

March 14, 2013

Via Hand Delivery

Ronald J. Pastuch, CPA
Holding Company Manager
Company Supervision Division
Office of Insurance Commissioner
5000 Capitol Blvd.
Tumwater, WA 98501

Re: Plan of Reorganization

Dear Mr. Pastuch:

We are submitting the following documents in connection with the proposed reorganization of Washington Dental Service:

- Reorganization Plan
- Exhibit A Amended and Restated Bylaws of Washington Dental Service
- Exhibit B Amended and Restated Bylaws of WDS Merger Sub
- Exhibit C Amendment and Restated Bylaws of DD of Washington
- Exhibit D Articles of Merger for the merger into Washington Dental Service of WDS Merger Sub and Plan of Merger
- Exhibit E UCAA Corporate Amendments Application for Name Change (which includes Washington Dental Service's Original Certificate of Authority along with a check for filing fees)
- Exhibit F Articles of Amendment to the Articles of Incorporation of Delta Dental of Washington
- Exhibit G Articles of Amendment to the Articles of Incorporation of DD of Washington
- Exhibit H Form D filing for Intercompany Services Agreement
- Exhibit I Form D Filing for Agency Agreement for Paymaster Services
- Exhibit J Notice of Distribution
- Exhibit K Diagrams of Holding Company Structure

The Reorganization Plan provides is a narrative with the background to the proposed transaction and the steps for implementation. As you know, this process was initiated with a solicitation permit filed June 16, 2009. In our meeting on January 29, 2013, we provided copies of the Bylaws of DD of Washington, Bylaws of WDS Merger Sub, Articles of Merger for the merger into Washington Dental Service of WDS Merger Sub

EXHIBIT E

**UCAA Corporate Amendments Application—Name Change
Item 1 Application Form and Attachments
Form 1C, Form 2C, Original Certificate of Authority**

No. 135

Certificate of Registration

STATE OF WASHINGTON
INSURANCE COMMISSIONER
OLYMPIA

It Is Hereby Certified, That

WASHINGTON DENTAL SERVICE

of Seattle, Washington, has complied

with the requirements of Chapter 48.44 Revised Code of Washington, and is registered subject to the provisions thereof to operate as a HEALTH CARE SERVICE CONTRACTOR in the State of Washington until terminated or revoked pursuant to law.

Date of original registration: 1954

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the Insurance Commissioner to be affixed at Olympia, this 24th day of March, A. D. 1975



KARL HERRMANN
Insurance Commissioner.

By *Clarence Vertue*
Deputy Commissioner.

Uniform Certificate of Authority Application (UCAA)
Corporate Amendments Application Checklist
For Corporate Amendments Application Only

The application checklist is intended to help guide you with assembling your complete Corporate Amendments Uniform Certificate of Authority Application (UCAA). Please be sure to complete the checklist by appropriately marking the boxes on the left side of the page prior to submitting your application for review. The completed checklist should be attached to the top of the application.

Regulator Use Only

1. **Application Form** (pursuant to Sections II-V, and VII – X Filing Requirements, Item 1 containing:

- Completed Corporate Amendments Application Checklist (Form 1C)
- Original UCAA Corporate Amendments Application Form executed, signed and Attachments (Form 2C)
- Original Certificate of Authority or an Affidavit of Lost Certificate of Authority (Form 15) (not applicable for Sections IX and X)
- Cover Letter (Optional)

2. **Filing Fee** (pursuant to Sections II-V, and VII – X Filing Requirements, Item 2) containing:

- Payment of required filing fee
- Copy of check

3. **Articles of Incorporation/Articles of Merger** (pursuant to Sections II-V, VII, and IX Filing Requirements, Item 3) Articles of Merger and Articles of Amendment

- Submit documentation as listed in Sections II-V, VII, and IX Filing Requirements, Item 3

4. **Bylaws** (pursuant to Sections II-V, VII, IX and X Filing Requirements, Item 4)

- Submit documentation as listed in Sections II-V, VII, IX Filing Requirements, Item 4 and X Filing Requirements, Item 3

5. **Lines of Insurance** (pursuant to Section II Filing Requirements, Item 1)

- Include all lines of insurance applicant is licensed to transact, currently transacting and requesting authority to transact in all jurisdictions (Form 3)

6. **Minimum Capital and Surplus Requirements** (pursuant to Sections II, and VII Filing Requirements, Item 5)

- Provide explanation of compliance with minimum capital & surplus requirements for state for which application is prepared

7. **Statutory Deposit Requirements** (pursuant to Sections II, and VII, Filing Requirements, Item 6)

- Submit documentation as listed in Sections II, and VII Requirements, Item 6

8. **Plan of Operation** (pursuant to Sections II, and VII Filing Requirements, Item 7)

- Completed Questionnaire (Form 8C) per Section II, Item 7
- Pro Forma (Form 13)
- Narrative

- 9. **Deleting Lines of Business** (pursuant to Section II, Item 11)
 - Questionnaire (Form 8C), complete Section II, questions 22 through 25

- 10. **Statutory Membership(s)** (pursuant to Sections II, and VII Filing Requirements, Item 8)
 - Submit documentation as listed in Sections II, and VII Filing Requirements, Item 8

- 11. **Certificate of Compliance** (pursuant to Section II Filing Requirements, Item 9)
 - Original Certificate of Compliance completed by domiciliary state insurance regulatory agency (Form 6)

- 12. **State-Specific Information** (pursuant to Section II Filing Requirements, Item 10, Sections III, IV-V, Item 7, Section VII Filing Requirements, Item 12, Section IX Filing Requirements, Item 6, Section X Filing Requirements, Item 5 and Section XI, Item 4)
 - Some jurisdictions may have additional requirements that must be met before approval can be granted or the amended Certificate of Authority can be issued. Before completing a UCAA Corporate Amendments Application the applicant should review a listing of requirements for the state to which you are applying. That listing can be found at http://www.naic.org/ucaa/state_charts/state_charts.htm

- 13. **Uniform Consent to Service of Process** (pursuant to Sections III, IV, and V Filing Requirements, Item 5, Section VII Filing Requirements, Item 10, and Section VIII Filing Requirements, Item 7)
 - Original executed Service of Process form (Form 12)

- 14. **State of Domicile Approval** (pursuant to Sections III, IV and V Filing Requirements, Item 6 and Section VII Filing Requirements, Item 11, Section VIII Filing Requirements, Item 8, Section IX Filing Requirements, Item 5 and Section X Filing Requirements, Item 4)
 - Submit documentation as listed in applicable Sections III, IV, and V, Item 6, Section VII Filing Requirements, Item 11, Section VIII Filing Requirements, Item 8, Section IX Filing Requirements, Item 5 and Section X Filing Requirements, Item 4

- 15. **NAIC Biographical Affidavit** (Form 11) (pursuant to Section VII Filing Requirement item 9 and Section VIII Filing Requirement, Item 6) for the following:
 - Officers (As listed on Jurat Page of most recent financial statement.)
 - Directors (As listed on Jurat Page of most recent financial statement.)
 - Key managerial personnel (Including any Vice Presidents or other individuals who will control the operations of the applicant.)

- 16. **Name Approval** (pursuant to Section III Filing Requirements Item 8)
 - Evidence of name approval request

- 17. **Statement of Withdrawal** (pursuant to Section XI Filing Requirements Item 3)
 - Completed Form 17
 - Submit documentation if applicable for:
 - Reinsurance Agreement
 - Assumption Agreement
 - Outstanding Liabilities or Law suits
 - Pending Regulatory Actions

**Uniform Certificate of Authority Application (UCAA)
Corporate Amendments Application
Application to Amend Certificate of Authority**

To the Insurance Commissioner/Director/Superintendent of the State of:

Alabama		Montana	
Alaska		Nebraska	
Arizona		Nevada	
Arkansas		New Hampshire	
California		New Jersey	
Colorado		New Mexico	
District of Columbia		New York	
Connecticut		North Carolina	
Delaware		North Dakota	
Florida		Ohio	
Georgia		Oklahoma	
Hawaii		Oregon	
Idaho		Pennsylvania	
Illinois		Rhode Island	
Indiana		South Carolina	
Iowa		South Dakota	
Kansas		Tennessee	
Kentucky		Texas	
Louisiana		Utah	
Maine		Vermont	
Maryland		Virginia	
Massachusetts		Washington	X
Michigan		West Virginia	
Minnesota		Wisconsin	
Mississippi		Wyoming	
Missouri			

(Check the appropriate states in which you are applying.)

The Uniform Certificate of Authority Corporate Amendments Application can be used to file more than one change in the same submission. The applicant should mark all changes being filed on the application form and submit all items required for those changes in one package

Add Lines of Business: The undersigned Insurer hereby certifies that the lines of insurance as indicated on the Lines of Insurance Form 3 are all lines of business that (a) the insurer is currently authorized to transact, (b) are currently transacted and (c) which the Insurer is applying to transact.

- Name Change
- Delete Lines of Business
- Redomestication of a Foreign Insurer
- Change of city of domicile within domestic state/ mailing address
- Change of Address/Contact Notification
- Merger of Two or More Foreign Insurers
- Pre-notification of Change of Control of Foreign Insurer
- Notification of Change of Control of Foreign Insurer
- Amended Articles of Incorporation
- Amended Bylaws

(Check the type of transaction for which you are applying.)

Applicant Name: Washington Dental Service

NAIC No. 47341

FEIN: _____

Previous Name of Insurer: Washington Dental Service NAIC # 47341 -- _____

(Group Code)

New Name of Insurer: Delta Dental of Washington NAIC # 47341-- _____

(Group Code)

Effective Date of Redomestication _____

Effective Date of Name Change Estimated April 2013 (pending approval of reorganization plan)

Effective Date of Change of City within the State of Domicile _____

Previous Home Office Address: _____

New Home Office Address: _____

Previous Administrative Office Address: 9706 4th Avenue NE, Seattle, WA 98115

New Administrative Office Address: 9706 4th Avenue NE, Seattle, WA 98115

Previous Mailing Address: 9706 4th Avenue NE, Seattle, WA 98115

New Mailing Address: 9706 4th Avenue NE, Seattle, WA 98115

Previous Phone: 206-522-1300 Fax: _____

New Phone: 206-522-1300 Fax: _____

Has the Insurer's designee to appoint and remove agents changed as a result of this corporate amendment?

Yes No

If yes, please note the new designee (name natural persons only): _____

If a merger of two or more foreign insurers:

Effective Date: _____

Current Name of Surviving Insurer: _____ NAIC # _____ Group Code _____

Proposed New Name of Surviving Insurer: _____ NAIC # _____ Group Code _____

Name of Non-Surviving Insurer: _____ NAIC # _____ Group Code _____

Name of Surviving Insurer _____ NAIC # _____ Group Code _____

Surviving Insurer's Home Office Address _____

Surviving Insurer's Administrative Office Address: _____

Surviving Insurer's Mailing Address: _____

Surviving Insurer's Telephone: _____ Fax: _____

Are these addresses the same as those shown on your Annual Statement?

Yes No

If not, indicate why.

If this application represents a name change, did the Company experience a merger or an owner change prior to the name change?

Yes No

If yes, please be sure an application is also submitted for the merger and/or ownership change transaction.

Date of Last Market Conduct Examination: Currently pending receipt of report of most recent market conduct examination; prior report is dated September 30, 2005

Has your company had an application for these lines of business refused by this or any other state prior to the date of this application?

Yes No

If yes, give full explanation in an attached letter.

The following information is required of the individual (company employee or paid consultant) who is authorized to represent the applicant before the department.

Name Sean Pickard
Title Director of Government Relation, Washington Dental Service
Mailing Address 9706 4th Avenue NE, Seattle, WA 98115
E-Mail Address: spickard@deltadentalwa.com Phone: 206-528-2304 Fax: 206-985-4753
Please provide a listing of all other applications filed by the applicant, or any of its affiliates, which are pending before the Department.
Plan of Reorganization is pending before the Department, Attn. Ronald J. Pastuch, Holding Company Manager _____

A Certificate of Compliance from applicant's state of domicile (for foreign applicants) and the applicant's original Certificate of Authority or an Affidavit of Lost Certificate of Authority must accompany this application. (not applicable for Change of Control, Amended Articles of Incorporation or Amended Bylaws.)

Applicant Officers' Certification and Attestation

One of the three officers (listed below) of the Applicant must read the following very carefully before signing:

1. I hereby certify, under penalty of perjury, that I have read the application, that I am familiar with its contents, and that all of the information, including the attachments, submitted in this application is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license discipline or other administrative action and may subject me, the Applicant, or both, to civil or criminal penalties.
2. I acknowledge that I am familiar with the insurance laws and regulations of the jurisdictions in which the Applicant is licensed or to which the Applicant is applying for licensure.
3. I acknowledge that I am the _____ of the Applicant, am authorized to execute and am executing this document on behalf of the Applicant.
4. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct, executed at Seattle, Washington.

