



Andrew Gazerro III, D.M.D.

April 10, 2024

House Corporations Committee
Re: H7082 Support

Dear Chairman Solomon and Members of the Committee:

I have attached a document with highlighted information for your review. The information contained is public data. In addition, I would like the following noted for the record:

1. There are only two major dental benefit providers in RI: DDRI and BCBSRI. The only exception is AETNA owned by CVS who only provides benefits for CVS.
2. This law will apply to both companies and require BCBSRI to report their dental data which is currently unavailable.
3. DDRI has consistently exceeded the proposed MLR (2004 -2018) and was 90% in 2015 and 2016.
4. Because they exceeded their ability to grow in RI, DDRI formed a For-Profit company (*Altus Dental Insurance Company*) to do business **in Massachusetts**.
5. Over the past 24 years, DDRI formed multiple **For-Profit companies** and sold two.
6. One of the companies is a **Venture Capital Firm** which provides funding to Start-ups
7. DDRI has up to **\$147 Million Dollars in reserve funds** which is enough to pay for more than two years of claims.
8. DDRI pays rent to their subsidiary *Altus Realty* for 10 Charles Street which has no mortgage. Another subsidiary, *First Circle Realty*, owns the fully rented 10 Orms Street.
9. Their latest For-Profit is a credit card transaction processing company for discounted dental care. They used **\$21.5 Million** of internal funding to establish this company and purchase 10 Orms Street.
10. They are no longer a single dental benefit company but an Insurance Holding Company System which the National Association of Insurance Commissioners cites problems.
11. RIGL 27-20.1-3 (b) "The rates (premiums) charged...to its subscribers shall be consistent with the PROPER CONDUCT OF ITS BUSINESS and the interests of the public"
12. The Milliman report was based on data provided by the National Association of Dental Plans.
13. Based on the Milliman report the potential 38% premium increase equates to \$13.30 or **44 cents per day**. (*without the numbers, 38% could mean a lot or a little*).

This bill will ensure that money paid for care is spent on care and not on corporate expenditures.

Respectfully submitted,


Andrew Gazerro III, D.M.D.

Chair ~ Council on Dental Benefit Programs - RIDA

www.RediscoveredSmiles.com

401-821-6766 (o)

1425 Main Street
West Warwick, RI 02893

rilaserdentistry@gmail.com

401-821-6767 (f)

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

PART 1 - ORGANIZATIONAL CHART

**Park Row Associates For Profit
Healthcare Consulting
Sold for \$3.44 Million in 2012
Money transferred into surplus funds**

**Altus Benefit Administrators
3rd Party Administrators
Sold to Benefit Strategies (undisclosed)
Benefit Strategies Rents space at
10 Charles Street**

**\$147 Million in Reserves
Based on 2019 Report**

**DELTA DENTAL OF RI
Non-Profit Parent Company**

NAIC Group Code: 1571
Company Name: Delta Dental of RI
NAIC Company Code: 55301
State of Domicile: Rhode Island
Fed ID Number: 05-0256998
NON PROFIT ENTITY

**THE ALTUS GROUP Inc
Established in 1999 to
expand business outside of
RI and into Massachusetts
FOR PROFIT COMPANY**

NAIC Group Code: N/A
Company Name: Altus Group, Inc.
NAIC Company Code: N/A
State of Domicile: Rhode Island
Fed ID Number: 05-0502610
Tax Purposes: FOR PROFIT ENTITY

NAIC Group Code: N/A
Company Name: Altus Realty, Inc.
NAIC Company Code: N/A
State of Domicile: Rhode Island
Fed ID Number: 03-0396397
Tax Purposes: NON PROFIT ENTITY

**ALTUS REALTY Inc
NON PROFIT REAL ESTATE HOLDING Co
Leases and Manages
10 Charles Street
Purchased for \$5.88 Million
Assessed at \$8.1 Million**

NAIC Group Code: N/A
Company Name: First Circle Realty, Inc.
NAIC Company Code: N/A
State of Domicile: Rhode Island
Fed ID Number: 03-2724654
Tax Purposes: FOR PROFIT ENTITY

