

QUARTERLY STATEMENT

OF THE

DELTA DENTAL

OF RHODE ISLAND

of PROVIDENCE

in the state of RHODE ISLAND

TO THE

Insurance Department

OF THE

STATE OF

RHODE ISLAND

FOR THE QUARTER ENDED

September 30, 2008

HEALTH

2008

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	33,719,075		33,719,075	33,709,833
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	8,613,167		8,613,167	6,834,721
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ 0 encumbrances)				
4.2 Properties held for the production of income (less \$ 0 encumbrances)				
4.3 Properties held for sale (less \$ 0 encumbrances)				
5. Cash (\$ (2,487,500)), cash equivalents (\$ 0), and short-term investments (\$ 7,985,045)	5,497,545		5,497,545	8,327,310
6. Contract loans (including \$ 0 premium notes)				
7. Other invested assets				
8. Receivables for securities				
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	47,829,787		47,829,787	48,871,864
11. Title plants less \$ 0 charged off (for Title insurers only)				
12. Investment income due and accrued	515,563		515,563	401,154
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	5,834,882		5,834,882	6,355,199
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ 0 earned but unbilled premiums)				
13.3 Accrued retrospective premiums				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers				
14.2 Funds held by or deposited with reinsured companies				
14.3 Other amounts receivable under reinsurance contracts				
15. Amounts receivable relating to uninsured plans				
16.1 Current federal and foreign income tax recoverable and interest thereon				
16.2 Net deferred tax asset				
17. Guaranty funds receivable or on deposit				
18. Electronic data processing equipment and software	1,986,539	1,403,974	582,565	756,111
19. Furniture and equipment, including health care delivery assets (\$ 0)	889,534	889,534		
20. Net adjustment in assets and liabilities due to foreign exchange rates				
21. Receivables from parent, subsidiaries and affiliates	9,844,759	9,764,198	80,561	85,117
22. Health care (\$ 0) and other amounts receivable				
23. Aggregate write-ins for other than invested assets	444,914	380,214	64,700	254,830
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	67,345,978	12,437,920	54,908,058	56,724,275
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	67,345,978	12,437,920	54,908,058	56,724,275

DETAILS OF WRITE-IN LINES				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 09 from overflow page				
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 09 above)				
2301. OTHER AR & UTILITY DEPOSIT	3,289	3,000	289	174,689
2302. PREPAID EXPENSES	259,647	259,647		
2303. RETROSPECTIVE PREMIUM ADJUSTMENTS	181,978	117,567	64,411	80,141
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	444,914	380,214	64,700	254,830

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 0 reinsurance ceded)	5,413,187		5,413,187	5,087,456
2. Accrued medical incentive pool and bonus amounts				
3. Unpaid claims adjustment expenses	202,687		202,687	232,483
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	1,064,795		1,064,795	908,458
9. General expenses due or accrued	4,027,672		4,027,672	4,146,254
10.1 Current federal and foreign income tax payable and interest thereon (including \$ 0 on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ 0 current) and interest thereon \$ 0 (including \$ 0 current)				
15. Amounts due to parent, subsidiaries and affiliates	2,102,717		2,102,717	2,050,588
16. Payable for securities				
17. Funds held under reinsurance treaties (with \$ 0 authorized reinsurers and \$ 0 unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured plans				
21. Aggregate write-ins for other liabilities (including \$ 0 current)	369,497		369,497	488,705
22. Total liabilities (Lines 1 to 21)	13,180,555		13,180,555	12,913,944
23. Aggregate write-ins for special surplus funds	X X X	X X X		
24. Common capital stock	X X X	X X X		
25. Preferred capital stock	X X X	X X X		
26. Gross paid in and contributed surplus	X X X	X X X		
27. Surplus notes	X X X	X X X		
28. Aggregate write-ins for other than special surplus funds	X X X	X X X	8,539,016	7,185,561
29. Unassigned funds (surplus)	X X X	X X X	33,188,487	36,624,770
30. Less treasury stock, at cost:				
30.1 0 shares common (value included in Line 24 \$ 0)	X X X	X X X		
30.2 0 shares preferred (value included in Line 25 \$ 0)	X X X	X X X		
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	X X X	X X X	41,727,503	43,810,331
32. Total liabilities, capital and surplus (Lines 22 and 31)	X X X	X X X	54,908,058	56,724,275

DETAILS OF WRITE-IN LINES				
2101. ADVANCE DEPOSITS	369,497		369,497	488,705
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page				
2199. Totals (Lines 2101 through 2103 plus 2198) (Line 21 above)	369,497		369,497	488,705
2301.	X X X	X X X		
2302.	X X X	X X X		
2303.	X X X	X X X		
2398. Summary of remaining write-ins for Line 23 from overflow page	X X X	X X X		
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above)	X X X	X X X		
2801. STRATEGIC INVESTMENT RESERVE	X X X	X X X	8,539,016	7,185,561
2802.	X X X	X X X		
2803.	X X X	X X X		
2898. Summary of remaining write-ins for Line 28 from overflow page	X X X	X X X		
2899. Totals (Lines 2801 through 2803 plus 2898) (Line 28 above)	X X X	X X X	8,539,016	7,185,561

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	2,944,554	2,970,654	3,958,655
2. Net premium income (including \$ 0 non-health premium income)	X X X	82,112,714	79,598,965	106,143,774
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ 0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	82,112,714	79,598,965	106,143,774
Hospital and Medical:				
9. Hospital/medical benefits				
10. Other professional services		71,558,544	68,918,268	90,068,306
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs				
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)		71,558,544	68,918,268	90,068,306
Less:				
17. Net reinsurance recoveries				
18. Total hospital and medical (Lines 16 minus 17)		71,558,544	68,918,268	90,068,306
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 385,068 cost containment expenses		4,825,414	4,419,855	6,329,403
21. General administrative expenses		6,300,743	5,747,743	8,264,188
22. Increase in reserves for life and accident and health contracts (including \$ 0 increase in reserves for life only)				
23. Total underwriting deductions (Lines 18 through 22)		82,684,701	79,085,866	104,661,897
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(571,987)	513,099	1,481,877
25. Net investment income earned		895,366	1,375,513	1,800,112
26. Net realized capital gains (losses) less capital gains tax of \$ 0		(135,262)		16,962
27. Net investment gains (losses) (Lines 25 plus 26)		760,104	1,375,513	1,817,074
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ 0) (amount charged off \$ 0)]				
29. Aggregate write-ins for other income or expenses				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	188,117	1,888,612	3,298,951
31. Federal and foreign income taxes incurred	X X X			65,881
32. Net income (loss) (Lines 30 minus 31)	X X X	188,117	1,888,612	3,233,070

