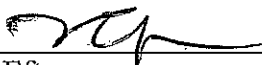
**NOTICE OF ENTRY OF ORDER**

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 amended by the Final Order, 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 20, 2018  
Date

  
Roy Eft  
Chief Financial Examiner

**CERTIFIED MAIL NUMBER: 7005 3110 0002 4443 9858**

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**Renaissance Life & Health Insurance Company of America** )  
**225 South East Street, Suite 360** )  
**Indianapolis, IN 46202** )

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, 2014 through December 31, 2016.

The Verified Report of Examination was filed with the Commissioner of the Department of Insurance (hereinafter “Commissioner”) by the Examiner on March 19, 2018.

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 June 1, 2018 and was received by the Company on June 12, 2018.

On June 14, 2018, pursuant to Ind. Code § 27-1-3.1-10, the Company filed a response to the Verified Report of Examination. The Commissioner has fully considered the Company’s response.

NOW THEREFORE, based on the Verified Report of Examination and the response filed by the Company, the Commissioner hereby FINDS as follows:

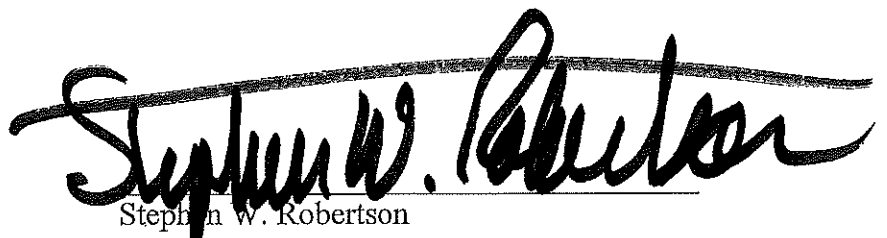
1. The suggested modifications to the Verified Report of Examination submitted by the Company are reasonable and shall be incorporated into the Verified Examination Report. A copy of the Verified Report of Examination, as amended, is attached hereto.

2. The Verified Report of Examination, as amended, is true and accurate report of the financial condition and affairs of the Company as of December 31, 2016.
3. The Examiners' recommendations are reasonable and necessary in order for the Company to comply with the insurance 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, as amended, 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, as amended. 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 this 20 day of June, 2018.

  
Stephen W. Robertson  
Insurance Commissioner

ABOUT AFFIRMATIONS

The following pages for affirmations need to be signed by each Board Member and returned to the Indiana Department of Insurance within thirty (30) days in accordance with I.C. §27-1-3.1-12(b).

If your affirmations list individuals that are no longer on your Board of Directors, you may simply retype the form on plain white paper with the correct names and a line to the right for signature. If the names are misspelled, you may do the same, simply re-type the corrected form with a line to the right for signature.

Should you have any questions or difficulties with these forms or you require additional time past the thirty (30) day requirement, please do not hesitate to contact this department at (317) 232-2390.

*[Handwritten signature]*

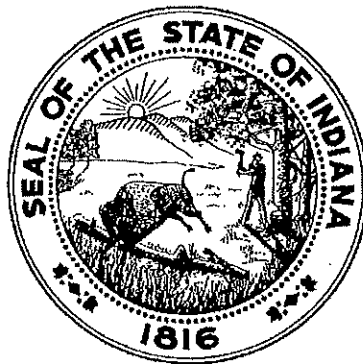
*[Handwritten initials]*

**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, 2016



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# STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

## Indiana Department of Insurance

Stephen W. Robertson, Commissioner  
311 W. Washington Street, Suite 103  
Indianapolis, Indiana 46204-2787  
Telephone: 317-232-2385  
Fax: 317-232-5251  
Website: [in.gov/idoi](http://in.gov/idoi)

March 19, 2018

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 3930, an examination has been made of the affairs and financial condition of:

**Renaissance Life & Health Insurance Company of America**  
**225 South East Street, Suite 360**  
**Indianapolis, Indiana 46202**

hereinafter referred to as the "Company", or "RLHICA", an Indiana domestic stock, life, accident and health insurance 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, 2016, is hereby respectfully submitted.

