MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G06-41
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
Willamette Dental of Washington, Inc.	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Authorized Domestic Health Care	)	
Service Contractor	)	

BACKGROUND

An examination of the market conduct of **Willamette Dental of Washington, Inc.** (the Company) as of March 31, 2005 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Washington, holds a Washington certificate of authority as a health care service contractor. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and comments and recommendations was transmitted to the Company for its comments on January 18, 2006. The Company provided its response to the draft report on February 17, 2006, and that response is attached to this order only for the purpose of providing convenient reference.

The Commissioner or a designee has considered the report, the relevant portions of the examiners' work papers, and submissions by the Company.

Subject to the right of the Company to demand a hearing pursuant to Chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 21 of the report.

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CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct examination of **Willamette Dental of Washington, Inc.** and to order the Company to take the actions described in the Instructions and Comments and Recommendations sections of the report. The Commissioner acknowledges that the Company may have implemented the Instructions and Recommendations prior to the date of this order. The Instructions and Recommendations in the report are an appropriate response to the matters found in the examination.

ORDER

The market conduct examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on pages 16 and 17.

1. The Company is ordered to implement system changes so that timely claim payments can be assured and the standards for prompt pay regulations may be measured. Reference: WAC 284-43-321(2). (Claims Standard #3)

2. The Company is ordered to coordinate benefits on all eligible claims. Reference: WAC 284-51-050(4)(a). (Claims Standard #5.)

3. The Company is ordered to track coordination of benefits savings on eligible claims. Reference: WAC 284-51-050(7). (Claims Standard #5)

4. The Company is ordered to ensure that agents and brokers are appropriately licensed prior to allowing them to solicit business on behalf of the Company. Reference: RCW 48.17.060(1), RCW 48.17.060(2), RCW 48.44.011(2). (Agent Activity Standard #1)

5. The Company is ordered to ensure that agents are appointed to represent the Company prior to allowing them to solicit business on behalf of the Company. Reference: RCW 48.17.160, RCW 48.44.011(2). (Agent Activity Standard #2)

6. The Company is ordered to file any deviations from its standard contracts and obtain approval from the OIC prior to use. Reference: RCW 48.44.040, WAC 284-43-920. (Rate and Form Filing Standard #1)

7. The Company is ordered to file any deviations from its standard rate filings prior to use. Reference: RCW 48.44.040, WAC 284-43-920. (Rate and Form Filing Standard #2)

8. The Company is ordered to amend its contract language to accurately reflect the enrollment and coverage requirements for dependent children. All enrolled members must be notified of the requirements no later than 90 days after the adoption of this report. Reference: RCW 48.01.235. (Underwriting Standard #1)

9. It is ordered that the Company consider identifying itself in all manner of correspondence with members, and using only the name of the company as it appears on the certificate of registration in Washington. This applies to such items as letters, benefit statements and explanation of benefit forms. (Claims Review)

10. It is ordered that the Company consider providing sufficient reasons for claim denial on its explanations of benefits. Reference: WAC 284-43-321(4). (Claims Standard #4.)

11. It is ordered that the Company consider implementing written procedures for agent licensing and appointment. (Agent Licensing and Appointment Procedures)

12. It is ordered that the Company consider conducting regular audits of its affiliates to assure compliance with Washington statutes and regulations. (Administrative Contracts)

13. It is ordered that the Company consider obtaining administrative contracts with any and all entities and affiliates to ensure legal and financial protection. (Administrative Contracts)

IT IS FURTHER ORDERED THAT, the Company file with the Chief Market Conduct Examiner, within 90 days of the date of this order, a detailed report specifying how the Company has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 19th day of May, 2006.

MIKE KREIDLER
Insurance Commissioner