DETAILS OF WRITE-IN LINES				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 06 from overflow page	X X X			
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 06 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 07 from overflow page	X X X			
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 07 above)	X X X			
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	43,810,331	46,454,405	46,454,405
34. Net income or (loss) from Line 32	188,117	1,888,612	3,233,070
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	0	214,263	(816,194)
37. Change in net unrealized foreign exchange capital gain or (loss)			(1,543,013)
38. Change in net deferred income tax			
39. Change in nonadmitted assets	(2,485,208)	(2,448,094)	(4,334,131)
40. Change in unauthorized 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			
48. Net change in capital and surplus (Lines 34 to 47)	(2,082,828)	(1,375,676)	(2,644,074)
49. Capital and surplus end of reporting period (Line 33 plus 48)	41,727,503	45,078,729	43,810,331

DETAILS OF WRITE-IN LINES			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)			

CASH FLOW

	1	2
	Current Year To Date	Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance	82,789,368	106,885,322
2. Net investment income	645,695	1,912,175
3. Miscellaneous income		
4. Total (Lines 1 to 3)	83,435,063	108,797,497
5. Benefit and loss related payments	71,232,813	89,985,139
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7. Commissions, expenses paid and aggregate write-ins for deductions	11,274,536	14,539,285
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) net of \$ 0 tax on capital gains (losses)		65,881
10. Total (Lines 5 through 9)	82,507,349	104,590,305
11. Net cash from operations (Line 4 minus Line 10)	927,714	4,207,192
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	20,709,197	16,690,788
12.2 Stocks	875,604	624,234
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains (or losses) on cash, cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	21,584,801	17,315,022
13. Cost of investments acquired (long-term only):		
13.1 Bonds	21,301,995	13,014,017
13.2 Stocks	2,587,414	2,218,096
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)	23,889,409	15,232,113
14. Net increase (or decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(2,304,608)	2,082,909
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied)	(1,452,871)	(4,207,325)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(1,452,871)	(4,207,325)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,829,765)	2,082,776
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year	8,327,310	6,244,534
19.2 End of period (Line 18 plus Line 19.1)	5,497,545	8,327,310

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

20.0001		
20.0002		
20.0003		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Other
Total Members at end of:										
1. Prior Year	330,946					330,946				
2. First Quarter	327,020					327,020				
3. Second Quarter	325,044					325,044				
4. Third Quarter	328,960					328,960				
5. Current Year										
6. Current Year Member Months	2,944,554					2,944,554				
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Totals										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	82,789,368					82,789,368				
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	82,112,714					82,112,714				
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	71,232,813					71,232,813				
18. Amount Incurred for Provision of Health Care Services	71,558,544					71,558,544				

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

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

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only	4,134,542	67,098,271	77,226	5,335,961	4,211,768	5,087,456
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	4,134,542	67,098,271	77,226	5,335,961	4,211,768	5,087,456
10. Health care receivables (a)						
11. Other non-health						
12. Medical incentive pools and bonus amounts						
13. Totals	4,134,542	67,098,271	77,226	5,335,961	4,211,768	5,087,456

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Presentation

The Quarterly Statement of Delta Dental of Rhode Island for the three quarters ended September 30, 2008 has been completed in accordance with NAIC *Annual Statement Instructions* and the *Accounting Practices and Procedures* manual. Management is not aware of any deviations from this NAIC guidance, as it relates to the 2008 and 2007 financial information contained in this statement.

(B) Use of Estimates in the Preparation of the Financial Statements

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

(C) Accounting Policies

Bonds

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

Common Stocks - - Investments in Subsidiaries

The accompanying financial statements of Delta Dental of Rhode Island include the common stock investments of its wholly owned subsidiaries: Park Row Associates, Altus Realty Company and The Altus Group, Inc. The values of these investments are reported using the equity method.

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

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

Claims and Claims Adjudication Expenses

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

NOTE 2 - - ACCOUNTING CHANGES AND CORRECTION OF ERRORS

The financial statements included in this filing do not contain any items that resulted from corrections of errors. Beginning with the December 31, 2001 annual filing the Company implemented the Codification of the NAIC Accounting Practices and Procedures Manual.

NOTES TO FINANCIAL STATEMENTS

This included the adoption of the Statement on Statutory Accounting Principles (SSAP) # 47 "Uninsured Plans".

SSAP 47 requires the exclusion of uninsured plan business for both premiums earned and claims incurred in the Statement of Revenues and Expenses. The Company has identified its Administrative Service Business (ASC), where the account, not Delta Dental of Rhode Island, has assumed the overall risk for the claims incurred and removed these components from both premiums earned and claims incurred in these 2008 and 2007 financial statements and the associated supporting exhibits. The administrative expenses reimbursed from ASC business is reported as "reimbursements by uninsured accident and health plans" in the Underwriting and Investment Exhibit Part 3 - Analysis of Expenses of each years Annual Statement submission.

NOTE 3 - - BUSINESS COMBINATIONS AND GOODWILL

During the year the Company had no business combinations, direct purchases or mergers with other companies.

NOTE 4 - - DISCONTINUED OPERATIONS

During the year the Company's financial results include no gains or losses from discontinued operations.

NOTE 5 - - INVESTMENTS

The Company's bond and common stock investments described in Note 1 represent all of the Company's statutory recorded investments as of September 30, 2008 and December 31, 2007. Accordingly, the Company maintains no investments in the following categories:

- Mortgage loans
- Debt restructuring issues
- Reverse Mortgages
- Loan Backed Securities
- Repurchase Agreements

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

During 2007 and 2008 the Company did not participate in any material joint ventures, partnerships or LLCs. In 2006 the Company participated in a joint venture with other Delta Dental Companies. The joint venture submitted an unsuccessful bid to administer a dental program for military personnel and other federal employees.

NOTE 7 - - INVESTMENT INCOME

Interest income is accrued as earned. At September 30, 2008, the Company had no income due or accrued that it considered a nonadmitted asset, as collection on accrued interest is reasonably assured for all Company investments.

Included in the Company's investment portfolio at September 30, 2008 is a \$500,000 par value bond issued by Lehman Brothers that matures on January 24, 2013. On September 15, 2008 Lehman Brothers filed for bankruptcy protection. Accordingly, during the quarter ended September 30, 2008 an "other than temporary impairment" loss of

NOTES TO FINANCIAL STATEMENTS

\$445,000 was recognized in the financial statements to reduce the value of this bond to its market value on September 30, 2008. This loss is included in net investment income earned in the Statement of Revenues and Expenses.

NOTE 8 - - DERIVATIVE INSTRUMENTS

As disclosed in Note 1 above, all investments consist of United States government and government agency securities, corporate notes with fixed rates and maturities, common stocks and three investments in wholly owned subsidiaries.

In 2002, the Company and one of its wholly owned subsidiaries, Altus Realty Company, joint and severally entered into an interest rate swap agreement with Fleet Bank (now Bank of America) relating to the financing of the purchase of the Company's office facilities at 10 Charles Street in Providence, RI. Altus Realty's financial results are accounted for under the equity method in this filing, and include the effect of recording the fair value of this interest rate swap as a separate component of reserves in the amount of \$354,577 and \$345,558 as of September 30, 2008 and December 31, 2007.

