

**STATE OF WASHINGTON  
OFFICE OF THE INSURANCE  
COMMISSIONER**



**QUALIFYING FINANCIAL EXAMINATION**

of

**NEXDENT DENTAL PLANS, INC.  
VANCOUVER, WASHINGTON  
January 15, 2013**

Order No. 13-94  
NexDent Dental Plans, Inc.  
Exhibit A

Seattle, Washington  
March 15, 2013

The Honorable Mike Kreidler, Commissioner  
Washington State Office of Insurance Commissioner (OIC)  
Insurance Building – Capitol Campus  
302 Sid Snyder Avenue SW, Suite 200  
Seattle, WA 98504

Dear Commissioner Kreidler:

In accordance with your instructions and in compliance with the statutory requirements of RCW 48.03.010, a qualifying examination has been made of the corporate and financial records of

NexDent Dental Plans, Inc.

of

Vancouver, Washington

hereinafter referred to as "NDP". This report of examination is respectfully submitted showing the financial condition and related corporate matters of NDP as of January 15, 2013.

**CHIEF EXAMINER'S AFFIDAVIT**

I hereby certify I have read the attached Report of the Qualifying Financial Examination of NexDent Dental Plans, Inc., of Vancouver, Washington. This report shows the financial condition and related corporate matters as of January 15, 2013.



Patrick H. McNaughton  
Chief Examiner

3-15-13

Date

**TABLE OF CONTENTS**

**SCOPE OF EXAMINATION .....1**

**HISTORY .....1**

**PLAN OF OPERATION .....1**

**MANAGEMENT AND CONTROL.....1**

    Board of Directors (BOD) .....1

    Officers.....2

**SURPLUS.....2**

**STATUTORY DEPOSIT .....2**

**RECOMMENDATION .....2**

**FINANCIAL STATEMENTS .....3**

**ACKNOWLEDGMENT .....5**

**AFFIDAVIT .....6**

## SCOPE OF EXAMINATION

This examination included verification of NDP's assets and liabilities as of January 15, 2013. The minimum surplus and cash deposits were tested for compliance with RCW 48.44.035. In addition, the examination included verification of compliance with the statutory requirements of RCW 48.44.015(1) regarding NDP's application and qualification for a Certificate of Registration to operate as a limited health care service contractor (LHCSC) incorporated in the state of Washington.

## HISTORY

NDP was issued a certificate of incorporation by the Secretary of State of Washington on April 23, 2012. On January 28, 2013, NDP submitted to the OIC an application for a Certificate of Registration to operate as a LHCSC in the state of Washington.

## PLAN OF OPERATION

NexDent Dental Plans, Inc., will operate as a Washington domestic LHCSC, providing dental insurance products branded as NexDent Dental Plans to providers in the Portland, Oregon and Vancouver, Washington areas.

## MANAGEMENT AND CONTROL

### **Board of Directors (BOD)**

BOD as of January 15, 2013:

<u>Name</u>	<u>Affiliation</u>
Yui Sing Tse, DMD, Chairman	Dental Service, LLC 16424 NE 40 <sup>th</sup> Avenue Vancouver, WA 98686
Kevin Boie	Dental Service, LLC 500 E Broadway #511 Vancouver, WA 98686
Timothy Cooper	Beecher Carlson 17690 SW Skyline Woods Lane Beaverton, OR 97007
L. Theodore Van Eerden, JD	Dental Service, LLC 5610 NE 265 <sup>th</sup> Street Ridgefield, WA 98642
Jerald Willbur, PhD	Dental Service, LLC 4909 NE 142 <sup>nd</sup> Street Vancouver, WA 98686

**Officers**

Officers as of January 15, 2013:

<u>Name</u>	<u>Title</u>
L. Theodore Van Eerden, JD	President/Secretary
Kevin Boie	Chief Financial Officer/Treasurer

**SURPLUS**

As of January 15, 2013, NDP's surplus of \$1,200,000 meets the minimum net worth requirements pursuant to RCW 48.44.035(3).

**STATUTORY DEPOSIT**

On January 15, 2013, NDP deposited \$1,200,000 in a segregated account at US Bank. An escrow agreement was executed as required under RCW 48.06.120. US Bank confirmed that \$1,200,000 was credited into NDP's escrow account as of January 15, 2013.

**RECOMMENDATION**

Based on the findings and conclusions of the financial examiners, NDP has sufficient surplus and meets the statutory deposit requirements to qualify for a Certificate of Registration as a limited health care service contractor in Washington State.

## FINANCIAL STATEMENTS

**NEXDENT DENTAL PLANS, INC.**  
**Statement of Assets, Liabilities and Surplus**  
**As of January 15, 2013**

	<u>Balance Per Company</u>	<u>Examination Adjustments</u>	<u>Balance Per Examination</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$1,200,000	\$0	\$1,200,000
Investments	0		0
Other Assets	0		0
<b>Total Assets</b>	<b><u>\$1,200,000</u></b>	<b><u>\$0</u></b>	<b><u>\$1,200,000</u></b>
<b><u>LIABILITIES</u></b>			
Current payables	\$0	\$0	\$0
Other liabilities	0		0
<b>Total Liabilities</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b><u>SURPLUS</u></b>			
Common stock	300,000	0	300,000
Paid-in capital	900,000		900,000
Current year retained earnings	0		0
<b>Total Surplus</b>	<b><u>1,200,000</u></b>		<b><u>1,200,000</u></b>
<b>Total Liabilities and Surplus</b>	<b><u>\$1,200,000</u></b>	<b><u>\$0</u></b>	<b><u>\$1,200,000</u></b>

**NEXDENT DENTAL PLAN, INC.**  
**Statement of Operations**  
**January 15, 2013**

	<u>Balance Per Company</u>	<u>Examination Adjustments</u>	<u>Balance Per Examination</u>
<b>REVENUES</b>			
Premium revenue	\$0	\$0	\$0
Other revenues	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total revenues</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>EXPENSES</b>			
Insurance expenses	0	0	0
Operating expenses - escrow fee	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total expenses</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>NET INCOME</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**ACKNOWLEDGMENT**

Acknowledgment is hereby made of the cooperation extended to the examiners by the officers and employees of NDP during the course of this examination.

In addition to the undersigned, Michael V. Jordan, CPA, CFE, MHP, Assistant Chief Examiner; and Christine Berch, CPA, Financial Examiner; from the Washington State Office of the Insurance Commissioner, participated in the examination and the preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Susan Campbell".

Susan Campbell, CPA, CFE, FLMI, ARA  
Life Field Supervising Examiner  
State of Washington

AFFIDAVIT

STATE OF WASHINGTON        }  
  } ss  
COUNTY OF KING            }

Susan Campbell, being duly sworn, deposes and says that the foregoing report subscribed by her is true to the best of her knowledge and belief.



Susan Campbell, CPA, CFE, FLMI, ARA  
Life Field Supervising Examiner  
State of Washington

Subscribed and sworn to before me this 15th day of March, 2013.



Notary Public in and for the  
State of Washington