March 13, 2013
Date

James D. Dwyer
Signature of President

James D. Dwyer
Full Legal Name of President

3-13-2013
Date

Jack E. Neal
Signature of Secretary

Jack E. Neal
Full Legal Name of Secretary

3-14-13
Date

Patrick J. Dineen
Signature of Treasurer

Patrick J. Dineen
Full Legal Name of Treasurer

Washington Dental Service
Applicant

Bradley Alan Berg
Signature of Witness

Bradley Alan Berg
Full Legal Name of Witness

UCAA Corporate Amendments Application—Name Change
Item 2 Filing Fees
Check and Copy of Check

Washington State Office of the

Washington Dental Service
March 13, 2013

Check No 228789 **228789**

Invoice No.	Date		Net Amount
031313B	03/13/13	Name Change & Service of Process Filing Fees	30.00

Total 30000

 **DELTA DENTAL**
Washington Dental Service

P.O. Box 75688 ■ Seattle, WA 98175-0688

THE COMMERCE BANK OF WASHINGTON
601 Union St. Suite 3600
Seattle, Washington 98101
(206) 292-3900

19-801/1250

228789

**Pay
This
Amount**

****THIRTY AND 0/100 DOLLARS

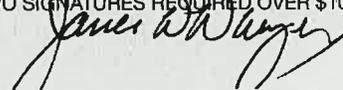
Washington State Office of the
Insurance Commissioner
PO Box 40257
Olympia, WA 98504-0257

March 13, 2013

\$*****30.00

**PAY
TO THE
ORDER OF**

WASHINGTON DENTAL SERVICE
TWO SIGNATURES REQUIRED OVER \$10,000.00



⑈ 2 28 789 ⑈ ⑆ 1 250080 13 ⑆ 00 1 154389 ⑈

Washington State Office of the

Washington Dental Service
March 13, 2013

Check No 228789 **228789**

Invoice No.	Date		Net Amount
031313B	03/13/13	Name Change & Service of Process Filing Fees	30.00

Total 30000

DELTA DENTAL
Washington Dental Service
P.O. Box 75688 ■ Seattle, WA 98175-0688

THE COMMERCE BANK OF WASHINGTON
601 Union St. Suite 3600
Seattle, Washington 98101
(206) 292-3900

19-801/1250

228789

Pay This Amount *****THIRTY AND 0/100 DOLLARS

Washington State Office of the Insurance Commissioner
PO Box 40257
Olympia, WA 98504-0257

March 13, 2013

\$*****30.00

WASHINGTON DENTAL SERVICE
TWO SIGNATURES REQUIRED OVER \$10,000.00

James W. Wang

⑈ 228789⑈ ⑆ 125008013⑆ 001154389⑈

UCAA Corporate Amendments Application—Name Change
Item 3 Articles of Incorporation
Articles of Amendment Reflecting Name Change

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
DELTA DENTAL OF WASHINGTON**

The undersigned certifies that:

1. He is the President and Chief Executive Officer of Delta Dental of Washington (formerly known as Washington Dental Service), a nonprofit corporation organized and existing under the provisions of the Washington Nonprofit Corporation Act (Chapter 24.03 of the Revised Code of Washington) (the "Corporation").
2. The Corporation's Articles of Incorporation, as they currently exist as a result of the Plan of Merger between the Corporation and WDS Merger Sub filed with the Washington Secretary of State on _____, 2013, have been amended as follows.
 - a. The introductory paragraph of the Articles of Incorporation is amended to read in its entirety as follows:

The following provisions comprise the articles of incorporation of Delta Dental of Washington (formerly known as Washington Dental Service), following its merger with WDS Merger Sub under a Plan of Merger filed with the Washington Secretary of State on _____, 2013, and following its election pursuant to RCW 24.06.525 to be reorganized under the Washington Nonprofit Miscellaneous and Mutual Corporations Act (Chapter 24.06 of the Revised Code of Washington, or the "Act"), and thereby accept the benefits of and become bound by the provisions of the Act.

- b. Article I of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation (following the merger of WDS Merger Sub into Washington Dental Service) is Delta Dental of Washington.

- c. Article III(A), (B) and (C) of the Articles of Incorporation are amended to read in their entirety as follows.

ARTICLE III

PURPOSES, POWERS AND LIMITATIONS

A. The corporation is organized exclusively for the promotion of social welfare within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, as now in force or hereafter amended (hereinafter, the "Code") and, subject thereto and to the extent consistent therewith, for the primary purposes of (a) securing dental services to individuals and groups and their families, and (b) encouraging, fostering and financing professional and scientific study and research in the general field of dentistry and oral health, conducting studies and investigations designed to develop information pertaining to all aspects of dental service coverage and payment plans, and assisting in the education of the public concerning the need for and advantage of adequate dental treatment and oral health.

B. In general, and subject to such limitations and conditions as are or may be prescribed by law (including Code Section 501(c)(4)), or in these Articles of Incorporation or the corporation's Bylaws, the corporation shall have all powers which now or hereafter are conferred by law under the Act, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the corporation's purposes.

C. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable, to any director, officer, or other private person, except that the corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article III, in amounts and at times determined by the Board of Directors pursuant to the corporation's Bylaws.

- d. Article IV(A) of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE IV

BOARD OF DIRECTORS

A. The internal affairs of the corporation shall be governed by a Board of Directors. The number of directors constituting the Board of Directors of the corporation shall be at least nine (9) but no more than thirteen (13) directors. The qualifications, tenure, election, removal, number of, duties and terms of the Board of Directors shall be as provided in the Bylaws of the corporation.

- e. Article IV(B) of the Articles of Incorporation is deleted in its entirety, and Articles III(C) and III(D) are renumbered as Articles III(B) and III(C), respectively.

- f. Article V of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE V

SOLE MEMBER

The corporation has a single member (the “Sole Member”), namely DD of Washington, a Washington nonprofit corporation (which will be re-named as “Washington Dental Service” following this corporation’s merger with WDS Merger Sub). The Sole Member is a voting member, with voting rights as to: election of directors; any amendment of these Articles of Incorporation; any merger, consolidation or reorganization; any sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation; and dissolution. The Sole Member will also have such other rights, privileges, responsibilities and liabilities as are provided in the Bylaws of the corporation.

- g. Article VI of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE VI

BYLAWS

The Bylaws of the corporation may contain any provision for the regulation and management of the corporation’s affairs not inconsistent with the Act or these Articles of Incorporation, and shall be subject to amendment or repeal by the Sole Member, subject to any restrictions or requirements set forth in the Bylaws.

- h. Article VII of the Articles of Incorporation is deleted in its entirety, and Articles VIII, IX and X are renumbered as Articles VII, VIII and IX.
- i. Article XI of the Articles of Incorporation is deleted in its entirety.
3. The foregoing amendments have the effect, *inter alia*, in accordance with RCW 24.06.525, of reorganizing the Corporation under the Washington Nonprofit Miscellaneous and Mutual Corporations Act (Chapter 24.06 of the Revised Code of Washington), the benefits and provisions of which the Corporation has accepted and will hereafter be bound by.
4. The foregoing amendments of the Articles of Incorporation were duly and unanimously approved by the Board of Directors of the Corporation, and by the sole member of the Corporation having voting rights with respect thereto, by written consent dated _____, 2013.

These Articles of Amendment shall be effective upon filing with both the Secretary of State and the Office of the Insurance Commissioner of the State of Washington.

DELTA DENTAL OF WASHINGTON

James D. Dwyer, President and Chief
Executive Officer

UCAA Corporate Amendments Application—Name Change
Item 4 Bylaws

**AMENDED AND RESTATED
BYLAWS OF WDS MERGER SUB**

**ARTICLE I
MEMBERSHIP**

SECTION 1. SOLE MEMBER

This corporation is formed for the initial purpose of entering into a merger (the “Merger”) with and into Washington Dental Service (“WDS”), an existing Washington nonprofit corporation, which after the Merger will be the surviving corporation (under a new name, “Delta Dental of Washington”) and will be governed by these Bylaws. As a result of the Merger, all members in good standing of WDS at the time of the Merger will automatically become members of DD of Washington, an existing Washington nonprofit corporation which will be renamed “Washington Dental Service” after the Merger (referred to as the “Sole Member”). The Sole Member is the only member of this corporation prior to the Merger, and following the Merger will be the sole member of the surviving corporation.

SECTION 2. VOTING RIGHTS OF SOLE MEMBER

The Sole Member will be a voting member, with voting rights as to: the election of directors; any amendment of the corporation’s Articles of Incorporation; the Merger, and any other merger, consolidation or reorganization of the corporation; any sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation; and dissolution of the corporation.

**ARTICLE II
MEMBERSHIP MEETINGS**

SECTION 1. ANNUAL MEETINGS

An annual meeting of the Sole Member of the corporation shall be held at the corporation’s principal office or such other convenient place, on a day and at a time designated by the Board, the Chair or the President and CEO. Notice, in the form of a record, in a tangible medium, or in an electronic transmission, stating the date, time, and place of each annual meeting shall be given to the Sole Member not less than thirty (30) nor more than fifty (50) days in advance by the Secretary.

Such additional matters as may be requested by a written petition signed by the Sole Member and presented to the Secretary at least twenty (20) days prior to the meeting shall also be included on the agenda. At the discretion of the Chair, items may be added to the agenda at any time. No business shall be transacted during an annual meeting unless it was placed on the agenda by the Chair of the Board or by a duly filed petition.

SECTION 2. SPECIAL MEETINGS

Special meetings of the Sole Member of this corporation may be held at the principal place of business or such other convenient place as may be designated by the Board of Directors. Special meetings may be called by a vote of a majority of the total Board of Directors or by a petition signed by the Sole Member of the corporation. Any such call or petition for a special meeting of the Sole Member must contain a description of the item or items to be discussed at that meeting.

Within thirty (30) days of a call by the Board of Directors or the receipt of a petition, the Secretary shall give not less than thirty (30) days' notice in the form of a record, in a tangible medium, or in an electronic transmission, stating the time, date, place and agenda items for any special meeting to the Sole Member. Time shall be computed by excluding the first and including the last day of such notice. Personal delivery of the notice of the meeting or deposit of the same in the United States mail, with postage thereon fully prepaid, addressed to the Sole Member at the last address given the Secretary of the corporation, shall constitute due notice.

SECTION 3. QUORUM, MANNER OF ACTING, AND VOTING

The presence of the Sole Member, by duly authorized representative, shall constitute a quorum at any annual or special member meeting.

The affirmative vote of the Sole Member on any matter to be voted upon at a meeting at which a quorum is present shall be necessary for the adoption thereof.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. BOARD OF DIRECTORS

- A. General Powers.** The affairs of the corporation shall be managed by its Board of Directors.
- B. Size, Composition, Qualifications, Terms, Nomination and Election.**
- (1) **Size and Composition.** The Board of Directors shall consist of at least nine (9) no more than thirteen (13) Directors. The number of Directors may at any time be increased or decreased within this range by the Board of Directors, but no decrease shall have the effect of shortening the term of any incumbent director. Independent Directors shall at all times after January 1, 2012 comprise a majority of incumbent Directors.
 - (2) **Qualifications.** The Board of Directors shall comprise three different categories of Directors, with the following qualifications:
 - (a) **Independent Directors.** Each Independent Director must when elected and during his or her term of office: (i) satisfy the definition for an "independent" member of a governing body set forth in the instructions to Internal Revenue Service Form 990 (as it may be amended from time to time) or such other IRS definition of independence as Delta Dental Plans

Internal Revenue Service Form 990 (as it may be amended from time to time) or such other IRS definition of independence as Delta Dental Plans Association may from time to time reference in connection with its membership standards; (ii) not be the President and CEO or otherwise an employee of the corporation; (iii) not be a member of the corporation, nor or an individual with a D.D.S. or D.M.D. degree; and (iv) not have a financial interest in any dental care organization.

- (b) **Member Directors.** Each Member Director must, when elected and during his or her term of office, be a member of the Sole Member; and shall forfeit his or her office as a Director upon loss of such membership under Section 3 of Article I of the Sole Member's bylaws.
 - (c) **Ex Officio Director.** The President and CEO shall, by virtue of holding such office, automatically be a member of the Board of Directors for the period that he or she holds such office.
- (3) **Congruent Boards.** The Sole Member shall elect to the Board of Directors the same individuals who, at any given time, have been elected or otherwise serve as Member Directors or Independent Directors of the Sole Member in accordance with its bylaws.
 - (4) **Term.** Each director shall be elected to serve a term of office that is coterminous with the Director's service on the Sole Member's board of directors.

C. Powers and Duties of the Board of Directors. Subject to the limitations contained in the Articles of Incorporation, these Bylaws, and the nonprofit corporation laws applicable to this corporation, all corporate powers shall be exercised by or under the authority of the Board of Directors including, but without limitation, the following:

- (1) To select and remove the President and CEO of the corporation, prescribe his/her authority and duties, and fix his/her compensation.
- (2) To conduct, manage and control the property and business of the corporation, and to make such rules and regulations therefor, as they may deem best advised.
- (3) To fix the address of the principal office for the transaction of business of the corporation within the State of Washington and to fix and locate from time to time such subsidiary offices of the corporation as they may deem necessary or convenient for transaction of the affairs of the corporation.
- (4) To call membership meetings both regular and special, and to determine what matters shall be submitted to such meetings on behalf of the Board of Directors.
- (5) To borrow money and incur indebtedness for the purpose of the corporation, and to cause to be executed and delivered therefor in the corporate name, promissory

notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation of other evidence of debt and security therefor.

(6) To set fees for service on the Board of Directors in accordance with these Bylaws.

D. Vacancies. As soon as practical after a vacancy in a Member Director or an Independent Director position on the Board of Directors occurs, the Sole Member shall elect a successor to serve the unexpired term of the original Member Director or Independent Director in each such case in a manner consistent with Article III.1.B.3 above.

E. Meetings. The annual meeting of the Board of Directors shall be held annually on a date and at a time and location determined by the Board of Directors.

Regular meetings of the Board of Directors shall be held according to a schedule approved in advance by the Directors, but not less than once per calendar quarter unless an affirmative vote of 75% of the directors eliminates a meeting. No particular notice of a regular meeting is required.

Special meetings of the Board of Directors may be called by the Chair of the Board or by a majority vote of all directors. Notice of the date, time and place of such special meeting shall be furnished to each director not less than fifteen (15) days before the time of the meeting. Meetings of the Board of Directors shall be held at the principal office of the corporation or at any other convenient place determined by the Board of Directors.

Regardless of how called, a consent in the form of a record of all of the members of the Board of Directors to the holding of a meeting of the Board of Directors filed with the minutes of the meeting shall constitute sufficient call and notice of any meeting of the Board of Directors. A meeting so held shall have the same force and effect as if the meeting were regularly called upon notice as herein above provided.

A director will be subject to removal if he or she fails to attend at least seventy-five percent (75%) of the directors' meetings during each calendar year, unless excused by the Chair of the Board at his/her discretion.

F. Action by Consent in Lieu of Board Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors execute a consent in the form of a record that describes the action to be taken. Such consent shall be filed with the minutes of the proceedings of the Board of Directors. Such action approved by consent shall have the same force and effect as a unanimous vote of the directors at a meeting duly held upon proper notice and may be described as such in any record. An action taken by consent shall be effective when the last director executes the consent, unless the consent specified a later effective date.