NOTE 9 - - FEDERAL INCOME TAXES

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

Park Row Associates and The Altus Group, Inc., the Company's other wholly owned subsidiaries, are for profit corporations. The Altus Group, Inc., and its subsidiaries Altus Dental, Altus Systems and Altus Dental Insurance Company file consolidated federal and state tax returns. These filings have resulted in minimal taxes due resulting from accumulated consolidated losses. Park Row Associates files federal and state taxes on its own, and has reported taxable income. Accordingly, federal and state taxes of \$150,000 and \$185,000 have been recorded for the three quarters ended September 30, 2008 and the year ended December 31, 2007.

NOTE 10 - - INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

Park Row Associates is a wholly owned subsidiary of the Company and provides brokerage and consulting services to employers for health insurance products. For the three quarters ended September 30, 2008 and the year ended December 31, 2007, respectively, this subsidiary generated approximately \$920,000 and \$1,180,000 of fees and commissions, and net income of \$227,000 and \$282,000 during these two periods.

Altus Realty Company, a wholly owned subsidiary of the Company, is a non-profit real estate holding Company that holds title to and manages the building at 10 Charles Street in Providence, RI. The Company (Delta Dental of RI) presently rents approximately one half of the existing space within this building. For the three quarters ended September 30, 2008 and the year ended December 31, 2007, respectively, this entity reported total revenues of \$1,392,000 and \$1,653,000 and net income (loss) of \$80,000 and \$37,000 during these two periods.

The Altus Group, Inc. is a wholly owned subsidiary of the Company and was established as a for-profit entity in 1999 for the purpose of expanding the Company's offering of prepaid dental care coverage and other third party administration services. For the three

NOTES TO FINANCIAL STATEMENTS

quarters ended September 30, 2008 and the year ended December 31, 2007, after elimination of intercompany transactions, The Altus Group, Inc., generated losses of \$970,000 and \$554,000.

At September 30, 2008 and December 31, 2007 the Company has intercompany receivables from the Altus Group, Inc. and other subsidiaries. These balances resulted from advances that were provided to fund operating expenses of both the Altus Group, Inc. and its subsidiaries, as well as cash flow needs of Altus Realty. The Company charges interest on unpaid advanced funds. For Statutory filing purposes the intercompany receivable balances from Altus Dental, Inc., The Altus Group and Altus Realty are considered non-admitted assets. These subsidiary entities, which are in a start up phase, do not currently possess the necessary liquidity to repay these receivables within 90 days, and are therefore treated as nonadmitted assets in accordance with SSAP #25.

Management's cash flow projections for The Altus Group, Inc. and its subsidiaries are made based on a number of factors, which affect the changes in the receivable balances over the period of time being analyzed. The most significant factors include: the relative and absolute growth in enrollment levels for the Company, Altus Dental Insurance Company, Inc. and Altus Systems Inc DBA, Altus Benefit Administrators, both of which are wholly owned subsidiaries of the Altus Group, Inc.; the amount and rate of increase in operating and administrative expenses; the level of success Altus Dental, Inc. experiences in developing and maintaining its dental network; and the level of resources required by Altus Dental, Inc. for recruitment and marketing functions. Management's current cash flow projections for The Altus Group, Inc. and its subsidiaries projects profitability to begin in 2010 and that the intercompany advances will be further reduced at that time.

NOTE 11 - - DEBT

During the year the Company had no outstanding capital notes or any debt arrangements. As described in Note 8 - - DERIVATIVE INSTRUMENTS above, the Company and one of its wholly owned subsidiaries, Altus Realty Company, jointly and severally entered into an interest rate swap agreement with Fleet Bank (now Bank of America) relating to the financing of the purchase of the Company's office facilities at 10 Charles Street in Providence, RI. This instrument and the related debt on the building are recorded on the financial statements of Altus Realty Company.

NOTE 12 - - EMPLOYEE RETIREMENT PLANS AND OTHER POSTRETIREMENT BENEFIT PLANS

A. Defined Contribution Retirement Plan

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

Employees qualify for benefits upon normal retirement at age 65, or early retirement, which is met upon reaching age 60 and completion of five years of service. Vesting of contributions (made on behalf of each employee) begins at 20% after two years of service and increases 20% annually until full vesting occurs after six years of service. The Company's contributions to this plan, representing its full funding requirements were \$617,000 and \$682,000 for the first three quarters of 2008 and the year 2007.

B. Deferred Compensation Plans

Effective January 1, 1997, the Company established a 401(K) plan. Plan entry and vesting of employer contributions are the same as the defined contribution retirement plan

NOTES TO FINANCIAL STATEMENTS

described above. The Company's contributions to this plan were \$146,000 and \$175,000 for the first three quarters of 2008 and the year 2007.

In 2004, the Company established 457(b) Plan for providing deferred compensation for a select group of management. The Company's contributions to this plan were \$15,500 and \$15,500 for 2008 and 2007.

C. Postretirement Benefit Plans

The Company provides postretirement health care and dental benefits covering members of the Board of Directors who had served three full terms (9 years) as of April 1994. Company payments for these benefits totaled \$105,000 and \$108,000 in 2007 and 2006, respectively.

In 1990, Statement of Financial Accounting Standards No. 106 (SFAS 106), "Employers' Accounting for Postretirement Benefits Other Than Pensions" was issued. This Standard requires benefits to be accrued over the employee service period until the employee becomes fully eligible to receive benefits.

The Company adopted SFAS 106 in 1995 for its plans. The effect of the adoption was to increase or (decrease) 2007 and 2006 expenses by \$136,000 and (\$165,000), respectively.

The following table sets forth the actuarial present value of benefit obligations and funded status at December 31, 2007 for the Company's plans:

Accumulated postretirement benefit obligation	\$1,056,000
Fair Value of plan assets	<u> -</u>
Funded status	<u>(1,056,000)</u>
Accrued postretirement benefit recognized on the balance sheet under SFAS 106	\$ <u> 876,000</u>

The trend assumptions used in determining the accumulated postretirement benefit obligation were 10% grading down to 6% in year three and later for health benefits and 8% grading down to 4% in year five and later for dental benefits. That assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed trend in each case by 1% per year would increase the accumulated postretirement benefit obligation as of December 31, 2007 by \$89,000 and the service and interest cost components of net periodic postretirement benefit cost for the year then ended by \$6,300.

The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 5.75% in 2007 and 2006. The Company has elected to amortize the transition obligation over 20 years using the straight-line method. Net expense for the retiree health care and dental plans for 2007 included the following components:

Net periodic cost (benefit) under SFAS 106	\$136,000
Benefits paid	\$105,000

Effective December 31, 2007 the Company adopted the recognition and disclosure provisions of SFAS No. 158 *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*. Statement 158 requires companies to recognize the funded status of defined benefit pension and other postretirement plans as a net asset or liability and to recognize changes in that funded status in the year in which the changes occur through reserves to the extent those changes are not included in the net periodic cost. The funded status reported on the balance sheet as of December 31, 2007 under Statement 158

NOTES TO FINANCIAL STATEMENTS

was measured as the difference between the fair market value of plan assets and the calculated liability for post retirement benefits.