**FIRST CIRCLE REALTY
NON PROFIT
REAL ESTATE
HOLDING COMPANY
LEASES AND MANAGES
10 ORMS STREET
PURCHASED \$5.2
MILLION ASSESSED AT
\$5.7 MILLION**

NAIC Group Code: N/A
Company Name: Altus Systems, Inc.
NAIC Company Code: N/A
State of Domicile: Rhode Island
Fed ID Number: 05-0602611
Tax Purposes: FOR PROFIT ENTITY

**ALTUS SYSTEMS INC
OPERATIONS STAFF
AND CUSTOMER SERVICE
FOR PROFIT ENTITY
SERVICES PROVIDED TO
ALL OTHER ENTITIES
AT A 2% MARKUP COST**

NAIC Group Code: 1571
Company Name: Altus Dental Insurance
Company, Inc.
NAIC Company Code: 62632
State of Domicile: Rhode Island
Fed ID Number: 05-0513223
Tax Purposes: FOR PROFIT ENTITY

**ALTUS DENTAL INSURANCE
COMPANY FOR PROFIT
EST. YEAR 2000
WITH \$3 Million
\$2 Million in 2001 and
\$1.25 Million in 2009
Massachusetts ONLY**

NAIC Group Code: N/A
Company Name: Altus Dental, Inc.
NAIC Company Code: N/A
State of Domicile: Massachusetts
Fed ID Number: 05-0929612
Tax Purposes: FOR PROFIT ENTITY

**ALTUS DENTAL INC.
FOR PROFIT
SERVICES AND
MAINTAINS THE
NETWORK IN MA,
PROMOTIONS, AND
ADVERTISING
CHARGES FOR SERVICES**

NAIC Group Code: N/A
Company Name: Altus Ventures, Inc.
NAIC Company Code: N/A
State of Domicile: Rhode Island
Fed ID Number: 46-5827174
Tax Purposes: FOR PROFIT ENTITY

**ALTUS VENTURES INC
"Boutique Style"
VENTURE CAPITAL FIRM
LOOK FOR INVESTMENT
OPPORTUNITIES AND
TO PROVIDE
FUNDING FOR
START UP COMPANIES
EST. 2014**

NAIC Group Code: N/A
Company Name: First Circle, Inc.
NAIC Company Code: N/A
State of Domicile: Rhode Island
Fed ID Number: 81-4567207
Tax Purposes: FOR PROFIT ENTITY

**First Circle Inc.
For Profit
Established with
\$21.5 Million to
purchase 10 Orms St
and create credit
card transaction APP
for discount dental
treatments**

Delta Dental of RI IRS 990 Data		All premiums and all claims			Delta Dental of RI Report to RI DBR			Only RI premiums and RI claims			Coporate Expenses	
Year		Premiums	Claim Expenses	MLR	Year		Premiums	Claim Expenses	Care			
2019		\$ 117,348,071.00	\$ 92,152,879.00	79%	2023		\$ 59,491,875.00	\$ 44,518,445.00	75%		25%	
2018		\$ 205,401,185.00	\$ 183,141,875.00	89%	2022		\$ 57,836,310.00	\$ 40,904,954.00	71%		29%	
2017		\$ 205,597,321.00	\$ 183,563,698.00	89%	2021	V	\$ 58,522,309.00	\$ 45,628,469.00	78%		22%	
2016		\$ 200,306,895.00	\$ 179,613,864.00	90%	2020	E	\$ 81,088,566.00	\$ 55,132,187.00	68%		32%	
2015		\$ 196,524,961.00	\$ 177,440,293.00	90%	2019	R	\$ 115,918,000.00	\$ 93,459,000.00	81%		19%	
					2018	S	\$ 118,805,000.00	\$ 96,999,000.00	82%		18%	
					2017	U	\$ 97,522,000.00	\$ 78,155,000.00	80%		20%	
					2016	S	\$ 75,974,000.00	\$ 61,051,000.00	80%		20%	
					2015		\$ 84,961,000.00	\$ 66,947,000.00	79%		21%	
										AVERAGE MLR		77.11%

④
April 9, 2015

Dear Doctor:

As you certainly know, the fallout from the "Great Recession" that began in 2008, and has stubbornly lingered to this day, has not spared the practice of dentistry. Unemployment and underemployment in Rhode Island remain among the highest levels in the country. Stagnant wage growth and a greater responsibility for employees to share in the cost of their dental benefits have resulted in lower utilization of dental services by our members and your patients.