ACCREDITED BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

AGENCY SERVICES 317-232-2413    COMPANY COMPLIANCE 317-232-3495    CONSUMER SERVICES 317-232-2395/1-800-622-4461    FINANCIAL SERVICES 317-232-2390    MEDICAL MALPRACTICE 317-232-2402    COMPANY RECORDS 317-232-5692    STATE HEALTH INSURANCE PROGRAM 1-800-452-4800

## SCOPE OF EXAMINATION

The Company was last examined by representatives of the Indiana Department of Insurance (INDOI) and covered the period from January 1, 2011 through December 31, 2013. The present risk-focused examination was conducted by Noble Consulting Services, Inc., and covered the period from January 1, 2014 through December 31, 2016 and included material transactions and/or events occurring subsequent to the examination date and noted during the course of this examination.

The examination was conducted 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, assess corporate governance, identify current and prospective risks of the Company, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer's surplus to be materially misstated both currently and prospectively.

The examination of the affiliated Michigan domestic insurance companies of the Renaissance Health Service Corporation (RHSC), Delta Dental of Michigan, Inc. (DDPMI) was called by the Michigan Department of Insurance and Financial Services (DIFS) in accordance with the Handbook guidelines, through the NAIC's Financial Examination Electronic Tracking System. The DIFS served as the lead state on the examination, and the INDOI, New Mexico Department of Insurance, North Carolina Department of Insurance, and Ohio Department of Insurance served as participants.

Mark Alberts, FSA, MAAA, of Alberts Actuarial Consulting, LLC, a consulting actuary appointed by the INDOI, conducted a review of the Company's statutory reserves and related risks as of December 31, 2016.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management's compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements.

This examination report includes significant findings of fact, as in the Indiana Code (IC) 27-1-3.1-10 and general information about the insurer and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but are separately communicated to other regulators and/or the Company.

## HISTORY

RLHICA is an Indiana for-profit life, accident, and health insurance company licensed in all states except New York. The Company was originally incorporated as Central National Life Insurance Company of Omaha (CNL) and was domiciled in Delaware. In late 1999, 100% of the net CNL business was reinsured by Household Insurance Company in an effort to leave CNL as a shell company with multiple licenses. In November 2005, CNL was acquired by the Renaissance Holding Company (RHC), a subsidiary of RHSC and its name was changed to its current name. In 2007, Great Lakes Delta Insurance Company (GLDIC), an Indiana life and health company, formerly a wholly-owned subsidiary of DDPMI, was merged into RLHICA. 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. Effective September 1, 2009, the Company redomesticated from Delaware to Indiana.



## CAPITAL AND SURPLUS

RHC owned 100% of the Company's issued and outstanding stock as of the examination date. There were 235,000 authorized shares of common stock with a par value of \$25 per share and 120,000 shares issued and outstanding throughout the examination period. There were no dividends paid by the Company during the examination period.

## TERRITORY AND PLAN OF OPERATION

RLHICA was created in response to market needs for dental products underwritten on a national rather than state basis and serves as RHC's principal nationwide corporate commercial vehicle for the sale of individual and group dental and vision insurance products. RLHICA also provides risk underwriting for certain individual dental insurance products for its Delta Dental affiliates in certain states and markets. The Company underwrites premiums in forty-nine (49) states and the District of Columbia.

Sales and distribution of all RLHICA individual dental policies occur through a variety of channels, primarily through private exchange partners. The Company continues to recruit sales representatives in various states and add satellite offices. The majority of individual premiums are from a dental program offered to retirees of large national companies. Direct individual sales were \$108.7 million or 76.1% of total premiums in 2016.

RLHICA also offers dental policies for employer groups to offer to their employees on a voluntary, employee, or employer-paid basis. Direct group sales are made exclusively under the RLHICA brand. Direct group sales were \$16.7 million or 11.7% of total premiums in 2016.

## GROWTH OF THE COMPANY

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

Year	Admitted Assets	Liabilities	Capital and Surplus	Total Revenue	Net Income
2016	\$ 86,509,446	\$ 20,882,436	\$ 65,627,010	\$ 146,506,979	\$ 7,891,079
2015	78,990,066	17,630,981	61,359,085	127,255,425	9,631,461
2014	68,623,437	17,264,943	51,358,494	103,765,738	8,632,146

Admitted assets increased \$30.1 million or 53.4%, to \$86.5 million during the three (3) year examination period ending December 31, 2016. The increase was primarily reinvested operating profits for the same period coupled with investment earnings.

Net income for 2016 was \$7.9 million and \$26.2 million for the examination period driven by premium increases, and favorable claims experience. Net premiums written increased significantly during the exam period reflecting increases in membership. Membership increased by 188,982 or 127.5%, during the examination period, to 337,186, at December 31, 2016. Combined ratios were 93.2% and 91.1% for 2016 and the examination period, respectively.