Prior to the adoption of SFAS No. 158, the Company accounted for its postretirement benefit obligations under SFAS 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions". This statement required the disclosure of the accumulated post retirement benefit obligation, as well as the accumulated post retirement benefit cost recognized on the balance sheet. Under SFAS 106, the liability was not immediately recognized, as it was calculated and recorded ratably over a twenty-year period. The net periodic benefit cost recognized annually included a component of amortization of this calculated liability.

Upon Adoption of the provisions of SFAS No. 158, the Company recognized the full amount of the change in funding status of its accumulated post retirement benefit obligation through reserves. As a result the Company recognized the following adjustments in its financial statements as of and for the year ended December 31, 2007:

	Prior to Adoption of <u>SFAS 158</u>	Effect of Adoption of <u>SFAS 158</u>	As reported at year end <u>2007</u>
Liability for postretirement benefits	\$876,000	180,000	1,056,000
Charge to Reserves	-	180,000	180,000

The recognition provisions of Statement 158 had no effect on the statement of operations for the periods presented.

NOTE 13 - - CAPITAL AND SURPLUS

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

NOTE 14 - - CONTINGENT LIABILITIES

The Company has entered into employment contracts with certain key employees. These employment contracts vary in length. At December 31, 2007, the Company's total commitment under these employment contracts approximated \$4,139,000.

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

For matters regarding pending litigation as of September 30, 2008, the Company's litigation with one of its competitors was resolved and dismissed during 2005. The company is not involved in any other legal proceedings.

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

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

NOTES TO FINANCIAL STATEMENTS

time.

NOTE 15 - - LEASES

The Company maintains a lease obligation for all its office space through its subsidiary Altus Realty Company. The office lease commenced in April 2003 and ran through March 2008. The lease was renewed at market rates. The lease obligation resulted in rent expense for the year ended December 31, 2007 of \$737,000. For the year ended 2008 rent expense is projected at \$877,000 annually.

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

The Company maintains no financial instruments with off-balance sheet risk or any financial instruments with concentrations of credit risk.

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

The Company has no transactions relating to transfers of receivables reported as sales, transfer and servicing of financial assets or wash sales.

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

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

As discussed in Note 2, for the December 31, 2001 annual filing the Company implemented the Statement on Statutory Accounting Principles (SSAP) # 47 "Uninsured Plans". For the first three quarters of 2008 and the year 2007 the Company's financial operations exclude approximately \$49,400,000 and \$68,000,000 of revenues from such plans and there are no significant gains or losses related to such transactions.

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

The Company maintains no relationships with managing general agents or third party administrators. The Company does utilize in-house sales efforts, as well as independent brokers to market its products. Premiums earned are reported gross of brokers' commissions of approximately \$1,329,000 and \$1,679,000 for the first three quarters of 2008 and the year 2007.

NOTE 20 - - OTHER ITEMS

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

NOTE 21 - - EVENTS SUBSEQUENT

NOTES TO FINANCIAL STATEMENTS

The Company is not presently aware of any subsequent events that would warrant disclosure in these September 30, 2008 statutory financial statements.

NOTE 22 - - REINSURANCE

The Company utilizes no reinsurance arrangements in its underwriting of dental premiums to companies headquartered in the State of Rhode Island.

NOTE 23 - - RETROSPECTIVELY RATED CONTRACTS

The Company estimates accrued retrospective premium adjustments for each contractual group by projecting incurred losses based on group claims paid data. This data is updated and analyzed monthly and accrued retrospective premium adjustments are recorded monthly to earned premiums. The amount of net premiums written by the Company that are subject to retrospective rating or are contingent premiums (based on actual claims incurred) is approximately \$23,885,000 and \$23,828,000 for the years ended December 31, 2007 and 2006.

NOTE 24 - - CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

As reported in the Underwriting and Investment Exhibit - "Analysis of claims unpaid - prior year" reserves for incurred claims attributable to insured events of prior years has decreased by \$876,000 from \$5,087,000 at the beginning of the current year as a result of reestimation of unpaid claims. This favorable decrease is the result of an ongoing analysis of paid claims and recent loss development trends.

NOTE 25 - - INTERCOMPANY POOLING ARRANGEMENTS

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

NOTE 26 - - STRUCTURED SETTLEMENTS

As documented in the NAIC Annual Statement filing instructions for 2007, this footnote is not applicable to health insurance insurers.

NOTE 27- - HEALTH CARE RECEIVABLES

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

NOTE 28 - - PARTICIPATING POLICIES

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

NOTE 29 - - PREMIUM DEFICIENCY RESERVES

NOTES TO FINANCIAL STATEMENTS

The Company does not maintain any amount of premium deficiency reserves.

NOTE 30 - - ANTICIPATED SALVAGE AND SUBROGATION

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

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted)

PART 1 – COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes [] No [X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes [] No [X]
- 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. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y – Part 1 – organizational chart. Yes [] No [X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [] No [X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

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

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation. Yes [] No [X] N/A []
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. _____ 12/31/2005
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. _____ 12/31/2005
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). _____ 05/15/2007
- 6.4 By what department or departments?
INSURANCE DIVISION, DEPARTMENT OF BUSINESS REGULATION, STATE OF RHODE ISLAND

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [X] No [] N/A []
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [] N/A []
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [] No [X]
- 7.2 If yes, give full information

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [] No [X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [] No [X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), 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 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES (Continued)

9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
 (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 (c) Compliance with applicable governmental laws, rules, and regulations;
 (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 (e) Accountability for adherence to the code. Yes No

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

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

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

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

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

FINANCIAL

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

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

INVESTMENT

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

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

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

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

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

14.2 If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds	\$ _____	\$ _____
14.22 Preferred Stock	\$ _____	\$ _____
14.23 Common Stock	\$ 2,925,465	\$ 4,119,170
14.24 Short-Term Investments	\$ _____	\$ _____
14.25 Mortgage Loans on Real Estate	\$ _____	\$ _____
14.26 All Other	\$ 7,372,012	\$ 9,844,759
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	\$ 10,297,477	\$ 13,963,929
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$ _____	\$ _____

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

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

16. Excluding items in Schedule E, 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 3, III Conducting Examinations, G – Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes No

GENERAL INTERROGATORIES (Continued)

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

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

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

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

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes [] No [X]

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

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

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

1 Central Registration Depository	2 Name(s)	3 Address
	CITIZENS BANK	ONE CITIZENS PLAZA PROV, RI 02903
	PMG ADVISORS	100 4 FALLS COR CTR W CONSHOCKEN, P
	BNY MELLON	ONE FINANCIAL PLAZA PROV, RI 02903

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes [X] No []

17.2 If no, list exceptions:

.....

.....