G. Quorum, Manner of Acting and Voting. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business of any meeting of the

Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by law or by these Bylaws. Each Director shall have one (1) vote except the Chair of the Board, who shall only vote in case of a tie. Proxies will not be allowed.

- H. Fees and Compensation.** Directors, as such, and officers of the corporation appointed pursuant to Article IV shall not receive any salary for their services, but shall receive reimbursement for expenses of attending any meetings of the Board of Directors and a reasonable fee to reimburse directors for the time spent attending those meetings. This fee shall be set taking into consideration prevailing industry practices and may be changed from time to time by the vote or written assent of a majority of the Board of Directors.
- I. Parliamentary Procedure.** Meetings of the Board of Directors shall be governed by parliamentary procedure as set forth in the current edition of Robert's Rules of Order.
- J. Reserves.** The Board of Directors may establish a revolving or reserve fund or funds to cover contingent obligations for paying for dental services and anticipated future needs of the corporation which are reasonably likely to occur. The Directors, in their discretion, shall invest or cause to be invested so much of such funds in securities or other investments consistent with applicable laws of the State of Washington as the directors determine to be in the best interest of the corporation.
- K. Removal of Director.** At a meeting duly called, either a Member Director or an Independent Director of this corporation may be removed from office for cause by, respectively, a two-thirds (2/3) affirmative vote of the other Member Directors then serving on the Board of Directors or of the other Independent Directors then serving on the Board of Directors. The call for such a meeting must state with reasonable specificity the cause(s) for removal. Cause for removal shall consist of a director's willful or negligent disregard of the duties assigned to him/her by law, by these Bylaws, or by the Board of Directors; breach of fiduciary duty as a director; and failure to timely disclose to the Board of Directors any conflict of interest involving the director and the corporation or any action of the corporation. In addition, termination of the membership of a Member Director pursuant to Article I of the Sole Member's bylaws shall also operate to remove him or her from office as a Member Director, without further action by the Board of Directors.

L. Standing and Special Committees.

- (1) **General.** Standing or special committees to facilitate the conduct and effectiveness of the Board of Directors, but not having or exercising the authority of the Board of Directors in the management of the corporation, may be established in such a manner as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. The Board shall appoint members of any standing or special committee except for the Independent Directors on the Provider Compensation Committee. Any member

of such a committee may be removed by the person or persons authorized to appoint him/her whenever in their judgment the best interests of the corporation would be served by such removal.

- (2) **Standing Committees** shall include the Audit Committee, the Governance and Nominating Committee and the Human Resources and Compensation Committee.
 - (a) **Audit Committee** shall assist the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the financial statements of the company, of the company's compliance with legal and regulatory requirements, of the independence and qualifications of the independent auditor, and of the performance of the company's internal audit function and independent auditors. The Audit Committee will be comprised of three or more members as determined by the Board of Directors. Committee members may be removed by the Board of Directors at its discretion. A majority of the committee shall consist of independent members who shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the committee. No person who is a member dentist of the Sole Member or has business dealings as a vendor or business partner of the corporation or the Sole Member may be regarded as an independent member of the committee. All members of the committee shall have or obtain a sufficient familiarity with basic finance and accounting practices to allow them to discharge their responsibilities and at least one member shall be a financial expert. The Audit Committee shall be directly responsible for the appointment, compensation and oversight of the accounting firm conducting the annual audit of the corporation, and shall meet at least annually with the accounting firm and report its findings and recommendations to the Board of Directors.
 - (b) **Governance and Nominating Committee** shall be comprised of at least five (5) members, including the Chair of the Board, as well as at least one of the other officers of the Board of Directors and such other additional directors as may be appointed by the Board of Directors. At least three Independent Directors must be members of the Governance and Nominating Committee at any given time. The Governance and Nominating Committee shall recommend candidates for the Member Advisory Panel, and otherwise assist the Board of Directors by developing and recommending changes in the governance structure and processes that will improve board effectiveness.
 - (c) **Human Resources and Compensation Committee** shall be comprised of non-management members of the Board of Directors and shall assist the Board of Directors in fulfilling its oversight responsibilities by formulating policy recommendations in such areas as compensation and benefits as specifically referred to the committee by the Board. The

Human Resources and Compensation Committee shall periodically receive management updates on the corporation's human resources programs. The committee shall ensure that the senior executives of the corporation are compensated effectively in a manner consistent with the stated strategy of the corporation, competitive practices in the marketplace, any internal equity considerations, and any applicable legal or regulatory requirements. The committee also shall ensure the existence of an operative leadership succession plan that will perpetuate an effective management team for the corporation.

- (3) **Special Committees.** The Board of Directors may establish from time to time, special committees to aid them in managing the affairs of the corporation.
- (4) **Term of Office.** Each member of a standing committee shall continue as such until the next annual meeting of the Directors of the corporation and until a successor is appointed, unless these Bylaws provide otherwise, or unless the committee shall be terminated sooner, or unless such member be removed from the committee, or unless the member shall cease to qualify as a member of the committee.
- (5) **Chair.** One member of each committee shall be appointed chair by the person or persons authorized to appoint the members of that committee, except as otherwise provided in these Bylaws. All standing committees shall have a director as chair of the committee at all times unless otherwise directed by the Chair of the Board, in consultation with the President and CEO, because of unusual circumstances.
- (6) **Vacancies.** Vacancies in the membership of a committee may be filled by appointments made in the same manner as provided in the case of the original appointment. This action will be initiated within thirty (30) days of notification of a vacancy by the Chair of the Board or the President and CEO.
- (7) **Quorum.** Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.
- (8) **Rules.** Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

M. Provider Compensation Committee.

- (1) **General.** Notwithstanding any other provision of these Bylaws, there is hereby established a Provider Compensation Committee (the "PC Committee"), which shall have ultimate authority and responsibility for those matters described below concerning compensation paid by the corporation to the Sole Member's members and other dentists. This Bylaw is an irrevocable delegation of authority over such

matters by the Board of Directors to the Provider Compensation Committee (hereinafter the "PC Committee") pursuant to applicable corporations law.

- (2) **Size and Selection.** The Committee shall consist of five (5) directors, three (3) of whom shall be Independent Directors who shall be appointed from time to time by a majority vote of the Independent Directors (then serving on the Board of Directors, and two (2) of whom shall be appointed by the Board of Directors.
- (3) **Removal and Vacancies.** A PC Committee member who is an Independent Director may be removed from office only by a vote of two-thirds (2/3) of the other Independent Directors then serving on the Board of Directors. A PC Committee member who was appointed by the Board may be removed from office by the Board whenever the best interests of the corporation would be served by such a removal. Any vacancy created by the removal or resignation of a PC Committee member shall be filled, for the balance of his or her term, by the same method by which the former PC Committee member was appointed.
- (4) **Term.** Each Independent Director appointed to the PC Committee shall serve a term of office coterminous with his or her term of office as a director, unless such person is earlier removed from office or resigns. Each person appointed to the PC Committee by the Board shall serve a term continuing until the next annual meeting of the Board of Directors and until his or her successor is duly appointed and qualified, unless the person is sooner removed from office or resigns.
- (5) **Meetings.** The PC Committee shall meet at least once annually, and more frequently when required to perform its functions. Meetings of the PC Committee may be called by the chair of the PC Committee or by any two (2) members of the PC Committee. Notice in the form of a record, in a tangible medium, or in an electronic transmission, stating the time and place of each such meeting shall be furnished to each member of the PC Committee not less than five (5) days before the date of the meeting. Meetings of the PC Committee shall be held at the principal office of the corporation or at any other convenient place determined by the chair of the Committee.
- (6) **Procedures.** The PC Committee shall choose its own chair, who shall always be an Independent Director, and its own secretary. Meetings of the PC Committee shall be governed by parliamentary procedure as set forth in the most recent edition of Robert's Rules of Order. If the committee chair is elected Chair of the Board, that individual will resign as the Provider Compensation Committee chair and the remaining members of the PC Committee shall choose a different Independent Director as the PC Committee's new chair.
- (7) **Quorum, Manner of Acting and Voting.** Three members of the PC Committee shall constitute a quorum for the transaction of business at any meeting of the PC Committee, provided that at least two of such members must be Independent Directors. The act of a majority of PC Committee members present at a meeting at which a quorum is present shall be the act of the PC Committee, unless the act

of a greater number is required by law or by these Bylaws. Each PC Committee member shall have one (1) vote. Proxies will not be allowed. Any action required or permitted to be taken by the PC Committee may be taken without a meeting if all members of the PC Committee execute a consent in the form of a record that describes the action to be taken and such action by consent shall have the same force and effect as a unanimous vote of the members of the PC Committee. All minutes of meetings of the PC Committee, and all such consents, shall be retained in the corporation's records.

(8) **Powers and Duties of PC Committee.** The authority of the Board of Directors in the following matters is vested in, and shall be exercised by, the PC Committee:

(a) **Filed Fee Program.** The PC Committee shall undertake studies, from time to time, whether the Filed Fee Program used by the corporation pursuant to its standard Member Dentist Agreement (all capitalized terms not defined herein shall have the meanings given them in said form of agreement), as presently operated or with such changes as the PC Committee may have previously directed, enables the corporation to purchase dental services from the Sole Member's members and non-members at the most favorable terms, consistent with the corporation's need to maintain and continue the size and composition of its active networks, the quality of service from the providers within such population, and the degree of access to such dentists for those persons whose dental care coverage the corporation has assumed responsibility (hereinafter "enrollees"). After each such study, the PC Committee shall direct changes to any of the features of the corporation's Filed Fee Program described below that, in the PC Committee's judgment, will enable the corporation to obtain more favorable terms from dentists who are members of the Sole Member and other dentists for services provided to the corporation's enrollees consistent with the foregoing considerations. Such changes may affect any of the following features of the Filed Fee Program:

- (i) The method of determination of the maximum fee for a particular procedure in a particular location that will be accepted in a proposed Survey of Fees at any time;
- (ii) The method of determination of the intervals at which that maximum fee will be recalculated during the course of a year;
- (iii) The method by which the Composite Index, if applicable, is calculated and applied in determining the acceptability of a proposed Survey of Fees at any time;

- (iv) The method of determination of the intervals at which the Composite Index, if applicable, will be recalculated during the course of a year;
 - (v) The frequency with which a member of the Sole Member is permitted to file a new Survey of Fees to replace a previously-approved Survey of Fees or a previously-submitted Survey of Fees that was not approved by the corporation;
 - (vi) The method of determination of the amount of compensation paid to a dentist who is not a member of the Sole Member for service to one of the corporation's enrollees;
 - (vii) The method of determination of the maximum fee that the corporation will pay to a dentist who is not a member of the Sole Member for a particular service; and
 - (viii) The method of determination of the intervals at which the maximum fee for compensation of a dentist who is not a member of the Sole Member for a particular service will be recalculated.
- (b) **Other Compensation Programs.** The PC Committee shall assume responsibility for, and thereafter undertake studies and make changes to, any other program of compensation to professional providers of services to the corporation's enrollees that may be adopted by the corporation and referred to the PC Committee by the Board of Directors. The PC Committee shall from time to time make such changes in the terms and conditions of the compensation program that the PC Committee believes will enable the corporation to obtain more favorable compensation terms from providers in the future for services provided to enrollees, taking into consideration the corporation's need to maintain and continue the size and composition of its active networks delivering those services, the quality of such services from the providers in the networks, and the degree of access to such providers for enrollees.
- (c) **Sensitive Price Information.** The PC Committee shall have the authority to require changes to the methods and manner in which the corporation receives, processes, analyzes, distributes, disseminates and uses fee and claims information submitted by dentists who are members of the Sole Member and other dentists in order to ensure the strict confidentiality of all such information and, in particular, consistent with state and federal laws and regulations, take reasonable steps to ensure that such information shall not be intentionally or inadvertently made available to other providers.
- (9) **Relation with Paid Assistants.** The President and CEO of the corporation and his or her staff shall report to and serve the PC Committee with respect to those

matters within its jurisdiction as if the PC Committee was the Board of Directors; provided, however, that the PC Committee shall have no authority to alter the terms of employment of the President and CEO or any staff person. The President and CEO and staff shall implement any change directed by the PC Committee in accordance with these provisions and shall provide to the PC Committee such information, analyses, recommendations and other data from the corporation's records as may be appropriate or useful to the PC Committee's activities.

- (10) **Change in Contract Terms.** The corporation shall make no change in the terms of contracts with providers that establish or define the Filed Fee Program or any other program of compensation, without the prior consent of the PC Committee.

N. Attendance by Communications Equipment. At the discretion of the Chair, Members of the Board of Directors or any committee may participate in a meeting of such Board or committee by means of any communications equipment which enables all persons participating in the meeting to hear each other simultaneously during the meeting. Individuals who join meetings via communications equipment must attend all discussions of any item on which they vote. In addition, the provision will not be available if its use presents an undue administrative burden. A Director or committee member who participates by means of communications equipment is deemed to be present in person at the meeting.

O. Joint Meetings with Sole Member's Board. Meetings of the Board of Directors of this corporation may be held jointly or contemporaneously, with meetings of the Sole Member's board of directors, so long as the distinct matters considered and actions taken by each body are correctly and separately recorded in their separate minutes.

SECTION 2. MEMBER ADVISORY PANEL

A. General. There shall be a Member Advisory Panel consisting of ten (10) to fifteen (15) members of the Sole Member who are from time to time selected by the Board of Directors from a pool of candidates recommended by the Governance and Nominating Committee. No less than one (1) and no more than three (3) of the panel members must be Member Directors; each of the other individuals comprising the balance of the Member Advisory Panel must, at the time of his or her appointment thereto and during his or her term of service thereon, be a member in good standing of the Sole Member who is not a member of the Board of Directors. In recommending and appointing Member Directors or other individuals to serve on the Member Advisory Panel, the Governance and Nominating Committee and the Board of Directors shall also give due consideration to achieving a relative balance of geographic representation thereon. Individuals serving on the Member Advisory Panel must be willing to serve in such capacity, if so requested by the Board of Directors, for up to three (3) years, but shall remain at all times subject to replacement by the Board of Directors. The Member Advisory Panel shall meet at least three (3) times each year, on such dates and at such times and locations as may be designated by the Board of Directors, the Chair of the Board, or the President and CEO. A chair of the Member Advisory Panel shall be

selected and appointed by the Chair of the Board, from among the Member Directors from time to time serving on the Member Advisory Panel.