90% MCR

Delta Dental has worked hard to keep dental insurance affordable so that more Rhode Islanders can access the dental services that you provide. In fact, our administrative expenses per member are actually less than they were more than 20 years ago. And keeping administrative costs low has enabled us to dedicate more than ninety cents of every premium dollar to patient care. This success is evident in that Delta Dental remains the clear dental market leader, with membership that is more than six and one-half times our next largest competitor.

Last May, we instituted a \$1 million targeted fee increase for participating dentists. At the end of 2014, we distributed \$3 million in *Pay for Performance* bonuses, bringing the total to nearly \$11.5 million since the program's inception. Under this program, payments are tied to value, performance and health outcomes rather than fee-for-service volume. We reported at the time that through this collaborative effort, 96% of participating dentists met the metrics and were eligible for the bonus program for 2014.

Notwithstanding the significant headwinds we faced, 2014 was another successful year for our company. Consolidated enrollment reached 725,000 members at year-end and has since grown to 732,000 members. Consolidated revenues totaled \$250 million, while net income totaled \$7 million or 3% of revenues.

At Delta Dental, our mission is to improve the oral health of *all* Rhode Islanders – especially our most vulnerable citizens. We are pleased that our continued success has enabled us to sustain our support of the oral health needs of the "safety net" population through the Delta Dental of Rhode Island Fund. Through 2014, we have made grants totaling more than \$1.3 million – and we will soon announce several major new initiatives that will provide more than \$1 million in additional support.

We also strive to share our continued success with you, our participating dentists. We are pleased to announce that our Board of Directors approved a recommendation at its March meeting to distribute a *one-time \$3-million special bonus* to participating dentists in a manner consistent with the methodology employed in our *Pay for Performance* program. This one-time bonus is in addition to the *Pay for Performance* program, not in place of it.

We are pleased that Delta Dental's performance in recent years has made this action possible. Delta Dental appreciates your contribution toward improving the oral health of Rhode Island's residents, as well as the care you provide to our members.

Sincerely,



Joseph A. Nagle
President and CEO

Note: The bonus is calculated and paid to your practice's Tax ID Number (TIN). If your practice includes other dentists, the payment represents the patients treated by all of the participating dentists in the practice under your TIN – it is not available by individual dentist. If you have multiple offices using one TIN, the bonus check will be sent to your main office location.

Delta Dental of RI President and CEO Joe Nagle may technically work in insurance, but he has been an innovator and a leader in the innovation economy in Rhode Island for years, not only at Delta Dental, but as an overarching driver of entrepreneurship in the Ocean State.

Starting in 1985, Nagle became CFO at Ocean State Physicians Health Plan, which is now United HealthCare of New England. In its early days, he helped transform the startup HMO into a company with \$140 million in annual revenues.

Nagle has previously served as vice president of Strategic Planning for Blue Cross Blue Shield of Rhode Island and in 1990, co-founded a healthcare consulting company called The Capstone Group. Then, in 1992, Nagle joined Delta Dental of Rhode Island and for the last 25 years has been solving a problem that only comes with success: How to keep growing in a market when you are already dominating that space.

Additionally, Nagle played a key role in getting MassChallenge to expand to Rhode Island this year.

Rhode Island Inno caught up with Nagle to discuss his career as an innovator and what's happening in the state's startup and innovation economy.

Rhode Island Inno: How did you get involved in the entrepreneurship ecosystem in R.I.? Insurance can often be seen as a stale business. But you have clearly found ways to be innovative at Delta Dental. How do you find the inspiration to innovate in a business not known as super entrepreneurial?

