MIKE KREIDLER
STATE INSURANCE COMMISSIONER

STATE OF WASHINGTON

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OFFICE OF
INSURANCE COMMISSIONER

In the Matter of	)	No. G 05-74
	)	
The Market Conduct Examination of	)	FINDINGS, CONCLUSIONS,
	)	AND ORDER ADOPTING REPORT
Washington Dental Service	)	OF
	)	MARKET CONDUCT EXAMINATION
	)	
Authorized Domestic Health Care	)	
Service Contractor	)	

BACKGROUND

An examination of the market conduct of **Washington Dental Service** (the Company) as of June 30, 2004 was conducted by examiners of the Washington Office of the Insurance Commissioner (OIC). The Company, domiciled in the state of Washington, holds a Washington certificate of authority as a health care service contractor. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings, instructions, and comments and recommendations was transmitted to the Company for its comments on August 16, 2005. The Company's response to the report is attached to this order only for the purpose of providing convenient review of the response.

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

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

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 3 through 27of the report.

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CONCLUSIONS

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

ORDER

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

The Company is ordered as follows, these being the Instructions and Recommendations contained in the examination report on page 19.

1. The Company is ordered to cite its source of statistics in its advertisements. Reference: WAC 284-50-110(3). (Instruction 1, Page 19)

2. The Company is ordered to reconsider adverse determinations that are appealed within 14 days of receipt of the appeal. The Company is further ordered to notify the covered person if an extension is required. Reference: WAC 284-43-620(1). (Instruction 2, Page 19)

3. The Company is ordered to pay or deny claims subject to the required minimum standards. The Company is further ordered to pay interest on undenied and unpaid clean claims that are more than 61 days old. Reference: WAC 284-43-321(2)(a)(i). (Instruction 3, Page 19)

4. The Company is ordered to correct the contract and billing for Group #279. Due to the group's size, the Company is further ordered to issue its commercial contract and rates to the group. Reference: RCW 48.44.040, WAC 284-43-920. (Instruction 4, Page 19)

5. The Company is ordered to amend its contract language to reflect that a parent, custodial or non-custodial, may enroll a child if the eligible parent is obligated by law to do so and has failed to make application for the dependent child. Reference: RCW 48.01.235(4)(b). (Recommendation 1, Page 19)

6. The Company is ordered to file its provider contract forms with the OIC and obtain approval from the OIC prior to use. Reference: RCW 48.44.070, WAC 284-43-330. (Recommendation 2, Page 19)

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

ENTERED at Olympia, Washington, this 20th day of September, 2005.

MIKE KREIDLER
Insurance Commissioner