B. Duties and Authority. The Member Advisory Panel shall not be deemed to be a committee or other organ of the Board of Directors; and shall have no power or authority, delegated or otherwise, to make any decisions, take any actions or incur any obligations on behalf of the corporation. As such, individuals serving on the Member Advisory Panel shall not, solely by reason of such service, owe any fiduciary obligations to the corporation or its Sole Member. The Member Advisory Panel shall, however, perform the following functions in good faith:

- (a) identifying and recommending to the Governance and Nominating Committee potential candidates for nomination to be elected as Member Directors;
- (b) consulting with and advising the PC Committee on such matters within the scope of that committee's powers and duties as the chair of the PC Committee may request; and
- (c) consulting with and advising the Board of Directors with respect to the formulation of policies relating to dental procedures, claims processing and adjudication, and relations with the dental profession, to the extent requested to do so by the Chair of the Board.

SECTION 3. INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

A. Right to Indemnification. Each person who was, is or is threatened to be made a named party to or is otherwise involved (including, without limitation, as a witness) in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (hereinafter a "proceeding"), by reason of the fact that he or she is or was a director or officer of the corporation or served on the Member Advisory Panel of the corporation or, that being or having been such a director officer or an employee of the corporation, he or she is or was serving at the request of the corporation as a director, officer, partner, trustee, employee or agent of another corporation or of a partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise (hereinafter an "indemnitee"), whether the basis of a proceeding is alleged action in an official capacity as such a director, officer, partner, trustee, employee, agent or panel member or in any other capacity while serving as such a director, officer, partner, trustee, employee, agent or panel member, shall be indemnified and held harmless by the corporation against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such indemnitee in connection therewith, and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, partner, trustee, employee, agent or panel member and shall inure to the benefit of the indemnitee's heirs, executors and administrators. Except as provided in Section 3.D. of this Article III with respect to proceedings seeking to enforce rights to indemnification, the corporation shall

indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if the proceeding (or part thereof) was authorized or ratified by the Board of Directors. The right to indemnification conferred in this Section 3.A. shall be a contract right.

- B. Restrictions on Indemnification.** No indemnification shall be provided to any such indemnitee for acts or omissions of the indemnitee finally adjudged to be intentional misconduct or a knowing violation of law, for conduct of the indemnitee finally adjudged to be in violation of Section 23B.08.310 of the Washington Business Corporation Act, for any transaction with respect to which it was finally adjudged that such indemnitee personally received a benefit in money, property or services to which the indemnitee was not legally entitled, or if the corporation is otherwise prohibited by applicable law from paying such indemnification, except that if Section 23B.08.560 or any successor provision of the Washington Business Corporation Act is hereafter amended, the restrictions on indemnification set forth in this Section 3.B. shall be as set forth in such amended statutory provision.
- C. Advancement of Expenses.** The right to indemnification conferred in Section 3.A. of this Article III shall include the right to be paid by the corporation the expenses incurred in defending any proceeding in advance of its final disposition (hereinafter an "advancement of expenses"). An advancement of expenses shall be made upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section 3.C.
- D. Right of Indemnitee to Bring Suit.** If a claim under Section 3.A. or 3.C. of this Article is not paid in full by the corporation within 60 days after a written claim has been received by the corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part, in any such suit or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. The indemnitee shall be presumed to be entitled to indemnification under this Section 3. upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses, where the required undertaking has been tendered to the corporation), and, thereafter, the corporation shall have the burden of proof to overcome the presumption that the indemnitee is so entitled.
- E. Procedures Exclusive.** Pursuant to Section 23B.08.560(2) or any successor provision of the Washington Business Corporation Act, the procedures for indemnification and advancement of expenses set forth in this Section 3. are in lieu of the procedures required by Section 23B.08.550 or any successor provision of the Washington Business Corporation Act.

- F. Nonexclusivity of Rights.** The right to indemnification and the advancement of expenses conferred in this Section 3 shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, provision of the Articles or the Bylaws of the corporation, by general or specific action of the Board of Directors, or by contract or otherwise.
- G. Insurance, Contracts and Funding.** The corporation may maintain insurance, at its expense, to protect itself and any director, officer, partner, trustee, employee or agent of the corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Business Corporation Act. The corporation may enter into contracts with any director, officer, partner, trustee, employee or agent of the corporation in furtherance of the provisions of this Section 3 and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Section 3.
- H. Indemnification of Employees and Agents of the Corporation.** The corporation may, by action of the Board of Directors, grant rights to indemnification and advancement of expenses to employees and agents or any class or group of employees and agents of the corporation (a) with the same scope and effect as the provisions of this Section 3 with respect to the indemnification and advancement of expenses of directors and officers of the corporation, (b) pursuant to rights granted under, or provided by, the Washington Business Corporation Act, or (c) as are otherwise consistent with law.
- I. Persons Serving Other Entities.** Any person who, while a director, officer or employee of the corporation, is or was serving (a) as a director or officer of another foreign or domestic corporation of which a majority of the shares entitled to vote in the election of its directors is held by the corporation or (b) as a partner, trustee or otherwise in an executive or management capacity in a partnership, joint venture, limited liability company, trust or other enterprise of which the corporation or a wholly owned subsidiary of the corporation is a general partner or has a majority ownership shall be deemed to be so serving at the request of the corporation and entitled to indemnification and advancement of expenses under Sections 3.A. and 3.C. of this Article.

ARTICLE IV

OFFICERS

SECTION 1. OFFICERS

The officers of the corporation shall be a Chair of the Board, Vice Chair, Secretary, Treasurer and such other officers as the Board of Directors may appoint from time to time at its discretion. No person may hold more than one (1) such office in the corporation at the same time. The President and CEO may not be elected to the offices of Chair of the Board or Vice Chair.

SECTION 2. TERMS AND ELECTION

The Chair of the Board, Vice Chair, Secretary and Treasurer shall be elected by the Board of Directors from among the Directors then in office at the annual meeting of the Board. The intent is that the Chair of the Board will serve up to two one-year terms, although a third term may be added upon a determination by the Governance and Nominating Committee and by the Board of Directors that such is necessary to assure continuity or address other extraordinary circumstances. The intent is further that the Vice Chair shall succeed to the office of Chair of the Board at completion of the term(s) of the current Chair, or when that post becomes vacant by resignation or other reason. The term of each office shall be until the next annual meeting of the Board of Directors and the election and qualification of successor. If any office becomes vacant for any reason, the Board of Directors shall, by majority vote, elect a successor who shall hold office for the unexpired term. Any officer may be removed during the term of his/her office by a vote of two-thirds (2/3) of the Board of Directors.

SECTION 3. DUTIES OF OFFICERS

A. Chair of the Board. The Chair of the Board shall preside at all meetings of the membership and at all meetings of the Board of Directors. He/she shall be subject to the control and direction of the Board of Directors. The Chair of the Board shall be an ex-officio member of all standing and special committees except the Audit Committee and the Provider Compensation Committee. The Chair of the Board shall have such other and further powers and duties as may be prescribed for him/her by the Board of Directors or these Bylaws.

The Chair of the Board shall have responsibility for liaison with staff officers between meetings of the Board to insure Board policies are carried out.

B. Vice Chair. In the absence or disability of the Chair of the Board, the Vice Chair shall perform the duties of the Chair of the Board and all the responsibilities of the Chair of the Board. In addition, the Board of Directors may fix and assign such duties for the office of Vice Chair as in its discretion it deems advisable, and the Chair of the Board may sub-delegate to the Vice Chair such of his/her authority as he/she believes is in the best interest of continuity of the office. The Vice Chair shall be an ex-officio member of all standing and special committees except the Provider Compensation Committee. The Vice Chair shall have such other and further powers and duties as may be prescribed for him/her by the Board of Directors or these Bylaws.

The Vice Chair is intended to be the successor to the office of Chair of the Board when that post becomes vacant by resignation, completion of term(s), or any other reason.

C. Secretary.

- (1) **Minutes.** The Secretary shall keep, or cause to be kept, a complete book of the minutes at the principal office of the corporation of all meetings of the Directors and of the members together with all calls and notices upon which meetings were held, a roster of all members, including the applications for membership of each member, and a record of payment or nonpayment of fees and assessments.

- (2) **Notices.** The Secretary shall give, or cause to be given, the notice of all meetings of membership as directed by these Bylaws and also notice of all annual, regular and special meetings of the Board of Directors of the corporation as directed by the Board, the Chair of the Board, or other officers authorized to call such meetings.

D. Treasurer. Subject to the direction and control of the Board of Directors, the Treasurer shall have the care and custody of and be responsible for all funds and investments of the corporation and shall cause to be kept regular books of account. Such books shall be kept current and shall be open to inspection by any officer or Director of the corporation. The Treasurer shall cause to be deposited all funds and other valuable effects in the name of the corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall cause to be prepared and shall submit a financial report at the annual meeting of the members and, in general, shall perform all of the duties incident to the office of the Treasurer.

ARTICLE V

PAID ASSISTANTS

SECTION 1. GENERAL

The Board is authorized to engage on behalf of the corporation all necessary employees and assistants, including certified public accountants, attorneys-at-law, and others in advancement of the affairs of the corporation. The Board shall have authority to arrange with such employees, assistants, certified public accountants and attorneys-at-law for payment by the corporation for their services.

SECTION 2. PRESIDENT AND CEO

The Board of Directors shall appoint, as President and chief executive officer of the corporation, the same individual who is at any given time appointed by the Sole Member's board of directors to serve as the president and chief executive officer of the Sole Member. He/she shall have general supervision, direction and control of the affairs of the corporation and its staff officers subject to the policies established by the Board of Directors and its Chair of the Board. He/she shall be a full-time employee of the Sole Member and the corporation and need not be a dental licentiate of the State of Washington.

ARTICLE VI

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. CONTRACTS

The Board of Directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 2. CHECK, DRAFTS, ETC.

All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or his/her staff designee, and countersigned by the Chair of the Board or the President and CEO of the corporation.

SECTION 3. DEPOSITS AND INVESTMENTS

All funds of the corporation shall be deposited or invested in a timely fashion to the credit of the corporation in such banks, trust companies or other depositories and investment vehicles as the Board of Directors may select.

SECTION 4. GIFTS

The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest or device for the general purposes or for any special purpose of the corporation.

ARTICLE VII

BOOKS AND RECORDS

The corporation shall keep correct and complete books of record and account and shall also keep minutes of the proceedings of its members and Board of Directors and shall keep at its registered or principal office a record giving the names and addresses of the members entitled to vote at any membership meetings. All such books and records of the corporation may be inspected by any member or his or her agent or attorney, for any proper purpose at any reasonable time upon reasonable advance notice.

ARTICLE VIII

WAIVER OF NOTICE

Wherever any notice is required to be given under the provisions of the applicable corporations law, or under the provisions of the articles of incorporation or these Bylaws, a waiver of such notice in the form of a record executed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be deemed equivalent to the giving of such notice.

ARTICLE IX

CHANGES IN BYLAWS

These Bylaws may be amended or repealed by the vote of the Sole Member at a meeting or by assent of the Sole Member in the form of a record, provided that, any amendment or repeal of Sections 1.B, 1.D, 1.K, 1.L.2.b or 1.M of Article III, and any adoption of any Bylaw provision

that would subject the Independent Directors to rights, privileges, liabilities and duties different from those of other directors hereunder, shall, in addition, require the approval of at least a majority of the Independent Directors then in office.

ARTICLE X

DISSOLUTION OF CORPORATION

Approval by the Sole Member is required for voluntary dissolution pursuant to applicable corporations law. Any assets remaining after payment of all just obligations of the corporation shall be distributed in accordance with the corporation's Articles of Incorporation.

ARTICLE XI

CONFLICT

Should any of these Bylaws be in conflict with any statutes, codes, rulings, or the Constitution of the State of Washington or of the United States of America, the particular section or part of any section shall become immediately inoperative. However, should any such conflict of any part of these Bylaws be declared, it shall not render the other Bylaws inoperative or void.

ARTICLE XII

ELECTRONIC TRANSMISSIONS

Notice to the Sole Member or to directors in electronic transmission is effective only with respect to members and directors who have consented, in the form of a record, to receive electronically transmitted notices and have designated the message format accessible to the member or director, and the address, location or system to which these notices may be electronically transmitted. The Sole Member or any director who has consented to receive electronically transmitted notices may revoke the consent by delivering a revocation to the corporation in the form of a record. The consent of the Sole Member or any such director is revoked if the corporation is unable to electronically transmit two consecutive notices given by the corporation in accordance with the consent.

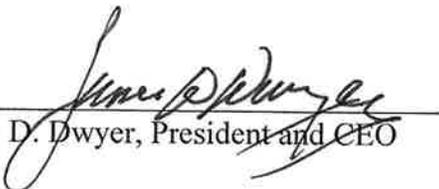
ARTICLE XIII

TRANSITION

SECTION 1. EFFECTIVE DATE

The adoption of these amended and restated Bylaws is hereby made effective as of February 8, 2013.