Nagle: My appetite for entrepreneurship was fueled in part by my personality and also due to Delta Dental's strategic challenges. In some ways, Delta Dental has become a 'victim' of its success. With more than 600,000 Delta Dental members and a more than 20-year unbroken record of profitability, it has become increasingly difficult to grow our membership. As a member of the Delta Dental Plans Association, we are precluded from marketing to companies not headquartered in Rhode Island. With such geographic constraints, and the fact that Delta Dental of Rhode Island is already nearly eight times the size of our next largest competitor, continued significant growth prospects are severely limited.

To feed our need for continued growth, we started Altus Dental Insurance Company in Massachusetts, adding more dental memberships beyond our Delta Dental line of business to leverage our technology investments and operational strengths. We recruited a robust network of dentists in Massachusetts and created the new Altus Dental brand. Spreading more



Joe Nagle. Courtesy photo.

membership over relatively fixed costs also enabled us to keep operating expenses low for our Delta Dental members. In fact, today, our operating expenses per member are actually lower than they were 25 years ago when I joined Delta Dental. Altus Dental has been an unqualified success, the most successful PPO in Massachusetts, and today insures approximately 170,000 people, all jobs located right here in Rhode Island.

We have started other successful companies as well. We have formed a health care consulting firm known as Park Row Associates, which assisted our clients in managing health insurance. Later, we formed Altus Benefit Administrators, which provided third-party administrative services such as COBRA and flexible spending account administration for Rhode Island

employers. Eventually, we sold both companies after determining they were no longer strategically relevant, and that neither enterprise would ultimately be scalable to the extent we deemed necessary.

But yet every company must grow or eventually wither, so three years ago we we formed Altus Ventures, a boutique venture capital firm, and I recruited Blaine Carroll to run the operation.

Altus Venture's vision is very complex. Our research and analysis was magnified to identify attractive investments in the start-up community that we could realistically infuse our managerial expertise in addition to our funding.

Rhode Island Inno: What role did you play in expanding MassChallenge to R.I.? How big is this for the R.I. start-up scene? Do you expect to see R.I. and Providence become a destination for innovation and entrepreneurship in future years?

Nagle: We have been a big fan of MassChallenge for several years and began our support in Massachusetts. The sheer number and quality of opportunities is quite impressive. But as a Rhode Island company, we were eager to see a more robust presence and support for the startup community nearby. The quality of our academic institutions and the presence of so many successful companies could easily support more activity. So we were excited about the opportunity, along with our friends at FM Global, to make the investments needed to spur MassChallenge to create a satellite location in Providence.

MassChallenge is actively scouting opportunities that might make sense for Delta Dental to pursue, so it is a great partnership. And Delta Dental, like so many Rhode Island employers,

serve as a critical source of funding for startups here. It's a different model than the one that relies predominantly on venture funds, but it has distinct advantages as well. So, yes, Rhode Island and Providence can certainly become a destination for innovation. All it will take is a more active role by many of the companies that are already here. If Delta Dental can serve as an example of how this can work, we are happy to do so.

LOANS?
Capital Funding?

Delta Dental of RI head to retire this summer

By Journal Staff

Posted Mar 4, 2019 at 3:11 PM

PROVIDENCE — After 27 years leading Delta Dental of Rhode Island, president and CEO Joseph A. Nagle announced that he will retire July 1.

“I am privileged to have been at the helm of Rhode Island’s leading dental benefits provider during a time of unprecedented growth, financial success and strategic diversification,” Nagle said in a press release. “The future for Delta Dental of Rhode Island has never been brighter. There are exciting new and disruptive initiatives under way that will continue to transform the company as a leader in the dental benefits industry for many years to come. I have been extraordinarily fortunate to work with a talented, collaborative and dedicated team of professionals that have consistently demonstrated that they are the best in the business.”

Nagle added that during his tenure, membership tripled and Delta saw financial reserves increase to \$137 million alongside annual revenues that surpassed \$270 million.