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1	2	3	4	5	6	7
NAIC Company Code	Federal ID Number	Effective Date	Name of Reinsurer	Location	Type of Reinsurance Ceded	Is Insurer Authorized? (Yes or No)
<div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 48px; font-weight: bold;">NONE</div>						

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS

Current Year To Date - Allocated by States and Territories

States, Etc.	1	Active Status	Direct Business Only							
			2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property / Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	N								
2. Alaska	AK	N								
3. Arizona	AZ	N								
4. Arkansas	AR	N								
5. California	CA	N								
6. Colorado	CO	N								
7. Connecticut	CT	N								
8. Delaware	DE	N								
9. District of Columbia	DC	N								
10. Florida	FL	N								
11. Georgia	GA	N								
12. Hawaii	HI	N								
13. Idaho	ID	N								
14. Illinois	IL	N								
15. Indiana	IN	N								
16. Iowa	IA	N								
17. Kansas	KS	N								
18. Kentucky	KY	N								
19. Louisiana	LA	N								
20. Maine	ME	N								
21. Maryland	MD	N								
22. Massachusetts	MA	N								
23. Michigan	MI	N								
24. Minnesota	MN	N								
25. Mississippi	MS	N								
26. Missouri	MO	N								
27. Montana	MT	N								
28. Nebraska	NE	N								
29. Nevada	NV	N								
30. New Hampshire	NH	N								
31. New Jersey	NJ	N								
32. New Mexico	NM	N								
33. New York	NY	N								
34. North Carolina	NC	N								
35. North Dakota	ND	N								
36. Ohio	OH	N								
37. Oklahoma	OK	N								
38. Oregon	OR	N								
39. Pennsylvania	PA	N								
40. Rhode Island	RI	L	82,112,714						82,112,714	
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	CN	N								
58. Aggregate other alien	OT	XXX								
59. Subtotal		XXX	82,112,714						82,112,714	
60. Reporting entity contributions for Employee Benefit Plans		XXX								
61. Totals (Direct Business)	(a)	1	82,112,714						82,112,714	

DETAILS OF WRITE-INS									
5801		XXX							
5802		XXX							
5803		XXX							
5898	Summary of remaining write-ins for Line 58	XXX							
5899	Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)	XXX							

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

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

PART 1 - ORGANIZATIONAL CHART

NAIC Group Code	Group Name	NAIC Company Code	State of Domicile	Federal ID Number	Company Name
1571	DELTA DENTAL OF RHODE ISLAND	55301	RI	05-0296998	DELTA DENTAL OF RHODE ISLAND
1571	DELTA DENTAL OF RHODE ISLAND	52632	RI	05-0513223	ALTUS DENTAL INSURANCE COMPANY, INC.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

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

Response

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

NO

Explanation:

Bar Code:



55301200836500003

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - VERIFICATION

Real Estate

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

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

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

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

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

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	40,544,554	44,282,371
2. Cost of bonds and stocks acquired	23,889,409	15,232,113
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	62,982	(1,539,619)
5. Total gain (loss) on disposals	(135,262)	16,962
6. Deduct consideration for bonds and stocks disposed of	21,584,801	17,315,022
7. Deduct amortization of premium		132,251
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized	444,640	
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	42,332,242	40,544,554
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	42,332,242	40,544,554

SCHEDULE D - PART 1B

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

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	38,973,829	5,889,903	4,149,202	(326,398)	41,905,053	38,973,829	40,388,132	41,511,384
2. Class 2 (a)	1,750,449		250,000	(246,961)	1,000,011	1,750,449	1,253,488	1,762,778
3. Class 3 (a)								
4. Class 4 (a)				62,500			62,500	
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	40,724,278	5,889,903	4,399,202	(510,859)	42,905,064	40,724,278	41,704,120	43,274,162
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	40,724,278	5,889,903	4,399,202	(510,859)	42,905,064	40,724,278	41,704,120	43,274,162

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

NAIC 1 \$ 1,617,623; NAIC 2 \$ 0; NAIC 3 \$ 0; NAIC 4 \$ 0; NAIC 5 \$ 0; NAIC 6 \$ 0

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999	7,985,045	X X X	7,978,480	277,245	3,851

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	9,564,329	7,253,603
2. Cost of short-term investments acquired	1,287,516	4,057,016
3. Accrual of discount	(3,530)	3,710
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	2,863,270	1,750,000
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	7,985,045	9,564,329
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	7,985,045	9,564,329

SCHEDULE DB - PART F - SECTION 1

Replicated (Synthetic) Assets Open

Replicated (Synthetic) Asset					Components of the Replicated (Synthetic) Asset							
1	2	3	4	5	Derivative Instruments Open		Cash Instrument(s) Held					
Replication RSAT Number	Description	NAIC Designation or Other Description	Statement Value	Fair Value	6	7	8	9	10	11	12	
					Description	Fair Value	CUSIP	Description	Statement Value	Fair Value	NAIC Designation or Other Description	
					NONE							

SCHEDULE DB - PART F - SECTION 2

Reconciliation of Replicated (Synthetic) Assets Open

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Year to Date	
	1	2	3	4	5	6	7	8	9	10
	Number of Positions	Total Replicated (Synthetic) Assets Statement Value								
1. Beginning Inventory										
2. Add: Opened or Acquired Transactions										
3. Add: Increases in Replicated Asset Statement Value	XXX									
4. Less: Closed or Disposed of Transactions										
5. Less: Positions Disposed of for Failing Effectiveness Criteria										
6. Less: Decreases in Replicated (Synthetic) Asset Statement Value	XXX									
7. Ending Inventory										

NONE

505

SCHEDULE E - VERIFICATION

(Cash Equivalents)

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

NONE

SCHEDULE A - PART 2

Showing All Real Estate ACQUIRED and Additions Made During the Current Quarter

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

EOI

SCHEDULE A - PART 3

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

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7 Expended for Additions, Permanent Improvements and Changes in Encumbrances	8 Book/Adjusted Carrying Value Less Encumbrances Prior Year	Change in Book/Adjusted Carrying Value Less Encumbrances					14 Book/Adjusted Carrying Value Less Encumbrances	15 Amounts Received During Year	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal	19 Gross Income Earned Less Interest Incurred on Encumbrances	20 Taxes, Repairs and Expenses Incurred
	2 City	3 State						9 Current Year's Depreciation	10 Current Year's Other Than Temporary Impairment Recognized	11 Current Year's Change in Encumbrances	12 Total Change in B./A.C.V. (11 - 9 - 10)	13 Total Foreign Exchange Change in B./A.C.V.							
NONE																			

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Rate of Interest	7 Actual Cost at Time of Acquisition	8 Additional Investment Made After Acquisitions	9 Value of Land and Buildings
	2 City	3 State						
NONE								