By _____


James D. Dwyer, President and CEO

UCAA Corporate Amendments Application—Name Change
Item 5 Service of Process

Applicant Name Washington Dental Service

NAIC No. 47341
FEIN: _____

Uniform Consent to Service of Process

Original Designation Amended Designation
(must be submitted directly to states)

Insurer Name: Delta Dental of Washington _____

Previous Name (if applicable): Washington Dental Service _____

Home Office Address: 9706 4th Avenue NE _____

City, State, Zip: Seattle, WA 98115 _____ NAIC CoCode: 47341 _____

The entity named above, organized under the laws of State of Washington, for purposes of complying with the laws of the State(s) designate hereunder relating to the holding of a certificate of authority or the conduct of an insurance business within said State(s), pursuant to a resolution adopted by its board of directors or other governing body, hereby irrevocably appoints the officers of the State(s) and their successors identified in Exhibit A, or where applicable appoints the required agent so designated in Exhibit A hereunder as its attorney in such State(s) upon whom may be served any notice, process or pleading as required by law as reflected on Exhibit A in any action or proceeding against it in the State(s) so designated; and does hereby consent that any lawful action or proceeding against it may be commenced in any court of competent jurisdiction and proper venue within the State(s) so designated; and agrees that any lawful process against it which is served under this appointment shall be of the same legal force and validity as if served on the entity directly. This appointment shall be binding upon any successor to the above named entity that acquires the entity's assets or assumes its liabilities by merger, consolidation or otherwise; and shall be binding as long as there is a contract in force or liability of the entity outstanding in the State. The entity hereby waives all claims of error by reason of such service. The entity named above agrees to submit an amended designation form upon a change in any of the information provided on this power of attorney.

Applicant Officers' Certification and Attestation

One of the two Officers (listed below) of the Applicant must read the following very carefully and sign:

1. I acknowledge that I am authorized to execute and am executing this document on behalf of the Applicant.
2. I hereby certify under penalty of perjury under the laws of the applicable jurisdictions that all of the forgoing is true and correct, executed at Seattle, Washington.

3/13/13
Date

3-13-2013
Date

James D. Dwyer
Signature of President
James D. Dwyer
Full Legal Name of President

Jack E. Neal
Signature of Secretary
Jack E. Neal
Full Legal Name of Secretary

Uniform Consent to Service of Process

Exhibit A

Place an "X" before the names of all the States for which the person executing this form is appointing the designated agent in that State for receipt of service of process:

<input type="checkbox"/>	AL	Commissioner of Insurance # and Resident Agent*	<input type="checkbox"/>	MT	Commissioner of Insurance #
<input type="checkbox"/>	AK	Director of Insurance #	<input type="checkbox"/>	NE	Officer of Company* or Resident Agent* (circle one)
<input type="checkbox"/>	AZ	Director of Insurance # ^	<input type="checkbox"/>	NH	Commissioner of Insurance #
<input type="checkbox"/>	AR	Resident Agent *	<input type="checkbox"/>	NV	Commissioner of Insurance of Insurance Commission # ^
<input type="checkbox"/>	AS	Commissioner of Insurance #	<input type="checkbox"/>	NJ	Commissioner of Banking and Insurance #^
<input type="checkbox"/>	CO	Commissioner of Insurance # or Resident Agent* (circle one) ^	<input type="checkbox"/>	NM	Superintendent of Insurance #
<input type="checkbox"/>	CT	Commissioner of Insurance #	<input type="checkbox"/>	NY	Superintendent of Financial Services #
<input type="checkbox"/>	DE	Commissioner of Insurance #	<input type="checkbox"/>	NC	Commissioner of Insurance
<input type="checkbox"/>	DC	Local Agent*	<input type="checkbox"/>	ND	Commissioner of Insurance # ^
<input type="checkbox"/>	FL	Chief Financial Officer # ^	<input type="checkbox"/>	OH	Resident Agent*
<input type="checkbox"/>	GA	Commissioner of Insurance and Safety Fire # and Resident Agent*	<input type="checkbox"/>	OR	Resident Agent*
<input type="checkbox"/>	GU	Commissioner of Insurance #	<input type="checkbox"/>	OK	Commissioner of Insurance #
<input type="checkbox"/>	HI	Insurance Commissioner # and Resident Agent*	<input type="checkbox"/>	PR	Commissioner of Insurance #
<input type="checkbox"/>	ID	Director of Insurance # ^	<input type="checkbox"/>	RI	Commissioner of Insurance ^
<input type="checkbox"/>	IL	Director or Insurance #	<input type="checkbox"/>	SC	Director of Insurance #
<input type="checkbox"/>	IN	Resident Agent* ^	<input type="checkbox"/>	SD	Director of Insurance # ^
<input type="checkbox"/>	IA	Commissioner of Insurance #	<input type="checkbox"/>	TN	Commissioner of Insurance #
<input type="checkbox"/>	KS	Commissioner of Insurance ^	<input type="checkbox"/>	TX	Resident Agent*
<input type="checkbox"/>	KY	Secretary of State #	<input type="checkbox"/>	UT	Resident Agent* ^
<input type="checkbox"/>	LA	Secretary of State #	<input type="checkbox"/>	VT	Secretary of State #
<input type="checkbox"/>	MD	Insurance Commissioner #	<input type="checkbox"/>	VI	Lieutenant Governor/Commissioner#
<input type="checkbox"/>	ME	Resident Agent* ^	<input checked="" type="checkbox"/>	WA	Insurance Commissioner #
<input type="checkbox"/>	MI	Resident Agent *	<input type="checkbox"/>	WV	Secretary of State # @
<input type="checkbox"/>	MN	Commissioner of Commerce #	<input type="checkbox"/>	WY	Commissioner of Insurance #
<input type="checkbox"/>	MS	Commissioner of Insurance and Resident Agent* BOTH are required.			

For the forwarding of Service of Process received by a State Officer complete Exhibit B listing by state the entities (one per state) with **full name and address where service of process is to be forwarded**. Use additional pages as necessary. Exhibit not required for New Jersey, and North Carolina. Florida accepts only an individual as the entity and requires an email address. New Jersey allows but does not require a foreign insurer to designate a specific forwarding address on Exhibit B. SC will not forward to an individual by name; however, it will forward to a position, e.g., Attention: President (or Compliance Officer, etc.). Washington requires an email address on Exhibit B.

* Attach a completed Exhibit B listing the Resident Agent for the insurer (one per state). Include state name, Resident Agent's **full name and street address**. Use additional pages as necessary. (DC* requires an agent within a ten mile radius of the District).

^ Initial pleadings only. Kansas requires two signatures.

@ Form accepted only as part of a Uniform Certificate of Authority application.

MA will send the required form to the applicant when the approval process reaches that point.

Exhibit A

Exhibit B

Complete for each state indicated in Exhibit A:

State WA _____ Name of Entity Delta Dental of Washington _____

Phone Number 206-522-1300 _____ Fax Number _____

Email Address _____

Mailing Address P.O. Box 75688 NG Station, Seattle, WA 98175 _____

Street Address 9706 4th Avenue NE, Seattle, WA 98115 _____

State _____ Name of Entity _____

Phone Number _____ Fax Number _____

Email Address _____

Mailing Address _____

Street Address _____

State _____ Name of Entity _____

Phone Number _____ Fax Number _____

Email Address _____

Mailing Address _____

Street Address _____

State _____ Name of Entity _____

Phone Number _____ Fax Number _____

Email Address _____

Mailing Address _____

Street Address _____

State _____ Name of Entity _____

Phone Number _____ Fax Number _____

Email Address _____

Mailing Address _____

Street Address _____

Exhibit B

Resolution Authorizing Appointment of Attorney

BE IT RESOLVED by the Board of Directors or other governing body of

(company name)

this _____ day of _____, 20 ____, that the President or Secretary of said entity be and are hereby authorized by the Board of Directors and directed to sign and execute the Uniform Consent to Service of Process to give irrevocable consent that actions may be commenced against said entity in the proper court of any jurisdiction in the state(s) of

in which the action shall arise, or in which plaintiff may reside, by service of process in the state(s) indicated above and irrevocably appoints the officer(s) of the state(s) and their successors in such offices or appoints the agent(s) so designated in the Uniform Consent to Service of Process and stipulate and agree that such service of process shall be taken and held in all courts to be as valid and binding as if due service had been made upon said entity according to the laws of said state.

CERTIFICATION

I, _____, Secretary of

(company name)

state that this is a true and accurate copy of the resolution adopted effective the ____ day of _____, 20 __ by the Board of Directors or governing board at a meeting held on the _____ day of _____, 20 __ or by written consent dated ____ day of _____, 20 __.

Secretary

EXHIBIT F

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
DELTA DENTAL OF WASHINGTON**

The undersigned certifies that:

1. He is the President and Chief Executive Officer of Delta Dental of Washington (formerly known as Washington Dental Service), a nonprofit corporation organized and existing under the provisions of the Washington Nonprofit Corporation Act (Chapter 24.03 of the Revised Code of Washington) (the "Corporation").
2. The Corporation's Articles of Incorporation, as they currently exist as a result of the Plan of Merger between the Corporation and WDS Merger Sub filed with the Washington Secretary of State on _____, 2013, have been amended as follows.
 - a. The introductory paragraph of the Articles of Incorporation is amended to read in its entirety as follows:

The following provisions comprise the articles of incorporation of Delta Dental of Washington (formerly known as Washington Dental Service), following its merger with WDS Merger Sub under a Plan of Merger filed with the Washington Secretary of State on _____, 2013, and following its election pursuant to RCW 24.06.525 to be reorganized under the Washington Nonprofit Miscellaneous and Mutual Corporations Act (Chapter 24.06 of the Revised Code of Washington, or the "Act"), and thereby accept the benefits of and become bound by the provisions of the Act.

- b. Article I of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation (following the merger of WDS Merger Sub into Washington Dental Service) is Delta Dental of Washington.

- c. Article III(A), (B) and (C) of the Articles of Incorporation are amended to read in their entirety as follows.

ARTICLE III

PURPOSES, POWERS AND LIMITATIONS

A. The corporation is organized exclusively for the promotion of social welfare within the meaning of Section 501(c)(4) of the Internal Revenue Code of 1986, as now in force or hereafter amended (hereinafter, the "Code") and, subject thereto and to the extent consistent therewith, for the primary purposes of (a) securing dental services to individuals and groups and their families, and (b) encouraging, fostering and financing professional and scientific study and research in the general field of dentistry and oral health, conducting studies and investigations designed to develop information pertaining to all aspects of dental service coverage and payment plans, and assisting in the education of the public concerning the need for and advantage of adequate dental treatment and oral health.

B. In general, and subject to such limitations and conditions as are or may be prescribed by law (including Code Section 501(c)(4)), or in these Articles of Incorporation or the corporation's Bylaws, the corporation shall have all powers which now or hereafter are conferred by law under the Act, or are necessary or incidental to the powers so conferred, or are conducive to the attainment of the corporation's purposes.

C. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable, to any director, officer, or other private person, except that the corporation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Article III, in amounts and at times determined by the Board of Directors pursuant to the corporation's Bylaws.

- d. Article IV(A) of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE IV

BOARD OF DIRECTORS

A. The internal affairs of the corporation shall be governed by a Board of Directors. The number of directors constituting the Board of Directors of the corporation shall be at least nine (9) but no more than thirteen (13) directors. The qualifications, tenure, election, removal, number of, duties and terms of the Board of Directors shall be as provided in the Bylaws of the corporation.

- e. Article IV(B) of the Articles of Incorporation is deleted in its entirety, and Articles III(C) and III(D) are renumbered as Articles III(B) and III(C), respectively.

- f. Article V of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE V

SOLE MEMBER

The corporation has a single member (the “Sole Member”), namely DD of Washington, a Washington nonprofit corporation (which will be re-named as “Washington Dental Service” following this corporation’s merger with WDS Merger Sub). The Sole Member is a voting member, with voting rights as to: election of directors; any amendment of these Articles of Incorporation; any merger, consolidation or reorganization; any sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation; and dissolution. The Sole Member will also have such other rights, privileges, responsibilities and liabilities as are provided in the Bylaws of the corporation.

- g. Article VI of the Articles of Incorporation is amended to read in its entirety as follows:

ARTICLE VI

BYLAWS

The Bylaws of the corporation may contain any provision for the regulation and management of the corporation’s affairs not inconsistent with the Act or these Articles of Incorporation, and shall be subject to amendment or repeal by the Sole Member, subject to any restrictions or requirements set forth in the Bylaws.

- h. Article VII of the Articles of Incorporation is deleted in its entirety, and Articles VIII, IX and X are renumbered as Articles VII, VIII and IX.
- i. Article XI of the Articles of Incorporation is deleted in its entirety.
3. The foregoing amendments have the effect, *inter alia*, in accordance with RCW 24.06.525, of reorganizing the Corporation under the Washington Nonprofit Miscellaneous and Mutual Corporations Act (Chapter 24.06 of the Revised Code of Washington), the benefits and provisions of which the Corporation has accepted and will hereafter be bound by.
4. The foregoing amendments of the Articles of Incorporation were duly and unanimously approved by the Board of Directors of the Corporation, and by the sole member of the Corporation having voting rights with respect thereto, by written consent dated _____, 2013.

These Articles of Amendment shall be effective upon filing with both the Secretary of State and the Office of the Insurance Commissioner of the State of Washington.

DELTA DENTAL OF WASHINGTON

James D. Dwyer, President and Chief
Executive Officer

EXHIBIT G

**ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
DD OF WASHINGTON**

The undersigned certifies that:

1. He is the President and Chief Executive Officer of DD of Washington, a nonprofit corporation organized and existing under the provisions of the Washington Nonprofit Corporation Act (Chapter 24.03 of the Revised Code of Washington) (the "Corporation").
2. The Corporation's Articles of Incorporation have been amended so that Article I will now read in its entirety as follows.

ARTICLE I

NAME

The name of the corporation shall be Washington Dental Service.

3. The foregoing amendment of the Articles of Incorporation was duly and unanimously approved by the Board of Directors of the Corporation on February 8, 2013. There were at that time no members having voting rights with respect to such amendment..
4. These Articles of Amendment shall be effective at such time, following their filing with the Secretary of State of the State of Washington, as this corporation's acquisition of control of the other Washington corporation that has historically been named "Washington Dental Service" has been completed (by virtue of filing of Articles of Merger with the Secretary of State), thereby making the name "Washington Dental Service" available for adoption by this corporation.