Posted Friday, September 27, 2019 6:00 am

By Christy Nadalin

There’s Rhode Island pride evident at every turn as you pass through the halls of Delta Dental. Led by Bristol native and new CEO Joe Perroni, highlights of the tour included several works of art by local restaurateur/artist Anthony Tomaselli, whose paintings show scenes from the majestic Ocean House in Watch Hill to a (surprisingly serene) depiction of traffic along the new 195 I-way bridge. With a quiet and tastefully-decorated reception area, a plush 15-seat boardroom, and a lunchroom that enjoys a bird’s-eye view of the Amtrak lines, Delta Dental looks to be a nice place to work.

If Mr. Perroni’s 25-year tenure is any indication, it really is. “I’ve been here so long, I was one of the 30 original employees when we separated from Blue Cross,” he said. That was back in the early 1990s, when their offices were located across from the old train station. The building they are in now, on Charles Street, was purchased about 20 years ago. More recently they purchased the building that was the former home of Channel 6, creating a campus for the some 140 people currently employed across all divisions. There are plans to rework the landscape and parking areas to unify the properties, and plenty of room for new construction, but that’s in the future.

NO MORTGAGE
- + they
pay
Themselves
Rent

Channel 6 Building is Fully Rented/occupied = Rent + \$

“Now’s not the time for us to build,” said Mr. Perroni.

He’s referring, of course, to bricks and mortar, as now is, and always has been, the time for Delta Dental to build their brand in Rhode Island. That build has been an ongoing process, since practically the moment Mr. Perroni first walked through Delta Dental’s doors.

Raised in Bristol, Mr. Perroni attended St. Philomena School and then Bishop Hendricken, graduating in the mid-1980s. “I think I might have been the first Bristolian to make that trek,” he said.

From there, he went on to West Virginia University. "I was a swimmer," he said. "And I thought I wanted to be a dentist, but I changed my mind and decided I wanted to move on and out of school as soon as possible. I had already taken some business classes and some kinesiology classes, so I got my degree in Sports Management. He left school with his soon-to-be wife, the former Julie Jordan, a fellow UWV student from McLean, Virginia. The couple married a year later and spent several years in Washington, DC, until they decided they wanted a family.

A return to Bristol

"We had to decide if we were going to live in Bristol or Northern Virginia. I was smart, I brought her up here for the Fourth of July," said Mr. Perroni. Back in Rhode Island, he began working for Lechmere, while Julie launched her career with Navy Federal. When, after a couple of years, he was ready to move on from Lechmere, Mr. Perroni entertained offers from Old Stone Bank and Delta.

"You would think my father, a retired orthodontist, would have steered me away from Delta Dental," he said. "But in his dealings with them, they had always responded quickly, and professionally. He recommended Delta. I had planned to work here for two years, and here I am, 25 years later. That says a lot about this company."

Mr. Perroni gives the lion's share of credit for the success and culture of Delta Dental to his predecessor, former CEO Joe Nagle, who retired July 1. "He was a great mentor to me," said Mr. Perroni. "I would not have stayed here if I didn't love working for Joe Nagle."

Mr. Perroni began as a group sales representative, worked in sales and retention, then worked his way up to large group sales and relations. This was all when Delta Dental was the company's only product line. Then in 2001, the company launched Altus Dental, as a way to expand their reach into the much larger Massachusetts market. Mr. Perroni was in charge of launching Altus from the ground, beginning with zero dentists and clients. He got it up and running, and ran it from 2003 to 2012.

"Then Joe Nagle asked me to handle Altus as well as sales and retention for the Delta side," said Mr. Perroni. "I said yes, which was a good decision. So I'm pretty well rounded with the company." When Mr. Nagle decided to retire, Mr. Perroni was one of several candidates, both internal and external, that the company considered. And the rest is history.

"And at the end of the day, here I am." * 147 million in Reserves

Looking ahead

Looking forward, Mr. Perroni plans to build on Mr. Nagle's success, continuing the health and growth of an insurance company with roughly \$147 million in reserves and about \$270 million in annual revenues. "The health of Delta Dental is a great compliment to Joe Nagle and current CFO Rick Fritz, how they managed it," said Mr. Perroni. "It has enabled us to expand and diversify."