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

1 Loan Number	Location		4 Loan Type	5 Date Acquired	6 Disposal Date	7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year	Change in Book Value/Recorded Investment						14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal	15 Consideration	16 Foreign Exchange Gain (Loss) on Disposal	17 Realized Gain (Loss) on Disposal	18 Total Gain (Loss) on Disposal
	2 City	3 State					8 Unrealized Valuation Increase (Decrease)	9 Current Year's (Amortization) / Accretion	10 Current Year's Other than Temporary Impairment Recognized	11 Capitalized Deferred Interest and Other	12 Total Change in Book Value (8+9-10+11)	13 Total Foreign Exchange Change in Book Value					
NONE																	

SCHEDULE BA - PART 2

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

1 CUSIP Ident- ification	2 Name or Description	Location		5 Name of Vendor or General Partner	6 NAIC Desig- nation	7 Date Originally Acquired	8 Type and Strategy	9 Actual Cost at Time of Acquisition	10 Additional Investment Made After Acquisition	11 Amount of Encumbrances	12 Commitment for Additional Investment	13 Percentage of Ownership
		3 City	4 State									
NONE												

EO3

SCHEDULE BA - PART 3

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

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

SCHEDULE D - PART 3

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

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
3128X7-F4-1	FED HOME LOAN MTG		07/02/2008	CITIZENS BANK		750,000	750,000.00		1FE
3133XR-R5-1	FED HOME LOAN BANK		07/02/2008	CITIZENS BANK		750,000	750,000.00		1FE
3133XR-QY-9	FED HOME LOAN BANK		07/15/2008	CITIZENS BANK		750,000	750,000.00		1FE
3133XR-QZ-6	FED HOME LOAN BANK		07/15/2008	CITIZENS BANK		750,000	750,000.00		1FE
3133XR-TY-6	FED HOME LOAN BANK		08/06/2008	CITIZENS BANK		500,000	500,000.00		1FE
3133XS-4X-3	FED HOME LOAN BANK		09/17/2008	CITIZENS BANK		500,000	500,000.00		1FE
0399999	Total Bonds U. S. Government				X X X	4,000,000	4,000,000.00		X X X
694032-BC-6	AT&T PACIFIC BELL		07/15/2008	CITIZENS BANK		309,930	300,000.00	4,085	1FE
26483E-AC-4	DUN & BRADSTREET		07/15/2008	CITIZENS BANK		103,012	100,000.00	1,833	1FE
742718-DA-4	PROCTER & GAMBLE		08/12/2008	CITIZENS BANK		204,670	200,000.00	4,868	1FE
260003-AE-8	DOVER CORP		08/12/2008	CITIZENS BANK		196,158	200,000.00	3,169	1FE
172967-DA-6	CITIGROUP		09/09/2008	CITIZENS BANK		250,553	250,000.00	1,156	1FE
616880-BJ-8	JP MORGAN		09/09/2008	CITIZENS BANK		309,864	300,000.00	1,250	1FE
949748-AF-4	WELLS FARGO BANK		09/09/2008	CITIZENS BANK		262,848	250,000.00	1,702	1FE
55263E-CL-7	MBNA CORP		09/09/2008	CITIZENS BANK		252,868	250,000.00	4,340	1FE
4599999	Total Bonds Industrial and Miscellaneous (Unaffiliated)				X X X	1,889,903	1,850,000.00	22,403	X X X
6099997	Total Bonds Part 3				X X X	5,889,903	5,850,000.00	22,403	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	5,889,903	5,850,000.00	22,403	X X X
00724F-10-1	ADOBE SYS INC		07/09/2008	CITIZENS BANK	100.000	4,047			L
171232-10-1	CHUBB CORP		07/09/2008	CITIZENS BANK	50.000	2,516			L
12572Q-10-5	CME GROUP		07/09/2008	CITIZENS BANK	10.000	3,554			L
G1150G-11-1	ACCENTURE LTD BERMUDA CL A		07/09/2008	CITIZENS BANK	100.000	3,985			L
126650-10-0	CVS/CAREMARK CORPORATION		07/09/2008	CITIZENS BANK	80.000	3,124			L
235851-10-2	DANAHER CORP		07/09/2008	CITIZENS BANK	20.000	1,526			L
00971T-10-1	AKAMAI TECHNOLOGIES		07/09/2008	CITIZENS BANK	100.000	3,392			L
20825C-10-4	CONOCOPHILLIPS		07/09/2008	CITIZENS BANK	40.000	3,644			L
369604-10-3	GENERAL ELECTRIC		07/09/2008	CITIZENS BANK	120.000	3,211			L
278058-10-2	EATON CORP		07/09/2008	CITIZENS BANK	20.000	1,660			L
191219-10-4	COCA-COLA ENTERPRISES		07/09/2008	CITIZENS BANK	170.000	2,938			L
291011-10-4	EMERSON ELECTRIC		07/09/2008	CITIZENS BANK	40.000	1,944			L
406216-10-1	HALLIBURTON CO		07/09/2008	CITIZENS BANK	50.000	2,653			L
30161N-10-1	EXELON CORP		07/09/2008	CITIZENS BANK	50.000	4,550			L
46625H-10-0	JPMORGAN CHASE & CO		07/09/2008	CITIZENS BANK	70.000	2,463			L
50540R-40-9	LABORATORY CORP		07/09/2008	CITIZENS BANK	40.000	2,720			L
38141G-10-4	GOLDMAN SACHS GROUP INC		07/09/2008	CITIZENS BANK	20.000	3,607			L
438516-10-6	HONEYWELL INTL INC		07/09/2008	CITIZENS BANK	30.000	1,505			L
441060-10-0	HOSPIRA INC		07/09/2008	CITIZENS BANK	40.000	1,614			L
585055-10-6	MEDTRONIC INC		07/09/2008	CITIZENS BANK	50.000	2,556			L
589331-10-7	MERCK & CO INC		07/09/2008	CITIZENS BANK	50.000	1,927			L
594918-10-4	MICROSOFT CORP		07/09/2008	CITIZENS BANK	120.000	3,122			L