DD OF WASHINGTON

James D. Dwyer, President and Chief
Executive Officer

EXHIBIT H

CONFIDENTIAL PROPRIETARY AND TRADE SECRET INFORMATION

FORM D

PRIOR NOTICE OF A TRANSACTION

Filed with the Insurance Commissioner of the State of Washington

BY

Delta Dental of Washington (formerly known
as Washington Dental Service)

Name of Registrant

On Behalf of Following Health Carriers

Name

Address

Delta Dental of Washington (formerly known as Washington Dental Service)

9706 4th Ave. NE

Seattle, WA 98115

Date: March 17, 2013

Name, Title, Address, and Telephone Number of Individual to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Sean Pickard

Government Affairs Manager

9706 4th Ave. NE, Seattle, WA 98115

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

Furnish the following information for each of the parties to the transaction:

(a) Name.

Delta Dental of Washington (formerly known as Washington Dental Service) (DDW)

Washington Dental Service (formerly known as DD of Washington) (WDS)

(b) Home office address.

DDW

9706 4th Ave. NE
Seattle, WA 98115

WDS

9706 4th Ave. NE
Seattle, WA 98115

(c) Principal executive office address.

Same

Same

(d) The organizational structure, i.e., corporation, partnership, individual, trust, etc.

DDW, a Washington Nonprofit Corporation.
WDS, a Washington Nonprofit Corporation

(e) A description of the nature of the parties' business operations.

DDW (formerly known as Washington Dental Service) is a health care service contractor.
WDS (formerly known as DD of Washington) is organized as a holding company to guide, monitor,
and coordinate the activities of DDW and other affiliated entities to achieve its tax exempt purposes
and those of both DDW (providing dental benefits coverage) and other affiliated entities (improving
oral health).

CONFIDENTIAL PROPRIETARY AND TRADE SECRET INFORMATION

(f) Relationship, if any, of other parties to the transaction to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties.

No other entities are a party to the agreement for which prior notice is being given.

(g) Where the transaction is with a non-affiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

N/A

ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given:

(a) A statement of the nature of the transaction.

The Agreement Subject to Prior Notice is an Intercompany Services Agreement between DDW and WDS, whereby DDW will be providing certain management services to WDS for a fee.

(b) The proposed effective date of the transaction.

The proposed effective date of the Intercompany Services Agreement will be as of the effective date of the merger between DDW, the entity formerly known as Washington Dental Service, and WDS Merger Sub, a subsidiary of WDS, the entity formerly known as DD of Washington.

ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT, GUARANTEES, OR INVESTMENTS

Furnish a brief description of the amount and source of funds, securities, property or other consideration for the sale, purchase, exchange, loan, extension of credit, guarantee, or investment, whether any provision exists for purchase by the health carrier filing notice, by any party to the transaction, or by any affiliate of the health carrier filing notice, a description of the terms of any securities being received, if any, and a description of any other agreements relating to the transaction such as contracts or agreements for services, consulting agreements and the like. If the transaction involves other than cash, furnish a description of the consideration, its cost and its fair market value, together with an explanation of the basis for evaluation.

N/A

If the transaction involves a loan, extension of credit or a guarantee, furnish a description of the maximum amount which the health carrier will be obligated to make available under such loan, extension of credit or guarantee, the date on which the credit or guarantee will terminate, and any provisions for the accrual of or deferral of interest.

N/A

If the transaction involves an investment, guarantee or other arrangement, state the time period during which the investment, guarantee or other arrangement will remain in effect, together with any provisions for extensions or renewals of such investments, guarantees or arrangements. Furnish a brief statement as to the effect of the transaction upon the health carrier's net worth.

N/A.

ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NONAFFILIATE

If the transaction involves a loan or extension of credit to any person who is not an affiliate, furnish a brief description of the agreement or understanding whereby the proceeds of the proposed transaction, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase the assets of, or to make investments in, any affiliate of the health carrier making such loans or extensions of credit, and specify in what manner the proceeds are to be used to loan to, extend credit to, purchase assets of, or make investments in any affiliate. Describe the amount and source of funds, securities, property, or other consideration for the loan or extension of credit and, if the transaction is one involving consideration other than cash, a description of its cost and its fair market value together with an explanation of the basis for evaluation. Furnish a brief statement as to the effect of the transaction upon the health carrier's net worth..

N/A

ITEM 5. REINSURANCE

If the transaction is a reinsurance agreement or modification thereto, as described by RCW 48.31C.050 (2)(c), furnish a description of the known or estimated amount of liability to be ceded or assumed in each calendar year, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the health carrier and nonaffiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one or more of the health carrier's affiliates. Furnish a brief description of the consideration involved in the transaction, and a brief statement as to the effect of the transaction upon the health carrier's net worth.

N/A

ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS, AND COST-SHARING ARRANGEMENTS

For management and service agreements, furnish:

(a.1) A brief description of the managerial responsibilities, or services to be performed.

DDW will provide to WDS the following services as described in the attached Intercompany Services Agreement (See attached exhibit A "**Intercompany Services Agreement Service Chart**"):

Office space, to include space within the DDW corporate office building, utilities, parking, use of common space, and building management services. Photocopy services, desktop support, phones, network support, accounting and financial services, human resources and payroll functions, and assistance with computer hardware and software & other fixed assets.

(b.1) A brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.

Intercompany Services Agreement

Services. Beginning on the Effective Date DDW shall provide or cause to be provided to WDS the service(s) described in the Service Chart shown in Exhibit A ("Service" or collectively, "Services"). From time to time after the Effective Date, the parties may identify additional services that DDW will provide to WDS, or make any other changes to the Service Chart, and the parties shall amend the Service Chart for such additional services or other changes, including reasonable adjustment to compensation. For each Service provided by DDW, the parties shall set forth on the Service Chart, to the extent applicable, a description of the Service, the estimated monthly charge for the Service, the time period during which the Service will be provided if different from the term of the Intercompany Services Agreement and any other terms applicable to the Service.

Payment. WDS shall pay DDW monthly for the charges as calculated and set forth on exhibit A for each of the Services listed.

Term. The Intercompany Services Agreement will be effective upon the merger of DDW, the entity formerly known as Washington Dental Service, and WDS Merger Sub (subject to approval by the OIC), and continues indefinitely. Additionally the agreement is terminable by either one or both of the parties upon sixty days' notice.

For cost-sharing arrangements, furnish: N/A

- (a) A brief description of the purpose of the agreement.
- (b) A description of the period of time during which the agreement is to be in effect.
- (c) A brief description of each party's expenses or costs covered by the agreement.
- (d) A brief description of the accounting basis to be used in calculating each party's costs under the agreement.

ITEM 7. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of RCW 48.31C.050, the registrant has caused this notice to be duly signed on its behalf in the City of Seattle and State of Washington on the 13th day of March, 2013.

(SEAL) Washington Dental Service

_____ Name of Applicant	
BY Bradley Alan Berg	COO/CFO
_____ (Name)	_____ (Title)

Attest:

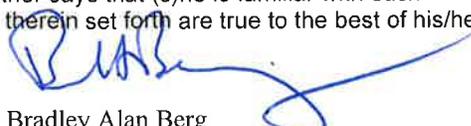


(Signature of Officer)
Chief Operating Officer / Chief Financial Officer

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached application dated March 13, 2013, for and on behalf of Washington Dental Service; that (s)he is the Chief Operating and Financial Officer of such company and that (s)he is authorized to execute and file such instrument. Deponent further says that (s)he is familiar with such instrument and the contents, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) 
(Type or print name beneath) Bradley Alan Berg

CONFIDENTIAL PROPRIETARY AND TRADE SECRET INFORMATION

Exhibit A – Intercompany Services Agreement

Service Chart

Service	Description	Cost or Formula for Computing Fee	Estimated Monthly Cost for WDS
Office Space	Includes office space on the 4 th and 5 th floor of the DDW corporate office building and utilities, parking, use of common space, and building management services	\$22 per square foot per year, approximately 100 square feet	\$200 per month Adjusted annually
Photocopy Services, Desktop Support, Phones, Network Support, Accounting, Financial Services, Administrative, Functional Support Services (Including performance under the Agency Agreement for Paymaster Services)	All regular office activities	Estimate of actual pro rated cost of services to be provided	\$1,000 per month Adjusted annually
HR and Payroll	Includes benefits administration and payroll	Wages at cost, plus payroll taxes and benefits at DDW annual rates.	\$200 per month Adjusted annually
Computer Hardware and Software and Other Fixed Assets	Includes assets purchased by DDW for use by WDS	At pro rated cost, via monthly depreciation charges based on the life expectancy of the asset	\$100 per month Adjusted annually

INTERCOMPANY SERVICES AGREEMENT

THIS INTERCOMPANY SERVICES AGREEMENT is made as of _____, 2013, by and between Washington Dental Service (formerly known as DD of Washington), a Washington nonprofit corporation ("WDS") and Delta Dental of Washington (formerly known as Washington Dental Service), a Washington nonprofit corporation ("DDW").

RECITALS

- A. WDS desires for DDW to provide services to WDS, and DDW is willing to do so on the terms and conditions set forth in this Agreement.
- B. DDW is a controlled subsidiary of WDS.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

AGREEMENT

1. Services. Except as otherwise provided herein, beginning on the Effective Date (as defined below) DDW shall provide or cause to be provided to WDS the service(s) described in the Service Chart attached hereto as Exhibit A. ("Service" or collectively, "Services"). From time to time after the Effective Date, the parties may identify additional services that DDW will provide to WDS in accordance with the terms of this Agreement ("Additional Services") or make any other changes to the Service Chart, and the parties shall amend the Service Chart for such Additional Services or other changes pursuant to Section 10(b) below. For each Service provided by DDW, the parties shall set forth on the Service Chart, to the extent applicable, a description of the Service, the estimated monthly charge for the Service, the method for determining the charge for the Service, the time period during which the Service will be provided if different from the term of this Agreement and any other terms applicable to the Service. This Agreement and the Service Chart shall together be referred to herein as the "Agreement," and the Service Chart shall be incorporated herein by this reference.
2. Effective Date. This Agreement shall be effective upon the effectiveness of the merger between DDW and WDS Merger Sub.
3. Payment. WDS shall pay to DDW the amounts, if any, set forth on the Service Chart for each of the Services listed thereon.
4. Inspection. WDS and its agents and representatives, at WDS's expense, shall have the right to examine the books and records of DDW that relate to the costs and expenses referred to in this Agreement, provided, however, that such examination may only be conducted during regular business hours and upon ten (10) days' prior written notice.

5. Limitation of Liability and Exclusive Remedy. Neither party will be liable to the other for any lost profits, loss of data, loss of use, cost of cover, business interruption or other special, incidental, indirect, punitive or consequential damages, however caused, under any theory of liability, arising from the performance of, or relating to, this Agreement. DDW's entire liability and WDS's exclusive remedy arising from any claim with respect to the services is the refund to WDS by DDW of the cost of the Services paid for by WDS to DDW during the preceding six (6) month period.

6. No Agency. The parties hereto are independent contractors and nothing in this Agreement is intended to, nor shall it, create any agency, partnership or joint venture relationship between them. With respect to any third party, no party hereto, or any of its officers, directors, employees or agents, shall have the right or authority to bind or otherwise obligate the other party hereto in any way as a consequence of this Agreement.

7. General Obligations; Standards of Care.

(a) DDW's Performance. DDW shall use reasonable efforts to provide the Services in accordance with the Service Chart and shall exercise the same care and skill as it exercises in performing similar services for itself.

(b) Disclaimer of Warranties. ALL SERVICES AND ANY OTHER DELIVERABLES ARE PROVIDED "AS IS" AND NEITHER PARTY MAKES ANY WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT THERETO.

(c) Good Faith Cooperation; Consents. The parties will use good faith efforts to cooperate with each other in all matters relating to the provision and receipt of Services. Such cooperation shall include exchanging information and obtaining all third party consents, licenses, sublicenses or approvals necessary to permit each party to perform its obligations hereunder (including by way of example, not by way of limitation, rights to use third-party software needed for the performance of the Services). The costs of obtaining such third-party consents, licenses, sublicenses or approvals shall be borne by WDS. Each party will maintain, in accordance with its standard document retention procedures, documentation supporting the information relevant to cost calculations contained in the Service Chart and cooperate with each other in making such information available as needed in the event of audit by a governmental agency.

8. Confidentiality.

(a) In General. Each party hereto ("Receiving Party") shall (i) protect the Confidential Information (as defined below) of the other party ("Disclosing Party") by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination, or publication of the Confidential Information as the Receiving Party uses to protect its own confidential information of a like nature, (ii) not use such Confidential Information in violation of this Agreement or any other agreements entered into between the

parties in writing, and (iii) not use, disseminate, or in any way disclose any Confidential Information of the other party to any person, firm or business, except to the extent necessary to perform the duties and obligations of the Receiving Party pursuant to this Agreement, without the prior written consent of the Disclosing Party. The Receiving Party agrees that it shall disclose Confidential Information of the Disclosing Party only to those of such Receiving Party's employees who need to know such information and who agree to be bound by the terms and conditions applicable to the Receiving Party under this Section.

(b) Definition. For purposes of this Agreement, "Confidential Information" includes information regarding intellectual property (including, without limitation, designs, methods, processes, concepts, technical data, software and know-how), business information and other information that is not otherwise in the public domain and of which the owner actively undertakes to restrict or control the disclosure to third parties in a manner reasonably intended to maintain its confidentiality. The term "Confidential Information" does not include information that (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party, (ii) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party, provided that the source of such information was not known by the Receiving Party to be bound by a confidentiality agreement, or any other contractual, legal or fiduciary obligation of confidentiality or (iii) is required to be disclosed by any law or by any applicable judgment, order, subpoena or decree of any court or governmental body or agency provided that in such circumstances the Receiving Party shall provide prompt notice of the requirement to the Disclosing Party and shall cooperate with the Disclosing Party (at the Disclosing Party's expense) as it may reasonably request in any attempts to prevent or minimize the extent of required disclosure.

9. Termination; Survival.

(a) Termination. Either party may terminate this Agreement, with respect to all or any one or more of the Services to be provided by DDW hereunder, for any reason or for no reason, at any time upon sixty (60) days prior written notice to the other party.

(b) Survival. Any and all provisions of this Agreement which by their nature would reasonably be expected to apply after the termination of this Agreement shall survive and be enforceable after such termination, including, but not limited to, WDS's payment obligation for any Services provided by DDW prior to such termination. In the event of any termination with respect to one or more, but less than all Services, this Agreement shall continue in full force and effect with respect to any Services not terminated hereby.