And expand and diversify they have, most recently with their 2018 launch of Chews, an innovative new product that will help Delta with their mission to get affordable, accessible dental care to Rhode Islanders.

"We thought of this about five or six years ago. It's a dental app, meant for people who don't have access to insurance or are not completely covered," said Mr. Perroni. "It connects consumers with dentists that participate, and Delta Dental manages the transaction between the two."

The product provides about 20 to 25 percent savings for dental services. It's not insurance, so it is not subject to the same regulation. "Some people get to the point, with the sticker shock of dental care and insurance, that they just pull the tooth," said Mr. Perroni. "That's not conservative dentistry."

Chews now has 20,000 users, including half of employees at Delta Dental ... including Mr. Perroni. "It really is worth it," he said.

For Joe Perroni, who with Julie raised two children through Mt. Hope High School and Fordham University, and another who is currently a freshman at LaSalle, philanthropy is at the heart of the mission of Delta Dental and its subsidiaries.

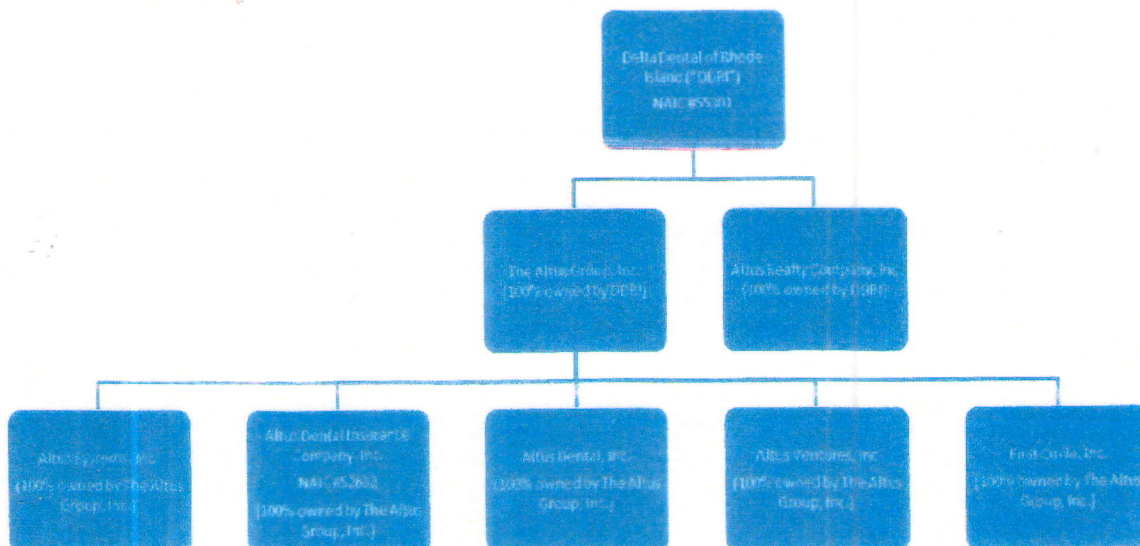
Chews is going to be the premier sponsor this year for Mission of Mercy, a massive volunteer effort by dental professionals statewide to get dental care to people who can't afford it.

\$ - The app processes
The credit card payments AND
Chews gets money
From each transaction

* CANNOT BE A
MEMBER UNLESS
YOU HAVE A MAJOR
CREDIT CARD

The National Association of Insurance Commissioners ("NAIC") has noted the potential inequities associated with the holding company organizational structure. "When health entities are organized into a holding company structure, capital, assets, and profits can be moved between the entities. Ownership of one health entity by another can result in a 'stacking' of capital, with the capital of the parent health entity dependent on the capital of the subsidiary health entity..... Operations can be centralized in one entity and the other affiliates pay a fee for the services provided through management and service agreements. Commonly centralized services include data processing, actuarial, investment management, accounting, and payroll. The service agreements may be merely a vehicle to move funds from one affiliate to another, if the services are not supported by a cost/benefit analysis and/or service charges are not based upon a reasonable cost allocation methodology. Profitability can also be moved from one affiliate to another by moving policyholders from one entity to another. Profitable products and their policyholders can be moved to the controlling entity leaving the subsidiary in a weaker financial position." National Association of Insurance Commissioners, Financial Analysis Handbook Health Edition at 354 (2012 Annual, 2013

The following presentation of the holding company system as of December 31, 2017 reflects the identities and interrelationships between the Company and its affiliates:



Inter-Company Agreements

The following represents a summary of the intercompany agreements in-force between the Company and its affiliates as of December 31, 2017:

Funding Agreement – Altus Realty Company, Inc.
Funding Agreement – The Altus Group, Inc.

