



OFFICE OF  
INSURANCE COMMISSIONER

In the Matter of	)	No. 13-94
	)	
The Qualifying Financial Examination of	)	FINDINGS, CONCLUSIONS,
<b>NEXDENT DENTAL PLANS, INC.</b>	)	AND ORDER ADOPTING REPORT
	)	OF EXAMINATION

A Proposed Domestic Limited Health Care  
Service Contractor (LHCSC). \_\_\_\_\_

**BACKGROUND**

An examination of the financial condition of **NEXDENT DENTAL PLANS, INC.** (NDP) as of January 15, 2013 was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). NDP has applied for a Washington certificate of registration as a limited health care service contractor (LHCSC). This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings and conclusions was transmitted to NDP for its comments on March 7, 2013. NDP's response to the report is attached to this order only for the purpose of a more convenient review of the response.

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

**FINDINGS**

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 4 of the report.



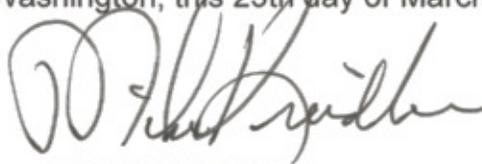
## CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the qualifying financial examination of **NEXDENT DENTAL PLANS, INC.**

## ORDER

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

ENTERED at Olympia, Washington, this 25th day of March, 2013.

A handwritten signature in black ink, appearing to read "Mike Kreidler", written over a faint circular stamp or watermark.

MIKE KREIDLER  
Insurance Commissioner

NexDent Dental Plans, Inc.  
14201 NE 20<sup>th</sup> Ave, Ste. 2204  
Vancouver, WA 98686

RECEIVED  
MAR 14 2013  
INSURANCE COMMISSIONER  
COMPANY SUPERVISION

March 12, 2013

James T. Odiorne, CPA, JD  
Deputy Insurance Commissioner  
5000 Capitol Blvd.  
Tumwater, WA 98501

Dear Mr. Odiorne:

I am in receipt of your *Qualifying Financial Examination Report of NexDent Dental Plans, Inc. as of January 15, 2013* document and the accompanying letter.

Please see enclosed a photocopy of the report with my proposed edits in blue ink.

Sincerely,



Kevin W. Boie  
Chief Financial Officer  
NexDent Dental Plans, Inc.

Enclosure



OFFICE OF  
INSURANCE COMMISSIONER

March 7, 2013

L. Theodore Van Eerden, JD  
President  
NexDent Dental Plans, Inc.  
14201 NE 20<sup>th</sup> Avenue, Suite 2204  
Vancouver, WA 98686

RE: Qualifying Financial Examination Report of NexDent Dental Plans, Inc.  
As of January 15, 2013

Dear Mr. Van Eerden:

Enclosed is a draft of the referenced report of examination for your review of factual material presented. Please send us your comments before March 27, 2013 to help assure that the facts presented are correctly reported.

The report will be certified and will become a public document on March 27, 2013 and will be formally adopted within thirty days after such date unless the time is extended by the commissioner or a hearing is requested prior to March 27, 2013 pursuant to RCW 48.03.040(3).

The enclosed draft report is not a public document. The examination report becomes a publicly accessible document after completion of the statutory waiting period.

I look forward to receiving your comments.

Sincerely,

A handwritten signature in black ink, appearing to read "James T. Odiorne", written over a large, stylized flourish.

JAMES T. ODIORNE, CPA, JD  
Deputy Insurance Commissioner  
Company Supervision Division

cc: Deb McCurley, Acting Chief Deputy Insurance Commissioner  
Patrick H. McNaughton, Chief Examiner

Enclosure

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



**QUALIFYING FINANCIAL EXAMINATION**

of

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

Seattle, Washington  
March 6, 2013

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

Dear Commissioner Kreidler:

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

NexDent Dental Plans, Inc.

of

Vancouver, Washington

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

**CHIEF EXAMINER'S AFFIDAVIT**

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

---

Patrick H. McNaughton  
Chief Examiner

---

Date

**TABLE OF CONTENTS**

<b>SCOPE OF EXAMINATION .....</b>	<b>1</b>
<b>HISTORY .....</b>	<b>1</b>
<b>PLAN OF OPERATION .....</b>	<b>1</b>
<b>MANAGEMENT AND CONTROL.....</b>	<b>1</b>
Board of Directors (BOD).....	1
Officers.....	2
<b>SURPLUS.....</b>	<b>2</b>
<b>STATUTORY DEPOSIT .....</b>	<b>2</b>
<b>RECOMMENDATION .....</b>	<b>2</b>
<b>FINANCIAL STATEMENTS.....</b>	<b>3</b>
<b>ACKNOWLEDGMENT.....</b>	<b>5</b>
<b>AFFIDAVIT .....</b>	<b>6</b>

## SCOPE OF EXAMINATION

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

## HISTORY

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

## PLAN OF OPERATION

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

## MANAGEMENT AND CONTROL

### Board of Directors (BOD)

BOD as of January 15, 2013:

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

**Officers**

Officers as of January 15, 2013:

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

**SURPLUS**

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

**STATUTORY DEPOSIT**

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

**RECOMMENDATION**

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

**FINANCIAL STATEMENTS**

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

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

NEXDDENT DENTAL PLAN, INC.  
Statement of Operations  
January 15, 2013

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

### ACKNOWLEDGMENT

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

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

Respectfully submitted,

---

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

**AFFIDAVIT**

STATE OF WASHINGTON        }  
  } ss  
COUNTY OF KING            }

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

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

Subscribed and sworn to before me this 5<sup>th</sup> day of March.

\_\_\_\_\_  
Notary Public in and for the  
State of Washington