10. Miscellaneous.

(a) This Agreement shall be governed by the internal laws of the State of Washington without giving effect to its conflict of law principles.

(b) This Agreement sets forth the entire agreement between the parties hereto with respect to the subject matter hereof and is intended to supersede all prior negotiations,

understandings and agreements. No provision of this Agreement or the Service Chart may be waived or amended, except by a writing signed by DDW and WDS.

(c) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and together which shall constitute one and the same instrument.

(d) The failure of any party to exercise any right or remedy provided for herein shall not be deemed a waiver of any right or remedy hereunder.

(e) If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or otherwise unenforceable, such determination shall not affect the validity or enforceability of any remaining provisions of this Agreement. If any provision of this Agreement is invalid under any applicable statute or rule of law, it shall be enforced to the maximum extent possible so as to effect the intent of the parties, and the remainder of this Agreement shall continue in full force and effect.

(f) This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns, provided that WDS may not assign any of its rights hereunder without the prior written consent of DDW.

(g) The section headings used herein are for the convenience of the parties only, are not substantive and shall not be used to interpret or construe any of the provisions contained herein.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

WASHINGTON DENTAL SERVICE

By _____
Its _____

DELTA DENTAL OF WASHINGTON

By _____
Its _____

SERVICE CHART

Service	Description	Cost or Formula for Computing Fee	Estimated Monthly Cost for WDS
Office Space	Includes office space on the 4 th and 5 th floor of the DDW corporate office building and utilities, parking, use of common space, and building management services	\$22 per square foot per year, approximately 100 square feet	\$200 per month Adjusted annually
Photocopy Services, Desktop Support, Phones, Network Support, Accounting, Financial Services, Administrative, Functional Support Services (Including performance under the Agency Agreement for Paymaster Services)	All regular office activities	Estimate of actual pro rated cost of services to be provided	\$1,000 per month Adjusted annually
HR and Payroll	Includes benefits administration and payroll	Wages at cost, plus payroll taxes and benefits at DDW annual rates.	\$200 per month Adjusted annually
Computer Hardware and Software and Other Fixed Assets	Includes assets purchased by DDW for use by WDS	At pro rated cost, via monthly depreciation charges based on the life expectancy of the asset	\$100 per month Adjusted annually

EXHIBIT I

CONFIDENTIAL PROPRIETARY AND TRADE SECRET INFORMATION

FORM D

PRIOR NOTICE OF A TRANSACTION

Filed with the Insurance Commissioner of the State of Washington

BY

Delta Dental of Washington (formerly known
as Washington Dental Service)

Name of Registrant

On Behalf of Following Health Carriers

Name

Address

Delta Dental of Washington (formerly known as Washington Dental Service)

9706 4th Ave. NE

Seattle, WA 98115

Date: March 13, 2013

Name, Title, Address, and Telephone Number of Individual to Whom Notices and
Correspondence Concerning This Statement Should Be Addressed:

Sean Pickard

Government Affairs Manager

9706 4th Ave. NE, Seattle, WA 98115

ITEM 1. IDENTITY OF PARTIES TO TRANSACTION

Furnish the following information for each of the parties to the transaction:

(a) Name.

Delta Dental of Washington (formerly known as Washington Dental Service) (DDW)

Washington Dental Services (formerly known as DD of Washington) (WDS)

Washington Dental Service Foundation LLC (WDSF)

Institute for Oral Health LLC (IOH)

(b) Home office address.

DDW

9706 4th Ave. NE

Seattle, WA 98115

WDS

9706 4th Ave. NE

Seattle, WA 98115

WDSF

9706 4th Ave. NE

Seattle, WA 98115

IOH

9706 4th Ave. NE

Seattle, WA 98115

(c) Principal executive office address.

Same as home office addresses.

(d) The organizational structure, i.e., corporation, partnership, individual, trust, etc.

DDW, a Washington Nonprofit Corporation

WDS, a Washington Nonprofit Corporation

WDSF, a Washington Limited Liability Company

IOH, a Washington Limited Liability Company

CONFIDENTIAL PROPRIETARY AND TRADE SECRET INFORMATION

(e) A description of the nature of the parties' business operations.

DDW is a health care service contractor.

WDS is organized as a holding company to guide, monitor, and coordinate the activities of DDW and other affiliated entities, including WDSF and IOH, to achieve its tax exempt purposes, and those of both DDW (providing dental benefits coverage) and other affiliated entities (improving oral health).

WDSF is organized to promote the oral health of the public, sponsoring innovative programs for the advancement of oral health. WDSF is the state's largest foundation dedicated to improving oral health. As community advocates for oral health, WDSF is working to make certain that prevention and early treatment of oral disease-for all generations-are community priorities.

IOH is organized to promote advances in dental care in the United States and to encourage the adoption of select scientific-based treatments within the dental professional community.

(f) Relationship, if any, of other parties to the transaction to the health carrier filing the notice, including any ownership or debtor/creditor interest by any other parties to the transaction in the health carrier seeking approval, or by the health carrier filing the notice in the affiliated parties.

No other entities are a party to the agreements for which prior notice is being given.

(g) Where the transaction is with a non-affiliate, the name(s) of the affiliate(s) which will receive, in whole or in substantial part, the proceeds of the transaction.

N/A

ITEM 2. DESCRIPTION OF THE TRANSACTION

Furnish the following information for each transaction for which notice is being given:

(a) A statement of the nature of the transaction.

The Agreement Subject to Prior Notice is an Agency Agreement for Paymaster Services between DDW and WDS, WDSF, and IOH; whereby DDW will be providing certain payroll services to WDS, WDSF, and IOH ("Related Entities") for the fees set forth in the Intercompany Services Agreements between DDW and each of these Related Entities for HR and Payroll Services, plus the fee of one dollar per year.

(b) The proposed effective date of the transaction.

The proposed effective date of the Agency Agreement for Paymaster Services will be as of the effective date of the merger between DDW, the entity formerly known as Washington Dental Service, and WDS Merger Sub, a subsidiary of WDS, the entity formerly known as DD of Washington.

ITEM 3. SALES, PURCHASES, EXCHANGES, LOANS, EXTENSIONS OF CREDIT, GUARANTEES, OR INVESTMENTS

Furnish a brief description of the amount and source of funds, securities, property or other consideration for the sale, purchase, exchange, loan, extension of credit, guarantee, or investment, whether any provision

CONFIDENTIAL PROPRIETARY AND TRADE SECRET INFORMATION

exists for purchase by the health carrier filing notice, by any party to the transaction, or by any affiliate of the health carrier filing notice, a description of the terms of any securities being received, if any, and a description of any other agreements relating to the transaction such as contracts or agreements for services, consulting agreements and the like. If the transaction involves other than cash, furnish a description of the consideration, its cost and its fair market value, together with an explanation of the basis for evaluation.

N/A

If the transaction involves a loan, extension of credit or a guarantee, furnish a description of the maximum amount which the health carrier will be obligated to make available under such loan, extension of credit or guarantee, the date on which the credit or guarantee will terminate, and any provisions for the accrual of or deferral of interest.

N/A

If the transaction involves an investment, guarantee or other arrangement, state the time period during which the investment, guarantee or other arrangement will remain in effect, together with any provisions for extensions or renewals of such investments, guarantees or arrangements. Furnish a brief statement as to the effect of the transaction upon the health carrier's net worth.

N/A.

ITEM 4. LOANS OR EXTENSIONS OF CREDIT TO A NONAFFILIATE

If the transaction involves a loan or extension of credit to any person who is not an affiliate, furnish a brief description of the agreement or understanding whereby the proceeds of the proposed transaction, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase the assets of, or to make investments in, any affiliate of the health carrier making such loans or extensions of credit, and specify in what manner the proceeds are to be used to loan to, extend credit to, purchase assets of, or make investments in any affiliate. Describe the amount and source of funds, securities, property, or other consideration for the loan or extension of credit and, if the transaction is one involving consideration other than cash, a description of its cost and its fair market value together with an explanation of the basis for evaluation. Furnish a brief statement as to the effect of the transaction upon the health carrier's net worth..

N/A

ITEM 5. REINSURANCE

If the transaction is a reinsurance agreement or modification thereto, as described by RCW 48.31C.050 (2)(c), furnish a description of the known or estimated amount of liability to be ceded or assumed in each calendar year, the period of time during which the agreement will be in effect, and a statement whether an agreement or understanding exists between the health carrier and nonaffiliate to the effect that any portion of the assets constituting the consideration for the agreement will be transferred to one or more of the health carrier's affiliates. Furnish a brief description of the consideration involved in the transaction, and a brief statement as to the effect of the transaction upon the health carrier's net worth.

N/A

ITEM 6. MANAGEMENT AGREEMENTS, SERVICE AGREEMENTS, AND COST-SHARING ARRANGEMENTS

For management and service agreements, furnish:

CONFIDENTIAL PROPRIETARY AND TRADE SECRET INFORMATION

(a.1) A brief description of the managerial responsibilities, or services to be performed.

DDW will provide to the Related Entities the following services as described in the attached **Agency Agreement for Paymaster Services**:

Common paymaster services, including but not limited to making payroll payments to employees for the Related Entities as necessary, preparing, withholding and reporting state and federal employment taxes and insurance premiums and administering, as agent for Related Entities, such employee benefit programs and plans as are available to employees of the Related Entities; and

Purchasing Services on an "as needed" basis, including purchasing furniture, fixtures, equipment, vehicles, supplies and other materials or items used in the businesses of the Related Entities.

(b.1) A brief description of the agreement, including a statement of its duration, together with brief descriptions of the basis for compensation and the terms under which payment or compensation is to be made.

Agency Agreement for Paymaster Services

Paymaster Services: During the term of this Agreement, DDW shall provide common paymaster services to the Related Entities. DDW shall act as Payroll Agent for the Related Entities, including but not limited to making payroll payments to employees of the Related Entities as necessary, preparing, withholding and reporting state and federal employment taxes and insurance premiums, and to administer, as agent for the Related Entities, such employee benefit programs and plans as are available to the employees of the Related Entities in order to enable the Related Entities to more efficiently engage in their respective ongoing business activities.

Purchasing Services. During the term of this Agreement, DDW shall also provide purchasing services to the Related Entities on an "as needed" basis. DDW, as agent for one or more of the Related Entities, may purchase furniture, fixtures, equipment, vehicles, supplies, and other materials or items used in the respective businesses of the Related Entities. Such purchasing shall be done in order to maximize the economies of buying items in bulk to obtain quantity discounts, to minimize shipping and related costs from suppliers by aggregating orders, and for the convenience of the Related Entities.

Payment. Each of the Related Entities shall reimburse DDW for all out-of-pocket expenses paid to third parties on its behalf, plus the monthly fees for accounting, finance, HR, and payroll services as set forth in the Intercompany Services Agreements between DDW and each Related Entity, plus one dollar.

Term. The Agency Agreement for Paymaster Services will be effective upon the merger of DDW, the entity formerly known as Washington Dental Service, and WDS Merger Sub (subject to approval by the OIC), and continues indefinitely. The agreement is terminable by any of the parties upon sixty days' notice.

For cost-sharing arrangements, furnish: N/A

(a) A brief description of the purpose of the agreement.

(b) A description of the period of time during which the agreement is to be in effect.

(c) A brief description of each party's expenses or costs covered by the agreement.

(d) A brief description of the accounting basis to be used in calculating each party's costs under the agreement.

CONFIDENTIAL PROPRIETARY AND TRADE SECRET INFORMATION

ITEM 7. SIGNATURE AND CERTIFICATION

Signature and certification required as follows:

SIGNATURE

Pursuant to the requirements of RCW 48.31C.050, the registrant has caused this notice to be duly signed on its behalf in the City of Seattle and State of Washington on the 13th day of March, 2013.

(SEAL) Washington Dental Service

Name of Applicant	
BY Bradley Alan Berg	COO/CFO
(Name)	(Title)

Attest:



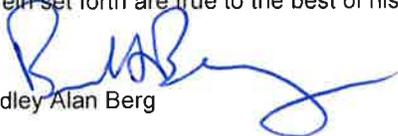
(Signature of Officer)

Chief Operating Officer & Chief Financial Officer

(Title)

CERTIFICATION

The undersigned deposes and says that (s)he has duly executed the attached application dated March 13, 2013, for and on behalf of Washington Dental Service; that (s)he is the Chief Operating and Financial Officer of such company and that (s)he is authorized to execute and file such instrument. Deponent further says that (s)he is familiar with such instrument and the contents, and that the facts therein set forth are true to the best of his/her knowledge, information and belief.

(Signature) 

(Type or print name beneath) Bradley Alan Berg

AGENCY AGREEMENT FOR PAYMASTER SERVICES

This Agency Agreement ("Agreement") is made as of _____, 2013 by and between Delta Dental of Washington (formerly known as Washington Dental Service), a Washington nonprofit corporation ("DDW"), and the related parties Washington Dental Service (formerly known as DD of Washington), a Washington nonprofit corporation, Washington Dental Service Foundation LLC, a Washington limited liability company ("WDSF") and Institute for Oral Health, LLC a Washington limited liability company (collectively, the "Related Entities").

RECITALS

A. DDW and the Related Entities are all related through ownership, control or operations.

B. The Related Entities desire to retain DDW to provide payroll services to reduce overhead and otherwise minimize expenses, and DDW desires to provide such services, on the terms and conditions set forth herein.

AGREEMENT

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Paymaster Services. During the term of this Agreement, DDW shall provide common paymaster services to the Related Entities. DDW shall act as Payroll Agent for the Related Entities, including but not limited to making payroll payments to employees of the Related Entities as necessary, preparing, withholding and reporting state and federal employment taxes and insurance premiums, and to administer, as agent for the Related Entities, such employee benefit programs and plans as are available to the employees of the Related Entities in order to enable the Related Entities to more efficiently engage in their respective ongoing business activities. The function of rendering such agency paymaster shall be referred to in this Agreement as the "Payroll Function." Without limiting the generality of the foregoing, the duties and obligations of DDW shall include:

(a) The establishment and implementation of policies and procedures that shall govern the operations of the Payroll Function.