Surplus was \$65.6 million and RBC was 1729.3% as of December 31, 2016, both include the impacts of reinvested operating profits.

## MANAGEMENT AND CONTROL

### Directors

The Bylaws provide that the business affairs of the Company are to be managed by a Board of Directors (Board) consisting of no less than five (5) and no more than eighteen (18) directors. Directors should be citizens and residents of the United States of America and be at least eighteen (18) years of age. Directors are elected annually by vote of the shareholders for a term of three (3) years, and shall serve until the election and acceptance of their duly qualified successors. For each year under review, directors were elected in accordance with the Company's Bylaws. IC 27-1-7-11 requires at least one (1) director must be a resident of Indiana, which was confirmed during the examination.

The following is a listing of persons serving as directors at December 31, 2016, and their principal occupations as of that date:

<u>Name and Address</u>	<u>Principal Occupation</u>
Patrick Thomas Cahill Milford, Michigan	Retired Legal Professional
Laura Linda Czelada Okemos, Michigan	President and Chief Executive Officer Renaissance Health Service Corporation
Jonathan Stong Groat Okemos, Michigan	Vice President and General Counsel Renaissance Health Service Corporation
Goran Mike Jurkovic Okemos, Michigan	Chief Financial Officer and Chief Risk Officer Renaissance Health Service Corporation
Robert Patrick Mulligan Indianapolis, Indiana	President and Chief Executive Officer Renaissance Life & Health Insurance Company of America

### Officers

The Bylaws state that the officers of the Company shall consist of 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 the office of the 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 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 him or herself.

The following is a list of key officers and their respective titles as of December 31, 2016:

<u>Name</u>	<u>Office</u>
Robert Patrick Mulligan	President and Chief Executive Officer
Jonathan Stong Groat	Vice President, General Counsel, and Secretary
Laura Linda Czelada	Treasurer/Chairperson
Goran Mike Jurkovic	Chief Financial Officer and Chief Risk Officer
Jeffery Walter Johnston	Vice President and Chief Science Officer

## CONFLICT OF INTEREST

Directors and officers are required to review and sign Conflict of Interest statements annually. It was determined that 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, 2016.

## OATH OF OFFICE

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 Company and will not knowingly violate any of the laws applicable to such Company. It was determined that all directors listed in the Management and Control section of this Report of Examination have subscribed to an oath as of December 31, 2016.

## CORPORATE RECORDS

### Articles of Incorporation

There were no amendments made to the Articles of Incorporation during the examination period.

### Bylaws

There were no amendments made to the Bylaws during the examination period.

### Minutes

The Board and shareholder's meeting minutes were reviewed for the period under examination through the fieldwork date. Significant actions taken during each meeting were noted.

IC 27-1-7-7(b) states an annual meeting of shareholders, members, or policyholders shall be held within five (5) months after the close of each fiscal year of the Company and at such time within that period as the Bylaws may provide. The Company's Bylaws specify that the annual meeting of the shareholders of the Company shall be held at the principal office of the Company, or at such other place and at such hour as shall be designated in the notice thereof, on the first day after the 15<sup>th</sup> of April of each year. For each year under review, the annual meeting of shareholders was held in accordance with the Bylaws.

The RHSC Audit Committee and the DDPMI Investment Committee meeting minutes for the examination period, and through the fieldwork date, were reviewed. Significant actions taken during each meeting were noted.

## AFFILIATED COMPANIES

### Organizational Structure

The following abbreviated organizational chart shows the Company's parent and subsidiaries as of December 31, 2016:

	<u>NAIC Co. Code</u>	<u>Domiciliary State/Country</u>
Renaissance Health Service Corporation		MI
Delta Dental Plan of Michigan, Inc.	54305	MI
Delta Dental Plan of Ohio, Inc. (DDPOH)**	54402	OH
<b>Delta Dental Plan of Indiana, Inc. (DDPIN)**</b>	<b>52634</b>	<b>IN</b>
Delta Dental Fund dba Dental Foundation**		MI
Delta Dental of Tennessee (DDTN)	54526	TN
Fore Holding Corporation (FHC)		TN
Premier Insurance Services, LLC		TN
Delta Dental Plan of New Mexico, Inc. (DDPNM)	47287	NM
Delta Dental of Kentucky, Inc. (DDKY)	54674	KY
Delta Choice, Inc.	48127	KY
Dental Choice Agency, Inc.		KY
Dental Choice Properties, LLC		KY
Delta Dental of North Carolina (DDNC)	54658	NC
Delta Dental Plan of Arkansas, Inc. (DDPAR)	47155	AR
Omega Administrators, Inc.		AR
Delta Dental of Arkansas Foundation, Inc.		AR
Renaissance Holding Company*		MI
<b>Renaissance Life &amp; Health Insurance Company of America</b>	<b>61700</b>	<b>IN</b>
RGL Agency, LLC		IN
Renaissance Health Insurance Company of New York (RHNY)	15638	NY
Renaissance Electronic Services, LLC		MI
TESIA Clearinghouse, LLC (TESIA)		MI
Maverest Dental Network, LLC		MI
Renaissance Systems and Services, LLC (RSS)		MI
Electronic Lockbox Services, LLC		MI
Renaissance Family Foundation, Inc.		IN

\*owned by DDPMI (58.0%), DDPAR (13.2%), FHC (8.9%), DDKY (5.9%), DDPIN (5.8%), DDPOH (4.2%), and DDPNM (4%)

\*\*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*

On April 1, 2010, DDPIN and RLHICA entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or DDPIN may provide certain administrative services to each other including, but not

limited to, claims processing, customer service, and managerial services. In 2016, DDPIN paid RLHICA \$175,666 under the terms of this agreement.

*Administrative Services Agreement*

On January 1, 2014, RLHICA and DDPAR entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or DDPAR may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, DDPAR paid RLHICA \$562,536 under the terms of this agreement

*Administrative Services Agreement*

On October 1, 2013, RLHICA and TESIA entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or TESIA may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, TESIA paid RLHICA \$8,833 under the terms of this agreement.

*Administrative Services Agreement*

On October 1, 2013, RLHICA and RSS entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or RSS may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, RSS paid RLHICA \$9,791 under the terms of this agreement.

*Administrative Services Agreement*

On November 9, 2015, RLHICA and DDPMI entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or DDPMI may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, RLHICA paid DDPMI \$4,591,057 and DDPMI paid RLHICA \$359,327 under the terms of this agreement.

*Administrative Services Agreement*

On January 1, 2010, RLHICA and RHNY entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or RHNY may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, RHNY paid RLHICA \$422,532 under the terms of this agreement.

*Administrative Services Agreement*

On December 21, 2009, RLHICA and DDTN entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or DDTN may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, DDTN paid RLHICA \$599,108 under the terms of this agreement.

*Administrative Services Agreement*

On October 1, 2011, RLHICA and DDPOH entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or DDPOH may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, DDPOH paid RLHICA \$292,415 under the terms of this agreement.

*Administrative Services Agreement*

On December 1, 2011, RLHICA and DDNC entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or DDNC may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, DDNC paid RLHICA \$269,813 under the terms of this agreement.

*Administrative Services Agreement*

On August 6, 2014, RLHICA and DDKY entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or DDKY may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, DDKY paid RLHICA \$811,765 under the terms of this agreement.

*Administrative Services Agreement*

On January 9, 2015, RLHICA and DDPNM entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or DDPNM may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, DDPNM paid RLHICA \$45,389 under the terms of this agreement.

*Administrative Services Agreement*

On September 28, 2016, RLHICA and RGL Agency, LLC (RGL) entered into an Administrative Services Agreement. Pursuant to the agreement, RLHICA and/or RGL may provide certain administrative services to each other including, but not limited to, claims processing, customer service, and managerial services. In 2016, no billings were made for services provided under the terms of this agreement.

*Tax Sharing Agreement*

On August 24, 2016, RLHICA, RHC, and certain other affiliates entered into a Tax Sharing Agreement. Pursuant to the agreement, it provides a method for (1) allocating consolidated federal income tax liability among the members; (2) reimbursing RHC or the appropriate member for payment of such tax liability on behalf of the group; and (3) having RHC or appropriate member compensate a member for the use of its tax attributes in the consolidated return of the group when the group is able to utilize the member's losses or credits on the consolidated return shall be prepared for the group of companies, including RLHICA. Each member of the group shall be allocated and pay its federal income tax liability/or benefits as if the member had filed as a separate individual taxpayer. It became effective on January 13, 2017.