E04

SCHEDULE D - PART 3

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

E04.1

1 CUSIP Ident- ification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
48242W-10-6	KBR INC		07/09/2008	CITIZENS BANK	30.000	994			L
68389X-10-5	ORACLE SYSTEMS CORP		07/09/2008	CITIZENS BANK	100.000	2,110			L
580135-10-1	MCDONALDS CORP		07/09/2008	CITIZENS BANK	100.000	5,760			L
61945A-10-7	MOSAIC CO		07/09/2008	CITIZENS BANK	190.000	24,330			L
74005P-10-4	PRAXAIAR INC NY COM		07/09/2008	CITIZENS BANK	20.000	1,828			L
760975-10-2	RESEARCH IN MOTION LTD		07/09/2008	CITIZENS BANK	40.000	4,676			L
617446-44-8	MORGAN STANLEY DEAN WITTER		07/09/2008	CITIZENS BANK	440.000	15,998			L
778296-10-3	ROSS STORES INC		07/09/2008	CITIZENS BANK	100.000	3,647			L
65248E-20-3	NEWS CORP CL B		07/09/2008	CITIZENS BANK	200.000	2,990			L
713448-10-8	PEPSICO INC		07/09/2008	CITIZENS BANK	50.000	3,302			L
816851-10-9	SEMPRA ENERGY		07/09/2008	CITIZENS BANK	50.000	2,866			L
868536-10-3	SUPERVALU INC		07/09/2008	CITIZENS BANK	90.000	2,752			L
747525-10-3	QUALCOMM CORP		07/09/2008	CITIZENS BANK	50.000	2,280			L
880779-10-3	TEREX CORP NEW		07/09/2008	CITIZENS BANK	50.000	2,368			L
204412-20-9	COMPANHIA VALE DO RIO DOCE ADR		07/09/2008	CITIZENS BANK	40.000	1,296			L
806605-10-1	SCHERING-PLOUGH CORP		07/09/2008	CITIZENS BANK	70.000	1,383			L
G9143X-20-8	TYCO INTERNATIONAL LTD		07/09/2008	CITIZENS BANK	40.000	1,591			L
790849-10-3	ST JUDE MED INC		07/09/2008	CITIZENS BANK	50.000	2,053			L
00206R-10-2	AT&T INC		07/09/2008	CITIZENS BANK	70.000	2,293			L
883556-10-2	THERMO FISHER SCIENTIFIC INC		07/09/2008	CITIZENS BANK	40.000	2,298			L
931142-10-3	WAL-MART STORES		07/09/2008	CITIZENS BANK	60.000	3,434			L
30231G-10-2	EXXON MOBIL CORP		07/09/2008	CITIZENS BANK	50.000	4,411			L
98385X-10-6	XTO ENERGY INC		07/09/2008	CITIZENS BANK	50.000	3,338			L
458140-10-0	INTEL CORP		07/09/2008	CITIZENS BANK	2,000.000	41,380			L
983024-10-0	WYETH		07/09/2008	CITIZENS BANK	540.000	25,342			L
018581-10-8	ALLIANCE DATA SYS CORP		08/19/2008	CITIZENS BANK	560.000	36,314			L
00817Y-10-8	AETNA INC NEW		08/19/2008	CITIZENS BANK	920.000	39,597			L
060505-10-4	BANK OF AMERICA CORPORATION		08/19/2008	CITIZENS BANK	160.000	4,763			L
194162-10-3	COLGATE-PALMOLIVE CO		08/19/2008	CITIZENS BANK	490.000	38,028			L
24702R-10-1	DELL INC		08/19/2008	CITIZENS BANK	1,280.000	32,422			L
237194-10-5	DARDEN RESTAURANTS INC		08/19/2008	CITIZENS BANK	660.000	23,533			L
291011-10-4	EMERSON ELECTRIC CO		08/19/2008	CITIZENS BANK	100.000	4,872			L
369604-10-3	GENERAL ELECTRIC CO		08/19/2008	CITIZENS BANK	40.000	4,153			L
46625H-10-0	JPMORGAN CHASE & CO		08/19/2008	CITIZENS BANK	100.000	3,730			L
59156R-10-8	METLIFE INC		08/19/2008	CITIZENS BANK	90.000	4,748			L
654902-20-4	NOKIA CORP SPONSORED ADR		08/19/2008	CITIZENS BANK	1,080.000	28,156			L
717081-10-3	PFIZER INC		08/19/2008	CITIZENS BANK	3,080.000	61,165			L
852061-10-0	SPRINT NEXTEL CORP		08/19/2008	CITIZENS BANK	2,360.000	20,884			L
880779-10-3	TEREX CORP NEW		08/19/2008	CITIZENS BANK	400.000	20,176			L
883203-10-1	TEXTRON INC		08/19/2008	CITIZENS BANK	60.000	2,546			L
G9143X-20-8	TYCO INTERNATIONAL LTD		08/19/2008	CITIZENS BANK	250.000	11,080			L
902973-30-4	US BANCORP DEL (NEW)		08/19/2008	CITIZENS BANK	100.000	3,034			L
949746-10-1	WELLS FARGO & CO NEW		08/19/2008	CITIZENS BANK	160.000	4,772			L
983024-10-0	WYETH		08/19/2008	CITIZENS BANK	310.000	13,320			L
17275R-10-2	CISCO SYSTEMS		08/19/2008	CITIZENS BANK	2,200.000	54,536			L
6899999	Total Common Stock Industrial and Miscellaneous (Unaffiliated)				X X X	638,807	X X X		X X X