(b) The responsibility for making and implementing decisions with respect to the Payroll Function, including the manner in which employees of payroll agent perform the Payroll Function.

(c) The responsibility for preparation of the payroll of the Related Entities in accordance with the compensation levels determined by the Related Entities in their respective sole discretion.

(d) The responsibility as agent for withholding federal income tax and the employee's portion of Social Security tax (FICA) from the compensation paid to the employees of the Related Entities, and to remit that tax to the Internal Revenue Service.

(e) The responsibility as agent for payment of federal unemployment tax (FUTA) and the employer's portion of the Social Security tax (FICA) to the Internal Revenue Service.

(f) The responsibility as agent for payment of all appropriate industrial insurance premiums to the Washington State Department of Labor and Industries.

(g) The responsibility as agent for payment of all Washington State unemployment compensation tax to the Washington State Department of Employment Security.

(h) The responsibility for the preparation and filing of all returns and other materials required to be filed in connection with any of the foregoing taxes or insurance premiums.

(i) The responsibility as agent for administering all employee benefit programs and plans made available to employees of the Related Entities.

(j) The responsibility for approving all other expenditures in connection with the Payroll Function.

(k) The responsibility of providing for accounting with respect to the Payroll Function and the rendering of accounting summary data to the Related Entities with respect to the operation of the Payroll Function as it relates to each of the Related Entities.

(l) The responsibility of arranging for actual payment of amounts expended in connection with the Payroll Function as agent for the Related Entities, and making such payment as an agent of the Related Entities.

2. Purchasing Services. During the term of this Agreement, DDW shall also provide purchasing services to the Related Entities on an "as needed" basis. DDW, as agent for one or more of the Related Entities, may purchase furniture, fixtures, equipment, vehicles, supplies, and other materials or items used in the respective businesses of the Related Entities. Such purchasing shall be done in order to maximize the economies of buying items in bulk to obtain quantity discounts, to minimize shipping and related costs from suppliers by aggregating orders, and for the convenience of the Related Entities.

3. Compensation. For the services to be provided under this Agreement the Related Entities shall pay DDW the following:

(a) Paymaster Services. Reimbursement for all out-of-pocket expenses paid to third parties (such as payroll services or such other party as DDW and the Related

Entities may approve) plus a fee of one dollar (\$1.00) per year for which this Agreement is in effect.

(b) Purchasing Services. Reimbursement for the out of pocket costs of all purchasing operations properly attributable to the performance of the Purchasing Services plus a fee of dollars (\$1.00) per year for which this Agreement is in effect.

(c) Payments. For each accounting period, DDW shall provide the Related Entities with a statement of all charges and fees incurred, including all administrative expenses, payroll, taxes withheld and taxes and insurance premiums paid on behalf of the Related Entities during the preceding accounting period. All of the fees and charges shall be payable by the 10th of the month following the month in which the charges have been incurred and the fees have been earned.

4. Relationship of Parties. Except as expressly provided herein, nothing contained in this Agreement shall be deemed or construed by the parties hereto or by any third person to create the relationship of principal and agent or partnership or joint venture or of any association between any of the parties hereto other than independent contracting parties.

5. Assignments. This Agreement shall not be assignable by any party hereto without the written consent of all the other parties. This Agreement shall not be assignable by operation of law.

6. Effective Date; Term. This Agreement shall be effective upon the effectiveness of the merger between DDW and WDS Merger Sub. The term of this Agreement shall begin on the Effective Date and shall remain in full force and effect until modified and/or terminated by the parties. Any party may terminate this Agreement for any reason upon 60 days' notice to the other party.

7. Governing Law. This Agreement shall be governed by the laws of the state of Washington.

Signatures set forth on the following page

Effective as of the date first mentioned above.

WASHINGTON DENTAL SERVICE

DELTA DENTAL OF WASHINGTON

By _____
Its _____

By _____
Its _____

WASHINGTON DENTAL SERVICE
FOUNDATION LLC

INSTITUTE FOR ORAL HEALTH LLC

BY _____
Its _____

By _____
Its _____

EXHIBIT J

Notification of dividend or distribution to shareholders/members from Washington health carriers

Company Name: Delta Dental of Washington f/k/a Washington Dental Service

NAIC Code: 47341 Date Submitted: 3/17/2013

1A. Amount of dividend or distribution. \$24,148,987
 1B. How will dividend or distribution be paid* (Circle one). Cash / (Property)

*Distribution of LLC subsidiaries as follows:

Washington Dental Service Holdings LLC
 (including its investment in Healthentic): \$14,427,631

Washington Dental Service Foundation LLC \$ 8,988,366

Institute of Oral Health LLC \$ 732,990

Fair market value determined by net book value.

2A. Date dividend or distribution was declared** 2/8/2013
 **Subject to OIC approval and implementation of the reorganization.

2B. Date dividend or distribution is to be paid Upon approval by OIC
 and implementation of the
 reorganization

3A. Dividends paid and distributions made within the previous 12 months from the date on Line 2B:
 NONE

	<u>Date</u>	<u>How Paid*</u>	<u>Amount</u>
	<u>//</u>		\$0
3B. Total.			\$0

*If noncash, describe the property to be distributed and the method used to determine its fair market value.

4. Sum of Amounts of Lines 1A and 3B. \$24,148,987

5A. **Net Worth** as of the previous year-end.*** \$184,667,275
 *** Based on preliminary 2012 year-end financial statements

5B. 10% of Amount on Line 5A. \$18,466,728.

6. **Net Income** as of the previous year-end. \$27,421,882

7. The Lesser of Line 5B or Line 6. \$18,466,728

8. Lines 4 minus Line 7. \$5,682,260

9A. If Line 8 is negative, Line 1A is ordinary dividend or distribution.

9B. If Line 8 is positive, Line 1A is extraordinary dividend or distribution. X

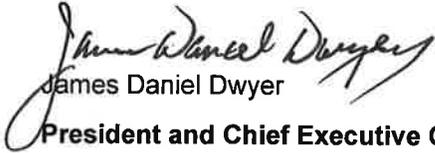
If **9A** is checked, notification is required within 5 business days of dividend or distribution declaration and at least 15 business days prior to expected payment or distribution.

If **9B** is checked, including the above notification requirement, no payment can be made until: The later of (1) 30 days after sufficient notice or if notice is incomplete, then 15 days after receipt of

additional information, or (2) 30 days after original receipt; or the commissioner has approved the payment within the 30-day period.

Please note that the payment of any dividend or distribution is prohibited if the payment would reduce the net worth of the health carrier below the greater of: (1) The minimum required by RCW 48.44.037 for a health care service contractor or RCW 48.46.235 for a health maintenance organization or (2) the company action level RBC under RCW 48.43.300 (9)(a).

Certification:

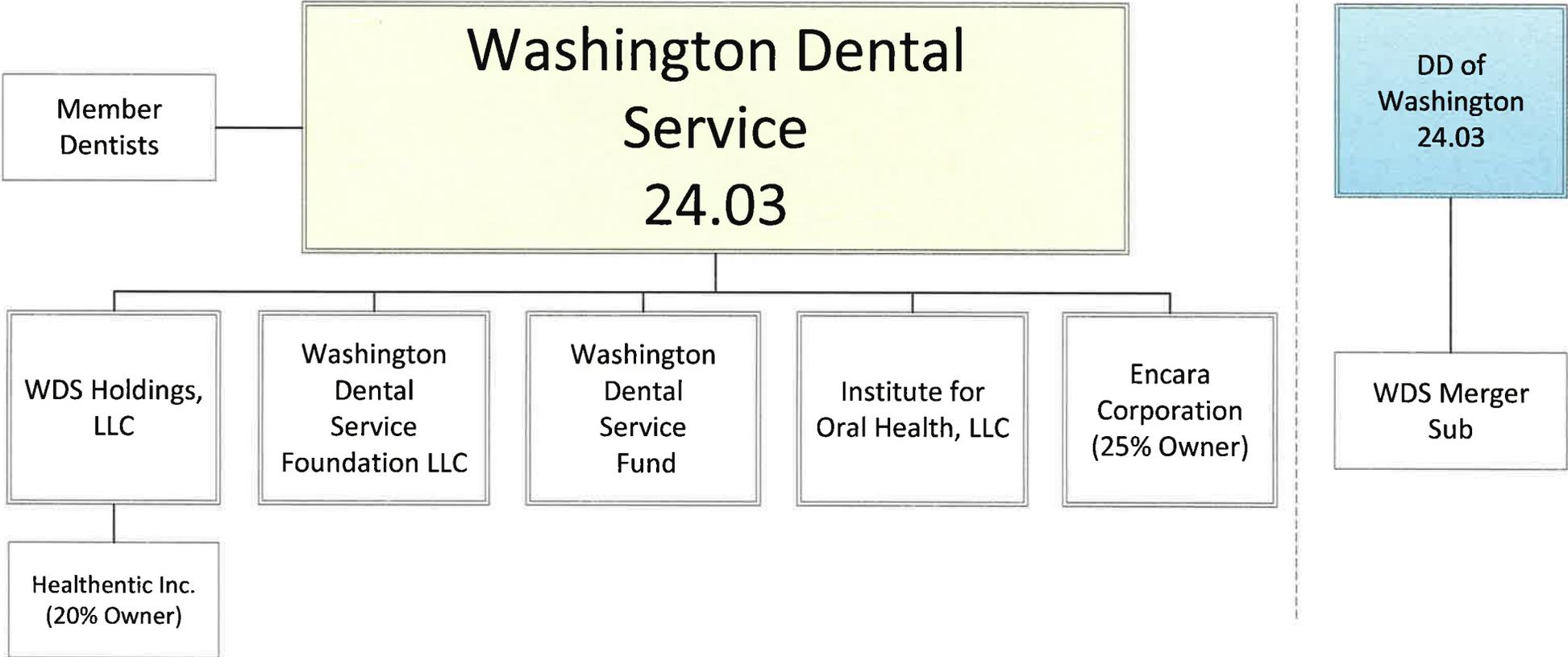

James Daniel Dwyer
President and Chief Executive Officer

3/13/13

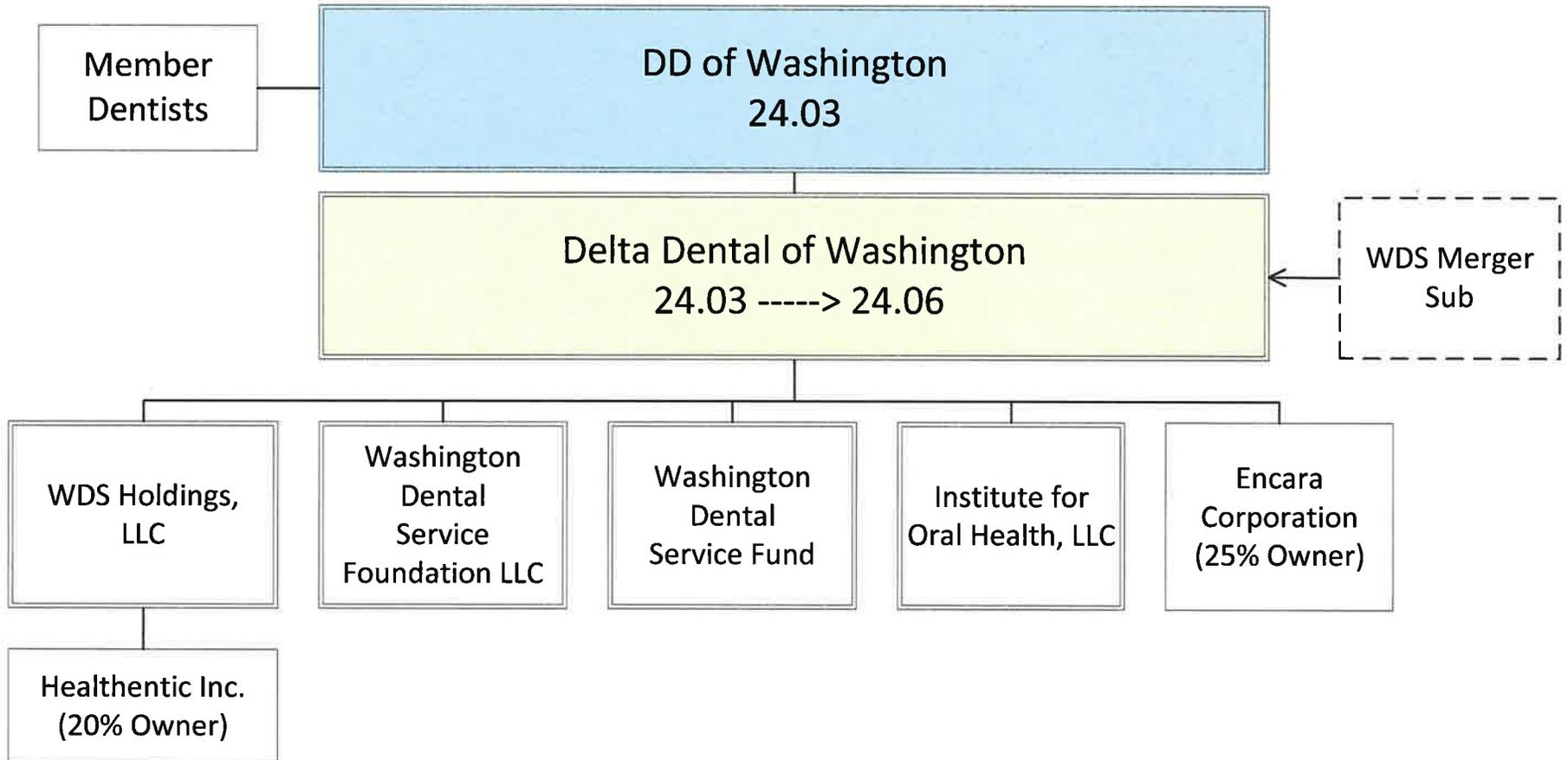
Date

EXHIBIT K

Current Status
(March 2013)



Proposed Reorganization Post-Merger before Distribution



Proposed Reorganization After Merger, Distribution and Name Changes

