

**REPORT BY THE DENTISTS INSURANCE COMPANY
(Applicant)**

FILED

2016 AUG 18 A 8: 28

**In Connection With
Form A Statement Regarding The Acquisition Of Control
Of Or Merger With Northwest Dentists Insurance Company**

HEARINGS UNIT
OFFICE OF
INSURANCE COMMISSIONER

**As Filed On July 11, 2016 with the
Washington State Office of the Insurance Commissioner**

Docket 16-0176

Pursuant to the Section 5 of the Case Management Order (Order) dated July 21, 2016 in connection with the above-name matter, the Applicant provides the following information with respect to the requested items:

1. *Whether the OIC Staff has issued data or information requests to NORDIC, Applicant and/or Parent, and if so, the nature and number of those requests:*

OIC staff issued the attached July 25, 2016 correspondence to the Applicant requesting specific information in connection with the Form A Statement. To date, the attached correspondence is the only request for information that the Applicant has received from OIC staff.

2. *The status of NORDIC, Applicant and/or Parent's responses to any requests;*

The Applicant provided the attached response to the OIC staff's request for information.

3. *Plans of the OIC staff, if known at this time, to issue data and information requests to NORDIC, or Applicant and/or Parent in the future; and*

The Applicant is not aware of OIC staff's plans to issue further data and information requests to any party.

4. *Each parties' estimate of the time that each parties' experts will require a prepare written reports regarding the transaction proposed in the Form A.*

At this time, the Applicant does not intend to present any expert testimony or written reports regarding the transaction proposed in the Form A. If OIC staff requests that the Applicant present expert testimony or written reports, the Applicant can then provide an estimate of the time necessary to prepare such report or reports.

Rector & Associates, Inc.

Insurance Regulatory Consulting

Columbus Office
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August 17, 2016

Kristofer Graap
Holding Company Specialist
Company Supervision Division
Washington Office of the Insurance Commissioner
P.O. Box 40256
Olympia, WA 98504-0256

Re: Response to July 25, 2016 Request for Information in Connection with Form A Statement Regarding the Acquisition of Control of Northwest Dentists Insurance Company by The Dentists Insurance Company

Dear Mr. Graap:

Pursuant to your July 25, 2016 correspondence, the following responds to your requests for information in connection with the above-named matter:

1. *Not found in the Form A submission were the financial statements for the California Dental Association. Please submit these for the prior five years.*

Attached to this correspondence in electronic format are audited financial statements for the California Dental Association and Subsidiaries for the prior five years.

2. *Please re-submit the audited financials for TDIC (Exhibits E-1 through E-5) for the prior five years. Due to an apparent transmission error we did not receive complete copies.*

Attached to this correspondence in electronic format are Exhibits E-1 through E-5 (the audited annual financial statement for TDIC for the prior five years).

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172 East State Street, Suite 305
Columbus, OH 43215
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Kansas Office
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Overland Park, KS 66210
(913) 362-8501
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Cincinnati Office
724 Lafayette Avenue, #2
Cincinnati, OH 45220
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3. *As noted in the Form A, several of the biographical affidavits of the Directors and Officers were not included in the original submission. Additionally, we await the third-party verifications.*

The Applicant has a very limited number of biographical affidavits still to be obtained from Directors and Officers. As soon as all of the remaining affidavits are obtained, we will submit all remaining affidavits to the OIC as part of the Form A Statement.

It is our understanding that Owens Online, Inc. has completed several third-party verifications. In order to provide the verification reports in as clear a manner as possible, we will ask Owens Online to provide two sets of reports: the reports that have been completed to date and a second set of reports when all remaining verifications are completed.

4. *The submitted Form A filing was not accompanied by a Form E filing, referenced in RCW 48.31B020. Please explain.*

Attached to this correspondence in electronic format is the Form E statement.

5. *The submitted Form A Items 7 and 8 refer to separate negotiations with the Washington State Dental Association, which presently owns 25% of NORDIC. We will expect you to update this Office as to these negotiations, and to provide a signed copy of any Agreement effectuated between the parties.*

Negotiations with the Washington State Dental Association are ongoing, and we will update the Office as soon as progress is made with these negotiations, including providing a signed copy of any Agreement between the parties.

6. *We understand that TDIC has filed a separate Form A with the Oregon Division of Insurance. We will expect you to inform our Office as to any issues arising from that application, or any intervenor requests, that may have a direct or indirect bearing on the Form A filing with this Office.*

We will keep you informed of any issues that arise with the Oregon Division of Insurance or any intervenor requests with respect to the Form A Statement that is pending before the Division.

If you have any questions regarding this response or the Form A Statement, please don't hesitate to contact me.

Sincerely,



Sarah W. Schroeder
President

Enclosures

cc: Alison Sandman, Esq. (Chief Legal Officer, The Dentists Insurance Company)



OFFICE OF
INSURANCE COMMISSIONER

July 25, 2016

Sarah W. Schroeder, President
Rector and Associates, Inc.
172 E State Street, #305
Columbus OH 43215

Ali Sandman, CLO
The Dentists Insurance Company
1201 K Street 14th Floor
Sacramento CA 95814

Dear Ms. Schroeder and Ms. Sandman:

We received the Statement regarding the Acquisition of Control of a Domestic Insurer (Form A) involving Northwest Dentists Insurance Company (NORDIC) by The Dentists Insurance Company (TDIC) on July 11, 2016.

We reviewed the Form A filing for completeness and noted the following items as required by RCW 48.31B.015. Please address or submit these items as referenced below.

1. Not found in the Form A submission were the financial statements for the California Dental Association. Please submit these for the prior five years.
2. Please re-submit the audited financials for TDIC (Exhibits E-1 through E-5) for the prior five years. Due to an apparent transmission error we did not receive complete copies.
3. As noted in the Form A, several of the biographical affidavits of the Directors and Officers were not included in the original submission. Additionally, we await the third-party verifications.

We also request the following items to be included in the hearings process so as to obtain a better understanding about TDIC and other entities within its present holding company group. Please address these items as referenced below:

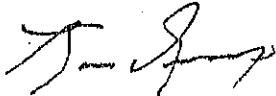
4. The submitted Form A filing was not accompanied by a Form E filing, referenced in RCW 48.31B.020. Please explain.
5. The submitted Form A Items 7 and 8 refer to separate negotiations with the Washington State Dental Association, which presently owns 25% of NORDIC. We will expect you to update this Office as to these negotiations, and to provide a signed copy of any Agreement effectuated between the parties.

6. We understand that TDIC has filed a separate Form A with the Oregon Division of Insurance. We will expect you to inform our Office as to any issues arising from that application, or any Intervenor requests, that may have a direct or indirect bearing on the Form A filing with this Office.

We may have additional questions regarding the Form A filing as they develop. Our review will continue as we wait for your response to this request.

If you have any questions, please contact me at (360) 725-7206.

Sincerely,



Kristofer Graap
Holding Company Specialist
Company Supervision Division
Email: KrisG@oic.wa.gov

cc: Ronald J. Pastuch, CPA; Holding Company Manager
Marcia Stickler, OIC Staff Attorney