→ Holding Company

TITLE 27 Insurance

CHAPTER 27-20.1 Nonprofit Dental Service Corporations

SECTION 27-20.1-3

§ 27-20.1-3. Contracts.

(a) Each nonprofit dental service corporation may contract with its subscribers for a dental service as may be provided under any nonprofit dental service plan adopted by the corporation.

(b) The rates charged by the nonprofit dental service corporation to its subscribers shall be consistent with the proper conduct of its business and the interests of the public and shall at all times be subject to the approval of the director of business regulation.

Effective July 23, 2004, the Company entered into three separate Funding Agreements with Altus Realty Company, Inc., The Altus Group, Inc. and Altus Dental, Inc., (collectively, "the subsidiaries"), all direct or indirect wholly owned subsidiaries of the Company. Under the terms of the Funding Agreements, the Company shall advance funds to the subsidiaries to assist in the funding of their operations. With respect to funds advanced, interest shall accrue in favor of the Company at a rate of interest reasonably deemed by the Company to be a commercially reasonable rate corresponding to what an unrelated entity would be charged. Funds advanced shall be repaid by the subsidiaries to the Company, together with accrued interest, at such time as the subsidiaries are reasonably capable of making such repayment. From time to time, the Company shall collect excess cash held by the subsidiaries for purposes

Company's investment portfolio in order to maximize

NOTE 10 -- INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

A. In December of 2018, a new entity within the Altus Group, First Circle Realty, Inc. was formed to purchase the land and building at 10 Orms Street in Providence. The purchase was capitalized with \$6,500,000 and recorded as an intercompany transfer from the ultimate parent Company, Delta Dental of Rhode Island. Previously, in the fourth quarter of 2016, a new entity within the Altus Group, First Circle, Inc. was also established and was capitalized with \$10,000,000 in the first quarter of 2017. This amount was recorded as an intercompany transfer from the ultimate parent Company, Delta Dental of Rhode Island. First Circle, Inc., a for-profit subsidiary, is in the development stage. The Company is a services company that connects consumers with dentists for services not payable by insurance, and assists dental offices in promoting and increasing the efficiency of their offerings of such services through its proprietary Chewsi technological, transactional, payment processing and marketing services platform.

6.5 Million

FUNDING FOR Profit

A. In December of 2018, a new entity within the Altus Group, First Circle Realty, Inc. was formed to purchase the land and building at 10 Orms Street in Providence. The purchase was capitalized with \$6,500,000 and recorded as an intercompany transfer from the ultimate parent Company, Delta Dental of Rhode Island.

\$10 Million

Previously, in the fourth quarter of 2016, a new entity within the Altus Group, First Circle, Inc. was also established and was capitalized with \$10,000,000 in the first quarter of

NOTES TO FINANCIAL STATEMENTS

2017. In March of 2019, additional capital in the amount of \$5,000,000 was transferred to this new company. These amounts were recorded as intercompany transfers, as these capitalizations were from the ultimate parent Company, Delta Dental of Rhode Island. First Circle, Inc., a for-profit subsidiary, remains in the development stage. The Company is a services company that connects consumers with dentists for services not payable by insurance, and assists dental offices in promoting and increasing the efficiency of their offerings of such services through its proprietary ChewsI technological, transactional, payment processing and marketing services platform.

\$5 Million

Building 10 Orms St	\$6,500,000	2018
First Circle	10,000,000	2016
For Profit	5,000,000	2019

FIRST CIRCLE
 "Chewsi"
 21,500,000