SCHEDULE D - PART 4

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

1 CUSIP Ident- ification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid- eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Desig- nation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.								
3133XM-3D-1 3133XM-2Z-3	FED HOME LOAN BANK FED HOME LOAN BANK		09/11/2008 09/23/2008	CALLED CALLED		750,000 750,000	750,000.00 750,000.00	750,000 750,000	750,000 750,000						750,000 750,000					39,485 41,738	09/10/2010 09/12/2011	1FE 1FE
0399999	Total - Bonds - U.S. Governments				X X X	1,500,000	1,500,000.00	1,500,000	1,500,000						1,500,000					81,223	X X X	X X X
31282R-4M-3 31371M-GB-7 31402R-H3-6 31403D-EP-0 31282R-4M-3 31371M-GB-7 31402R-H3-6 31403D-EP-0 31282R-4M-3 31371M-GB-7 31402R-H3-6 31403D-EP-0	FHLMC GOLD POOL FNMA POOL FNMA POOL FNMA POOL FHLMC GOLD POOL FNMA POOL FNMA POOL FNMA POOL FHLMC GOLD POOL FNMA POOL FNMA POOL FNMA POOL		07/15/2008 07/25/2008 07/25/2008 07/25/2008 08/15/2008 08/25/2008 08/25/2008 08/25/2008 09/15/2008 09/25/2008 09/25/2008 09/25/2008	CITIZENS BANK CITIZENS BANK		11,461 5,068 9,852 12,706 9,806 4,044 8,440 14,864 9,037 4,041 8,396 13,864	11,461.00 5,068.00 9,852.00 12,706.00 9,806.00 4,044.00 8,440.00 14,864.00 9,037.00 4,041.00 8,396.00 13,864.00	11,345 4,934 9,808 12,634 9,716 3,938 8,404 14,781 8,962 3,938 8,361 13,788			(523) (171) (53) (103) (485) (157) (50) (97) (435) (180) (52) (100)		(523) (171) (53) (103) (485) (157) (50) (97) (435) (180) (52) (100)		10,822 4,763 9,755 12,531 9,231 3,781 8,354 14,684 8,527 3,758 8,309 13,688		639 305 97 175 575 263 86 180 510 283 87 176	639 305 97 175 575 263 86 180 510 283 87 176	1,915 1,929 2,432 3,742 1,876 1,907 2,391 3,689 1,844 1,891 2,354 3,627	07/01/2010 10/01/2025 11/01/2018 07/01/2019 07/01/2010 10/01/2025 11/01/2018 07/01/2019 07/01/2010 10/01/2025 11/01/2018 07/01/2019	1FE 1FE 1FE 1FE 1FE 1FE 1FE 1FE 1FE 1FE 1FE 1FE	
3199999	Total - Bonds - Special Revenue and Special Assessment Non-Guaranteed Obligation				X X X	111,579	111,579.00	110,609			(2,406)		(2,406)		108,203		3,376	3,376		29,597	X X X	X X X
59018Y-RN-3 064159-AB-2	MERRILL LYNCH BANK OF NOVA SCOTIA		07/15/2008 09/15/2008	MATURITY MATURITY		250,000 500,000	250,000.00 500,000.00	237,190 550,370	248,453 507,006		1,547 (7,006)		1,547 (7,006)		250,000 500,000					7,813 31,250	07/15/2008 09/15/2008	1FE 1FE
4599999	Total - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	750,000	750,000.00	787,560	755,459		(5,459)		(5,459)		750,000					39,063	X X X	X X X
6099997	Total - Bonds - Part 4				X X X	2,361,579	2,361,579.00	2,398,169	2,255,459		(7,865)		(7,865)		2,358,203		3,376	3,376		149,883	X X X	X X X
6099998	Summary Item from Part 5 for Bonds				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
6099999	Total Bonds				X X X	2,361,579	2,361,579.00	2,398,169	2,255,459		(7,865)		(7,865)		2,358,203		3,376	3,376		149,883	X X X	X X X
428236-10-3 01741R-10-2 026874-10-7 571903-20-2 589331-10-7 594918-10-4 681919-10-6 747525-10-3 868536-10-3 882508-10-4 92343V-10-4	HEWLETT PACKARD CO ALLEGHENY TECHNOLOGIES AMERICAN INTERNATIONAL GROUP MARRIOTT INTL INC. NEW CLASS A MERCCK & CO INC MICROSOFT CORP OMNICOM GROUP QUALCOMM CORP SUPERVALU INC TEXAS INSTRUMENTS INC VERIZON COMMUNICATIONS		07/09/2008 07/09/2008 08/19/2008 08/19/2008 08/19/2008 08/19/2008 08/19/2008 08/19/2008 08/19/2008 08/19/2008 08/19/2008 08/19/2008	CITIZENS BANK CITIZENS BANK		1,390.00 390.00 1,155.00 810.00 1,630.00 1,000.00 200.00 970.00 770.00 950.00 1,380.00	60,673 20,814 26,045 23,533 58,468 27,880 8,649 54,294 21,570 24,360 47,654	64,399 38,229 73,539 33,047 77,919 29,014 9,878 39,009 30,159 34,403 48,207	67,775 32,755 65,919 28,424 85,555 35,600 9,506 38,226 27,530 31,730 58,968	67,775 32,755 65,919 28,424 85,555 35,600 9,506 38,226 27,530 31,730 58,968	(3,376) 5,474 7,620 4,623 (7,636) (6,586) 372 783 2,629 2,673 (10,761)		(3,376) 5,474 7,620 4,623 (7,636) (6,586) 372 783 2,629 2,673 (10,761)		64,399 20,814 73,539 33,047 77,919 29,014 9,878 39,009 30,159 34,403 48,207		(3,726) (17,415) (47,494) (9,514) (19,451) (1,134) (1,229) 15,285 (8,589) (10,043) (553)	(3,726) (17,415) (47,494) (9,514) (19,451) (1,134) (1,229) 15,285 (8,589) (10,043) (553)	74 124 462 160 1,474 678 518 518 213 285 1,689			L L L L L L L L L L L

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SCHEDULE D - PART 4

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

1 CUSIP Identification	2 Description	3 F o r e i g n	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consid-eration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Maturity Date	22 NAIC Designation or Market Indicator (a)
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort-ization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
617446-44-8	MORGAN STANLEY DEAN WITTER		09/22/2008	CITIZENS BANK	940.00	16,798		39,542	39,542					39,542		(22,744)	(22,744)	254		L	
6899999	Total - Common Stock - Industrial and Miscellaneous (Unaffiliated)				X X X	390,738	X X X	517,345	521,530	(4,185)			(4,185)	499,930		(126,607)	(126,607)	6,449	X X X	X X X	
7299997	Total - Common Stock - Part 4				X X X	390,738	X X X	517,345	521,530	(4,185)			(4,185)	499,930		(126,607)	(126,607)	6,449	X X X	X X X	
7299998	Summary Item from Part 5 for Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
7299999	Total Common Stocks				X X X	390,738	X X X	517,345	521,530	(4,185)			(4,185)	499,930		(126,607)	(126,607)	6,449	X X X	X X X	
7399999	Total Preferred and Common Stocks				X X X	390,738	X X X	517,345	521,530	(4,185)			(4,185)	499,930		(126,607)	(126,607)	6,449	X X X	X X X	
7499999	Totals					2,752,317	X X X	2,915,514	2,776,989	(4,185)	(7,865)		(12,050)	2,858,133		(123,231)	(123,231)	156,332	X X X	X X X	

E05.1

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

SCHEDULE DB - PART A - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Owned at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Acquisition	6 Exchange or Counterparty	7 Cost/ Option Premium	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis of Hedged Item	14 Other Investment/ Miscellaneous Income
NONE													

E06

SCHEDULE DB - PART B - SECTION 1

Showing all Options, Caps, Floors and Insurance Futures Options Written and In-Force at Current Statement Date

1 Description	2 Number of Contracts or Notional Amount	3 Date of Maturity, Expiry, or Settlement	4 Strike Price, Rate or Index	5 Date of Issuance/ Purchase	6 Exchange or Counterparty	7 Consideration Received	8 Book Value	9 *	10 Statement Value	11 Fair Value	12 Year to Date Increase/ (Decrease) by Adjustment	13 Used to Adjust Basis	14 Other Investment/ Miscellaneous Income
NONE													

SCHEDULE DB - PART C - SECTION 1

Showing all Collar, Swap and Forwards Open at Current Statement Date

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Description	Notional Amount	Date of Maturity, Expiry, or Settlement	Strike Price, Rate or Index Rec (Pay)	Date of Opening Position or Agreement	Exchange or Counterparty	Cost or (Consideration Received)	Book Value	*	Statement Value	Fair Value	Year to Date Increase/ (Decrease) by Adjustment	Used to Adjust Basis of Hedged Item	Other Investment/ Miscellaneous Income	Potential Exposure
NONE														

E07

SCHEDULE DB - PART D - SECTION 1

Showing all Futures Contracts and Insurance Futures Open at Current Statement Date

1	2	3	4	5	6	7	8	9	Variation Margin Information			13
									10	11	12	
Description	Number of Contracts	Maturity Date	Original Value	Current Value	Variation Margin	Date of Opening Position	Exchange or Counterparty	Cash Deposit	Recognized	Used to Adjust Basis of Hedged Item	Deferred	Potential Exposure
NONE												

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							