**FIDELITY BOND AND OTHER INSURANCE**

The Company protects itself against loss from any fraudulent or dishonest acts by any employees through a fidelity bond issued by Great American Insurance Company. The bond has a single loss coverage limit of \$10,000,000, with a \$200,000 deductible. The fidelity bond is adequate to meet the prescribed minimum coverage specified by the NAIC.

The Company had additional types of coverage in-force as of December 31, 2016, including but not limited to directors and officers liability, errors and omissions liability, fire, general liability, malpractice, and theft.

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

The Company has no pension or postretirement plans.

## SPECIAL AND STATUTORY DEPOSITS

The Company reported the following deposits as of December 31, 2016:

<u>State</u>	<u>Book Value</u>	<u>Fair Value</u>
For All Policyholders:		
Indiana	\$ 1,695,594	\$ 1,684,003
All Other Special Deposits:		
Georgia	36,244	35,279
Missouri	748,976	743,670
New Mexico	152,863	149,596
North Carolina	451,473	454,342
 Total Deposits	 <u>\$ 3,085,150</u>	 <u>\$ 3,066,890</u>

## REINSURANCE

### Assumed Reinsurance

The Company has two (2) significant assumed reinsurance relationships. The first involves a quota share participation in an AARP Dental program which is underwritten by Dentegra Insurance Company, Dentegra Insurance Company of New England, and Delta Dental Insurance Company (DDIC). This contract accounted for assumed premiums of approximately \$17.3 million in 2016.

The second program also involves participation in a national program underwritten by DDIC. This program covers a large block of retired military personnel and their families and is referred to as the VA HERO program. This program ended in 2012 with run-off activity continuing through 2013.

### Ceded Reinsurance

As of December 31, 2016, the block of business that the Company reinsured to Pavonia Life Insurance Company of Michigan in 1999, represented ceded reserve credits totaling approximately \$5,424. No other material contracts were noted during the examination period.

## 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, 2015 and December 31, 2016, were agreed to the respective Annual Statements. The Annual Statements for the years ended December 31, 2014 through December 31, 2016, were agreed to each year's independent audit report without material exception. The Company's accounting procedures, practices, and account records were deemed satisfactory.

RENAISSANCE LIFE & HEALTH INSURANCE COMPANY OF AMERICA  
 Assets  
 As of December 31, 2016

	Per Examination*
Bonds	\$ 58,325,986
Stocks:	
Preferred stocks	196,015
Common Stocks	14,744,624
Cash, cash equivalents and short-term investments	8,690,018
Other invested assets	9,072
Subtotals, cash and invested assets	81,965,715
Investment income due and accrued	170,749
Premiums and considerations:	
Uncollected premiums and agents' balances in course of collection	738,011
Reinsurance:	
Amounts recoverable from reinsurers	219
Amounts receivable relating to uninsured plans	61,169
Current federal and foreign income tax recoverable and interest thereon	1,288,139
Net deferred tax asset	659,565
Electronic data processing equipment and software	8,259
Receivables from parent, subsidiaries and affiliates	204,912
Health care and other amounts receivable	1,295,571
Aggregate write-ins for other than invested assets	117,137
TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts	86,509,446
TOTAL	\$ 86,509,446

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.



RENAISSANCE LIFE & HEALTH INSURANCE COMPANY OF AMERICA  
 Liabilities, Capital and Surplus  
 As of December 31, 2016

	Per Examination*
Claims unpaid	\$ 5,436,023
Unpaid claims adjustment expenses	143,166
Aggregate health policy reserves	6,141,861
Premiums received in advance	3,758,256
General expenses due or accrued	3,374,020
Amounts withheld or retained for account of others	240,946
Amounts due to parent, subsidiaries and affiliates	1,617,328
Payable for securities	108,973
Aggregate write-ins for other liabilities	61,863
TOTAL Liabilities	20,882,436
Common capital stock	3,000,000
Gross paid in and contributed surplus	23,376,765
Unassigned funds (surplus)	39,250,245
TOTAL Capital and Surplus	65,627,010
TOTAL Liabilities, Capital and Surplus	\$ 86,509,446

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\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

RENAISSANCE LIFE & HEALTH INSURANCE COMPANY OF AMERICA  
Statement of Revenue and Expenses  
For the Year Ended December 31, 2016

	Per Examination*
Member Months	3,907,342
Net premium income	\$ 142,731,130
Aggregate write-ins for other health care related revenues	3,775,849
<b>TOTAL Revenues</b>	<b>146,506,979</b>
<b>Hospital and Medical:</b>	
Hospital/medical benefits	2,932
Other professional services	89,279,965
<b>Subtotal</b>	<b>89,282,897</b>
<b>Less:</b>	
Net reinsurance recoveries	(14,541,572)
<b>TOTAL Hospital and Medical</b>	<b>103,824,469</b>
Claims adjustment expenses	8,049,731
General administrative expenses	24,774,128
Increase in reserves for life and accident and health contracts	(39,159)
<b>TOTAL Underwriting Deductions</b>	<b>136,609,169</b>
Net underwriting gain	9,897,810
Net investment income earned	1,522,592
Net realized capital gains	658,227
Net investment gains	2,180,819
Net gain or (loss) from agents' or premium balances charged off	(4,379)
Aggregate write-ins for other income or expenses	30,701
<b>Net income or (loss) after capital gains tax and before all other federal income taxes</b>	<b>12,104,951</b>
Federal and foreign income taxes incurred	4,213,872
<b>Net income (loss)</b>	<b>\$ 7,891,079</b>

\* There were no adjustments to the as-filed financial statements, therefore the Annual Statement amounts agree to the examination amounts.

RENAISSANCE LIFE & HEALTH INSURANCE COMPANY OF AMERICA  
Capital and Surplus Account Reconciliation

	2016	2015	2014
Capital and surplus prior reporting year	\$ 61,359,085	\$ 51,358,494	\$ 39,668,752
Net income or (loss)	7,891,079	9,631,461	8,632,146
Change in net unrealized capital gains (losses) less capital gains tax	244,799	(722,396)	(113,907)
Change in net deferred income tax	64,781	(47,394)	(503,159)
Change in nonadmitted assets	(3,932,734)	1,138,920	3,674,662
Net change in capital and surplus	<u>4,267,925</u>	<u>10,000,591</u>	<u>11,689,742</u>
Capital and surplus end of reporting year	<u>\$ 65,627,010</u>	<u>\$ 61,359,085</u>	<u>\$ 51,358,494</u>

### COMMENTS ON THE FINANCIAL STATEMENTS

There were no recommended adjustments to the financial statements as of December 31, 2016, based on the results of this examination.

### OTHER SIGNIFICANT ISSUES

There were no significant issues requiring disclosure in this Report of Examination.

### SUBSEQUENT EVENTS

Effective February 1, 2017, the Company became party to a revised “global” Administrative Services Agreement that replaces all of the agreements listed in the Affiliated Agreements section above, with the exception of the agreement with RHNY. The purpose of the agreement is to streamline services between and among the members of the holding company system and provide for efficient and accurate payment arrangements.

In late 2017, the Company acquired a small-group life and disability block of business from a New York company. This acquisition supports the Company’s strategic objective of generating profitable growth in the small employer market and will give the Company the ability to offer small businesses a more diversified package of benefits. This acquisition will require investment in systems and operations to support these lines of business.

**AFFIDAVIT**

This is to certify that the undersigned is a duly qualified Examiner-in-Charge appointed by the Indiana Department of Insurance and that he, in coordination with staff assistance from Noble Consulting Services, Inc., and actuarial assistance from Alberts Actuarial Consulting, LLC, performed an examination of Renaissance Life & Health Insurance Company of America, as of December 31, 2016.

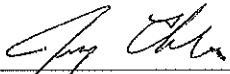
The Indiana Department of Insurance is accredited under the National Association of Insurance Commissioners Financial Regulation Accreditation Standards.

This examination was performed in accordance with those procedures required by the NAIC Financial Condition Examiners 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, 2016, as determined by the undersigned.

  
\_\_\_\_\_  
Daniel P. McBay, CFE  
Noble Consulting Services, Inc.

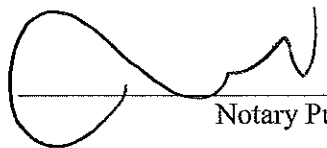
Under the supervision of,

  
\_\_\_\_\_  
Jerry Ehlers, CFE  
Examinations Manager  
Indiana Department of Insurance

State of Indiana  
County of Marion

On this 15 day of MARCH, 2018, before me personally appeared, Daniel P. McBay and Jerry Ehlers, 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 4, 2019   
\_\_\_\_\_  
Notary Public

